



RESEARCH ARTICLE

Adopting International Standards to Strengthen Corruption Prevention in Local Government Procurement: Insights from Southern Thailand

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ARTICLE INFO	ABSTRACT
Received: Sep 27, 2024 Accepted: Nov 23, 2024	Local governments in southern Thailand face challenges with corruption scandals in public procurement. This study aims to investigate how selected local governments in the two most scandalous areas of southern Thailand implement international standards to prevent corruption in local government procurement. This study is qualitative in nature and involves conducting semi-structured interviews with local public servants, local elected officials, and bidders in the selected local governments in southern Thailand. The results revealed that the selected local governments have made quite successful efforts to comply with the procurement laws and regulations, but have failed to achieve the desired outcomes in line with the three common basic principles of the international instruments. This study provides useful information that can be put into practice to uphold the international instruments for ensuring prevention of corruption in local government procurement in general. This study focuses on the local conditions in southern Thailand, where few studies have concentrated on preventing corruption in local government procurement.
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INTRODUCTION

Public procurement plays a vital role for governments across all levels, facilitating the acquisition of diverse products and services, ranging from infrastructure development to achieving social objectives. As a result, a substantial amount of government spending goes toward public procurement (Schöberlein and Jenkins, 2019). However, public procurement is widely regarded as one of the most vulnerable areas to corruption because it creates chances for favoritism, conflict of interest, embezzlement, and outright bribery (Mantzaris, 2014; OECD, 2016; Schöberlein and Jenkins, 2019).

Thailand is acknowledged as a country with corruption challenges, ranking 108th out of 180 countries (Corruption Perception Index, 2023). In particular, local governments in Thailand are seen as prone to corruption especially in the public procurement process, which is a significant obstacle to enhancing good governance. (Puang-ngam, 2007; Office of Public Sector Anti-Corruption Commission, 2017; Office of National Anti-Corruption Commission, 2023). The fiscal year 2023 report by the Office of the National Anti-Corruption Commission revealed 1,739 allegations against local governments, ranking them first among Thai public organizations for corruption complaints.

Nearly half of these allegations were related to corruption in local government procurement. Surprisingly, the number of allegations concerning local government procurement in the southern provinces had continuously increased since 2021. It has been also founded a rise in scandal cases in the two major southern provinces of Thailand.

Songkhla and Nakhon Si Thammarat provinces illustrate the unique challenges of local government procurement corruption in southern Thailand. As major economic centers in the region, these provinces manage large-scale for infrastructure and development projects and significant budgets. They also rank first and second in terms of the number of local government organizations in southern Thailand, where intense political competition and the influence of complex political networks and patronage systems are prevalent. Moreover, in four districts of Songkhla province are under situations of violence and special laws. These factors create a distinct environment that intensifies the difficulties in addressing procurement corruption.

Against this background, various international agencies have introduced a number of corruption prevention strategies and played a very active role in combating corruption in recent years. (United Nations, 2003; Transparency International, 2014; OECD, 2016; the Council of Europe, 2017). However, few studies have been conducted on implementing corruption prevention strategies based on international principles, especially concerning local government procurement. (Schöberlein and Jenkins, 2019; Schöberlein 2019). Moreover, majority of studies on preventing corruption in local government procurement have been conducted in Europe and Africa (Oluka and Sennoga, 2008; Basheka et al., 2015; Nwofia, 2017; Doig and Sproat, 2020; OECD, 2021). Meanwhile, there has been little study done in local government procurement in the context of Asia. This, therefore, becomes crucial to study prevention of corruption in public procurement in selected local governments in southern Thailand.

LITERATURE REVIEW

Overview of local government procurement in Thailand

Previously, local government procurement in Thailand was governed by the Ministry of Interior Regulations under the Public Procurement and Supplies Administration of 1992. However, following the enactment of the Public Procurement and Supplies Administration Act of 2017 and the corresponding Ministry of Finance Regulations in 2017, new guidelines for local government procurement were introduced.

