

## **THE IMPACTS OF COMMITTING BRIBERY MAY LEAD TO INSTABILITY IN POLITICS AND ECONOMICS IN THE COUNTRY**

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### **ABSTRACT**

Corruption has become a major issue worldwide over decades. Corruption is a sign that there is a mishandled of management in a country. Corruption can be defined as the misuse of power which has an aim for taking opportunities. This research uses case study research method. Enhancing anti-corruption education networks is one of the methods to seek out the corruption. Lukito (2016, p.939) suggests that fighting corruption can be done through the education system and the internalization program of anti-corruption culture in the government, the private, and the public sector. Corruption which includes the top-level public state officials can result in significant misleading in the way the government and society perform. Lacking accountability, transparency, and self-organization is one of the essential factors of committing bribery in the country. A need for funding a campaign party and having low salaries are also several causes to be considered by the government.

**Keywords:** *corruption, politics and economics, bribery*

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### **INTRODUCTION**

Corruption has become a major issue worldwide over decades. Corruption is a sign that there is a mishandled of management in a country (Rose-Ackerman, 1997). Corruption can be defined as the misuse of power which has an aim for taking opportunities. These opportunities are not only financial but also non-financial, such as conflict of interest (Malgwi, 2016). One of the types of corruption is bribery. Malgwi (2016) as cited Transparency International) states that bribery is offering or receiving of any present, loan, payment, reward, or other benefits to or from any person as a motive for doing fraudulent or illegal action due to run the business. Corruption, namely bribery has happened not only in the private but also the public sector. Graycar & Sidebottom (2012) explain that the estimated cost of corruption is approximately \$2,6 trillion per year. This is equivalent to 5 percent of global GDP which means about \$1 trillion is used to pay bribery annually. The impact of corruption may lead to decreasing the level of public trust to the government, creating instability of politics, and creating uncertainty in the business sector. Hence, the government should provide several methods to combat corruption.

### **METHOD**

This research uses the case study research method. One type of descriptive qualitative research is in the form of research with a case study method or approach (Case Study). This research focuses intensively on one particular object that studies it as a case. The case study method allows researchers to remain holistic and significant.

## **RESULTS AND DISCUSSION**

Malgwi (2016) reports that 114,270 people in 107 countries where more than half of people bribed the state officials in fourteen countries. These countries are located in Africa, where Libya, Liberia, and Kenya as the top countries paying bribery. It can be explained that there is a tendency of people to bribe the state officials. Based on the survey which was conducted by Transparency International in 93 countries, majority of people tend to bribe the police officers as it has the highest level of percentage accounting for 31%, the second highest followed by the judiciary at 24%, and tax and utilities services accounting for 15% and 13%, respectively. Taking the case of A M, who was the Former Constitutional Court Chief in Indonesia, as an example. BBC News (2013) reports that Corruption Eradication Commission arrested A M because of accepting allegedly bribery approximately \$250,000 or equivalent £154,000. He was arrested on October 3rd, 2013 while he was at his official residence in Jakarta. He was suspected to accept bribery because of winning several cases of disputes of election, such as the case of disputing election in Borneo Island. The Supreme Court Republic of Indonesia of its ruling (2015, p.3) states that A M received bribery approximately Rp3 billion, Rp1 billion, Rp10 billion and USD\$500,000, Rp19,8 billion, and Rp500 million due to the case of the filing objection for the result of the Head District election in Gunung Mas, Kabupaten Lebak, Kabupaten Empat Lawang, Kota Palembang, Kabupaten Lampung Selatan, respectively. In addition, the Supreme Court Republic of Indonesia (2015, p.4-7) reports that the chronology of the case of arresting of A M as below:

- On September 4<sup>th</sup>, 2013 there was a head district election in Kabupaten Gunung Mas, the Province of Central Kalimantan. The election was followed by four potential candidates, namely J S M and D, H B and A S. D, K. H and B D. S, and A U and Y. Based on the result of the election, the election was won by H B and A S. D as the Head District and Vice Regent District of Kabupaten Gunung Mas period 2013 to 2018. However, the pairs candidate A J and U A P and J S M and D appealed to the Supreme Court for the result of winning H B and A S. D;
- On September 19<sup>th</sup>, 2013, H B met C N in Sahid Hotel Restaurant, South Jakarta. The aim of this meeting is to ask helping to the staff of state official in the Supreme Court. So that, the appealing, which was submitted by other candidates, was rejected. Then, C N contacted A M for solving this case;
- On September 20<sup>th</sup>, 2013, H B met A M at A M official residence;
- On September 23<sup>rd</sup>, 2013, A M issued the letter of decree No. 790/TAP.MK/2013 and No. 793/TAP.MK/2013 in order to handle the appealing case of A J and U A P and J S M and D, respectively;
- On September 24<sup>th</sup>, 2013, A M sent a text message to C N for asking H B to provide money Rp3 billion for winning the case;
- On September 26<sup>th</sup>, 2013, A M asked to C N to send the money to him immediately. At the same day, C N had an appointment with H B in Borobudur Hotel, Central Jakarta. C N asked H B to prepare money Rp3 billion;
- On September 30<sup>th</sup>, 2013, C N A had a communication with C N in order to inform that the money was available. At the same date, C N sent a text message to A M for notifying

the availability of the money. C N also asked C N A to accompany her in meeting with A M.

