Thailand

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Increasing corruption and the influence of internet users and government spending on reducing corruption in Thailand

Abstract

The internet will inevitably need a lot of through promoting and encouraging the usage, in particular among individual and corporate users to raise their level of existence and to help their country handle daily operations more efficiently. more internet usage is beneficial to its consumers and can promote quicker economic growth. We already have data that we examine in this study from 2000 to 2020 to develop "autoregressive vectors" that may be used to determine relationships between variables about Increasing corruption and the influence of internet users and government spending on reducing corruption in Thailand. This design was used to examine Corruption, Government Spending, Internet Users and Taxes in Thailand, with data from the World Bank and International Transparency. We discover something about this research, like Corruption can be very detrimental to Thailand, in an effort to reduce the level of corruption in Thailand there are taxes which play a very important role in reducing corruption in Thailand, in contrast to increasing internet users which can lead to increased corruption, just like government spending and corruption itself if it increases, then corruption will also increase in Thailand.

Keywords: Corruption, Government Spending, Internet Users, Taxes.
JEL Classification: D73, H5, H25, L86.

Background

By promoting and encouraging its use, particularly among individual and corporate users, to improve their standard of living and for the improvement of their country in handling daily activities more effectively, the internet inevitably needs enormous attention. The increase in internet usage is thus philanthropic for its users and can encourage faster economic growth (Wahab, Nayan, Cheah, 2020). The Internet is seen as an accelerated communication tool, facilitating transportation and the achievement of information widely (Hakim, Junaidun, Fadzil, Ishar, 2021). Internet users are children who come in the age group of 15 years or older. So, young people are a huge market for smart phones and internet use (Singh, 2021) Academics are becoming more interested in the connection between internet usage and economic expansion. The widespread use of the internet produces an efficient platform for commercial trade that makes it quick and simple to conduct business globally. As a result, there is a huge dependence on technology to grow the firm both locally and globally. As a result, Internet use has a significant impact on how a nation develops economically and probably slows down that progress to some level (Wahab, Nayan, Cheah, 2020).

The process of boosting an economy's productive capacity, which manifests itself as rising national income, is another way to define economic growth (Ginanjar, 2021). The provincial parliament plays a significant part in enhancing regional financial management to enhance community services. The absorption of the budget in the Regional Revenue and Expenditure Budget (APBK) at the conclusion of the fiscal year sometimes falls below the target or is lower than the budget, which is one of the issues with financial management that frequently arises. As a result, expenditure advantages will be lost since the allotted funds cannot be used to their fullest potential, leaving idle money (Ruhmaini, Abdullah, Sari, 2019). In addition to both the budgetary allotment made by the government through direct and indirect spending for the development of the economic sector, the better the increase or growth that occurs in the economic sector, which in aggregate will increase economic growth. The location of

government spending is closely related to development that occurs at the center and in the regions, one of which is development in the economic sector (Halim, Kumenaung, Engka, 2019). While this is happening, local government spending will change due to the increase in revenue. (Swasito, 2021). The government must take into account spending on infrastructure, economic development, health care, education, and other areas by boosting capital spending. (Wardhana, Kharisma, Sulandari, 2021). State funding is largely derived from taxes. In order to emphasize and explain tax procedures, the tax law itself is a rule that governs taxes and the interaction between the state and taxpayers. (**Larasati**, 2022). Guidance to taxpayers is provided through various tax education activities. This tax education is expected to create high tax-conscious behavior, increase knowledge and skills, and tax compliance from taxpayers (Ayuningtyas, Widiyohening, Mauludin, 2022). Law enforcement practices in the field of taxation have not had a positive correlation between tax inspections and an increase in state revenue from taxpayers (Pramono, 2017).

The management of regional autonomy is inseparable from the source of financing for regional revenues in the form of regional taxes. Local taxes are tax states that leave their levies to the regions and local taxes greatly affect the level of application of regional autonomy. The more revenue from taxes, the better the development produced by the area. The contribution of local taxes to development is enormous. (Fauziyah, 2020) . In the world of taxation, there are still many indications of tax crimes which can be general criminal acts, which to be clear, are corruption crimes because they have harmed state income or treasury whose perpetrators are employees of individuals or tax officials (Khairunnisa & Sitabuana, 2022). Corruption is an act to enrich oneself or class is an act that is very detrimental to others, the nation and the state (Wibowo & Mahmud, 2022). Power brokers often engage in corruption offenses in order to benefit themselves. In truth, all of these strategies, such saving from a monthly paycheck every month, must be used properly and without harming others, according to Emile Durkheim's Anomie hypothesis. However, many people actually take short cuts to their objectives, which will undoubtedly hurt them in the long run. (Indahni, Cassanti, Manalu, 2022). To function effectively and efficiently, especially when it comes to human resource development, the public sector's anti-corruption enforcement has to be strengthened. (Wardhana, Kharisma, Sulandari, 2021). We already have data that we examine in this study from 2000 to 2020 to develop "autoregressive vectors" that may be used to determine relationships between variables about Increasing corruption and the influence of internet users and government spending on reducing corruption in Thailand