Corruption in local government procurement

In general, local governments control a significant proportion for public spending. As Transparency International UK (2013) identified that local governments in the United Kingdom accounted for about 25 percent of public spending. In Sweden, local governments managed 37 percent of the total government revenue (OECD, 2014). Meanwhile, local governments in Thailand received nearly thirty percent of all government revenue (Budget Bureau, 2023). Moreover, local governments are also responsible for a variety of functions such as public health, education, and infrastructure development. These responsibilities can easily increase the risk of corrupt practices in procurement process.

Potential of corrupt activities in local government procurement in southern Thailand

Since the context of local governments in southern Thailand is heavily influenced by political networks and patronage systems, the potential for corrupt activities in local government procurement is significant. During the pre-tendering phase, local government officers may engage in bribery by colluding with individuals or companies that have close relationships with political leaders before setting the Terms of Reference (Office of National Anti-Corruption Commission, 2023). They may also receive kickbacks to favor certain bidders during the awarding phase. In some cases,

the mayor may establish a shell company that has no real operations with the intent of securing contract in local government procurement process. Additionally, to avoid competitive methods, officials might manipulate the budget, scaling down from a large to a small amount, and use specific methods that allow them to contract directly with a chosen bidder (Office of National Anti-Corruption Commission, 2023).

International instruments to prevent corruption in local government procurement

Corruption in public procurement can occur at both national and local government levels. In response to this challenge, various international organizations such as the United Nations, the European Union, Transparency International, and the Organization for Economic Co-operation and Development (OECD) have developed principles and standards aimed at effectively preventing corruption in public procurement. These principles are designed to be applicable across all government levels. (United Nations, 2013; OECD, 2021). The most significant international instruments that support good practices in preventing corruption in public procurement include the United Nations Convention Against Corruption, the UNCITRAL Model Law on Procurement of Goods, the Agreement on Government Procurement, Public Procurement Directives, TI's Integrity Pacts, and the OECD Principles for Enhancing Integrity in Public Procurement (United Nations, 2013; OECD, 2014).

When comparing these international instruments, it becomes evident that while there are notable variations in the standards for establishing an effective procurement system, the basic principles of each instrument are the same (United Nations, 2013). It is important to emphasize that the aim of each instrument is to facilitate an effective procurement system based on common principles such as transparency, integrity, and fair competition. However, these principles require greater precision when considering them in the context of public procurement. According to some scholars, principle of transparency in public procurement refers to the ability of a public organization to inform all relevant parties about the procedures involved in awarding and managing public contracts (Wittig, 2005; Bertók, 2005; Osei-Afoakwa, 2014). Principle of integrity in public procurement is characterized by ensuring that all processes are managed by public officials who are honest, trustworthy, responsible, and reliable (OECD, 2005). According to this principle, officials or specialists must ensure that they can manage the procurement process in compliance with public procurement principles and legislative frameworks (OECD, 2005).

Considering principle of fair competition in public procurement, it ensures that any public organization can equally facilitate and treat all bidders under the same conditions throughout the duration of the procurement process (Czajkowska, 2013). Furthermore, public organizations can effectively manage public finances by discouraging misuse and promoting reliable and trustworthy bidders (Czajkowska, 2013). To effectively prevent corruption, these basic principles can also be applied to local government procurement processes. Therefore, the main objective of this study is to investigate how selected local governments in Southern Thailand implement corruption prevention in their procurement practices, focusing on the common principles of transparency, integrity, and fair competition from international instruments. This investigation aims to ensure effective corruption prevention in local government procurement given the current situation. The primary research question of this study is: How do the selected local governments in Southern Thailand adopt international instruments to prevent corruption in local government procurement? There are three sub-research questions as follows:

SUBRQ1. How is principle of transparency applied in local government procurement?

SUBRQ2. How is principle of integrity implemented in local government procurement?

SUBRQ3. How is principle of fair competition operated in local government procurement?

RESEARCH METHODOLOGY

The study involved eight selected local governments from two provinces in southern Thailand. These local governments were chosen based on their involvement in scandal cases related to public procurement, as well as considerations of jurisdiction, organizational structure, and budget size. Semi-structured interviews were conducted with three categories of respondents: local public servants, local elected officials, and bidders. This approach aimed to gain a comprehensive understanding of the principles under investigation. Prior to data collection, formal letters were distributed to all respondents to introduce the study's objectives and questions. Permission to record respondents' audio was also requested.