- On October 2<sup>nd</sup>, 2013, C N and C N A went to A M home to give the money to A M. After a few minutes, the investigator of Corruption Eradication Commission came and arrested C N, C N A, and A M. The investigator found four envelopes which consisted of money approximately Rp3 billion. The currency of the money used was Rupiah and Singapore Dollar.

Furthermore, based on the research conducted on 1,808 companies in 2001, there was 1,333 respondents claimed that they paid bribery by allocating 10,8% of annual cost of production. The research also informed that the service companies, the urban-companies, the non-exporter companies, the foreign companies, and the oil companies tend to pay higher bribery rather than manufacturing companies, non-urban companies, exports companies, and non-oil companies (Kuncoro, 2004). The company tends to bribe the state officials in order to bypass the regulation which is not clear (Rose-Ackerman, 1997). For example, there was a bribery case which involved One of private companies and an Indonesian politician, namely L H I. One of private companies is one of the importer and distributor companies of meat beef in Indonesia. On January 31<sup>st</sup>, 2013, Corruption Eradication Commission arrested L H I. L H I was suspected to received bribery from One of private companies because of the beef import scandal (Setuningsih & Sihaloho, 2013). According to The Jakarta Post (2013), L H I is a former Islamic party in Indonesia, namely in one of the Indonesian political parties. He was also a member of House Representative of Republic Indonesia from period 2009 to 2014. L H I promised a facilitating of meeting between Director of One of private companies, namely M E L and the Minister of Agriculture Republic of Indonesia, namely S. Then, one of private companies bribed L H I through A F, accounting for Rp1,3 billion or equivalent at US\$131,300. It is believed that the money was the first payment of promised money of Rp40 billion from One of private companies to L H I via his aide, A F (The Jakarta Post, 2013).

Based on the case of A M, it can be analyzed that A M misused his position and power as the Constitutional Court Chief of Justice Republic of Indonesia. This is because A M asked several head of districts to provide him money. He gave a promise of winning the case of dispute election. He used the intermediary, namely C N for the case of Gunung Mas Head District election. The Supreme Court Republic of Indonesia (2015, p.7 and 15) states that it is suspected giving the money to A M in order to influence his decision for the case appealing of the election Gunung Mas. It can be explained that A M action had against the Indonesian Law Number 31 year 1999 and Number 20 year 2001 on the Eradication of the Criminal Act of Corruption. The Minister of State Secretary Republic of Indonesia on Criminal Act of Corruption Eradication Republic of Indonesia Number 31 (1999, p.48) states that the article 2 subsection (1) a person who against the law with aim to enrich himself or herself or the others or the group which can cause a loss of state or the economy of the country, would be sentenced a life imprisonment or minimum 4 years and maximum 20 years in prison and fined minimum Rp200 million and maximum Rp1 billion; subsection (2) in terms of committing corruption, as mentioned in subsection (1), a death sentence could be applied. Lukito (2016) explains that Indonesian Law Number 20 year 2001 under the article 6 subsection (1) a person who (a) provides or makes a promise to a judge with the aim to influence the decision of the case which

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is tackled or (b) delivers or pledges a something to a particular person who as claimed by the legislation is selected by the lawyer in order to deal with a lawsuit with the aim to affect the point of view of the court, shall be punished of minimum three years imprisonment and maximum 15 years of imprisonment and be fined minimum Rp150 million and maximum Rp750 million. As a result, A M was sentenced a life imprisonment (Jakarta Globe, 2014). A M tried to appeal to the Supreme Court Republic of Indonesia because of his punishment. However, his dispute was rejected by the Supreme Court Republic of Indonesia. The Supreme Court Republic of Indonesia on its decision Number 336K/Pid.Sus/2015 (2015, p.605) states that on February 23rd, 2015, the Supreme Court Republic of Indonesia refused the appealing of objection which was submitted by A M. In addition, C N was sentenced 4 years in jail and fined Rp100 million. This is because she facilitated A M with Gunung Mas Head District, namely H B. H B and C N A were punished for 4 years and 3 years, respectively. The reason behind this is H B and C N A bribed A M to influence A M decision in the case of Gunung Mas election (The Jakarta Post, 2014). Moreover, Sihite & Sihaloho (2013) report that L H I was sentenced for 16 years in jail. This is because he made a promise to One of private companies for increasing the number of import quota beef. He also promised to arrange the meeting of One of private companies with the Minister of Agriculture Republic of Indonesia to realize the quota import. As the consequence, the Director of One of private companies, namely M E L was punished by 27 months in the prison. The reason behind this is she bribed L H I to gain the number of import quota beef. A F was also punished for 14 years in the jail (News.com, 2013). This is because A F role was as the intermediary between L H I and the Director of One of private companies, namely M E L. It can be said that the action of L H I, M E L, and A F were against Indonesian Law Number 31 year 1999 and Number 21 year 2001 on Civil Act of Corruption Eradication. It can be analyzed that the case of L H I used a kickback scheme. Tackett (2010) evaluates that fraudsters tend to use kickbacks or bid-rigging schemes in committing bribery.