Research methods

Using secondary data from the World Bank and International Transparency, this model is used to estimate corruption, government spending, internet users, and taxes in Thailand. A 20-year research study was conducted from the year 2000 to the year 2020, and " vectors' autoregressive " are utilized to describe the link of variable one to the other variables. Thailand investigates Corruption, Government Spending, Internet Users, and Taxes. We use the multivariate regression approach to analyze the links between the variables Corruption, Government Spending, Internet Users, and Taxes in Thailand:

Table 1. An explanation of the variable description that we will use

Variable	Description	Source	Unit Analysis
Government Spending (GSPD)	All government expenditure, investment, and transfer payments are included in this government	World Bank	Percent

	spending variable since 2000 until 2020.		
Corruption (CRRT)	This variable discusses data on the growth of corruption in Thailand from 2000 to 2020.	International Transparency	Index
Internet Users (IUSR)	From 2000 to 2020, this variable discusses the growth and development of internet users in Thailand.	World Bank	Percent
Taxes (TXES)	Tax refers to the use of data as well as tax revenue in the country of Thailand from 2000 to 2020	World Bank	Index

$GSPD_t = \beta_0 + \beta_1 CRRT_{t1} + \beta_2 IUSR_{t2} + \beta_3 IUSR_{t3} + e_t$ fma 1
$CRRT_t = \beta_0 + \beta_1 GRSDT_t + \beta_2 IUSR_{t2} + \beta_3 IUSR_{t3} + e_t$ fma 2
$IUSR_t = \beta_0 + \beta_1 GRSDT_t + \beta_2 IUSR_t + \beta_3 IUSR_{t3} + e_t$ fma 3
$TXES_t = \beta_0 + \beta_1 GRSDT_t + \beta_2 IUSR_t + \beta_3 IUSR_{t3} + e_t$ fma 3

Information :
GSPD : Government Spending
CRRT : Corruption
TXES : Taxes
IUSR : Internet Users

e : erroneous title
t : time sequence
β : degree in terms of causation influence
fma: formula
This research employs vector computations, in which every regression connection is combined so that every variable simultaneously becomes both the independent and the dependent variables. The concept of zero from Dickey-Fuller, derived by PP analyze, with p=1 and $\Delta yt = (\rho - 1)yt\text{-}1 + ut$ are formula, while Δ – This is very first try, various operations were utilize. For the "unit root test," the following equation was employed in this study:
$\Delta Y1 = \alpha_0 + \beta_0 T + \beta_1 Y_{t-1} + \sum\_(i-1)^q \alpha_1 \Delta Y_{t-1} + e_t$

Caption:
Y are check of unit root variables.
T "linear pattern" variable represented, and "different in lag" are Yt1, 0 are displayed as "single equation," also with "t" being a "time trends" indication. The null hypothesis (h0) and the following are some alternate unit root test hypotheses:
H0 : $\alpha=0$
H1 : $\alpha\neq0$

Results and Discussion

finding out whether a data set is stationary, we used stationarity test. Term of Error analysis is used to determine whether or not a series is static, as well as some possibilities if the series is not truly stationary. Table 2 displays some of the results from attempting some of the test unit's roots.

Table 2. The test of ADF's Unit Root on CRRT, GSPD, IUSR and TXES data in Thailand.

Variable	Unit Root	Include in the examination Equation	Statistics for the ADF Test	5% Critical Value	Description
Government Spending (GSPD)	Level	Intercept	-2.703520	0.0909	
	First Diff	Intercept	-4.969488	0.0009	Stationer
Corruption (CRRT)	Level	Intercept	-2.600264	0.1111	
	First Diff	Intercept	-7.528335	0.0000	Stationer
Internet Users (IUSR)	Level	Intercept	5.375449	1.0000	
	First Diff	Intercept	-1.185034	0.6583	
	Second Diff	Intercept	-6.389279	0.0001	Stationer
Taxes (TXES)	Level	Intercept	-1.362742	0.5792	
	First Diff	Intercept	-4.503937	0.0025	Stationer

GSPD, CRRT, with TXES data are stationary on the first diff, when variable IUSR are stationer on the second diff. This is demonstrated by Augmented Dickey-Fuller with results like, running the test -6.389279 and probability 0.0001, since the probability is less than 5%, in this situation, the IUSR Second Diff data indicates that it is stationary. Both VAR and causationtry should be tested for sensitivity before starting a VAR investigation, there should be a selection of an acceptable optimal time lag with the results presented in table 3.

