

LAD CASE STUDY

Indonesia's Corruption Eradication Commission

Michael Goldfien

LAD

ABOUT LAD

The Leadership Academy for Development (LAD) trains government officials and business leaders from developing countries to help the private sector be a constructive force for economic growth and development. It teaches carefully selected participants how to be effective reform leaders, promoting sound public policies in complex and contentious settings. LAD is a project of the Center on Democracy, Development and the Rule of Law, part of Stanford University's Freeman Spogli Institute for International Studies, and is conducted in partnership with the Johns Hopkins School of Advanced International Studies. LAD gratefully acknowledges support from the Omidyar Network.

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Introduction

With over 200 million inhabitants, Indonesia is one of the largest countries in the world. A Southeast Asian archipelago straddling the Indian and Pacific oceans, Indonesia has enjoyed considerable economic growth since its independence from the Netherlands in 1949. Textiles, petroleum, natural gas, logging, and agriculture are among the country's main industries. A member of OPEC, Indonesia has the largest economy of any country in Southeast Asia.

Despite some positive economic indicators, however, Indonesia's economy has long suffered from widespread corruption. The prevalence of corruption, which has the effect of distorting markets and increasing business uncertainty among other things, has militated against the development of a dynamic and efficient private sector. Many observers believe that serious anti-corruption reform will be a requisite step in unleashing Indonesia's significant economic potential.

In December 2003, five men were confirmed as the inaugural commissioners of the newly created Indonesian Corruption Eradication Commission (KPK). Erry Hardjepemakas, one of the five commissioners, has spearheaded the effort to turn the KPK into an effective anti-corruption agency. In the roughly seven months since he took office, Erry, along with the other commissioners, have focused on building the capacity of the KPK, primarily through a rigorous and carefully designed hiring process aimed at bringing in competent employees committed to cracking down on corruption. While public expectations are high, some members of the

Michael Goldfien conducted interviews and prepared this case under the supervision of Francis Fukuyama of Stanford University. This case was developed solely as a basis for class discussion. It is not intended to serve as a historical record, a source of primary data, or an illustration of effective or ineffective management.

international donor community are skeptical that the KPK will be able to get the political support necessary to have a big impact.

Joel Hellman, a World Bank official who has worked with the KPK, noted that most of the commissioners are not seen as anti-corruption “firebrands.” However, Hellman added, Erry has a reputation for being “politically astute” and a “strategic operator.” Prior to joining the KPK, Erry, a self-described “corporate guy,” had been the CEO of a state-owned mining company. That his mining company, in contrast to most state-owned enterprises in Indonesia, was relatively corruption-free, lent him credibility as a candidate for commissioner of the KPK. His reputation was only bolstered by his association with the Indonesian Society for Transparency. In charge of handling public complaints and internal oversight for the KPK, Erry believes that his time at the mining company taught him the importance of establishing a strong organization, while his work with the Indonesian Society for Transparency provided him with an understanding of corruption in Indonesia. Along with Erry, the thoughtful and tech-savvy Amien Sunaryadi is the only other commissioner seen as an ally of the anti-corruption movement. Together, according to one civil society watchdog, they form the “backbone of trust” between the KPK and civil society actors. The other three commissioners are seen as more closely tied to the establishment.

Despite the strong reputations of Erry and Amien, implementing the law remains a question mark. Erry, who came out of retirement to work for the KPK, is passionate about improving governance and accountability. However, many observers question whether the government is sincere about cracking down on corruption in the first place. Other skeptics suggest that the KPK may become a locus of corruption itself, simply adding to the problem. It is now July of 2004 and Erry and the other commissioners are facing one of their first major challenges in proving the skeptics wrong: bringing the powerful and well-connected governor of Aceh, Abdullah Puteh, to justice for corruption.

Puteh's administration supposedly purchased a Russian Mi-2 helicopter in 2002 for Rp 12 billion. The KPK suspect, however, that the helicopter actually cost only around Rp 6 billion, with Acehnese officials, such as Puteh, pocketing the difference. The KPK have summoned

Puteh to Jakarta to answer questions about his role in purchasing the helicopter, only to have him fail to appear on two occasions. Knowing that their credibility could be severely damaged if they mishandle this early case involving a high-profile politician, the KPK commissioners must decide how to respond to Puteh's apparent unwillingness to cooperate with investigators. The commissioners believe that they have two options. First, they could instruct President Megawati to remove Puteh from his post. This would be based on Article 12 of the 2002 KPK law which gives the KPK the authority to "order" an alleged corruptor's supervisor--in this case Megawati--to "temporarily terminate the suspect from office."¹ A suspension would prevent Puteh from using his responsibilities as governor as a pretext for avoiding investigators. Second, Erry and the KPK could move on, focusing on other corruption allegations, and downplaying the importance of the Puteh case.

Background

The KPK is a young institution. Advocates hope that it will be able to use its strong mandate and legal authority to punish high-profile corruptors and change the culture of corruption in Indonesia. The process of establishing the KPK began with Asian financial crisis in the late 1990s, which crippled the Indonesian economy. Bringing issues of governance and corruption to the fore, the crisis led to widespread protests, with demonstrators often chanting "*korupsi, kolusi, nepotisme*," or corruption, collusion, and nepotism. Highlighting a lack of fairness and good governance in Indonesia, these protests eventually led to President Suharto's resignation in May of 1998. With Suharto's departure, the country entered a period of *reformasi*, or reformation, which included movement toward democracy and renewed efforts to curtail the corruption, collusion, and nepotism that so many had seen as a central cause of the country's economic woes.

