



Government Defence
Integrity Index



2020

Country Brief:

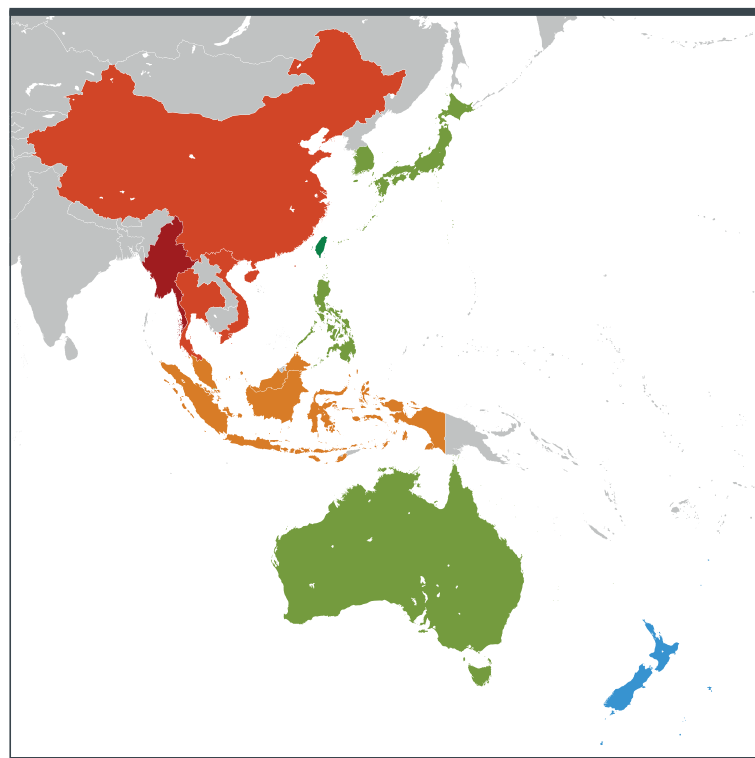
THAILAND

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Though Thailand became a constitutional monarchy in 1932, the question of military involvement in politics has yet to be resolved, and the army has consistently intervened, staging at least a dozen coups d'états since then.¹ The latest, in 2014, overthrew the elected government and installed a military junta in power, initiating the longest period of military rule in forty years.² A constitution drafted by the junta leaders then tilted the electoral system in favour of military-backed parties, essentially guaranteeing them victory in the 2019 elections and granting a veneer of democratic legitimacy.³ However, this pseudo-democracy, delivered in part by repressing political opponents and banning progressive parties, has triggered a wave of ongoing pro-democracy protests that are laying bare the country's fundamental political and social divisions.

Member of Open Government Partnership	No
UN Convention Against Corruption	Ratified in 2011.
Arms Trade Treaty	Has not ratified.

In the south, these divisions have fed into a Malay-Muslim separatist insurgency, which is waging a protracted low-intensity conflict against the military, in parallel to a stalled dialogue process.⁴ Against this backdrop, Thailand is at a critical crossroads, with growing potential for future conflict. The government and its allies in the military are unwilling to surrender their prerogatives secured in 2014, just as the new king is unlikely to relinquish the enhanced political and security powers gained since accession in 2016. On the other hand, a new generation of Thais have shown their unwillingness to submit to the current political order and have vocally rejected the military's continued involvement in politics.⁵ For their calls to be answered, significant changes in defence governance will be required to reverse the current paradigm. As things stand, defence exceptionalism remains strong, with the defence sector exempt from standard financial, budgeting and public procurement regulations. This shrouds the sector's activity in secrecy and increases corruption risk, as does the weakness of parliamentary oversight and access to information mechanisms. The military's privileged position has also contributed to impunity and an aversion to corruption and human rights reporting that is undermining integrity.



