

## **Understanding Corruption through Policy: Case Study of the Corruption in Medicine and Medical Supplies of Ministry of Public Health, 1998**

*Sataporn Roengtam*

### **The Concepts of Corruption through Policy**

Corruption through policy differs from other kinds of corruption. Generally, other kinds of corruption are based on the use of existing policy or law but corruption through policy is generated by creating a new or altering an existed policy or law that provides channels for people to seek benefits. In order to corrupt, the culprit does not use existing laws or working processes but creates a new or changes an existed specific law or working policy with the purpose of facilitating corruption. This is an interesting point which has been overlooked in previous studies. Culprits seeking benefit from public policy which is supposed to benefit people in society.

Other corruption can be called passive since it occurs after laws or regulations have been created. During the implementation of such policy, administrative systems or government in power together with government officers responsible for specific duty formulate corruption. Corruption through policy, on the other hand, can be characterized as active as it is initiated by a group of people creating a process or law using professional status. The formula of corruption through policy is complex and difficult to identify. Therefore, it is difficult to examine and to prove the dishonesty of the people involved. From the discussion to this point, it can be seen that there are different principles and factors involved when comparing corruption through policy and other corruptions which result in difference in the process of corruption. The principle of corruption through policy changed from "The use of..." to be "The making of..." Other factors that facilitate corruption are also changed. For example, the period of the process of corruption, the time of gaining benefit, the people who gain benefit, etc. The change also involves the area of knowledge, which is deviate from general technical

knowledge and knowledge of a specific law and regulation to become professional knowledge. All aspects made corruption through policy differ from other kinds of corruption.

There are many academics who gave the definitions, Wasi (2004) defined it as the work on big projects with complicated working process. Despite the fact that it is legal, this act is a big robbery. If it is unlawful, it can be made to be lawful by introducing a new law, or manipulating official regulations. As a result, the public misunderstand that it is lawful. Maintaka (2006) stated that it is a dishonest way to gain benefits by using law to manipulate regulations. The true purpose was behind the scene. Wannatepsakul (2006) described that the political sector decides on projects to benefit themselves, and it is wrongful but the dishonesty cannot be proved legally. The table below shows the difference between corruption through policy and other corruptions.

**Table 1: Characteristics of Corruption through Policy and Other Corruptions**

| Characteristics | Corruption through Policy   | Other Corruption  |
|-----------------|---|---|
| Culprits        | High-level Administrators   | Administrators in every level   |
| Process         | The new process was created or was manipulated from other process to meet with the objective of corruption. | The corruption process by based on loophole of working loophole process, but the culprits did not create any new process. |
| Working process | Working process is lawful and/or make it like a lawful process.   | Working process is unlawful.  |

In this study, the corruption in medicine and medical supplies of Ministry of Public Health, 1998 was selected to be the case study since the case shows the connection between “knowledge and corruption”. That is to say, in this case, the culprits

used their professional knowledge as tools to create the policy or the project together with working process which led to corruption. Moreover, the corruption in medicine and medical supplies of Ministry of Public Health, 1998 attract interest widely in Thai society and was contemporary, so that the case is suitable to be used in demonstrating the corruption through policy.

### **Case Study: Corruption in the Ministry of Public Health, Thailand in the Year 1998**

Corruption within the Ministry of Public Health involved several kinds of activities including medical supplies procurement, computer procurement, and bribes for promotion and others (Trirat, 2000).

There have been many cases of corruption in the Ministry of Public Health during the last decade. For example there was the purchase of weigh scales at abnormally high prices for distribution to hospitals throughout the country; there was a case of politicians influencing the purchase of mosquito repellent. There were attempts to purchase satellite equipment for a long-distance-doctor project as well as the purchase of vehicles for public health service units around the country. Moreover, instead of purchasing through regular processes carried out by provincial administration, medical supplies were purchased by the central administration. Corruption in the construction of infrastructure was also found in many projects (Wasi, 1998).

Those previous patterns of corruption involved mostly construction projects. However, during the economic crisis, budgets for these projects were cut. For example in 1997 the budget decreased from 650 to 425 million US dollars. In 1998, the budget was 225 million US dollars and in 1999, there was no budget allocated for new projects, the channel for corruption had been reduced. On the other hand, budget for medicine and medical supplies procurement was increased. The budget increased from 425 million US dollars in 1998 to 500 million US dollars in 1999. In addition, the Cabinet approved additional budget allocation for 1998 in the amount of 35 million US dollars.

The budget was distributed to provincial public health offices which then reallocated these resources to community hospitals. This pattern of increasing budget for medicine and medical supplies procurement and a decreasing budget for construction of infrastructure, drew the attention of politicians, administrators, and business people whose main interest is seeking benefit. When the country faced economic crisis, the national budget, especially in the area of social welfare, was cut, inflicting strong impact on public health services. Budget was reallocated to repay debt to medical companies and to purchase medicine and medical supplies for community hospitals in order to maintain services for those on low income and the disadvantaged. The change in budget allocation for medicine and medical supplies procurement at the Ministry of Public Health in 1998 helped to promote corruption (Wibulpolprasert and Chokwiwat, 1998).

