



FIGHTING CORRUPTION
in
TRANSFORMATION societies



The political conflict is only the tip of the iceberg ...



...of a deeper transformation conflict



A transformation crisis occurs when the economy
and society change quickly...



Struggle



Disconnect



Co-Existence

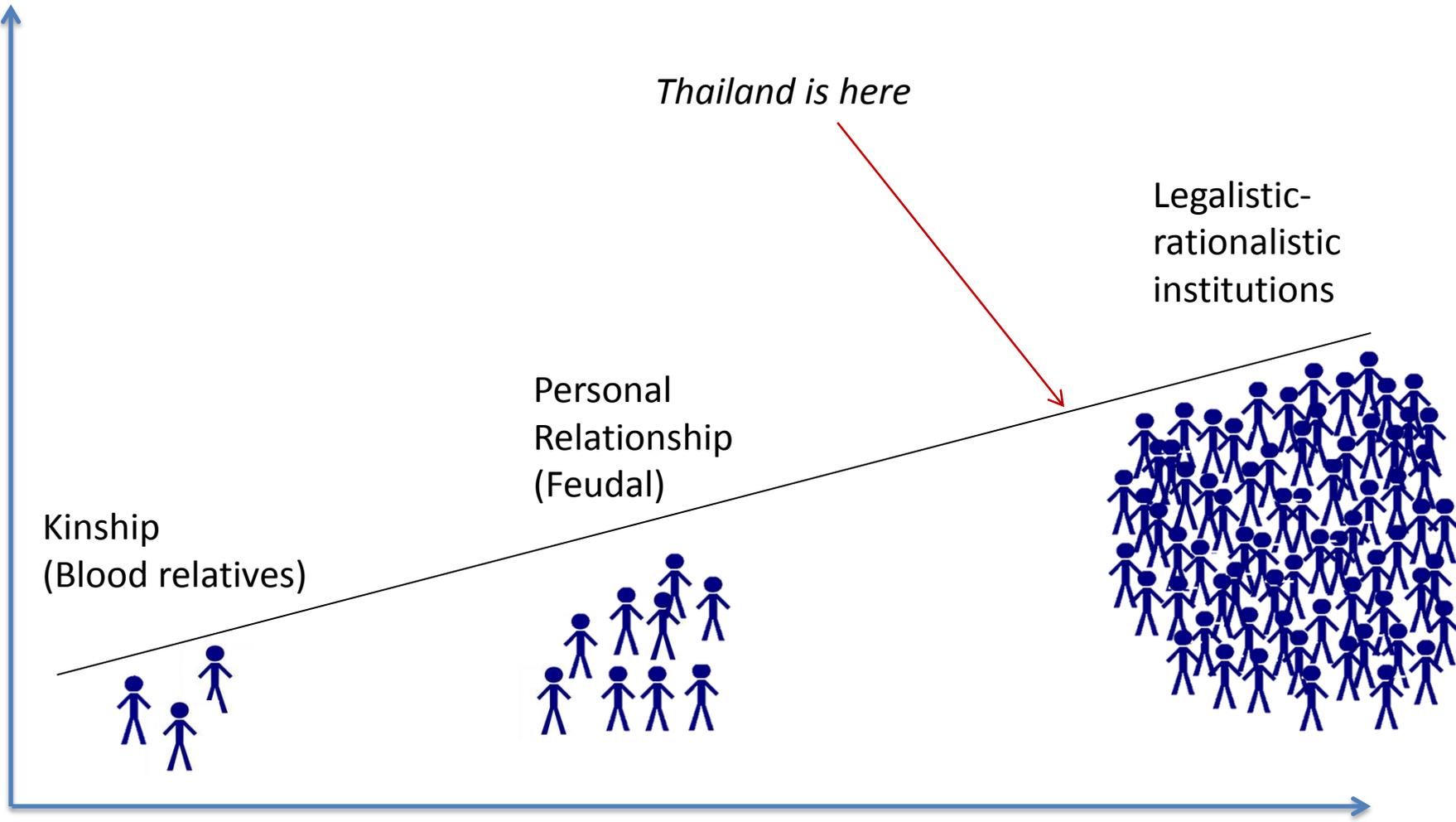


...but the political and normative order have not yet been adapted



Bigger societies/more complex economies...

Abstraction of
Institutions



... need modern institutions

In transformation societies, behind modern
institutional facades ...