Moreover, a series of questions focusing on the three fundamental principles of international instruments — transparency, integrity, and fair competition — was administered. Local public servants and elected officials were interviewed regarding their awareness, application, involvement, and perceived success with these principles. Similarly, bidders were asked about their perception, evidence, and achievement levels concerning these principles. Following the distribution of letters to each respondent, a telephone call was made to schedule interview appointments. The interviews were conducted face-to-face, lasting approximately one to one and a half hours each. Each respondent was then assigned a code; local public servants were coded from P1 to P16, while elected officials and bidders were coded E1 to E8 and B1 to B8, respectively.

FINDINGS

How is principle of transparency applied in local government procurement? (SUBRQ1)

P1 through P16, E1 through E8, and B1 through B8 provided their responses to a series of preliminary questions about application of principle of transparency (PT) in local government procurement. The questions for code P and E are presented in Table 1, while the questions for code B are shown in Table 2.

Question PT1: All respondents (P1 to P16 and E1 to E8) revealed that the actual practices for applying PT in local government procurement were mainly based on laws and regulations. In addition, one-fourth of respondents (P1, P3, P5, P6, P11 and P14) emphasized that the adoption of PT in local government procurement by making all procurement-related information available on the local government website. Meanwhile, one-sixth of respondents (P11, P14, P15 and P16) revealed that the utilization of PT through providing procurement information to various channels. Furthermore, only one-eighth of respondents (P4, P9, and P10) declared that they had no conflicts of interest regarding any procurement committee when applying PT. According to one-sixth of respondents (E1, E3, E6, and E7) recognized that allowing key stakeholders participation in local government procurement process is the reality practice for PT. However, only one-eighth of respondents (E2, E4, and E8) insisted that local government councils would have to take a scrutiny in every project in order to ensure the applying of PT.

Question PT2: Majority of respondents (62.5 %) expressed satisfaction with the implementation of PT in local government procurement, which was at very good level. According to 15.62 percent of respondents (P5, P6, P11, P13 and E2), their response was supported by considering that local governments had passed transparency assessments conducted by different state authorities. Meanwhile, 12.5 percent of respondents (P3, P7, P8, and E4) provided evidence by focusing on the internal controls that had been distributed across their organizational chain of command.

Question PT3: One- third of respondents (P1, P5, P7, P10, P11, P12, P13 and E1) indicated that the application of PT in local government procurement enhances public trust by allowing local communities to be informed about all projects involved in the public procurement process. According to 20.83 percent of respondents (P3, P4, P9, E3, and E6), the effects of applying PT include creating

greater efficiency in the use of public funds. Additionally, only 16.66 percent of respondents (P14, E2, E4, and E8) observed that implementing PT elevates the professionalism of public procurement officers. Meanwhile, one-third of respondents (P2, P5, P8, P9, P10, P14, P15 and P16) provided evidence that PT increases administrative workloads. Another one-third of respondents (P1, P3, P6, P11, P12, E4, E5 and E7) reported that PT leads to misunderstanding among bidders and local people.

Question PT4: Over one-sixth of the respondents (P4, P5, P14, E2, and E7) recognized that a significant challenge arising after the implementation of PT in local government procurement is the intensification of political maneuvering in local areas. However, another one-sixth of respondents (P3, P6, P7, and P12) pointed out that the primary obstacle after adopting PT in local government procurement is the fragmented and volatile nature of local political culture, which often results in increased defamation to undermine political rivals.

Table 1. PT questions for code P and E

No.	Questions
PT1	How your local government apply PT in local government procurement?
PT2	What is the level of success to apply PT in local government procurement and why this level?
PT3	What are the effects of applying PT in local government procurement?
PT4	What are the challenges that arise after applying PT in local government procurement?

Question PT5: Half of respondents (B1, B2, B4 and B7) stated that the standard practices of PT in local government procurement were evidently implemented by launching procurement information in each phase of bidding, announcing the bid winner on local government websites, disclosing assessment standards in solicitation documents, and registering bid complaints in a timely and suitable manner. Conversely, a quarter of respondents (B5 and B6) reported that PT was implemented by including key stakeholders and experts in the bid evaluation committee.