The Ministry of Public Health explained that the approval of additional budget was a result of the economic crisis together with the conditions imposed by the International Monetary Fund (IMF), and the weakened Thai baht. The weak baht created deflation and severely affected the country's economy. In order to stimulate economic growth, the cabinet, on June 2, 1998, approved the allocation of 750 million US dollars to government agencies. On June 12, 1998, the Ministry of Public Health received the amount of 67.60 million US dollars together with another 35 million US dollars from the Bureau of Budget to be used for public health welfare, the health insurance plan, and a medical treatment plan for those with low income under grant section 800 and section 300 which could be spent on purchasing medicine and medical supplies. From this budget, the ministry allocated the amount of 14 million US dollars for provincial public health service, and 21 million US dollars for community public health service (Supawong, 1998).

After the group of people created the conditioned policy, resulting in the corruption channel, they had corrupted or gained benefits from budget allocation of public health agencies. Tositrakul (2000) classified the process of corruption into 2 processes which are:

1. On provincial level: the public health agencies procured medicines and medical supplies from companies listed from the center, in other words, from high-level administrators in the Ministry of Public Health.

In terms of government officers, the provincial chief medical officers in many provinces were contacted by the two high-level administrators from the center, and they were given a list of companies together with medicine prices. Some public health doctors were contacted directly by the politicians. Then, the mentioned companies sent their representatives, carrying the politicians' name card, to meet with provincial chief medical officers and hospital directors. Those government officers responded to the order in 3 different ways.

First, the medicine and medical supplies were procured without bidding but by price agreement. In order to follow the supplies regulation, the orders were divided into several items: each item was less than 100,000 bahts. The investigation showed that the purchase orders were made to a group of companies, and the prices of medicine were abnormally high.

Second, the medicine and medical supplies were procured by hospitals itself. The process of purchasing was the same as the first which there was no bidding but by special method in purchasing or price agreement as instructed by politicians.

Third, the budget was transferred directly to hospitals. The hospitals were allowed to procure medicines and medical supplies freely, but they were requested verbally to transfer 20% of the budget back to the center (The Weekly Manager, 1999).

There were more than 30 provinces cooperated in the process as requested by high-level government officers and politicians. This resulted in medicines procurement with abnormally high prices and purchasing unnecessary items. On the average, the prices were 2-3 times higher than normal prices. It was noteworthy that the medical supplies procurement could be done by ordering directly from the companies or through the Government Pharmaceutical Organization who would procure and deliver the supplies to hospitals. In terms of private sector: the medical companies purposively

offered the abnormally high prices, knowing that the prices would be agreed. They established sub-companies to manipulate the evidence. This proved the dishonesty in doing business with the government (Krungthep Turakit, 2002).

The dishonest practice could be seen from the total amount of each purchase order which was very high. The orders were for companies in the list of the corruption network. The orders were in set, either the same date or close date and, they were made between June to September 1998. If there were any cancellation, it would make between August to September 1998 (Krungthep Turakit, 2000).

2. The medicines and medical supplies were purchased from specific companies through the Government Pharmaceutical Organization who would charge 5% for administrative fee. And the politicians recommended the public health agencies to purchase by this method.

From the available information, it appeared that the procurement with abnormally high prices through the Government Pharmaceutical Organization could be done easily after the cancellation of ceiling prices for medicine. The number showed that the procurement through the Government Pharmaceutical Organization in the year 1998 was 551 million bahts. The damage cost from the abnormally high prices was 105 million bahts approximately. This number was revealed only after the corruption had been exposed. If the corruption has not been exposed, the damage cost would have been higher than this number.

Even though the Government Pharmaceutical Organization could manufacture some medicines, it purchased them from companies and sold to hospitals with abnormally high price. Another example is the Government Pharmaceutical Organization purchased same medicines or medical supplies for provinces, but the prices were different and very expensive. Some prices of medicines and medical supplies were 500% - 1,000% higher than normal prices.

Therefore, the Government Pharmaceutical Organization showed a lack of responsibility in examining medicines and medical supplies from other sources, resulting in purchasing medicines and medical supplies in abnormally high prices in different ways as follows:

- The Government Pharmaceutical Organization procured expensive medicines from other sources instead of manufacturing them.
- The Government Pharmaceutical Organization procured expensive medicines from other sources though it had inventories.
- Government Pharmaceutical Organization sold the same medicines to different provinces in different abnormally high prices.