... personal relationships (=patronage system) still govern social life



Transformation overstretches the social order (patronage)

In small a group of people
trust is created through
personal relationships (patronage)



The **function** of corruption:
keeping transaction cost low

In a complex society
trust is created through
legalistic-rational institutions

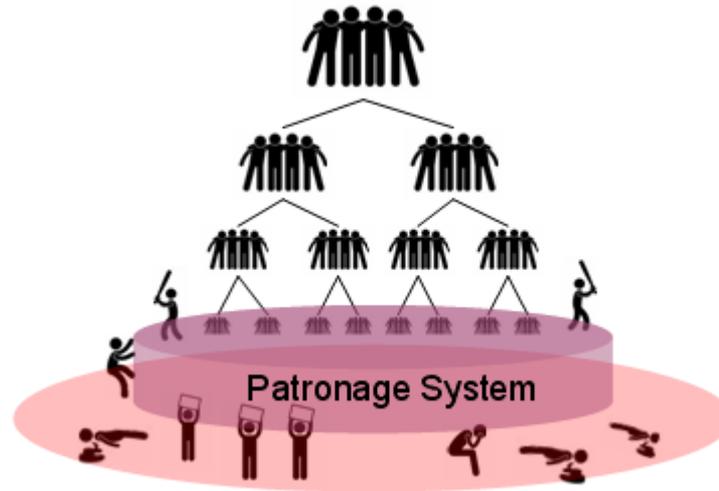


The **dysfunction** of corruption:
Bypassing and undermining
legalistic-rational institutions

... patronage (“corruption”) becomes dysfunctional and faces resistance



Social interpretation of patronage practices changes...



Patronage logic: A good patron needs to...

- Reward allies.....
- Protect clients.....
- Favor kin.....
- Distribute spoils.....
- Cut out non-supporters.....
- Crush opponents.....

Modern Logic: These practices are ...

- populism
- clientelism
- nepotism
- corruption
- neglect in office
- undermining checks and balances

... corruption is the abuse of power for personal gain
(managing a patronage system)



The political “operating system” needs to be upgraded from personal relationships (patronage) ...

- Abstract rule of law
- Legalistic-rational (non-personal) institutions
- Inclusive decision-making mechanisms to manage information flow of complex economy
- Mediation mechanisms for permanent conflict
- Merit-based administrative system
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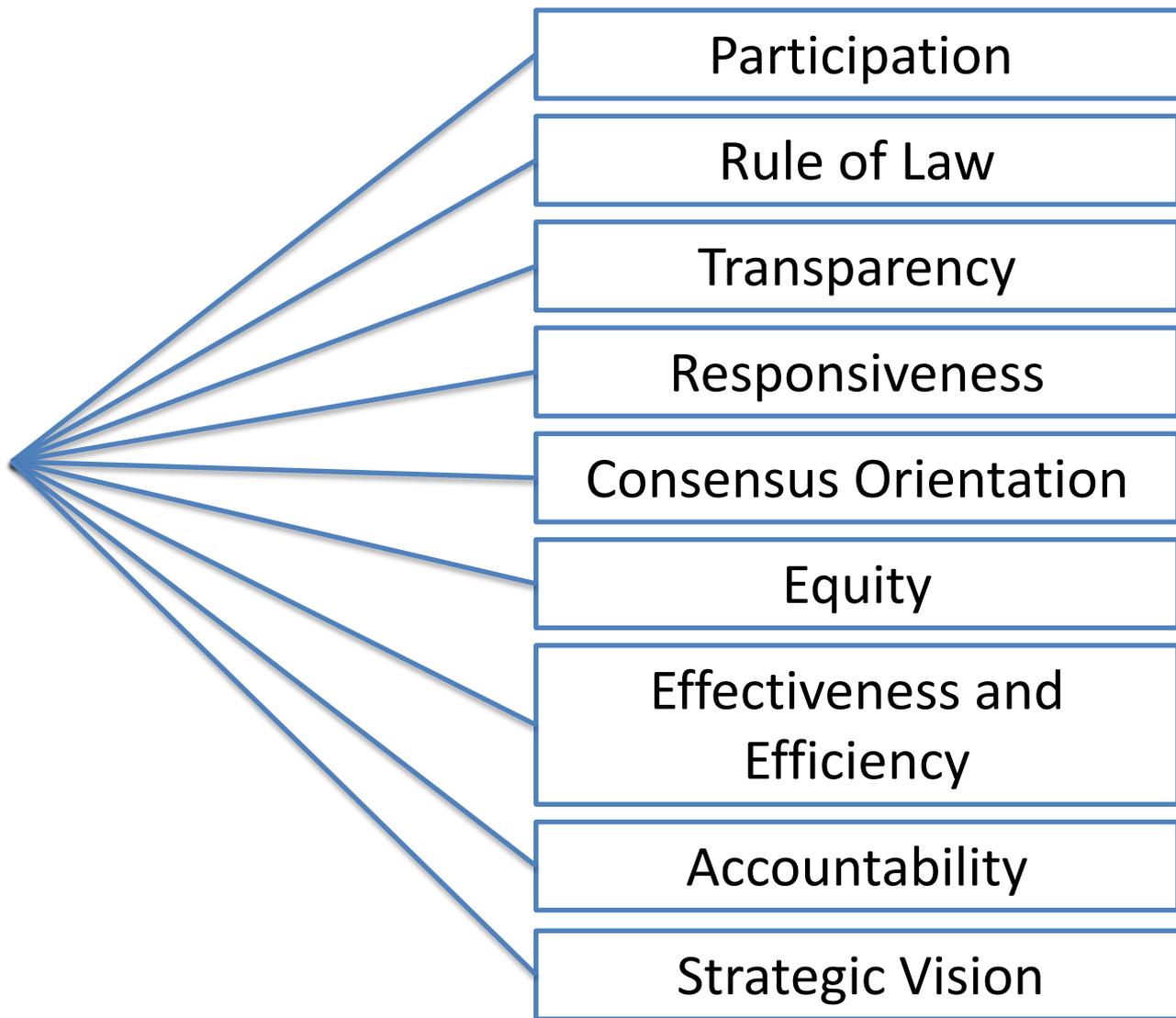