Asia-Pacific

The Asia-Pacific region is home to some of the biggest military and economic powers in the world, as well as critical financial and trade hubs, natural resources and around 60 per cent of the world's population, and the region has become a major area of geopolitical rivalry. The continuing deterioration of Sino-American relations is having widespread implications for countries in the region. Security challenges presented by an increasingly assertive China, the continuing threat posed by North Korea and the protracted insurgencies in Thailand, the Philippines, Myanmar, Indonesia and Malaysia will also remain key concerns moving forward, as will emerging security threats related to cyberwarfare and the impact of climate change. However, Asia-Pacific has huge variations in the quality of defence governance mechanisms, which will determine how well defence institutions can respond to these challenges. It is home to both New Zealand, the highest scorer in the index, and Myanmar, one of the lowest. Though challenges are extremely varied across the sample, corruption risks are particularly pronounced in relation to financial management and procurement, where defence exceptionalism remains pervasive and exempts the sector from standard reporting and publishing standards. Operations too are highly vulnerable to corruption, while personnel management and policymaking are considered significantly more robust.

¹ BBC News, 'Thailand Military Seizes Power in Coup', 22 May 2014.

² Bertelsmann Stiftung, *BTI Country Report 2020: Thailand*, Gutersloh, Bertelsmann Stiftung, pp. 4-5.

³ International Crisis Group, 'Avoiding Political Violence in Thailand', 29 January 2021.

⁴ Marwaan Macan-Markar, 'Thailand's Malay Muslim Rebel Brings Core Issues to Peace Talks', *Nikkei Asia*, 3 May 2021.

⁵ International Crisis Group, 'Avoiding Political Violence'.

THAILAND

Overall scores

The size of the colour band corresponds to number of countries that fall into that category.

