

# **CHAPTER I**

## **INTRODUCTION**

### **1.1 Background**

Corruption control is a global challenge affecting societies and economies worldwide. In the context of controlling corruption, understanding and addressing corruption control levels are crucial. The Corruption Perception Index (CPI) by Transparency International sheds light on the varying perceptions of corruption globally, highlighting the need to assess and enhance corruption control mechanisms (Lustrilanang et al., 2023). Weak anti-corruption policies, a corrupt legal system, nepotism, and political instability further exacerbate the challenge of controlling corruption. To combat this, there's a pressing need for increased transparency, strengthened ethics, robust anti-corruption policies, and effective law enforcement. Addressing corruption control levels is imperative as corruption can perpetuate economic inequality and entrench cycles of poverty. (Marus & Putra, 2020; Vergara, 2021).

Empowering citizens, promoting media freedom, and leveraging technology are pivotal strategies in combating corruption and enhancing corruption control level. By empowering individuals to understand their rights and fostering political participation, societies can contribute to lower corruption levels. Moreover, countries with high press

freedom often exhibit lower corruption levels, emphasizing the role of media in exposing corruption (Arie Indraswarawati et al., 2019; Kamarubahrin et al., 2019).

Local governments play a vital role in addressing corruption and improving corruption control levels. Strengthening transparency and accountability within local governance is essential. This involves fostering openness in decision-making processes, enhancing public access to government information, and conducting regular audits of public fund usage (Hamzah, 2020). This can be achieved by providing easy access for the public to obtain information about government policies and programs, as well as conducting regular audits of public fund usage (Maggio, 2020). Additionally, promoting active community participation in oversight and reporting of corrupt practices can bolster corruption control efforts. Local governments can facilitate the establishment of community watchdog groups and provide reliable channels for whistleblowers to report corruption (Omri & Ben, 2020).

In the context of controlling corruption in Indonesia, it is a significant challenge that continues to receive serious attention from the government and society. Involving the complexity of social factors, Indonesia has made various efforts to strengthen governance and fight corrupt practices that can harm justice, the economy, and public trust in government institutions. According to the latest data from the Corruption Perception Index (CPI), Indonesia continues to show improvements in the level of perceptions of corruption, reflecting a commitment to increasing transparency,

accountability, and integrity in government administration (Andhika et al., 2019; Utomo, 2023).

The fight against corruption is a crucial issue in the context of governance and development in Indonesia. Corruption not only impedes economic growth and erodes public trust in government institutions, but it also has the potential to undermine principles of justice and integrity. Thus, it is vital to understand how local governments in Indonesia are working to combat corruption and promote transparency and accountability in public administration. The Special Region of Yogyakarta (DIY), known for its rich culture and history, has become an interesting example of anti-corruption efforts at the local government level. The DIY Government has demonstrated a strong commitment to supporting and mandating all its departments to actively engage in corruption prevention efforts. Statements made by the Secretary of DIY at the Coordination and Meeting for the Prevention and Eradication of Corruption in the DIY Government, underscore the importance of transparency and the courage to reject corruption in every decision-making process within the DIY Government (Humas DIY, 2024).

The Anti-Corruption Behavior Index (IPAK) is a measure used to assess anti-corruption attitudes and behaviors within a particular population or organization. This index evaluates public perception, attitudes, and reported behaviors regarding corruption, aiming to determine the extent to which individuals or groups are likely to

reject corrupt practices and uphold ethical standards. According to data from BPS – Statistics of Yogyakarta Municipality, Yogyakarta City has been declared the Cleanest City based on a survey conducted by Transparency International (TI) Indonesia. Out of 50 cities surveyed in the 2008 Corruption Perception Index (CPI), Yogyakarta scored the highest with a score of 6.43, followed by Palangkaraya (6.1), Banda Aceh (5.87), Jambi (5.57), and Mataram (5.41).

Despite being recognized as the Cleanest City, corruption still occurs in Yogyakarta, particularly in several public institutions such as the police, customs, and immigration, which show high bribery rates. TI Indonesia's research revealed that 48% of police institutions received bribes, followed by customs (41%), immigration (34%), and several other government agencies. This indicates that while there is an improvement in anti-corruption perception, significant challenges in controlling corruption remain.

In the context of combating corruption in Yogyakarta, it is important to acknowledge the significant efforts made by the local government. The Special Region of Yogyakarta (DIY) government has demonstrated a strong commitment to supporting anti-corruption initiatives and has mandated all its departments to actively engage in corruption prevention efforts. These measures include collaboration with anti-corruption bodies like the Corruption Eradication Commission (KPK) and active public participation in reporting corrupt practices.