...to modern governance by abstract principles (legality and rationality)



Good Governance is another word...

Good
Governance



...for modernizing the political system

The middle classes no longer need
the patronage system..

Elites...



... benefit from patronage system (wealth,
status, privilege)

Poor...



... need patronage for survival

Middle
Classes...

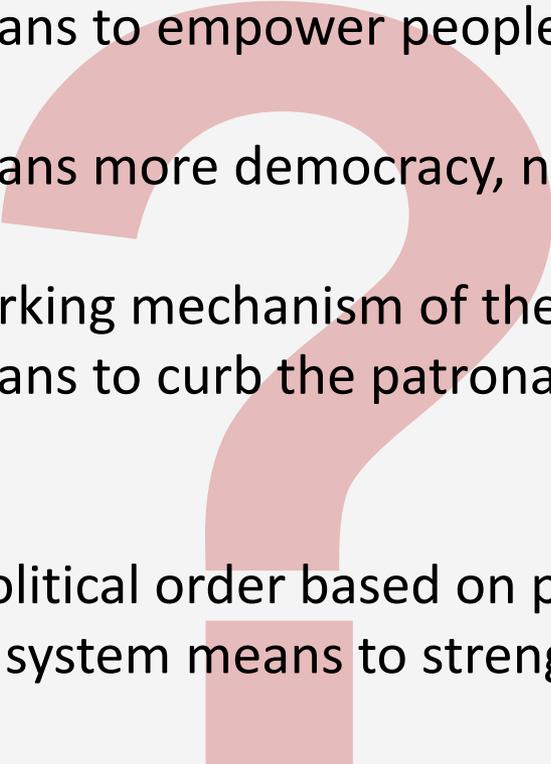


... no longer need patronage for survival
... build wealth and social status on
personal achievement