THAILAND SCORE
VERY HIGH RISK

E

27



A > 83-100 VERY LOW

B > 67-82 LOW

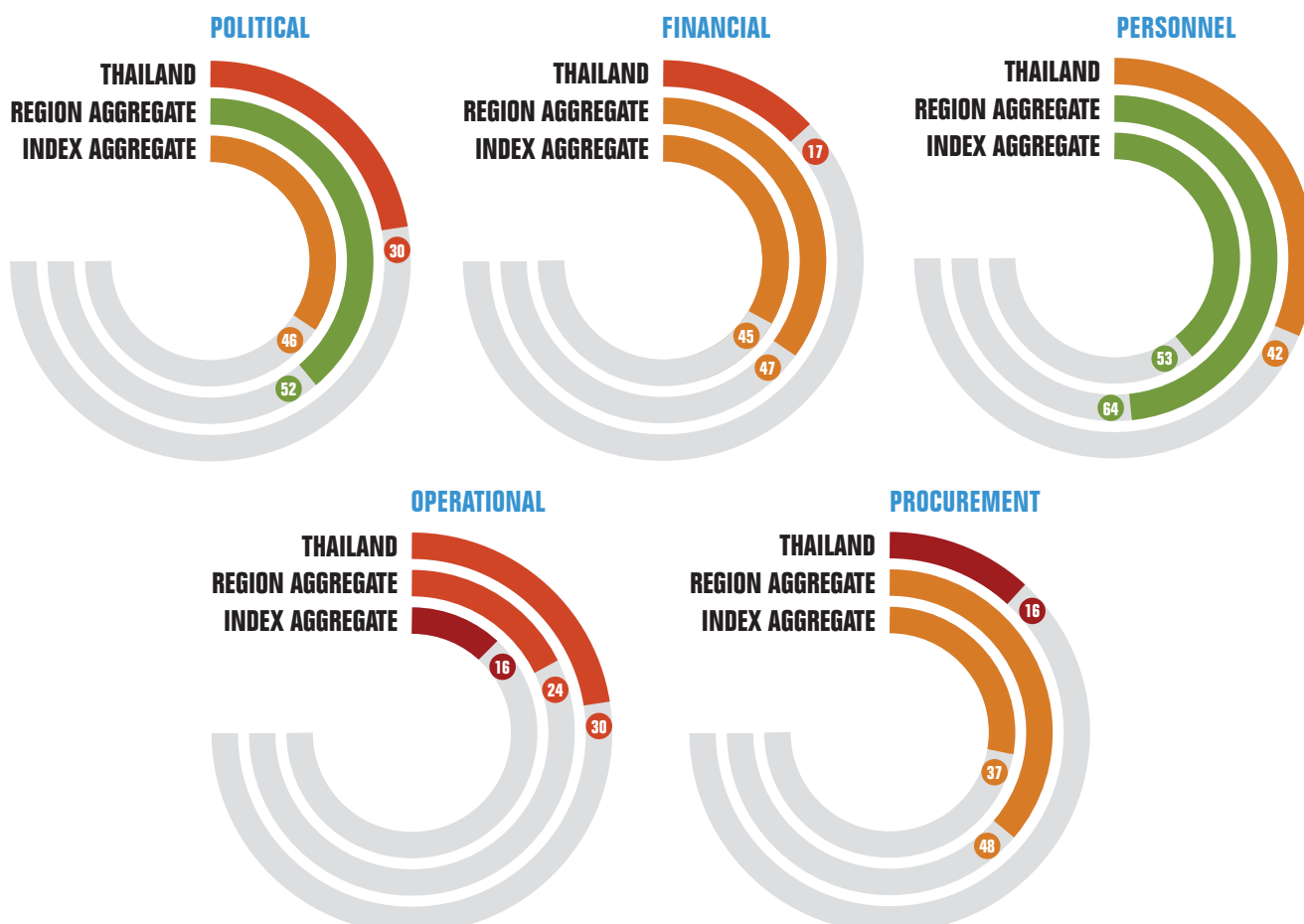
C > 50-66 MODERATE

D > 33-49 HIGH

E > 17-32 VERY HIGH

F > 0-16 CRITICAL

Risk Comparison



THAILAND

Parliamentary Oversight

Legislative oversight of budget (Open Budget Survey, 2019)	63/100
Military expenditure as share of government spending (SIPRI, 2020)	5.5%
Committee members with defence expertise (%)	Data is not publicly available.
# of meetings/year	Data is not publicly available.
Last review of defence policy/strategy	2017 (National Strategy 2018-2037)

Under Thailand's existing political system, power is concentrated in the hands of unelected, anti-democratic actors. These include the monarchy, the king's Privy Council, and the military who hold complete control over political processes.⁶ Parliament is under military control and the 2017 constitution makes it extremely difficult for any party to win a clear majority. The Senate is indirectly appointed by the junta, giving the military strong influence over the selection of the Prime Minister.⁷ The military's control of Parliament ensures that legislative scrutiny of military activities is weak, despite some formal powers of oversight proscribed in the Constitution.⁸ Since 2019, there is some evidence of parliamentary activity in the field, for instance through the Committee on National Security and the Committee on the Armed Forces, which have begun scrutinising aspects of defence procurement, such as the delayed and costly acquisition of Ukrainian tanks.⁹ Yet, these activities have also underlined the limits of parliamentary powers. Aside from reviewing the deal, Parliament has no power to demand further investigations, nor does it have the authority to cancel procurement projects, leading some legislators to walk out of select committees.¹⁰ This underlines the gap between Parliament's formal rights and the reality, where the power asymmetry with the military stymies the exercise of meaningful scrutiny. A similar dynamic can be observed with regards to the auditing of military expenditure. The Office of Internal Audit within the Ministry of Defence (MoD) conducts annual reviews of defence expenditure, although it is difficult to assess how extensive these audits are and the level of information access granted to auditors. According to the Internal Audit Policy of the MoD, the Comptroller General's Department allows for defence expenditure to be subjected solely to internal audit, as opposed to other government departments which are also audited by the State Audit Office.¹¹ Instead, the Audit Office receives just an annual summary of spending from the MoD and does not conduct performance or compliance audits and has no access to figures related to off-budget spending, which are significant.¹² Its enforcement powers are similarly weak. Despite announcing an investigation into the purchase of three submarines from China, the State Audit Office was powerless in preventing the deal from being signed, even before its investigation was completed.¹³

