

The 8th International Conference on Family Business and Entrepreneurship
**“COMPARING GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY
FOR ANTI-CORRUPTION PROGRAM: PERSPECTIVES FROM CHINA AND
INDONESIA”**

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ABSTRACT

This article qualitatively overviews the corruption prevention policies of two countries, Indonesia and China. By conducting a literature and regulation analysis, also interview to some respondents, this article summarizes and describe the detail policy differences within two countries corruption eradication program. Reviewing country's policy enables the public to better understand corruption form several points of views, such as punishments design, magnitude, potential losses, sanction threats, and sanction release. Besides understanding the history and phenomena of corruption, examining the potential impact of punishment regulations will enlighten the public understanding of corruption eradication policy.

Keywords: *corruption, china corruption policy, sanction for corruptors, bribery.*

1. Introduction

In general, corruption is one of the problems that arises in people's social life. This includes behaviour that deviates from official state responsibilities for personal gain or status. History shows that almost every country experiences corruption challenges. Corruption is considered a criminal act because it involves abuse of power, such as theft or embezzlement, by either individuals or groups. The majority of corruption incidents involve government or state officials violating the very principles they established. Corruption is a common problem in social life, which involves behaviour that deviates from the official duties of a country for personal gain or status. History shows that almost all countries face the problem of corruption, which is considered a crime because it involves abuse of power, such as theft or embezzlement, either by individuals or groups. Corruption can start from the procurement of goods and services that violate procedures, abuse of power, bribery, giving or receiving gifts. The use of funds that are not in accordance with the budget is also another example that has the potential to harm a country's finances and economy with regulations that they actually made themselves. (Arianto, 2021)

Corruption in Indonesia and China represents a significant challenge, albeit manifesting in different forms and contexts due to their unique political and socio-economic environments. In Indonesia, corruption is deeply entrenched in various sectors, including politics, business, and law enforcement. The Corruption Eradication Commission (KPK), established in 2002, has been at the forefront of combating corruption, but faces significant obstacles. High-profile cases often involve senior officials and politicians, highlighting

systemic issues. Despite efforts to curb corruption, Indonesia struggles with a pervasive culture of patronage and weak institutional frameworks that undermine accountability and transparency. (Hanafiah et al., 2023). China, on the other hand, has a highly centralized approach to addressing corruption, with President Xi Jinping's anti-corruption campaign, launched in 2012, targeting high-ranking officials and military officers. This campaign, known as the "tigers and flies" strategy, aims to root out corruption at all levels of government. The campaign has led to the prosecution of thousands of officials, including members of the Politburo, China's top decision-making body. However, critics argue that the campaign is selectively enforced and may serve political purposes, silencing dissent and consolidating Xi's power rather than promoting genuine systemic reform. Both countries face the challenge of balancing anti-corruption measures with maintaining political stability and economic growth. In Indonesia, the decentralized democratic system requires stronger institutions and greater public participation to foster transparency. In contrast, China's authoritarian regime allows for swift and decisive actions, yet risks fostering a culture of fear and compliance rather than genuine accountability. Despite these efforts, corruption remains a significant hurdle for both nations, impeding development and eroding public trust in governance (Sulistiyowati et al., 2024)

The impact of corruption on government in Indonesia is profound and multifaceted, undermining public trust and hindering effective governance. Corruption scandals involving high-ranking officials and politicians erode confidence in public institutions, making citizens skeptical about the government's commitment to integrity and transparency. This skepticism can lead to public apathy, lower voter turnout, and increased cynicism towards political processes. Moreover, corruption diverts public funds away from essential services such as healthcare, education, and infrastructure, resulting in poorer outcomes for the populace and exacerbating socio-economic inequalities. In China, while the government's stringent anti-corruption campaign has garnered public support and bolstered the image of the ruling Communist Party as a strict enforcer of discipline, it also has significant drawbacks. The campaign can create an atmosphere of fear among officials, who may become overly cautious or reluctant to make decisions, potentially stifling innovation and efficiency within the government. Additionally, the perception that the anti-corruption drive is used to eliminate political rivals can lead to internal power struggles and factionalism, destabilizing governance structures. This selective enforcement undermines the rule of law and may damage the long-term credibility of the anti-corruption efforts, as it suggests that justice is not applied equally to all (Corruption, 2022).

2. Literature Review

Principles of Transparency and Accountability in Preventing Corruption Crimes

Transparency is a crucial element that can be used to reduce the level of corruption. Accountability refers to the conformity between rules and work implementation, where all institutions are responsible for their performance in accordance with existing rules, both in the form recognized factually (de facto) and constitutionally (de jure), as well as at the level of individual and institutional culture. Accountability also includes the obligation to provide transparent financial reports. The principles of transparency and public

accountability can increase public officials' sense of responsibility towards society. Apart from that, the community also has a very important role in efforts to prevent and eradicate corruption. The principles of transparency and accountability require open implementation, so that all forms of irregularities can be revealed to the public. Accountability is responsibility for managing resources in implementing policies to achieve predetermined goals (Department of Accounting, 2022).