Middle classes tend to demand modernization of the polity first



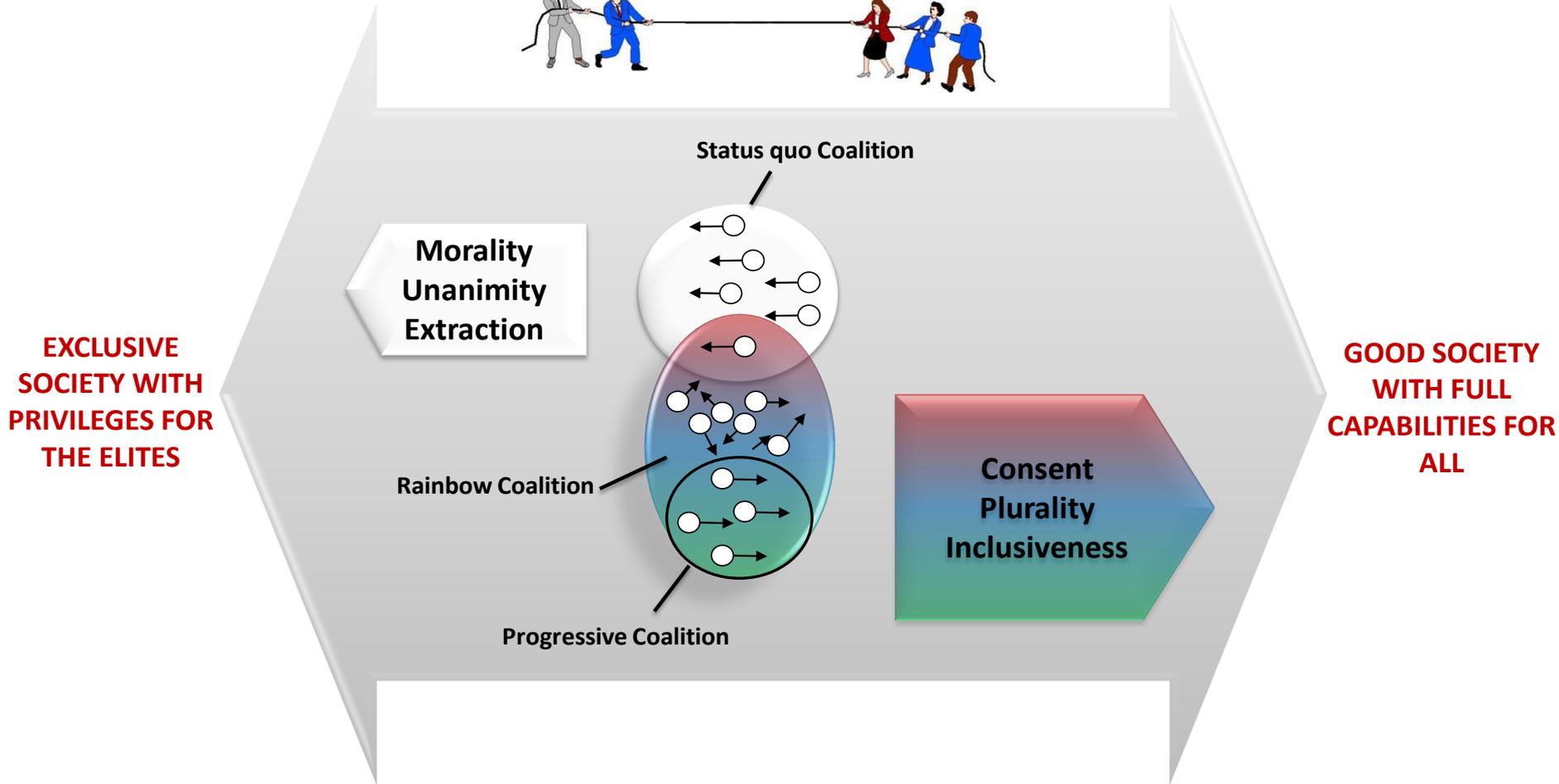
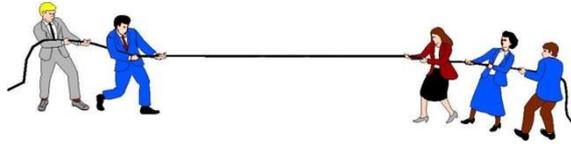
Puzzle: If middle classes want to modernize the political system...

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- ? If corruption is the abuse of power, then fighting corruption means to empower people to stand up against the abuse of power, then fighting corruption means more democracy, not less.
 - ? If corruption is the main working mechanism of the patronage system,... then fighting corruption means to curb the patronage system, not strengthen it
 - ? If a patronage system is a political order based on personal relationships, then fighting the patronage system means to strengthen the abstract rule of law, not undermining or abolishing it

... why is Bangkok's established middle class siding with those who oppose modernization ?



Transformation conflicts are struggles between those who seek to uphold the status quo...



... and those who seek change.



Bangkok's established middle class is part of the status quo alliance...

- Elites fear loss of status and privilege
- Middle classes fear the abuse of power and resent corruption
- Socially conservatives fear the loss of identity and moral decay

Established middle class fears „to be *robbed by corrupt politicians who steal our money to buy votes from the greedy poor with populist projects*“ => refuses to pay taxes



... so why is the established middle class acting against its own interest?



Thailand is not unique ...