Financial Transparency

Defence-related access to information response rates	(1) % granted full or partial access: Data is not publicly available. (2) # subject to backlog: Data is not publicly available.
Defence-related complaints to ombudsman/commissioner #	Data is not publicly available.
Does the commissioner have authority over the MoD?	Yes.
Audit reports on defence (2015-2020) #	Data is not publicly available.
Open Budget Index (IBP, 2019)	61/100
World Press Freedom Index (RSF, 2021)	137th out of 180.

Government transparency is generally weak in Thailand. Despite the 2019 elections sparking an increase in parliamentary oversight and government openness, the military's continued sway over government operations and within parliament ensures that decision-making is not inclusive.¹⁴ The defence sector is one of the most secretive sectors of government. For instance, though the MoD does publish a defence budget, expenditure is listed under different action plans, ensuring that details on procurement and asset disposals for instance are omitted.¹⁵ The opposition has long denounced the MoD's practice of off-budget spending, of which it does not disclose any details. This slush fund, amounting to some 18-billion-bhat or nearly 8 per cent of the total budget, is exempt from the Financial and Fiscal Discipline Act, due a loophole which enables the defence budget to bypass compliance with disclosure regulations that apply to all other government departments.¹⁶ The military's long tradition of economic involvement further undermines transparency and makes an accurate assessment of the sector's finances extremely complicated. The Royal Thai Army owns television and radio stations, gas stations, golf courses and operates restaurants, construction companies and horse-racing tracks, as well as significant amounts of land, and military officers sit on the boards of most of the state enterprises owned by the government.¹⁷ However, these holdings are entirely non-transparent and there is no publicly available information on the revenue they generate or how these funds are managed. According to opposition leaders, business income is not returned to the state's coffers, indicating that its spending is entirely unregulated and unscrutinised.¹⁸ In 2020, a soldier killed 29 people over a housing deal involving his superior officer, exposing the prevalence of opaque business deals in the military, which the Army Chief promised to investigate.¹⁹ Financial secrecy is also bolstered by the weakness of access to information systems in defence. The Official Information Act prohibits the disclosure of a wide swathe of 'security'-related information, essentially granting authorities carte blanche to reject any requests touching on defence matters.²⁰

⁶ Bertelsmann Stiftung, *BTI Thailand*, p. 33.

⁷ Bertelsmann Stiftung, *BTI Thailand*, p. 8.

⁸ Government of Thailand, 'Constitution of Thailand', Section 140, *Government Gazette*, Vol. 134, 40a. April 6, 2017.

⁹ Prashanth Parameswaran, 'Prayut's Ukraine Tank Deal Defense Highlights Thailand's Broader Security Challenge', *The Diplomat*, 3 March 2020.

¹⁰ Aekarach Sattaburuth, 'MPs Walk out of Covid Oversight Committee Meeting', *Bangkok Post*, 10 June 2020.

¹¹ Office of Internal Audit, '[Translated] The Regulations of the Ministry of Defence on Internal Audit Fiscal Year 2010'.

¹² Paul Chambers, 'Civil-military relations in Thailand since the 2014 coup: the tragedy of security sector 'reform'', *PRIF*, PRIF Report No. 138, 2015.

¹³ Lindsay Murdoch, 'Thailand buys \$530 million submarine from China, a move 'opposed by most Thais'', *Sydney Morning Herald*, 6 May 2017.

¹⁴ Freedom House, 'Freedom in the World - Thailand', 2021, C3.

¹⁵ Office of Budget and Finance, 'Annual Budget Allocation for Fiscal Year 2020'.

¹⁶ Bangkok Post, 'Defending the Indefensible?', 4 December 2019.

¹⁷ The Nation Thailand, 'Major Business Interests of the Army', 18 February 2020.