Question PT6: All respondents (B1 to B8) were satisfied with the application of PT in local government procurement which was at good level. As reported by 37.5 percent of respondents (B1, B2, and B5), the primary factor contributing to their satisfaction was the use of modern technology to improve the implementation of PT in local government procurement. B1 elaborated that bidders could conveniently access procurement information from the local government by engaging with their social media platforms like Facebook and the Line application.

Question PT7: Half of respondents (B1, B3 B2 and B6) observed that after applying PT in local government procurement resulted in a reduction of negative public perceptions regarding procurement issues in local governments. Furthermore, one-quarter of the respondents (B5 and B8) accepted that the effects of promoting PT increased confidence in the procurement system and its integrity among municipal officers, bidders, and local people. Meanwhile, half of the respondents (B1, B4, B6, and B7) indicated that implementing PT in local government procurement created sensitivity about competitive advantage information.

Question PT8: Over one one-quarter of the respondents (B2, B5, and B7) pointed out that the key challenge arising after the implementation of PT in local government procurement is the poor awareness and decision-making of chief executive officers or mayors, who hold significant authority in the procurement process. Furthermore, one-quarter of the respondents (B4 and B8) accepted that the major hindrance after adopting PT in local government procurement is the prevailing social attitude that concerns about public property are not considered a personal responsibility. It is clear from all of the responses to SUBRQ1 that while the principle of transparency (PT) is largely driven by adherence to laws and regulations, and has contributed to increased public trust and efficient use of public resources, significant challenges remain. These include increased administrative workloads, misunderstandings among stakeholders, and the influence of local political networks. Moreover, the success of PT's implementation is heavily reliant on leadership awareness and cultural shifts in public

attitudes. Addressing these challenges will be key to further strengthening transparency in local government procurement.

Table 2. PT questions for code B

No.	Questions
PT5	Does the local government take any standard practices of PT in local government procurement?
PT6	What is the level of your satisfaction for the practice of PT in local government procurement and why this level?
PT7	What are the effects of applying PT in local government procurement?
PT8	What are the challenges that arise after applying PT in local government procurement?

How is principle of integrity implemented in local government procurement? (SUBRQ2)

The following questions can be used to determine how principle of integrity (PI) could be implemented in local government procurement. Table 3 displays four questions for code P and E, while Table 4 lists four questions for code B.

Question PI1: From the experiences of all local elected officials and public servants, it was recognized that actual situations for implementing PI in local government procurement were mainly reliant on rules and regulations. In addition, there were a few local governments had established norms and standards inside their own organization for encouraging PI along with procurement laws and regulations. According to over one-third of respondents (P7, P8, P9, P10, E1, E3, E5, E6, and E7) revealed that the application of PI in local government procurement was adopted by providing intensive training to all staff members who accountable in procurement process. Likewise, nearly one-third of respondents (P1, P2, P5, P6, P13, P14 and P16) recognized that the adoption of PI in local government procurement was applied by adhering and promoting an ethical code of conduct for local government officials. In contrast, over one-fifth of respondents (P15, P16, E2, E4 and E8) assured that the utilization of PI in local government procurement was employed through establishing explicit procurement rules and plans. Moreover, one-sixth of respondents (P3, P4, P7 and P8) announced that the application of PI was used by promoting public scrutiny from all parties involved. However, only one-eighth of respondents (P11 P12 and P15) articulated that the implementation of PI in local government procurement was applied through creating cultural integrity and sustaining sound practices within the organization.

Question PI2: Majority of respondents (74.5 %) enunciated that they were satisfied with the application of PI in local government procurement, which was at very good level. They responded with various reasons. According to 29.16 percent of respondents (P3, P7, P12, P14, P15, E2, and E4), their supportive response was based on the absence of complaints from the public and relevant agencies during the inspection process. Additionally, 20.83 percent of respondents (P1, P5, P8, P10, and E5) supported their response by highlighting the increase in Local Performance Assessment (LPA) and Integrity and Transparency Assessment (ITA) scores. On the contrary, 16.66 percent of respondents (P4, P9, P11, and E6) provided evidence of changing behavior among civil servants and employees who are keen to prevent corruption to support their response. Meanwhile, another 16.66 percent of respondents (P2, P13, E7, and B5) considered improving leadership performance as a positive step in the local government office.