- ☀ Philippines: 2000/01; Estrada, elected, ousted
- ☀ Venezuela: 2001/02; Chavez, elected, government survived
- ☀ Taiwan: 2004, 2006; Chen, elected, govt. survived, later convicted
- ☀ Kyrgyzstan: 2005; Akayev, elected, ousted; 2010; Bakiyev, elected, ousted
- ☀ Bangladesh: 2006/07; Zia, elected, govt. survived
- ☀ Kenya: 2007; Kibaki, elected, govt. survived (intern. mediation)
- ☀ Bolivia: 2008; Morales, elected, govt. survived
- ☀ Georgia: 2007; Saakashvili, elected, govt. survived
- ☀ Ukraine: 2004, 2013; Yunukovych, elected; ousted
- ☀ Egypt: 2013; Morsi, elected, ousted
- ☀ Turkey: 2013; Erdogan, elected, govt. survived
- ☀ Brazil: 2014; Rouseff, elected, govt. survived
- ☀ Thailand: 2006, 2008, 2013/14; Shinawatra I-III, elected, ousted

... transformation conflicts around the world show similar patterns

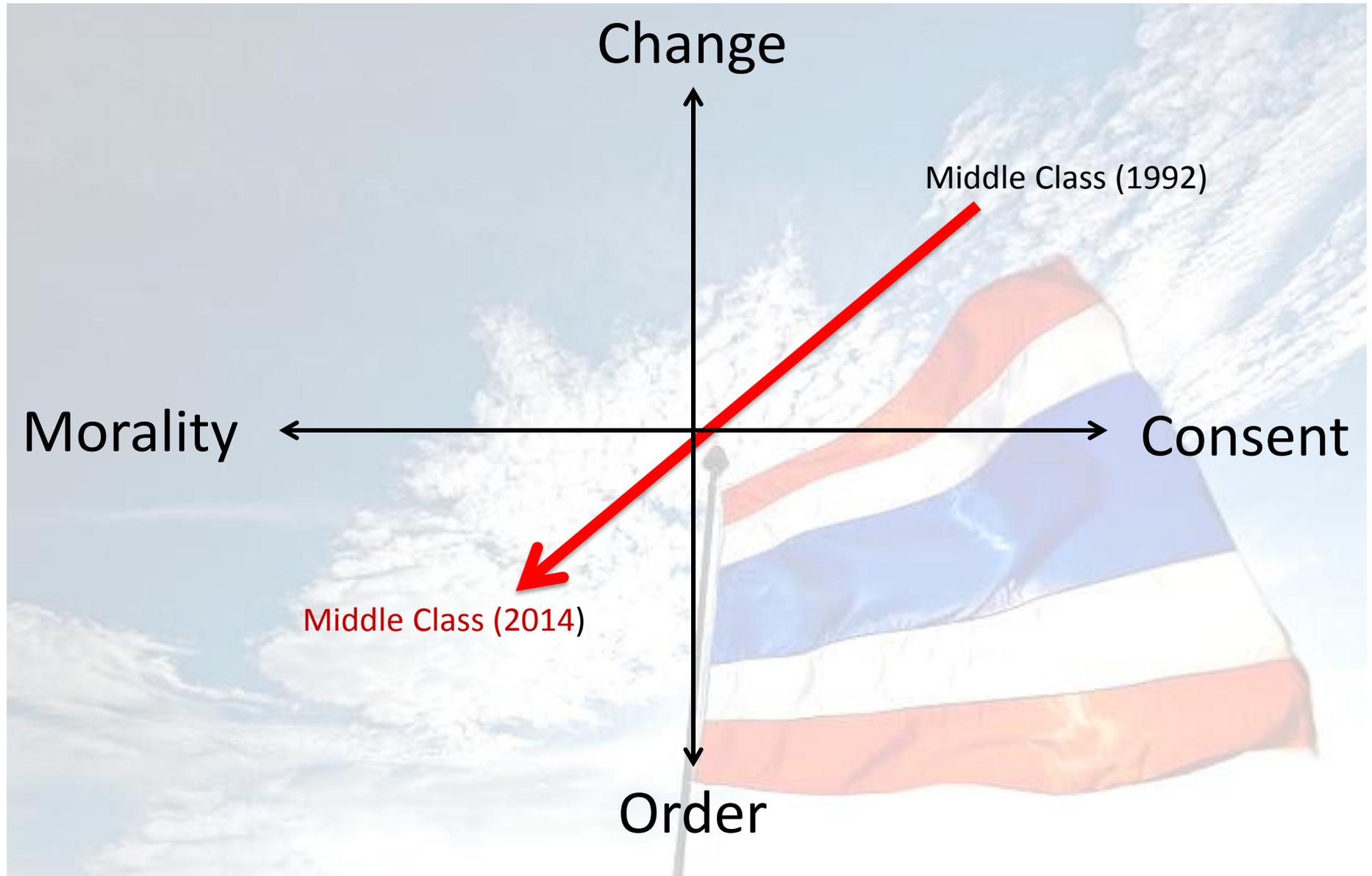


The “script” of transformation conflicts

1. Socio-economic development transforms societies. Emerging classes demand equal participation in political and social life, leading to a **legitimacy crisis** of the political order and a **crisis of social justice**.
2. Clever politicians realize that by catering to the hopes and needs of the majority, they can win **elections** .
3. Once elected, these leader become “elected autocrats”. Following the zero sum winner-takes-it-all logic of **patronage system**, they reward supporters, protect clients, distribute spoils, favor kin, cut out non-supporters and crush their opponents.
4. From the perspective of the middle class in the capital, this abuse of power is perceived as a threat, while the patronage practices of elected representatives from the provinces are resented as vulgar corruption. The **middle class fears** that “corrupt politicians use our tax money to buy votes from the greedy poor with populist policies”.
5. Hundreds of thousands join **street protests**, clashing with the police, and calling for the extra-constitutional ousting of the elected government.
6. Despite **military coups & judiciary interventions**, “elected autocrats” manage to come back with the support of the loyal majority.