However, corruption cases at the local level, such as those involving the Yogyakarta City Public Works, Housing, and Settlement Agency (PUPKP), indicate that challenges persist and require ongoing efforts. The KPK operation in 2019 uncovered alleged corruption related to infrastructure projects in Yogyakarta, highlighting the need for strong transparency, accountability, and law enforcement(Kuswandi, 2019). Therefore, despite significant achievements in corruption control, the government and the people of Yogyakarta must continue to work together to ensure that corrupt practices are effectively eradicated. This collaboration will enable Yogyakarta to maintain its status as a model city in anti-corruption efforts in Indonesia and improve the level of corruption control across various sectors.

Subsequently, in 2022, the apprehension of two suspects involved in licensing procedures further illuminated the corruption challenges in the development approval process. This case centered on the licensing of the Royal Kedhaton apartment complex, located in Malioboro, an area designated as a cultural heritage site. Allegations of corruption in the licensing process underscored vulnerabilities to corrupt practices in the property development sector, highlighting the critical need for stringent oversight of authority utilization by local government officials (KPK RI, 2022).

Analysis of these cases underscores pivotal issues in local governance, including the imperative for transparency, accountability, reinforced law enforcement, regulatory

reform, and heightened internal and external monitoring mechanisms. Strengthening these facets is essential to fortify the integrity and efficacy of local governance and mitigate corruption risks in executing the duties and functions of local government in Yogyakarta City and other regions across Indonesia. In this context, important aspects such as strengthening law enforcement institutions, efforts to increase public participation in supervision, and steps to increase the transparency of public administration are in the spotlight (Lustrilanang et al., 2023). Even though major challenges still exist, both on a national and local scale, Indonesia continues to strive to build a solid foundation for controlling corruption and creating a society that is more just, has integrity, and is sustainable (Effendi & Khoirudin, 2022).

Studies on corruption control in Indonesia highlight various aspects involving public perception and the effectiveness of law enforcement agencies. Transparency International Indonesia regularly conducts research using the Corruption Perception Index (CPI) to measure how society and businesses assess the level of corruption in the public and private sectors (Dizrisa et al., 2020; Quazi, 2014). In addition, the focus of studies is often on the Corruption Eradication Commission (KPK), with research evaluating the KPK's success in handling corruption cases and its impact on eradicating corruption in Indonesia.

Based on the background as mentioned earlier, although Yogyakarta City is considered one of the cleanest cities in terms of corruption according to data from BPS

(Statistics of Yogyakarta Municipality) and declared the Cleanest City based on a survey conducted by Transparency International (TI) Indonesia, several corruption cases still occur. Therefore, this research aims to understand how Good Governance Indicators influence the level of corruption control in Yogyakarta City's Local Government. This study will identify the strengths and weaknesses of the existing governance practices and offer recommendations to enhance anti-corruption efforts in Yogyakarta City. Ultimately, this will contribute to the broader goal of maintaining Yogyakarta's status as a model city in anti-corruption initiatives in Indonesia and improving governance practices across various sectors.

## **1.2 Research Question**

Based on the background, this research aims to identify “The Impact of Good Governance Indicators on Corruption Control Level in Yogyakarta City's Local Government” in the context of this quantitative study, the research questions can be formulated as follows:

1. How do good governance indicators influence corruption control level in the Local Government of Yogyakarta City?
2. What factors influence the impact of good governance indicators on corruption control level in Yogyakarta City's Local Government?

### **1.3 Research Purposes:**

This research aims to investigate the influence of good governance indicators on corruption control level in Yogyakarta City's Local Government, as well as to identify the factors influencing them.

### **1.4 Benefits of Research:**

The benefits of this research include:

#### **1.4.1 Ontological Benefit:**

This research enhances understanding of the relationship between good governance indicators and corruption control levels in Yogyakarta City's Local Government, revealing potential differences and influencing factors.

#### **1.4.2 Epistemological Benefit:**

Through comparative analysis, this study offers new insights into how good governance indicators impact corruption control in a regional context, identifying patterns and trends in the Yogyakarta City's Local Government.

#### **1.4.3 Axiological Benefit:**

By uncovering factors influencing the impact of good governance indicators on corruption control levels, this research provides valuable guidance for policymakers and stakeholders in formulating strategies to enhance governance quality and combat corruption regionally.