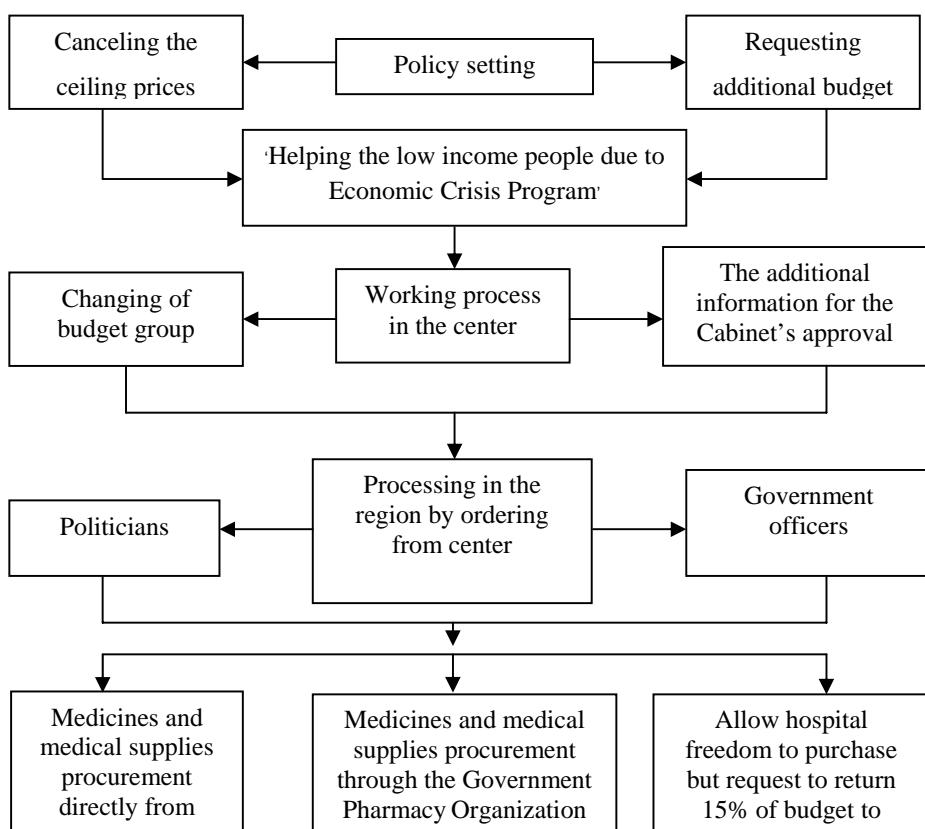
Later, the Office of the Auditor General had investigated on the budget spending and found that prices of the medicines and medical supplies in some provinces were abnormally high. In some provinces, the provincial public health centers purchased the same medicines in the same period of time with community hospitals but at a higher price.

Several provincial public health agencies did not follow the regulations in medicines and medical supplies procurement, for example; making order before the term budget was approved, dividing order into items, using price agreement rather than bidding, and so forth. The investigation conducted by the Office of the Auditor General on the medicines and medical supplies procurement of the Ministry of Public Health during April – September 1999 by surveying 17 provincial public health centers, 19 provincial hospitals, 50 community hospitals, and 4 community public health centers. It was found that the procurement methods of the year 1999 were same with of the year 1998, and the budget allocation was not correspond with the number of target population, that is to say, some hospitals received decrease budget even though the number of its patients increased.

It was found that the procurement did not follow the Royal Thai Government's supplies regulations of year 1992. Date and the latest price were omitted or wrongly stated in the purchase orders. The deliveries were after the due date. The

purchase committee signed in receiving after the due date. Purchase was made by price agreement and in several items with each item less than 100,000 bahts. Purchase orders for the same product were made to a certain group of companies; and, the orders were made in the same period of time. In conclusion, the processes of corruption through policy of the case study were illustrated in the Diagram 1.

**Diagram 1**  
**The Processes of Corruption through Policy of the Case Study**



## **Policy Discourse and the Processes of Corruption through Policy**

In this study, corruption through policy is divided into three steps: creating a problem, creating a reason, and legitimizing a policy or law. All steps made corruption through policy differs from other kinds of corruption which usually occur after implementation of a policy or law.

### **1. Policy Discourse and Problem Creation: Making an issue to request for additional budget**

This is considered the most important step because the group of people who intend to corrupt try to make themselves appear innocent of corruption by bringing out or claiming that there is a problem to be solved or situation to be developed. The practice of power to determine problems and an agenda is an action that generally can not be noticed in general. Problems or agenda may be created and viewed as believable value judgment, hypothesis and the idea (Parsons, 1995)

A problem might not come to public attention naturally but may be posed purposefully. The power that influences public policy comes from a group of people (Forrester, 1993). Instead of deciding to solve the problem, they considered intention, interest, and benefit as priorities. It is believed that a social problem is that which appears to the public by itself. Instead, it is a fact that was brought to public attention and analysed by people who brought it (Jone, 1971). Moreover, a social problem might not be a serious situation which must be solved urgently.