Bangkok's established middle class switched sides





“Odd” alliances are not based on common interest...

	Moralist Discourse Alliance	Progressive Discourse Alliance
Battle Cry (Policy Discourse)	<i>Reform before Elections!</i>	<i>Elections before Reform!</i>
How to fight corruption? (Paradigm Discourse)	<i>Corruption caused by individual moral failure => replace bad people (politicians) with good people (non-politicians)</i>	<i>Corruption is a symptom of a failing system => replace the system</i>
What is happening and what needs to be done? (Narrative Discourse)	<i>Moral corruption causes social decay => restore morality to save the social order</i>	<i>Social decay causes moral corruption => overcome the unjust social order</i>
Cosmology (Metaphysical Discourse)	<i>Theravada Buddhist: Rule is legitimized by morality</i>	<i>Modern: Rule is legitimized by consent</i>

...red yellow divide is constructed by rivaling discourse worlds



The reform discourse seems to be dominated by “moralist” narratives

Policies

(Action)

- *Crackdown on vice (prostitution, gambling, beach and airport scams, fertility shrines...)*
- *Education reform (12 values)*

How to fight corruption?

(Reform Proposals)

- *Exchange bad people (politicians) with good people (non-politicians)*
- *“Restore moral integrity”*

How to reform the political system?

(Reform Proposals)

- *Clean up and restore “bureaucratic polity” (“Thai democracy”)*
- *“Dhammacracy”: install thresholds and controls to prevent immoral people from creeping back in*

How is rule legitimized?

Reform Philosophy)

Rule by moral people brings HAPPINESS to the world



Modernization of the political system must correspond with a democratic political culture



Authoritarian culture

Close

Nationalistic

Unanimous

Protectionist

Suppression

Obedience/ Discipline

Centralized, exclusive
Decision-making

Tradition

Democratic Culture

Open

Cosmopolitan

Pluralist

Creative

Debate

Critical Thinking

Inclusive + Participatory
Decision-making

Innovation





Fighting patronage (“corruption”) requires hardware
(legalistic-rational institutions)...