The connection between transparency and accountability is that without transparency, there cannot be accountability, and conversely, without accountability, transparency also loses meaning. Transparency is a prerequisite for the realization of the principle of accountability, so these two things must go hand in hand. The implementation of this transparency and accountability system aims to increase internal trust, prevent conflicts of interest, and is also a way to prevent corruption. Corruption involves a variety of practices, including bribery, extortion, nepotism, and abuse of trust or position for personal gain. This perspective identifies various behaviors that can be categorized as corruption (Andrew, 2023)

According to Husein Atlas, corruption is a complicated relationship between a number of people that carry out extremely covert transactions for each other's mutual advantage and fulfillment of duties. Criminals frequently conceal their acts behind legal defenses and have a stake in influencing choices that have an impact on the circumstance. It is a type of deception that undermines social norms about obligations and responsibilities and breaches public confidence. Every instance of corruption is a violation of confidence and is frequently accompanied by behavioral conflicts among the perpetrators.

With the focus emphasized by Husein Atlas, corruption is seen as a very urgent problem and must be addressed immediately because it can hinder a country's progress. Although corrupt practices appear widespread and difficult for the government to suppress, efforts to eradicate them are often hampered by very complex problems. Even though corruption is considered a crime that must be eliminated by state officials, such as theft and embezzlement, there are still many perpetrators of corruption in every country, with an average estimate of 90%. Therefore, it is important to provide a deterrent effect to perpetrators of corruption so that the impact is significant. On the other hand, according to Fraud's opinion, corruption is a criminal act that uses dishonest methods to obtain personal gain. The opinions between Husein and Fraud may differ, but both still lead to the same understanding of corruption as a serious problem that needs to be addressed.

3. Research Method **Corruption policy in Indonesia**

"Corruption in Indonesia is ingrained, mainly because the law is not strong enough. It is said that this law can be purchased if you are in Indonesia. So, you could say it's like a sharp knife at the bottom and blunt at the top. People who have power and enough money can buy these laws. That's why most sentences for corruptors in Indonesia are short—just 1 to 2 years—because they can buy the punishment themselves. Meanwhile, small people who make small mistakes, such as stealing for their living needs, can be punished for up to 10 years. Indonesia doesn't lack smart people, but it lacks honest people. Corruption exists because of opportunity" (citizen).

“In my opinion, the act of corruption is thriving here in Indonesia. As an Indonesian citizen, it is common for me to feel suspicious towards the government, especially when it comes to infrastructures. Where I live, I feel the impact of corruption, which can be shown by the quality of the road. All the tax money collected from manufacturing businesses here does not look like it's going to state welfare. Act of corruption can also impact the governmental system. When one individual corrupts, many will join, which can lead to a massive act of corruption that can exist everywhere” (citizen).

The problem of corruption in Indonesia remains a challenge that has not been fully resolved by the government. One of the focuses of reform is to eliminate corruption which has become endemic and a disease in Indonesia's social structure. Although the New Order government under the leadership of Suharto, as well as the reform government under the leadership of Habibie, Abdurrahman Wahid, Megawati Soekarnoputri, and Bambang Yudhoyono have tried hard to fight corruption, the results have not been satisfactory. In fact, the number of corruption cases tends to increase even though special institutions have been established to handle this problem. In the past, corruption was generally carried out by a small number of people who held important positions in government, but nowadays corrupt practices have also spread to subordinates in lower positions. This reflects how rampant corruption is in Indonesia. This act of corruption damages the country's image in the eyes of the world because it drains people's money for personal gain (Prist Darwan, 2004).

Corrupt behaviour also has consequences, as a crime, causes losses to the country's finances and economy and hinders the progress of national development. Therefore, it is important to eradicate it as part of efforts to create a just and prosperous society in accordance with the values of Pancasila and the 1945 Constitution. The impact of acts of corruption not only results in state financial losses, but also hampers the growth and continuity of national development which requires a high level of efficiency.

It can be concluded that corruption has a close relationship with power, because power holders can abuse it for their personal, family and closest circle interests. Therefore, corruption can no longer be considered an ordinary crime, but has become an extraordinary crime. This is caused by the failure of conventional approaches used so far to overcome the problem of corruption in society. Therefore, handling it also requires an extraordinary approach.