¹⁸ Wassana Nanuam, 'Army to Cede Schemes to Professionals', *Bangkok Post*, 13 February 2020.

¹⁹ Reuters, 'Mass Shooting Puts Army Officers' Side Deals Under Scrutiny', *Bangkok Post*, 12 February 2020.

²⁰ Government of Thailand, *Official Information Act*, Section 15, B.E. 2540, 1997.

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Personnel Ethics Framework

Whistleblowing legislation	None.
# defence-sector whistleblower cases	Data is not publicly available.
# Code of conduct violations	Military: Data is not publicly available.
	Civilian: Data is not publicly available.
Financial disclosure system	# submitted: Data is not publicly available.
	# of violations: Data is not publicly available.

The privileged position the military has enjoyed in Thailand has fed into a culture of impunity, especially for senior personnel, where sanctions for corruption, misconduct and human rights violations are irregularly enforced.²¹ For instance, the military and civilian codes of conduct in the sector are formally solid, covering issues of bribery, gifts and conflicts of interest.²² However, enforcement is poor. Breaches of the codes are rarely investigated, even when there is strong evidence suggesting personnel have engaged in corruption.²³ Personnel are also discouraged from coming forward to report wrongdoing. Officers, some of them at senior positions, have faced disciplinary procedures for reporting corruption in the armed forces, whilst others have been forced to leave the service or been subject to mistreatment.²⁴ These cases speak to a wider issue around whistleblowing and how an enduring culture of secrecy whilst in service ensures that personnel are disincentivised to come forward. There is no legislation regulating whistleblowing for defence personnel, stripping them of legal protection and exposing them to retaliation from powerful figures. In fact, disciplinary regulations actually ban officers from reporting cases of corruption to other service members or even holding a meeting to discuss whistleblowing.²⁵ Despite assurances from top military commanders that the whistleblowing system was being strengthened in the aftermath of the Korat mass shooting, the recent case of an officer facing a court martial for speaking out against corruption is testament to the lack of progress.²⁶ A further obstacle to integrity building measures in relation to personnel is the prevalence of favouritism and nepotism in recruitment and promotion procedures. Particularly at senior levels, positions are often granted as a form of patronage and are frequently rewards for loyalty to the military brass and the monarchy, ensuring that officers have a vested interest in protecting the status quo and displaying unfailing loyalty.²⁷

Operations

Total armed forces personnel (World Bank, 2018)	454,850
Troops deployed on operations #	c. 800 in Southern Thailand, 272 in South Sudan (UNMISS)

The Royal Thai Armed Forces are actively engaged in the United Nations peacekeeping mission in South Sudan,²⁸ as well as counter-insurgency operations in the southern part of Thailand.²⁹ Despite both theatres being areas of weak state presence and characterised by strong corruption networks, anti-corruption safeguards for military operations are extremely weak. Thailand has no doctrine addressing corruption as a strategic issue during deployments and the existing corruption prevention plans do not address operations specifically.³⁰ Correspondingly, there is little emphasis on anti-corruption during the forward planning and training for military operations, with no evidence of specialised training programmes for commanders or of appropriate corruption risk mitigation strategies being developed. In Southern Thailand, the outsourcing of counter-insurgency operations to local armed groups further undermines already weak anti-corruption controls. Though the groups receive training from the Army, it is highly superficial and there is no evidence it includes any reference to anti-corruption. The fact that these groups are outside the normal chain of command and not bound by any of the military's standard operation and disciplinary procedures opens the door for corruption to proliferate in this theatre of operations.

²¹ Human Rights Watch, 'Thailand: Events of 2019'.

²² Government of Thailand, *Civil Servants Act*, B.E. 2551, 2008.

²³ Sarunee Achavanuntakul, 'Corruption under NCPO: Transparency is meaningless', *The Momentum*, 4 July 2019.

²⁴ iLaw, 'From twisted whistleblowing systems to Thai military reforms', 6 June 2020.