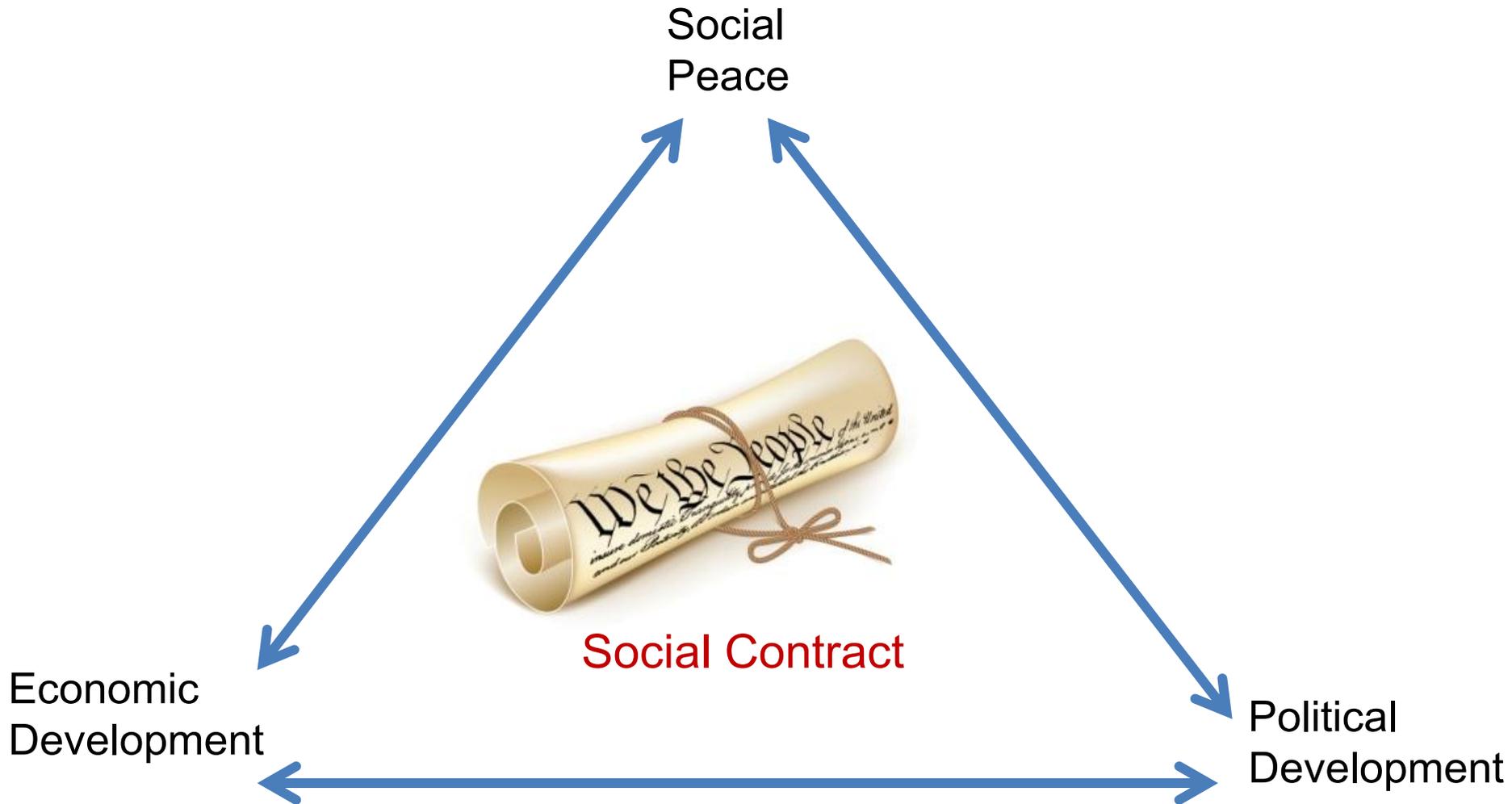
Thailand has a **software problem**:

Institutions are okay,
but are informally run by
PATRONAGE CULTURE

... and software
(a democratic political culture running these institutions)