Regulations related to eradicating corruption often undergo changes by new parties, but corrupt practices in various forms continue. Various types of corruption, such as misuse of state finances as regulated in Article 2 and Article 3 of Law 31/1999 based on Constitutional Court decision number 25/PUU-XIV/2016, the practice of bribery as described in Article 5, Article 6, Article 11, and Article 12 letters a, b, c, and d of Law 20/2021, as well as embezzlement in office as regulated in Article 8 to Article 10 letters a, b, and c of Law 20/2001, still continue to occur. Apart from that, extortion is also regulated in Article 12 letters e, g and h of Law 20/2001. Fraudulent acts regulated in Article 7 paragraph (1) of Law 20/2001 as well as other forms of corruption, such as gratuities to civil servants or state officials who are considered to be giving bribes if they are related to their position and contrary to their obligations or duties, will be subject to Article 12B paragraph (1) Law 20/2001.

According to the law in force in Indonesia, efforts to overcome criminal acts of corruption have been regulated as special crimes described in Article 2 of Law Number 31 of 1999 concerning the Eradication of Corruption Crimes. Any person who unlawfully commits an act of enriching himself or another person or a corporation which can harm state finances or the state economy, shall be punished with life imprisonment or imprisonment for a minimum of 4 (four) years and a maximum of 20 (twenty years), and a fine of at least IDR 200,000,000.00 (two hundred million rupiah) and a maximum of 1,000,000,000.00 (one billion rupiah). In the event that the criminal act of corruption as intended in paragraph (1) is committed under certain circumstances, the death penalty can be imposed. Handling of corruption cases in Indonesia is regulated by special courts tasked with investigating the beginning of the problem, especially by parties such as the Corruption Eradication Commission (KPK).

Corruption policy in China

Corruption in China has been a significant issue, affecting various levels of government and public institutions. The Chinese government has taken notable steps to combat corruption, especially under the leadership of Xi Jinping, who launched an extensive anti-corruption campaign in 2012. This campaign has led to the investigation and punishment of numerous officials, ranging from low-level bureaucrats to high-ranking party members. Public perception of these efforts is mixed. Some citizens appreciate the crackdown, seeing it as a necessary measure to ensure government accountability and improve public trust. However, others are sceptical, viewing the campaign as a tool for political manoeuvring or to target specific individuals within the party. Overall, corruption remains a complex and evolving challenge in China, with ongoing efforts needed to address both systemic issues and individual cases of misconduct” (citizen).

The impact of rapid economic growth in China has created several new problems for the country. Some of the problems that arise include the imbalance of development between the eastern and southern coastal regions and the central and western regions, increasing unemployment rates, and the increasingly widespread spread of corruption. Corruption is a serious threat to China's economy, as stated by Rosteril, where one percent of China's population controls 40% of the country's total wealth, most of which is thought to have been obtained through corrupt practices (Ermansyah Djaja, 2013)

Corruption is the abuse of power for personal gain. The perpetrators of corruption often consist of government officials, bureaucrats, and often involve other parties. The history of corruption in China is not new, starting from the imperial era, but its intensity has increased since the 1980s. Prime Minister Zaozian described corrupt practices in China as very despicable, such as holding lavish parties to introduce bosses or businessmen, laundering money for personal gain, and bribery. Corruption is often related to the concept of Guanxi, namely interpersonal relationships built on trust and is often a determining factor in business success. During a certain period, there were 136,000 economic crimes committed by members of the government party. This article aims to explore how corruption occurs in China and the efforts that have been made to combat it.

Corruption results in a decline in government performance, and sanctions usually applied to perpetrators of

corruption include dismissal, as well as life imprisonment or the death penalty. China's Criminal Code regulates the act of giving and receiving bribes, with the death penalty for bribe recipients and life imprisonment for bribe givers. The death penalty is considered the most severe sanction that can be given to perpetrators of corruption. This sanction also applies to high-ranking state officials, not just low-ranking officials or ordinary citizens. Some of the officials sentenced to death included Cheng Kejie, who served as head of the Guangxi autonomous region government, and Masiadon, the mayor of Sheyang. This step shows the Chinese government's serious commitment to eradicating corruption (Atmasimta Romli, 2004). The Chinese government consistently adheres to its commitment to strengthening economic development by suppressing all forms of abuse of power within the bureaucracy as efficiently as possible. For the Chinese government, its role in fighting corruption is considered an obligation that must be carried out, with the aim of achieving economic prosperity, clean governance, and a society with high work spirit and discipline.

4. Results and Discussion

The Role of Accountants in Efforts to Eradicate Corruption

The important role of accountants in ensuring financial accountability and performance by implementing control functions is very crucial. Accounting itself refers to the process of recording, clarifying and combining information relating to money, transactions and events that have a financial impact, as well as interpreting this information for decision making purposes. Audits also make a significant contribution to efforts to eradicate corruption. Potential state losses can be identified through the implementation of effective audits such as forensic audits, investigations, or other audit methods. Therefore, auditors must ensure that their reports meet relevant auditing standards, as well as involve investigative audit procedures aimed at producing evidence that can be used in legal proceedings related to corruption cases (Andi Hamzah, 2007).