Table 3. The test of Optimum Lag at Lag 0 to 2, CRRT, GSPD, IUSR and TXES data in Thailand.

Lag	LogL	LR	FPE	AIC	SC	HQ
0	-79.08233	NA	0.380768	10.38529	10.57844	10.39518
1	-28.30639	69.81691*	0.005371*	6.038299*	7.004035*	6.087753*
2	-14.21295	12.33176	0.011299	6.276619	8.014943	6.365635

Variation outcomes in the length of CRRT, GSPD, IUSR and TXES lags on the LR, FPE, with SC at position number 1. Some outcome by the four components concludes that lag 1 is different, so lag 1 will be chosen. The VAR analysis's outcome is presented at the table 4.

Table 4. VAR Model Analysis

	TXES	**IUSR**	**GSPD**	**CRRT**
TXES	0.821299	0.550626	-3.838554	-0.610988
	(0.19461)	(5.86699)	(6.13290)	(0.41983)
	[4.22024]	[0.09385]	[-0.62590]	[-1.45533]
IUSR	-0.000833	1.166475	-0.143843	0.002846

	(0.00167)	(0.05044)	(0.05272)	(0.00361)
	[-0.49768]	[23.1282]	[-2.72837]	[0.78850]
GSPD	0.000943	0.139818	0.122274	0.000367
	(0.00676)	(0.20391)	(0.21315)	(0.01459)
	[0.13946]	[0.68568]	[0.57364]	[0.02515]
CRRT	0.046604	0.124223	0.811831	-0.028477
	(0.13636)	(4.11087)	(4.29719)	(0.29416)
	[0.34177]	[0.03022]	[0.18892]	[-0.09681]
C	-0.152658	-4.021213	17.30746	3.592742
	(0.48553)	(14.6375)	(15.3009)	(1.04742)
	[-0.31442]	[-0.27472]	[1.13114]	[3.43007]
R-squared	0.802074	0.992070	0.620228	0.465922
Adj. R-squared	0.741174	0.989630	0.503376	0.301590
Sum sq. resids	0.066305	60.26328	65.84971	0.308578
S.E. equation	0.071417	2.153053	2.250636	0.154068
F-statistic	13.17027	406.5707	5.307777	2.835253
Log likelihood	24.89381	-36.41605	-37.21392	11.05447
Akaike AIC	-2.210423	4.601784	4.690436	-0.672718
Schwarz SC	-1.963098	4.849109	4.937761	-0.425393
Mean dependent	0.096667	31.59892	18.02367	3.511111
S.D. dependent	0.140378	21.14254	3.193679	0.184355

The relationship between TXES and GSPD, very negative, has -3.838554 the coefficient with the -0.62590 t-statistic. The connection among TXES to the IUSR are very good, having 0.550626 coefficient with 0.09385 t-statistic, meaning that the more Taxes the more Internet Users. Some connection among IUSR to the GSPD are super negative, with -0.143843 coefficient also with -2.72837 t-statistic. Also there is some good relationship among Internet User and Corruption having 0.002846 coefficient and 0.78850 t-statistic. We can see that Tax can play a role in reducing the level of Corruption in Thailand, just like Corruption with Corruption itself. After doing the VAR test, The test of Causality Granger was carried out with the results presented in table 5.

Table 5. The test of Causality's Granger

Null Hypothesis:	Obs	F-Statistic	Prob.
IUSR does not Cause TXES	20	0.37315	0.5494
TXES does not Cause IUSR		0.45206	0.5104
GSPD does not Cause TXES	20	0.20521	0.6563
TXES does not Cause GSPD		1.22685	0.2834
CRRT does not Cause TXES	18	0.01673	0.8988
TXES does not Cause CRRT		4.65993	0.0475
GSPD does not Cause IUSR	20	0.59440	0.4513
IUSR does not Cause GSPD		10.6440	0.0046
CRRT does not Cause IUSR	18	0.00041	0.9841
IUSR does not Cause CRRT		2.88372	0.1101

CRRT does not Cause GSPD	18	0.94564	0.3463
GSPD does not Cause CRRT		1.30665	0.2709

Table 5 demonstrates the Granger Causality test results in Thailand. The causal relationship between a single variable and another is between IUSR to the TXES, GSPD for TXES, CRRT to the TXES, GSPD for IUSR, **CRRT for IUSR**, **CRRT to the GSPD** This is demonstrated by the probability being less than 5%.

Conclusion

Corruption can be very detrimental to Thailand, in an effort to reduce the level of corruption in Thailand there are taxes which play a very important role in reducing corruption in Thailand, in contrast to increasing internet users which can lead to increased corruption, just like government spending and corruption itself if it increases, then corruption will also increase in Thailand.

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