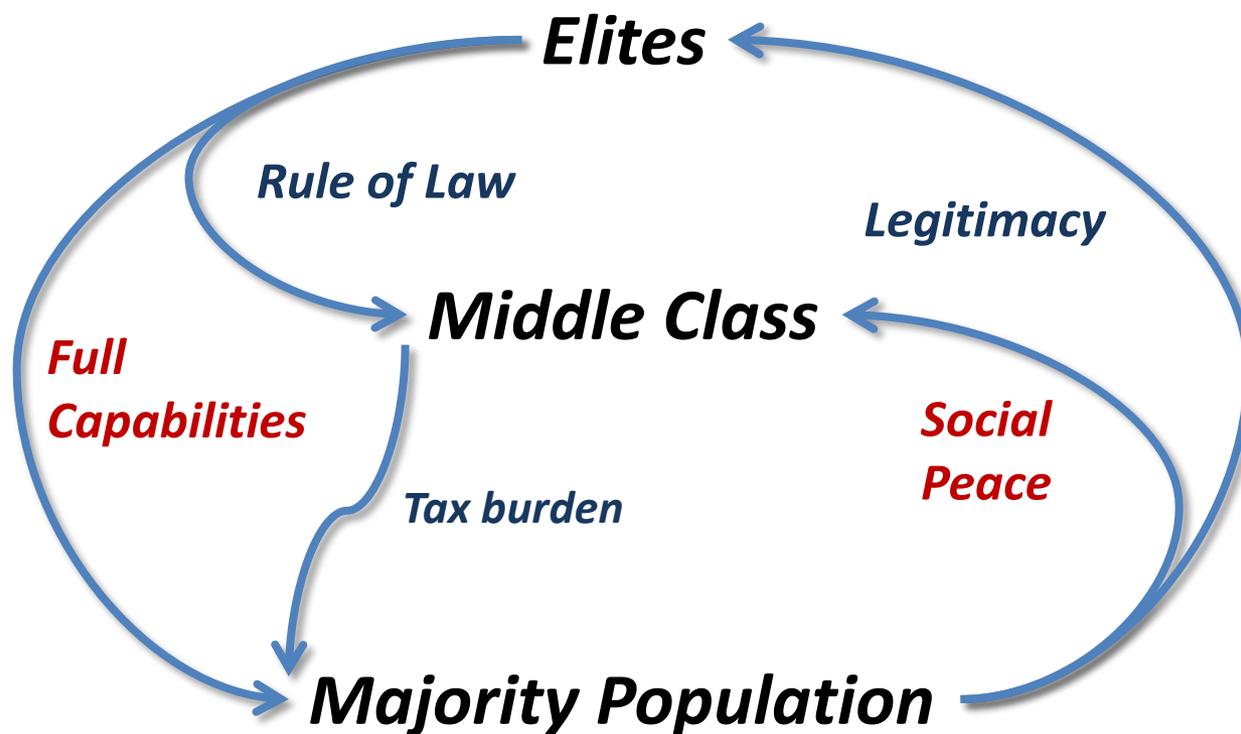
An inclusive social contract is needed ...



... to lay the foundations for political, economic and social development.



To lay the social foundation, an inclusive compromise between all classes is needed...



... trading social peace for the provision of full capabilities for all

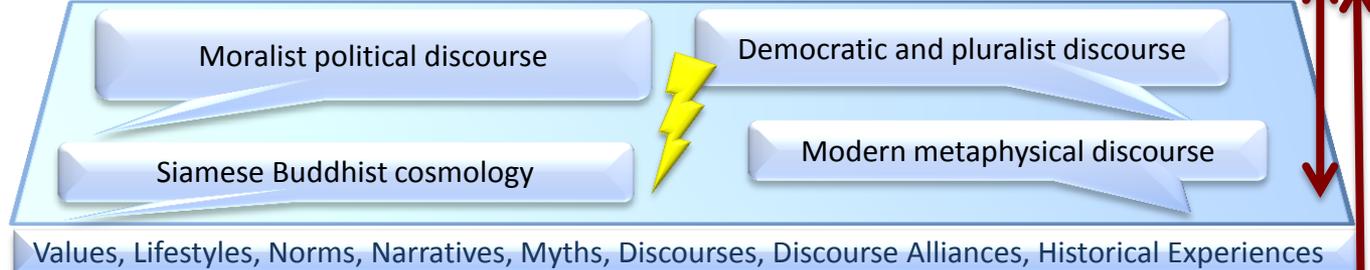


Transformation happens on four levels

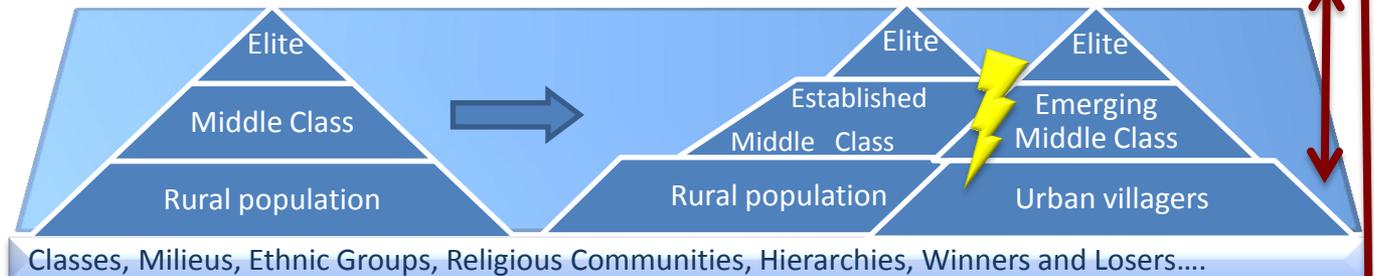
Political Field



Normative Change



Social Change



Structural Change