Question PI3: All respondents (P1-P16 and E1-E8) acknowledged that the implementation of PI in local government procurement has resulted in greater public trust in local government officials and enhanced the effectiveness of service delivery. Additionally, 25 percent of respondents (P11, P16, E2, E4, E6, and E7) mentioned that PI has led to fewer complaints concerning the public procurement process. Furthermore, 16.66 percent of respondents (P10, P15, E5, and E8) noted that the

introduction of PI has encouraged local government officials to increase their awareness of the public procurement process. However, all respondents (P1-P16 and E1-E8) also reported that PI can create potential conflicts or misunderstandings with bidders, stakeholders, and local communities at various stages of the procurement process. Additionally, 20.83 percent of respondents (P6, P8, P13, P15, and P16) indicated that PI presents challenges in consistently upholding integrity principles in complicated situations. Another 20.83 percent of respondents (P2, P7, E1, E2, and E6) observed that PI has led to increased resistance from civil servants involved in the procurement process, due to the additional responsibilities and workload.

Question PI4: Over one-sixth of the respondents (P1, P6, P10, E3 and E5) identified that a significant challenge arising after the implementation of PI in local government procurement is the political networks and patronage systems in local areas. Furthermore, one-quarter of respondents (P5, P9, P10, P12, P14, and E4) highlighted the shortage of procurement professionals in local government organizations as a major barrier to effectively adopting PI in procurement processes.

Table 3. PI questions for code P and E

No.	Questions
PI1	How your local government apply PI in local government procurement?
PI2	What is the level of success to apply PI in local government procurement and why this level?
PI3	What are the effects of implementing PI in local government procurement?
PI4	What are the challenges that arise after implementing PI in local government procurement?

Question PI5: Half of respondents (B2, B3, B5, and B8) indicated that the common practices of PI in local government procurement were clearly implemented through the inclusion of provisions on corruption and other misconduct practices in the solicitation documents. On the contrary, over one-third of respondents (B1, B4 and B7) maintained that PI was employed through providing an appeal system after announcing the bid winner.

Question PI6: All respondents (B1 to B8) were satisfied with the application of PI in local government procurement which was at good level.

However, only 25 percent of respondents (B2 and B5) attributed their satisfaction level to the local leader's performance in accordance with his or her commitments.

Question PI7: All of respondents (B1- B8) observed that after implementing PI in local government procurement resulted in increase public confidence for all local government service delivery. More importantly, one-quarter of the respondents (B2 and B5) accepted that the effects of adhering PI helped establish mechanisms to prevent misconduct in public procurement cycle. In contrast, half of the respondents (B1, B4, B6, and B7) reported that the effects of implementing PI created challenges in qualifying bidders and limited the competitiveness of the bidding process.

Question PI8: Half of the respondents (B2, B3, B6, and B7) acknowledged that the critical challenge arising after the implementation of PI in local government procurement is the existence of grey areas in public procurement rules and regulations, including the specific method of procurement and the selection of specific stakeholders to be part of evaluation committee. In addition, a quarter of the respondents (B1 and B5) accepted that a major challenge following the implementation is the pervasive culture of bribery. They noted that there's a widespread belief that winning bids is impossible without offering kickbacks, as expressions of gratitude are an important part of the local cultural norms. All the responses to SUBRQ2 clearly demonstrate that the implementation of the principle of integrity (PI) in local government procurement is largely dependent on legal frameworks, training, and ethical codes of conduct. While the majority of respondents expressed satisfaction with the implementation of PI, challenges remain. These include political interference, a shortage of procurement professionals, resistance from civil servants, and the persistence of bribery

culture. Despite these obstacles, PI has positively impacted public trust, reduced complaints, and increased awareness among officials. Addressing the loopholes in procurement rules and mitigating the influence of political networks will be critical to further strengthening the integrity of procurement processes at the local government level.

Table 4. PI questions for code B

No.	Questions
PI5	Does the local government take any standard practices of PI in local government procurement?
PI6	What is the level of your satisfaction for the practice of PI in local government procurement and why this level?
PI7	What are the effects of applying PI in local government procurement?
PI8	What are the challenges that arise after implementing PI in local government procurement?