One of the important duties of accountants regarding corruption is to provide detailed information to detect possible fraud in financial transactions. They also have the skills necessary to search for and access verified data, so that the information provided can be trusted and accounted for. The information provided by accountants is important for decision making, including implementing a governance system in the organization that can help prevent corruption. Therefore, state losses and fraudulent acts can be identified through audits or through the role of accountants and other similar professionals. If there is fraud in transactions, auditors must be able to detect and report criminal acts found in accordance with auditing standards.

DIFFERENCE

No	Differentiating indicators	Indonesia	China
1	Accumulated total losses from criminal acts of corruption	Not stated. There are no provisions governing it	Regulated in article 383

2	The main categorization of sanctions threats	Organized in accordance with Article 12A	All elements in a criminal act of corruption
3	The level of threat of sanctions for bribe givers and recipients	The level of threat of sanctions between bribe givers and recipients is equalized in Articles 5, 6 and 7.	The big difference in the threat of sanctions between bribe givers and recipients lies in the sanctions applied to bribe recipients. regulated in articles 383, article 386, article 388A, while for giving bribes it is regulated in articles 389, 390, and articles 390-1
4	Penalties imposed on private companies	It is not specifically regulated in the Corruption Eradication Law (UU PTPK), but is clearly regulated in the Criminal Code (KUHP) Article 374.	This is in a section other than the chapter that specializes in corruption, but is still in one law, namely in Articles 164, 183 and 271.
5	Determination of minimum sanctions	Application of uniform punishment for each type of corruption crime	The minimum sanction size is determined based on the magnitude of the loss caused.
6	The death penalty is imposed as a threat of sanctions.	Due to specific conditions regulated in Article 2 paragraph (2).	Determination of the highest level of loss is regulated in Articles 383, 386 and 394.
7	Postponement of the execution of the death penalty.	There are no provisions governing it.	Determined for specific reasons stated in Article 383.
8	The threat of life imprisonment is one of the punishments that is threatened.	Established in Article 2, Article 3, Article 12, and Article 12B.	Depending on the degree of loss caused, it is regulated. in articles 383, 384, 386, 390, 393, and 394
9	The punishment imposed depends on the position held by the perpetrator.	Specified in Article 5, Article 6, Article 7, and Article 12.	Applies to government officials and private

			employees regarding embezzlement and bribery.
10	The suspect died before further action was taken.	Civil lawsuits are filed against the heirs in accordance with the provisions contained in Article 33 and Article 34.	There are no provisions governing it.
11	The ratio is to remove the threat of criminal punishment.	It is stipulated in Article 12C regarding cases of gratification.	The arrangements are different in Articles 383, 389 and Article 392.
12	Providing relief in sanctions.	Determined in Article 4.	The regulations are different in Article 383 and Article 392.
13	Use of position by government officials.	There are no provisions regarding this matter.	Confirmed in Article 388A and Article 390-1.

5. **Conclusion and Implications**

Strong transparency and accountability are needed to prevent criminal acts of corruption. The two are interrelated, where without transparency, there is no accountability, and vice versa. Transparency is considered a prerequisite for the realization of the principle of accountability, so the two must be synchronized. The criminal act of corruption is not new either in Indonesia or in China, it has existed since ancient times, even before the Christian era. Corruption in China and Indonesia is considered detrimental because it hampers people's economic activities. However, the main difference in handling corruption crimes between the two countries lies in the penalties imposed. Indonesia has a corruption eradication law that regulates criminal sanctions, but penalties are still limited to prison or fines. On the other hand, China strictly applies the death penalty or life imprisonment for perpetrators of corruption to provide a deterrent effect. Even though criminal acts of corruption still occur, a comparison between Indonesia and China shows that China's approach is more assertive and has been proven effective for a long time. Therefore, government policy is needed, especially from the Corruption Eradication Commission (KPK), to continue to provide a deterrent effect to perpetrators of corruption and perhaps develop new ideas or innovations to impose stricter penalties to reduce these crimes. Handling criminal acts of corruption also involves the role of accountants, who can be responsible for developing detection schemes through persuasive and preventive actions, as well as implementing investigative audit procedures that are litigation in nature to produce strong evidence in court processes related to corruption cases. With transparency and accountability, it is hoped that it can provide prevention against criminal acts of corruption. Apart from that, law enforcement officials and accountants still play a role in handling corruption problems, especially in these two countries, namely China and Indonesia.

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