Therefore, the step of creating a problem was resulted from a group of persons' purpose to corrupt. This group included the politicians, business persons, government officers who have professional knowledge or specific experiences, and/or academic people in different related areas. They integrated their "knowledge and experiences in professional areas" to publicize their opinions on the issues. With their knowledge, they created discourses to be the reasons or accountability of their "decision making". They had brought in sample cases that to follow one or another policy or law

resulted in success or failure. With the support of professional knowledge, the sample cases were used to prove source of problem so that the source of problem was accepted as a truth.

In the case study, the main problem created to justify policy formulation was the impact of the economic crisis on organizations under the Ministry of Public Health and the need to solve this problem urgently. In order to gain acceptance from the public, specialists were involved to pinpoint the seriousness of the situation. Consequently, a new policy was established which was claimed to be a solution for the deficit in the public health service.

The analysis shows that in order to achieve the acceptance from the public, the discourse was created to prove that the problem was serious and needed to be solved urgently. The impact of economic crisis affected the country as a whole. Social factors were affected in different ways. As a result, the public health service received a particular impact. Under this situation, people generally accepted the change in the national budget allocation. Because not only the government but also people especially who had low income and unemployed faced the problem from the crisis. Trirat (2001) made a conclusion of the situation that the floating of Thai baht resulted in the decline and weakening of the baht. Eventually the Thai government expressed its intention to receive technical and financial assistance from the International Monetary Fund (IMF). In the first letter of intent, Thailand was imposed to produce a 1% budget surplus for 1998, resulting in expenditure cut totally 8,000 million bahts.

The national budget was decreased for different ministries and in different areas especially the area of social benefits such as public health service, and public education. This had serious impact on people who have low income and being unemployed. The number of this group of people dramatically increases parallel with the number of bankrupt companies. This situation resulted in the more demand in public health service since expense in private hospital and clinic become unaffordable for many people. When there was more demand in public hospitals, it caused deficiency in the service.

Consequently, the situation led to the creating of 2 policy discourses:

1.1 The decreased budget and the increasing demand in public health service means that the budget that the Ministry of Public Health received in the year 1998 was not enough. The budget for low income people was cut twice in one year: the first reduction was 11.3% from 9,532.2 million bahts to 8,452.1 million bahts meaning the budget per head is 328 bahts. The second reduction was 16.8% or 1,422.5 from the balance which made the budget per head became 273 bahts (Ministry of Public Health, 1998).

1.2 Because of the economic crisis, the total debt of provincial hospitals and community hospitals was approximately 2,500 million bahts. This effected strongly on the quality of services under public health welfare scheme especially public health insurance plan (Ministry of Public Health, 1998).

The analysis shows that the above 2 policy discourses were used as a reason to launch "Helping the Low Income People due to Economic Crisis Program". In order to stimulate the program, the administrator requested additional budget from the government by claiming that the purpose of the program was to help low income people. This program also lessened the impacts of economic crisis in provincial and community hospitals implementing the public health insurance card program. Moreover the program would be of benefit to people who were affected by economic crisis.

Cabinet then approved on June 2, 1998 to return budget of 30,000 million bahts to government agencies. This could lessen the impacts of the declining value of bahts and economic crisis in Thai society. The Ministry of Public Health received 2,740 million bahts. From this amount, 1,400 million bahts were allocated to activate public health service plan, health insurance plan, and to provide service for the low income and the disadvantaged. According to the cabinet's approval, the Ministry of Public Health have to pay debts of provincial public health sectors and regional hospitals. The administrators of the ministry, therefore, proposed to divide the 1,400 million bahts budget into two amounts: 560 million bahts for provincial public health sectors, and 840 million bahts for community public health sectors. Both amounts would be paid for debt from buying medicine and food for patients.

After the proposal was approved by the cabinet, the Ministry of Public Health issued a letter to the Budget Bureau requesting to adjust the budget of 1,400 million bahts. The ministry claimed that the changing of budget group would make them able to spend the budget on provincial and community health services as allowed under the grant section 300 and could maintain the amount of expense under the grant section 800 (Ministry of Public Health, 1998).

At this point, the changing of budget group enabled the politicians and/or the administrators in government agencies both in the central and regional parts to allocate budget to some provinces where there were powerful politicians or high level officers. As can be seen from table 2, the provinces of Sukhothai, Udorn Thani, and Trad received more budget per head than the provinces of Lei, Burirum and Mae Hong Sorn even though the former group has less population than the latter group. In addition, the changing of budget group allowed the group of people to approve the purchasing of medicines and medical supplies for distributing to public health service sectors (Na Ranong, 2000).