Furthermore, based on the cases which are described and analyzed, there are several causes of committing bribery. One of the main factors is the political parties need money to fund their campaign. Rose-Ackerman (1997) claim that the pressure of financing of the party may lead to some politicians to commit bribery. Secondly, lacking legal formal court incentives may lead to some employees of the court and the judges receive the payment of bribery. Rose-Ackerman (1997) also state that the system which is applied in the court may encourage the plaintiffs to pay bribery for the judges. As a result, the plaintiff may gain the advantages. For example, the process of the court may not take long, and the result of the court may become the expectation of the plaintiffs. Thirdly, Mauro (2006) evaluates that having low-wages of the public states' official becomes a factor to commit bribery. The public states' officials need sufficient money to meet their daily needs while their salaries are not enough to pay all the expenditures. As a result, the public states' officials may commit bribery in order to meet their daily needs. Lacking accountability, transparency, and self-governing organization is also another factor of committing corruption (Robertson & Snape, 1999).

It can be explained that there are several impacts of committing bribery. One of the main effects is the level of public trust may decrease to the Supreme Court and the House Representative. Green (2006) believes that the impact of bribery can cause instability of politics, deform the market, destroy legitimacy, obstruct development, misuse the resources,

undermine the confidence of decision-making, and produce injustice, unfairness, and inefficiency. Secondly, paying bribery may lead to uncertainty in the business sector (Rose-Ackerman, 1997). Another impact of committing bribery is the fraudster may lose a job. This is explained by Rose-Ackerman (1997) emphasize that losing a job is the consequence for people who commit corruption. This is because the government or the company does not trust anymore to people who commit the bribery. For instance, the case of A M and L H I. The President Republic of Indonesia dismissed A M from his position as The Constitutional Court Chief Justice on October 5th, 2013 (The Jakarta Post, 2013). Bayuni (2013) reported that L H I resigned from his position as leader of a political party in Indonesia. Another impact of committing bribery is influencing the integrity of the nation. Latimer (2017) claims that bribery impacts on the integrity of a country.

Therefore, there are several methods to overcome bribery. Enhancing anti-corruption education networks is one of the methods to seek out the corruption. Lukito (2016) suggests that fighting corruption can be done through the education system and the internalization program of anti-corruption culture in the government, the private, and the public sector. Raising level of salary of public state officials can become a method to tackle corruption (Van Veldhuizen, 2013). Another method of handling corruption is the commitment of the leader in an organization. Prabowo et al (2018) recommend that the leaders who have a commitment to improve the organization into accountability institutions. The leaders should have high level of sensitive in identifying the issue of corruption and use knowledge to overcome it. In addition, Lukito (2016, p.936-944) supports that the Indonesian government introduces the National Integrity Systems as part of Strategy National on the Corruption, Prevention, and Eradication program. This system should be applied both in the public and the private sector. The reason behind this is the National Integrity System consists of 8 pillars, namely Integrity, Executives, Legislative, Judiciary, Monitoring Agencies, Media, Private Sector, Civil Society, and Law Enforcement agency. It means that if several pillars do not support each other, the system will collapse effectively. Peltier-Rivest (2018) also suggest that having an effective of prevention method can be gained by creating good workplace environment, applying ethical value of governance, implementing of compliance risk, and having regular fraud employee training. According to Malgwi (2016, p.960), implementing good governance can minimize level of uncertainty in the business sector and raise level of competition, production and efficiency. Another method of combatting bribery is improving the professionalism. According to Rose and Ackerman (1999, p.155), boosting the level of the professionalism, having good payment, and having nice workplace condition for the judges are essential while these should be supported by action in preventing of paying bribery. Lukito (2016, p.933) also proposes the suggestion of the UN Convention Against Corruption (UNCAC) which is to provide and apply the comprehensive framework of anti-corruption program in order to combat corruption. Finally, building public accountability is essential method to monitor and prevent corruption (Rose and Ackerman, 1999, p.143).

## **CONCLUSION**

Corruption which includes the top-level public state officials can result in significant misleading in the way the government and society perform. Lacking accountability, transparency, and self-organization is one of the essential factors of committing bribery in the

country. A need for funding a campaign party and having low salaries are also several causes to be considered by the government. This condition may lead to several impacts for a country, such as ruining the public trust to the government, creating instability politics, influencing the decision-makers, destroying the legitimacy, and creating uncertainty in the business sector. Thus, the government should seek out corruption by applying several methods, such as building integrity system in all of the sectors, increasing the salary of public state officials, applying the ethical value of governance and good governance, having a commitment of the leader to build accountability organization, providing and implementing the comprehensive anti-corruption program. Hence, there should be the high level of commitment to the government, the private and the public sectors, and other stakeholders in combatting and preventing corruption. As a result, the sustainability of politics and economics in the country can be realized well.

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