How is principle of fair competition operated in local government procurement? (SUBRQ3)

To find the ways in which principle of fair competition (PF) could be operated in local government procurement, use these seven questions. Four codes P and E questions are provided in Table 5, while four codes B questions are presented in Table 6.

Question PF1: All local elected officials and public servants acknowledged that PF in local government procurement has been practiced based on the framework of the Public Procurement and Supplies Administration Act of 2017, and The Ministry of Finance Rules and Regulations with reference to Public Procurement and Supplies Administration of 2017. Moreover, there were some local government organizations had initiated criteria of standard inside their own organization for promoting PF in local government procurement along with procurement laws and regulations. However, local government organizations had put PF in local government procurement into practice through several actions. According one-fourth of respondents (P1, P5, P9, P10, P13 and E6) informed that the action of PF in local government procurement has been implemented by announcing the bidding plan and solicitation documents on municipality's website. In addition, over one-fifth of respondents (P4, P7, P10, P13 and P15) revealed that PF in local government procurement has been adopted by examining bid collusion from all bidders. Moreover, one-sixth of respondents (P3, P9, P14 and E1) reported that PF in local government procurement has been applied through providing a sufficient time for bid submission to all bidders. Furthermore, one-eighth of respondents were categorized into three groups. The first group (P2, P12, and E2) highlighted the utilization of PF in local government procurement by providing all bidding information to bidders without bias towards any particular bidder, brand, or company. The second group (P10, P14, and P16) acknowledged that PF in local government procurement has been upheld by declaring potential conflicts of interest with all bidders. The final group (P2, P13, and P14) suggested that PF in local government procurement has been ensured by offering an equal timeframe for all bidders to submit bids. Additionally, one-twelfth of respondents were also classified into three actions. Firstly, they (P14 and P16) noticed some changing bidding information to all bidders via email and letter. Secondly, they allowed other bidders to submit an appeal document. Lastly, they ensured bid requirements align with market pricing and the standard of products and services.

Question PF2: Majority of respondents (58.33%) articulated that they were satisfied with the adaptation of PF in local government procurement, which was at very good level. Further explanation has been provided for the level of satisfaction. According to 33.33 percent of respondents (P2, P3, P8, P11, P14, P16, E2, and E5), they provided explanations based on evidence from the participation of various bidders from different brands and companies.

Meanwhile, 25 percent of respondents (P4, P5, P6, P9, P10, and E1) reasoned their satisfaction level by considering the positive impact on local economic development, especially since many local entrepreneurs are interested in submitting bids. However, the remaining 41.66 percent of respondents expressed satisfaction with the operation of PF in local government procurement, which was at only good level. There are two viewpoints for supporting this satisfaction level. According to 25 percent of respondents (P1, P7, P12, E3, E6 and E7) reasoned that the practice of PF in local government procurement still found weak points to prevent corruption. Whereas 16.66 percent of respondents (P13, P15, E4, and E8) stated a reason that the evidence for implementing PF has only been found from the forefront of documents, while other aspects behind the scenes remain unknown.

Question PF3: All respondents (P1-P16 and E1-E8) reported that the adoption of PF in local government procurement has successfully reduced anxieties about the potential misuse of public funds and fostered a sense of professional pride among procurement officers. Besides, 29.16 percent of respondents (P7, P9, E1, E2, E5, E7 and E8) noted that PF has enhanced transparency and strengthened enforcement at every stage of the procurement cycle. More importantly, 20.83 percent of respondents (P2, P5, P11, E3, and E7) revealed that the adoption of PF has elevated the quality and standards of service delivery. However, all respondents (P1-P16 and E1-E8) also identified undesirable effects that PF, particularly delays in the procurement process caused by bidders who feeling unfairly excluded or disadvantaged, lodged appeals. Furthermore, 25 percent of respondents (P1, P5, P10, P12, P15 and E4) pointed out that PF created misinterpretation due to the complexity and lack of clarity in bid specifications. Additionally, 20.83 percent of respondents (P3, P6, P7, E1, and E7) observed that PF created barriers for small local businesses in meeting bid requirements, thereby discouraging their participation.