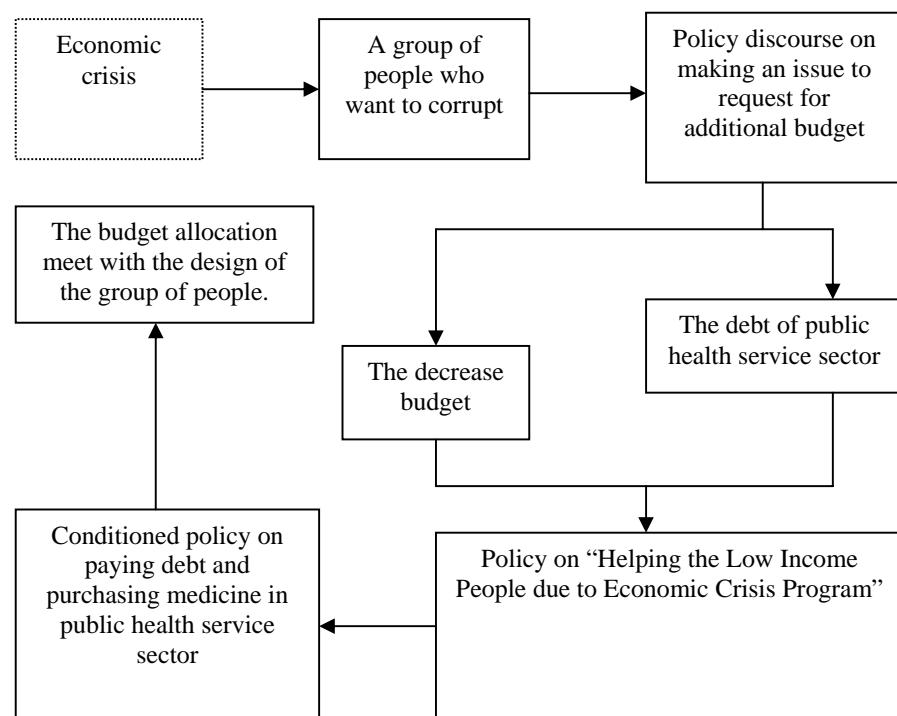
**Table 2: Comparison of additional budget allocation in the provinces of power group: Sukhothai, Trad, and Udorn Thani and in other provinces**

| Provinces     | Population | Received Budget (Baht) | Budget Per Head(Baht) |
|---------------|------------|------------------------|-----------------------|
| Sukhothai     | 616,234    | 23,948,800             | 38.86                 |
| Lei           | 626,566    | 6,518,000              | 10.4                  |
| Narativat     | 613,958    | 9,510,000              | 15.05                 |
| Nakornpanom   | 696,620    | 9,517,000              | 13.14                 |
| Trad          | 210,054    | 9,565,000              | 45.54                 |
| Mae Hong Sorn | 226,922    | 4,787,000              | 21.1                  |
| Udorn Thani   | 1,470,888  | 23,105,000             | 15.71                 |
| Burirum       | 1,476,984  | 15,041,000             | 10.18                 |

Source: Rosana Tositrakul, 2000. *Lesson from Civil Movements : Case Study the Corruption in Medicine and Medical Supplies Procurement of Ministry of Public Health*

The relationship between policy discourse, policy creation, and conditioned policy opened a channel for corruption as can be seen in Diagram 2.

**Diagram 2**  
**Policy discourse on making an issue to request for additional budget**



## **2. Policy Discourse and Creating a Reason: The canceling of ceiling prices for medicine in accordance with the List of National Principal Medicine of 1993**

In this step, the problem or development plan which was created in the previous step is brought to public attention. The problem or the plan is well prepared to make the public understand and accept the solution of the problem or the development. Professionals are used to explain the concept or guideline for work, which is claimed to benefit society.

According to Habermas (1976), the professionals bring accountability to the working process or to the solution of the problem because of positivism thinking. Positivism believes in quantitative analysis normally used in social science studies, like statistical analysis and attitude survey. Data, in the form of numbers, prove that the public requires the problem to be solved or policy to be set up. Consequently, the problem is accepted and the solution or development plan is subsequently designed. Under democracy theory, public policy represents public requirement, the objective of policy determines the response. But in practice, the public requirement is often evaluated and controlled by people who set the policy. As a result, the point of the problem or policy is set by relying on public opinion and powerful people (Parson, 1995).

Consequently, powerful people persuade the public or people involved to accept the reasonableness of the work or problem and its necessity, together with the development plan. If they succeed in that persuasion, they gain legitimacy in the work or development plan to resolve the problem. This generates the possibility for corruption. William Solesbury's (1976) study on the topic "The Environmental Agenda" reveals a connection between the issue of interest and the institute which helps to understand the policy agenda (Parsons, 1995). The issue that is interesting enough to become agenda will always be the one related to regulation. The issue not only needs to be accepted but also needs to be legitimized. The issue must not be against the social norm. The way that government manages the issue relies on the accountability of public policy.

In summary, people who want to corrupt, use professional status to claim the necessity of work in order to solve a problem or develop solution or plan. This claim makes it reasonable for them but not for the public. Activities which are so determined mainly benefit people in the power group.