²⁵ Government of Thailand, *Military Disciplinary Act*, Section 23, B.E. 2476, 1933.

²⁶ Brad Adams, 'Thai Army Whistleblower Faces Court Martial', *Human Rights Watch*, 3 June 2020.

²⁷ Paul Chambers, 'Scrutinising Thailand's 2019 Annual Military Reshuffle', *New Mandala*, 25 September 2019.

²⁸ United Nations Peacekeeping, 'Country Contributions by Mission and Personnel Type', 31 March 2021.

²⁹ Don Pathan, 'Thailand's Military Outsourcing Deep South Security to Local Militias', *Benar News*, 5 October 2016.

³⁰ See for instance, Ministry of Defence, *Strategic Plan on Corruption Prevention and Suppression*, 2020.

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Defence Procurement

Military expenditure (US\$ mil) (SIPRI, 2020)	7,362
Open competition in defence procurement (%)	Data is not publicly available.
Main defence exports – to (SIPRI, 2016-20)	Malaysia
Main defence imports – from (SIPRI, 2016-20)	South Korea, China, Ukraine, United States, Italy

Since the 2014 coup d'état, Thailand's military leaders have been pursuing a programme of military modernisation, driven by spiralling defence spending and continuously expanding defence budgets.³¹ However, opaque and secretive procurement practices risk undermining the effectiveness of the current drive, which is laid out in a 10-year military development programme entitled 'Vision 2026' and is funded by an increase in defence spending to 2 per cent of GDP.³² However, the programme is excessively vague and does not define a clear acquisition strategy.³³ As a result, linking individual purchases to strategic requirements is difficult and many purchases, such as the acquisition of Chinese submarines, have been criticised for not being directly relevant to Thailand's security challenges and being driven by political priorities and the need to curry favour with Beijing.³⁴ The secrecy that continues to surround defence procurement is

a key facilitator for the prevalence of ad-hoc, un-planned and strategically questionable purchases. In 2017, the government passed the Public Procurement and Supplies Administration Act, in an attempt to reduce corruption in the procurement process, by enhancing transparency and using an electronic tendering platform. However, section 7 outlines how the Act does not apply to the procurement of weapons and services related to national security, meaning the procurement of these items is not regulated by any of Thailand's procurement legislation.³⁵ This exemption from transparency rules ensures that defence procurement continues to be conducted in a secretive manner, with little substantive oversight. Though the Public Procurement Commission and Anti-Corruption Commission are both nominally vested with oversight powers, in practice their work is superficial. The Public Procurement Committee is staffed with government representatives who have vested interests in certain projects, while the Anti-Corruption Commission has been slow to act when presented with evidence of suspicious programmes under both elected and military-appointed governments.³⁶

³¹ Bangkok Post, 'Army Budget out of Control', 6 July 2019.

³² Prashanth Parameswaran, 'What Does Thailand's 2019 Defense Budget Mean?', *The Diplomat*, 14 June 2018.

³³ Andrew Drwiega and Lee Willett, 'Thailand's Spending Spree', *Asian Military Review*, 12 February 2018.

³⁴ Cod Satrusayang, 'Analysis: Does Thailand need a submarine force?', *Thai Enquirer*, 24 August 2020.

³⁵ Government of Thailand, 'Thailand Public Procurement and Supplies Administration Act', Section 7, *Government Gazette*, 134, 24a., 24 February 2017.

³⁶ Ukrist Pathmanand and Michael K. Connors, 'Thailand's Public Secret: Military Wealth and the State', *Journal of Contemporary Asia*, 2019, pp. 1-25.

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GDI data collection for **Thailand** was conducted February 2020 to February 2021. The narrative discussion in this GDI brief was produced at a later time with the most recent information available for the country, which may not be reflected in the GDI country assessments or scores.