Question PF4: Over one-third of the respondents (P1, P2, P5, P6, P9, P10, E3, E5 and E8) highlighted supplier collusion as a major concern. Specifically, they emphasized the difficulty in detecting and preventing bid rigging practices. Furthermore, a quarter of respondents (P3, P5, P8, P13, E1, and E7) identified the complexity of procurement rules and regulations as a significant hindrance to effectively adhering PF throughout the procurement processes.

Table 5. PF questions for code P and E

No.	Questions
PF1	How your local government apply PF in local government procurement?
PF2	What is the level of success to apply PF in local government procurement and why this level?
PF3	What are the effects of applying PF in local government procurement?
PF4	What are the challenges that arise after implementing PF in local government procurement?

Question PF5: According to 62.5 percent of respondents (B1, B3, B5, B7, and B8) pointed out that the usual practices of PF in local government procurement were operated by providing a sufficient time for bid submission. In addition, 25 percent of respondents (B1, B3) insisted that PF in local government procurement was implemented by allowing bidders to submit bid at one time within a specific timeframe. Besides 37.5 percent of respondents (B1, B2 and B4) accepted that PF was performed by allowing all bidders to ask additional questions about the details of the bidding process. However, only 12.5 percent of respondents (B6) accepted that PF was applied through providing a report for bid evaluation result and sending it back to all bidders.

Question PF6: Majority of respondents (B1, B3, B4, B5, B7 and B8) were satisfied with the operation of PF which was at good level. The level of satisfaction has been given in more detail. Half of respondents (B3, B4, B5, and B8) based their level of satisfaction on the compliance with procurement rules and regulations for the local governments. In addition, one-fourth of respondents (B1 and B7) attributed their satisfaction level to the fact that all bidding information was made

available on local government websites. However, only one-fourth of respondents (B2 and B6) expressed satisfaction with the practice of PF at a fair level, as they considered the potential bias within the bid evaluation committee.

Question PF7: All of respondents (B1- B8) indicated that after implementing PF in local government procurement, there was an increase in competition and new opportunities for bidders entering the market. Additionally, a quarter of the respondents (B1 and B3) observed that adhering to PF helped improve bid specifications. On the contrary, more than half of the respondents (B1, B2, B5, B7, and B8) pointed out that adopting PF had a downside, as it reduced profit margins due to intensified price competition. Furthermore, a quarter of the respondents (B4 and B6) reported that adopting PF led to lower quality goods and services, as bidders engaged in price undercutting to win competitive bids.

Question PF8: Over half of the respondents (B1, B2, B4, B5, B6) recognized that the serious challenge following the implementation of PF in local government procurement is the complex of bid requirements. This complexity can be particularly difficult for small businesses, which often face resource constraints and lack access to new technologies. In addition, a quarter of the respondents (B3 and B7) insisted that the key challenge after implementing PF is the widespread practice of bid rigging, with concerns that expanding opportunities for competitive bidding could lead to a risk where bidders conspire to influence the outcome of the procurement process. As evidenced by all the responses to SUBRQ3, it is obvious that the principle of fair competition (PF) in local government procurement is primarily implemented through adherence to legal frameworks and the promotion of transparency measures such as public announcements, equal treatment of bidders, and sufficient time for bid submission. While a majority of respondents expressed satisfaction with PF's impact on increasing competition and fostering local economic development, challenges remain. These include the complexity of bid specifications, difficulties in preventing bid rigging, barriers for small businesses, and concerns about the fairness of bid evaluation committees. Despite these obstacles, PF has successfully reduced the misuse of public funds, enhanced service quality, and increased opportunities for bidders, though it has also led to reduced profit margins and concerns over the quality of goods and services due to intense price competition.

Table 6. PF questions for code B

No.	Questions
PF5	Does the local government take any standard practices of PF in local government procurement?
PF6	What is the level of your satisfaction for the practice of PF in local government procurement and why this level?
PF7	What are the effects of applying PF in local government procurement?
PF8	What are the challenges that arise after implementing PF in local government procurement?

DISCUSSION

The common basic principles of international instruments —principle of transparency (PT), principle of integrity (PI), and principle of fair competition (PF) — have been incorporated into the public procurement laws and regulations, especially in the Public Procurement and Supplies Administration Act of 2017, and The Ministry of Finance Rules and Regulations related to Public Procurement and Supplies Administration of 2017. The efforts of the selected local governments in southern Thailand to prevent corruption in local government procurement have primarily focused on meeting legal requirements, but have failed to achieve the desired outcomes in line with the three basic principles of international instruments for the following reasons.