The significance of government power is the power to prevent or to solve conflict. The boundaries and areas of conflict are determined by the leaders so that political activities in a policy setting are not an open activity with as much participation

as stated in democracy theory, but are creative activities which benefit the powerful group such as politicians and institutes. As a result, there are biases in every public policy: some issues may be chosen while others are ignored. An issue which is chosen is one that conveys benefit to powerful people (Schattschneider, 1960). The determination of issues is a basic form of political power; the selected choice reveals the significant of that power.

The result of the study shows that two policy discourses were created to determine the ceiling prices for medicine in accordance with the list of national principal medicine. It was pointed out that the ceiling price is an obstacle to purchasing medicines for patients in public health sector. The two policy discourses are:

1.1 A policy discourse was created to demonstrate that the medicine prices increase after the Bank of Thailand allowed baht to float to 40-50 per dollar on 2 July 1997, and the increase of value-added taxes from 7% to 10% in August 1997. These made the increase in cost of medicine production since most of the raw materials were imported (Supawong, 1998).

1.2 A policy discourse was created to demonstrate that an idea to cancel the ceiling prices had been generated since 1996. The ceiling prices for medicine in accordance with the list of national principal medicine of 1993 were not suitable for the economic situation at the time, and there were at least 290 items that government hospitals could not afford (Ministry of Public Health, 1998). Many hospitals were facing problem because they could not afford to purchase medicines for patients during the crisis. Therefore the group of people, who created the discourse, proposed that the ceiling prices for medicine should be cancelled in order to solve the urgent problem, they stated:

“If the ceiling prices are maintained, there will be 290 items of important medicines which hospitals can not afford to buy. And if the hospitals purchase the medicines exceed the ceiling prices, it will be unlawful and the hospitals will have to pay the extra cost. The medical companies may stop importing the medicines and raw materials because they can not make profit. This will lead to more difficult situation since the hospitals need medicines as supplies. Consequently, the Ministry of Public

Health accepted the conditioned policy on cancellation of the ceiling prices for medicine in order to solve problem from economic crisis. Therefore, the channel for corruption was opened for the group of people.”

Nualnoi Trirat (2001) pointed out an interesting fact that explains the steps of policy discourse in use of setting conditioned policy. On 15 December 1997, the Minister of Public Health announced the canceling of ceiling prices for medicine in accordance with the list of national principal medicine of 1993, citing the declining and weakening of the baht and increase of value-add taxe from 7% to 10% on 1 September 1997 affecting some medicine prices exceed the ceiling prices and the hospitals' budget.

The discourse started when the Ministry of Public Health issued a letter reference 0211/095028 dated 4 December 1997, regarding to the ceiling prices for medicine in accordance with the list of national principal medicine. The subject of the letter was to propose the cancellation of the ceiling prices. The letter described that the Ministry of Public Health had used the ceiling prices since 1986. and it was changed only once in 1993. Since prices of many items in the list of national principle medicine had been increased, many medical companies were unable to sell their products under the ceiling prices. The problem occurred when public health service centers could not afford to buy many medicines especially those manufactured or imported by a few or only one company (People's Fund for Exposing Corruption, 2004).

During the economic crisis, the increase of value-add tax from 7% to 10% had resulted in rising prices of many products including medicines and medical supplies. As a result, many hospitals were facing problem because they could not afford to purchase medicines which prices were raised higher than the ceiling prices.

With these reasons, the Ministry of Public Health obtained the approval to cancel the ceiling prices for medicine in accordance with the list of national principal medicine of 1993. The announcement to cancel the ceiling prices dated 15 December 1997, was signed by the Minister in office.

It was clear from the investigation that the cancellation of ceiling price resulted in purchasing medicines with abnormally high prices in many provinces (Chokwiwat, 2005).

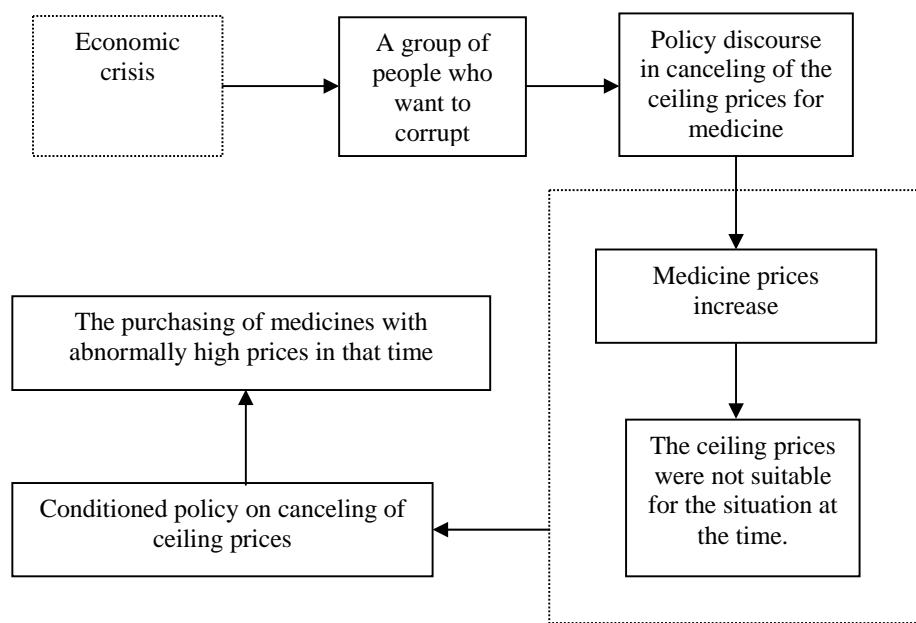
After the ceiling prices were cancelled, public started to be aware of corruption as appeared in the media. Since the ceiling prices were cancelled, the Royal Thai Government's supplies regulation year 1992, article 27<sup>th</sup>, should be such a guideline for practice. The Ministry of Public Health failed to make the clear understanding with its agencies regarding the way to practice. This show either negligence or intention to open a chance to purchase medicines freely without controlled prices (Tositrakul, 2000).