THAILAND 2020 GDI Scorecard

		Grade	Score
Political Risk		E	30
Q1	Legislative Scrutiny	D	42
Q2	Defence Committee	E	17
Q3	Defence Policy Debate	D	44
Q4	CSO Engagement	F	0
Q5	Conventions: UNCAC / OECD	A	100
Q6	Public Debate	F	13
Q7	Anticorruption Policy	C	63
Q8	Compliance and Ethics Units	B	75
Q9	Public Trust in Institutions	NS	
Q10	Risk Assessments	B	67
Q11	Acquisition Planning	F	8
Q12	Budget Transparency & Detail	C	50
Q13	Budget Scrutiny	E	25
Q14	Budget Availability	D	42
Q15	Defence Income	F	8
Q16	Internal Audit	E	25
Q17	External Audit	E	19
Q18	Natural Resources	F	10
Q19	Organised Crime Links	F	0
Q20	Organised Crime Policing	D	33
Q21	Intelligence Services Oversight	F	0
Q22	Intelligence Services Recruitment	E	17
Q23	Export Controls (ATT)	E	25
Q76	Lobbying	F	0

Financial Risk		E	17
Q24	Asset Disposal Controls	D	33
Q25	Asset Disposal Scrutiny	E	25
Q26	Secret Spending	F	0
Q27	Legislative Access to Information	F	0
Q28	Secret Program Auditing	F	0
Q29	Off-budget Spending	F	8
Q30	Access to Information	E	25
Q31	Beneficial Ownership	E	25
Q32	Military-Owned Business Scrutiny	F	0
Q33	Unauthorised Private Enterprise	F	13
Q77	Defence Spending	C	63

Personnel Risk		D	42
Q34	Public Commitment to Integrity	C	58
Q35	Disciplinary Measures for Personnel	E	25
Q36	Whistleblowing	F	8
Q37	High-risk Positions	F	0
Q38	Numbers of Personnel	F	0
Q39	Pay Rates and Allowances	A	100
Q40	Payment System	C	58
Q41	Objective Appointments	F	8
Q42	Objective Promotions	C	50
Q43	Bribery to Avoid Conscription	B	67
Q44	Bribery for Preferred Postings	B	67
Q45	Chains of Command and Payment	E	25
Q46	Military Code of Conduct	B	69

OVERALL COUNTRY SCORE

VERY HIGH RISK

27

RISK GRADE

A • 83-100 VERY LOW

B • 67-82 LOW

C • 50-66 MODERATE

D • 33-49 HIGH

E • 17-32 VERY HIGH

F • 0-16 CRITICAL



Personnel Risk		D	42
Q47	Civilian Code of Conduct	C	50
Q48	Anticorruption Training	C	58
Q49	Corruption Prosecutions	D	33
Q50	Facilitation Payments	D	33

Operational Risk		E	30
Q51	Military Doctrine	E	25
Q52	Operational Training	B	75
Q53	Forward Planning	F	13
Q54	Corruption Monitoring in Operations	E	25
Q55	Controls in Contracting	F	13
Q56	Private Military Contractors	NS	

Procurement Risk		F	16
Q57	Procurement Legislation	D	38
Q58	Procurement Cycle	D	42
Q59	Procurement Oversight Mechanisms	F	8
Q60	Potential Purchases Disclosed	C	50
Q61	Actual Purchases Disclosed	F	0
Q62	Business Compliance Standards	F	0
Q63	Procurement Requirements	F	8
Q64	Competition in Procurement	F	0
Q65	Tender Board Controls	F	0
Q66	Anti-Collusion Controls	C	50
Q67	Contract Award / Delivery	D	38
Q68	Complaint Mechanisms	D	33
Q69	Supplier Sanctions	E	17
Q70	Offset Contracts	F	0
Q71	Offset Contract Monitoring	F	0
Q72	Offset Competition	F	0
Q73	Agents and Intermediaries	F	0
Q74	Financing Packages	F	0
Q75	Political Pressure in Acquisitions	NS	

KEY

NEI Not enough information to score indicator
NS Indicator is not scored for any country
NA Not applicable



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