Firstly, the selected local governments are making efforts to apply principle of transparency (PT) through various approaches, ranging from providing all procurement-related information on their websites to allowing key stakeholders to participate in the procurement process. However, the quality of disclosed bidding information varies significantly between local governments, making it difficult for the general public to fully understand. Moreover, accessing information to examine procurement projects is challenging and not user- friendly. As Transparency International (2014) identified that transparency is not accomplished when government agencies reluctantly grant access to specific internal documents to a select few individuals. Instead, information about potential options, plans, designs, and programs should be willingly and proactively made public. Additionally, there is a loophole in the procurement law that allows local governments to exclusively select key stakeholders to participate in the procurement process, potentially enabling them to tailor specifications for certain individuals or organizations. Furthermore, in southern Thailand, there is often a close connection between local politicians and business groups. Politicians may support these businesses in winning procurement contracts or grant special privileges to certain operators, allowing them exclusive opportunities to participate in the bidding process. These weaknesses, compounded by the influence of political networks, a lack of leadership awareness, and misguided social attitudes, create vulnerable points where corruption and malpractice may occur.

Secondly, in applying principle of integrity (PI) in practice, the selected local governments have made efforts to implement several strategies, particularly by providing intensive training to procurement officials and staff, and promoting a culture of integrity within the organization. However, ambiguities in public procurement rules and regulations, along with the widespread belief in offering kickbacks, may undermine the effectiveness of various efforts, such as intensive training and ethical codes of conduct for procurement officials, which tend to emphasize external factors. In contrast, internal incentives, such as providing special bonuses, recognition, and rewards for those demonstrating best practices, have received less focus, particularly given the administrative burdens placed on civil servants and the shortage of procurement professionals. Internal incentives have been recognized as a key factor in the success of the Chek Lap Kok project in Hong Kong with low levels corruption (Thai, 2009).

Lastly, in their effort to adopt principle of fair competition (PF), the selected local governments have taken various actions as required by rules and regulations, including announcing bidding plans and solicitation documents on local government websites and allowing all bidders to submit appeal documents. However, bias may arise as specification committees are established solely by the local government. Additionally, the discretion granted to these committees in developing bid specifications poses a risk of tailoring the specifications to favor a particular bidder, brand, or company. This aligns with the OECD (2005) observation that corruption can occur when public officials exercise discretionary power in awarding contracts. Furthermore, the lack of clear qualifications for specification committee members, combined with the widespread practice of bid rigging, creates an environment where corruption can easily occur.

CONCLUSION

The prevention of corruption in local government procurement in the selected cases of local governments in southern Thailand has shown that the compliance with procurement rules and regulations is taken seriously, with their satisfactory evidences supporting. However, challenges remain in fully realizing the effectiveness of the three basic principles of international instruments. Loopholes in the implementation of each principle leave room for corruption to occur. Therefore, procurement rules and regulations should address these gaps by providing more detailed qualifications for procurement committee members and ensuring the clear independence of stakeholders in procurement processes. Furthermore, the disclosure of bidding information should be enhanced to improve transparency by leveraging advanced technologies such as artificial

intelligence (AI) and data analytics. The procurement law should also support the morale of procurement officials and staff, recognizing the burdensome responsibilities they bear. Additionally, local government leaders should ensure greater transparency throughout every stage of the procurement process and further promote a culture of integrity within their organizations, even when not explicitly required by the rules and regulations. Moreover, the use of discretionary power in procurement decisions should be clearly explained, detailing how the discretion was exercised and the rationale behind it.

Limitation

Based on this study, several limitations were identified. The first limitation is the narrow geographical scope, which restricts the generalizability of the findings to other regions or countries. The second limitation relates to the limited range of stakeholder perspectives, as the study does not include viewpoints from anti-corruption agencies, civil society organizations, or the general public. The final limitation concerns the data collection method, as the study relies on qualitative semi-structured interviews. A quantitative approach might offer a more comprehensive understanding of the effectiveness of corruption prevention measures. Therefore, further research should explore the effectiveness of corruption prevention strategies in local government procurement in southern Thailand.

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