The canceling of ceiling price resulted in purchasing medicines in abnormally high prices. It was found that the Government Pharmaceutical Organization alone purchased a medicine with the highest price at 602.87% higher than the ceiling price. The investigation revealed that in the year 1998 the Government Pharmaceutical Organization sold medicines to government agencies under the Office of the Permanent Secretary of the Ministry of Public Health for the total value 551,390,118 bahts: the cost of damage was 105-118 million bahts an approximately.

Vichai Chokwiwat (2005) stated that after an official announcement on the cancellation of ceiling prices for medicine on 15 December 1997, the Ministry of Public Health had not established the new ceiling prices for 1 year and 6 days.

There was convincing evidence of the purpose to open a channel for the culprit's companies to sell medicines for hospitals under the Ministry of Public Health without a ceiling price. The culprit received the wrongful 5 million bahts in return (Siam Rath, 1998).

**Diagram 3**  
**Policy Discourse in Canceling of the Ceiling Prices for Medicine**



### 3. Policy Discourse and Process of Legitimacy Formation

After a person or group of people who want to benefit through corruption develop the necessity for problem solving or development of a solution, they use professionals to construct policy discourse in order to legitimize the process of policy or law setting. Policy can create political conscience as well as controlling it (Crenson, 1971). In order to express intention, the leader might command individuals to do something that they would not want to do, or the leader could determine rules for individuals to follow. Power could be represented in the form of legend and symbol that express dominant principles.

Activities resulting from the use of professionals and the creation of policy or law may be used as guidelines for practice according to the purpose that was determined before the introduction of the problem or development plan<sup>1</sup>. It may be assumed that

policy or law, which integrates activities and ideas, could be used as a measure of corruption by a person or group of people who set the policy (Crenson, 1971).

Not all policy is set up with a dishonest purpose. However, in-depth consideration of the source of a problem and activities or working process, may reveal that some policies or legislation are intentionally set up to benefit the group of people who create them. Moreover, it is not to benefit the public as claimed.

However, from the study found that there are not new laws or regulations constructed in order to make legitimate procedures, as theoretical claiming above, for corruption at all. There are only regulation on procurement method and operation changed. They are the changing of budget group and the additional information for the cabinet's approval. The analysis revealed that those ones were changed with the intention of legitimizing corruption.

## Conclusion

Briefly stated, after the regulations and operations were changed, the group of culprits can jointly conspire to steal the public fund by utilizing loopholes created. There were several corruption methods, for example: the center purchased medicines for the provincial chief medical officers who were conspiring to the plan, ordering medicines from companies listed from the center, recommended to order through the Government Pharmaceutical Organization in some provinces where there was no conspirator. The administrators of the Government Pharmaceutical Organization would receive 5% commission, and money would be transferred to account of people who has a close connection with the top politicians such as personal assistants, secretaries, or personal consultants (Chantik 2005 and Maintaka 2005).

So, the corruption through policy of this case study is the corruption by politicians and government officers who use their authorities and expertise to construct policy discourses as important instrument in order to make it legitimate. It is the corruption on country level based on using related regulations and professionalism of

the officers including corporation of other organizations such as the Government Pharmaceutical Organization and certain pharmaceutical companies. So, this is not a work done by an amateur who want to gain benefits from the loopholes, but this is a work of professional and powerful people.

### **Acknowledgements**

The author would like to thank the Royal Golden Jubilee Project under the Thailand Research Fund (TRF) for the scholarship and research funding. I also wish to express my gratefulness to Assoc. Prof. Sungsidh Piriayarangsan, Thammasart University, and National Economic and Social Advisory Council for their supports.

### **Notes**

1. Discourse, which is the content of the study, was created from specific knowledge namely: academic knowledge, and professional knowledge. Both of them were used to create the truth and its validity and reliability. It also makes the acceptance and eliminates any argument so that the truth would not possible to be challenged, to be disagreed, or to be proved. As a result, the discourse could influence people in society. Note also that, the efficiency of the discourse in dominating norm and way of things in society depends on social factors and discourse creation. See S. Hall, “Foucault: Power, Knowledge and Discourse,” In Discourse Theory and Practice A Reader, M. Wetherell, S. Taylor and S.J. Yates (eds.), London: Sage, 2001, pp. 72–75. M. Foucault, Power/Knowledge, Colin Gordon, ed. New York: Harvester Press, 1980, p. 131.; G. Ritzer, Sociology Theory (5<sup>th</sup>) New York: McGraw-Hill Company, Inc., 2000, pp. 595-599.

## References

Chantik, Klanarong. October 30, 2005. Former Secretary, the Office of the National, Counter Corruption Commission, Interview.

Chokviwat, Vichai. October 11, 2005. Director, Department of Development of Thai Traditional Medicine and Alternative Medicine, Ministry of Public Health, Interview.

Cremon, M.A. 1971. *The Unpolitics of Air Pollution: A Study of Non-decision Making in the Cities*. Baltimore: John Hopkins University Press, pp.23.

Forrester, J. 1993. *Critical Theory, Public Policy and Planning Practice*. New York: State University of New York Press, pp.9-10.

Habermas, J. 1976. *Legitimation Crisis*. London: Heinemann, pp.264.

Jone, J. A. 1971. *Federal Efforts to Solve Contemporary Social Problems*. in E.O. Smigel (ed). *Handbook on the Study of Social Problems*, Chicago: Rand-Mcnelly, pp.561.

Maintaka, Jaruwan. October 30, 2005. Director, Office of Auditor General, Interview.

The Krungthep Turakit. 2006. "Upper House Reveals Process and Behavior of Corruption". March 14, pp.2.

Ministry of Public Health. 1998. *Clarification Document on the Fact of the Budget amounting 1,400 million Baht*. September, Bangkok: Ministry of Public Health, pp.2, 4.

Na Ranong, Anchana and Na Ranong, Viroj. 2000. *The Mechanism Building for Countering Corruption in Ministry of Public Health*. in The Annual Academic Seminar Report: The Transparency Society, November, 18-19, Bangkok: Counter Corruption Commission, pp.4-5.

Parsons, W. 1995. *Public Policy : An Introduction to the Theory and Practice of Policy Analysis*. Cheltenham: Edward Elgar Publishing Ltd. pp.110, 117

Schattschneider, E.E. 1960. *The Semisovereign People*. New York: Holt, Rinehart & Winston, pp.69.

Siam Rath. 1998. "Trace on Corruption in Medicine, a Year of Awaiting for Compensation". November 1, pp.1, 3.

Supawong, Chuchai. 1998, *Corruption in Medicine Procurement: The Opportunity of Public Health Society (Vol.1)*. in Series of Monitoring of Society: The Case Study of Corruption in Medicine and Medical Supply 1,400 Million Bath of Ministry of Public Health. Bangkok: The Rural Doctor Foundation, pp.76.

The Krungthep Turakit. 2000. "Revealment on Route of Corruption in Medicine through Government Pharmaceutical. July 3, pp.19-20.

\_\_\_\_\_. 2002. "Trace on Corruption in Medicine: Results of Anti-Corruption Commission's Investigation Indicate Involvement of Drug Firms". September 8, pp.1, 13.

The Weekly Manager. 1999. "Survey on Methods of Corruption on Drug Procurement and Building Construction. January 11, pp.11

Tositrakul, Rosana. 2000. *Lesson from Civil Movements: A Case Study of the Corruption in Medicine and Medical Supplies Procurement of Ministry of Public Health*. Bangkok: People's Fund for Exposing Corruption, pp.1, 6-7, 15.

Trirat, Nualnoi. 2001. *Two Case Studies of Corruption in Medicine and Medical Supplies Procurement in the Ministry of Public Health*. Bangkok: Faculty of Economics, March 22, Chulalongkorn University, pp.5.

Wannathepsakul, Nopphanun. 2006. "Corruption through Policy". *Prachachart Business*, December 23, pp.6.

Wasi, Prawes. 2001. "Revealment on Methods of Exceptional Corruption in MOPH". *Mathichon*, September 2, pp.1.

\_\_\_\_\_. 2004. in Jermjak Pinthong (ed.) *Keeping up with Thaksin*. Bangkok: Kho Kid Dui Kon Press, pp.61.

Wibulpolprasert, Suwit and Vichai Chokwiwat. 1998. "Repeated Corruption in the Ministry of Public Health". *Mathichon*, September 1, pp.17.

30 NGOs Networking. 2004. *Exposing The White Book of Ministry of Public Health "The Case of Problems in Medicine and Medical Supply of Ministry of Public Health Fiscal Year 1998"*. Bangkok: People's Fund for Exposing Corruption. pp.25.