With *reformasi* underway, and in response to both domestic political and international donor pressure, Indonesia's parliament passed a series of laws intended to reign in corruption. Among other things, post-crisis anti-corruption legislation established the KPK. The KPK Law (Law No. 30 of 2002) gave the Commission a strong mandate, with broad powers to investigate and prosecute acts of corruption. Still, not all parliamentarians were in favor of creating the

Commission. Many argued that the government should instead focus on improving the effectiveness of traditional law enforcement agencies, including the Police and the Attorney General's Office. Erry believes that the motivation for this opposition was “mixed”; some members of parliament genuinely believed that establishing an anti-corruption agency was the wrong policy, while others were simply concerned that they might end up as suspects.

Under the KPK Law, the Commission is responsible for coordinating anti-corruption efforts among various government institutions and for supervising those institutions in their work relating to corruption. The KPK also has the authority to conduct its own investigations and prosecutions of corrupt acts and is expected to work on corruption prevention and education. Finally, the KPK is supposed to monitor governance in Indonesia. In fulfilling these roles, the KPK is considered an independent agency, ostensibly to prevent it from becoming captured or otherwise influenced by outsiders.

The KPK is a vertically integrated institution. That is, the Commission can control and oversee each case from pre-investigation to trial without having to cooperate or compromise with outside actors. This is primarily a result of two aspects of the KPK’s institutional design and mandate. First, in addition to initiating its own investigations, the KPK can take over cases from the Attorney General’s Office (AGO) or the Police. Second, investigators and prosecutors are seconded from the AGO and Police in a rigorous selection process, giving the KPK access to competent and honest employees who are no longer under the watch of potentially corrupt supervisors at their former offices. Thus, the KPK is largely insulated from interference and pressure from other government agencies.

In carrying out its investigations, indictments, and prosecutions, the Commission has wide-ranging authorities. The KPK can monitor conversations, institute foreign travel bans, order banks to freeze accounts, and/or order a suspect’s supervisor to suspend the alleged corruptor. These powers to both investigate and prosecute, while not necessarily reflecting conventional wisdom, were considered by many reformers to be necessary given the pervasiveness of corruption in the Indonesian legal system. At the same time, it is not clear that the members of

parliament who passed the KPK law gave much thought to the implications of these vast powers in practice.

To compliment the new Corruption Eradication Commission, the KPK Law also established a new Anti-Corruption Court (TIPIKOR) to handle the Commission's investigations and prosecutions. The main reason for creating a separate court was the belief that the regular judicial system is itself so corrupt that trying cases in the general court system would render the KPK's anti-corruption efforts useless. Notably, the court is composed of three "ad-hoc" judges alongside two "career" judges. The "career" judges come from the general courts while the "ad-hoc" judges are drawn from outside the judiciary and are usually academics or legal practitioners. This hybrid system was created for fear that "career" judges might be more susceptible to bribery and would undermine the KPK's effectiveness if they held the majority of seats on the bench.

Once the KPK opens a formal investigation, it is required by law to take the case all the way to the Anti-Corruption Court. The verdicts of the Anti-Corruption Court can be appealed to the Jakarta High Court and, if necessary, the Supreme Court. However, at each level, the bench is similarly composed of two "career" judges and three "ad-hoc" judges. By law, all trials must be completed within an eight-month period, including any appeals.

Despite the seemingly broad authority granted to the Commission in the KPK Law, new legislation is only one piece of reform. As Indonesian lawyer Ibrahim Assegaf observed, "the problems always lie in the implementation and enforcement."² Thus, while the KPK enjoys authority on paper, it is not yet clear what level of support they will receive from the government. Though the KPK is an independent agency, the Indonesian parliament can, according to KPK employee Adil Widoyoko Surowidjojo, influence it in two ways: through its budget and through the selection of its commissioners, which is jointly decided by parliament and the president.

The KPK's funding was delayed as the first commissioners took office. Though Erry says he does not believe this was politically motivated, the Commission had to begin work with few

resources.³ Without offices or a full staff, the five commissioners worked out of restaurants in the early days. However, as Erry noted, “imbued with a desire to fulfill the hopes of the people,” the commissioners “were not going to let themselves be held back by a lack of offices or equipment.”⁴ Instead, Erry and the other commissioners worked together to recruit and train competent and professional investigators, as well as develop a strong organizational culture of integrity. Erry believed that these would be the “keys to success.”

Anti-Corruption Commissions Abroad

The Hong Kong Independent Commission Against Corruption (ICAC) served as the principal model for those designing the KPK, with the Bertrand de Speville, a former ICAC commissioner, even serving as a consultant. Hong Kong is seen as a triumph of anti-corruption reform, with the powerful, multi-function ICAC leading the charge. In particular, the ICAC is noted for having adopted a three-pronged approach of investigation, prevention, and education. The KPK not only followed the ICAC's lead in handling investigations, prevention, and education, but actually went further by embracing prosecutions as a primary function of the organization as well. For some time there were hopes that this multi-function agency model could be used effectively elsewhere. However, success stories have been rare. In many cases, anti-corruption commissions are captured, politicized, and/or under-resourced.

For example, the Philippines has struggled with its own anti-corruption agency, the Office of the Ombudsman. Like the KPK, the Ombudsman was created after the fall of a dictator and was charged with investigating and prosecuting suspected corruptors in an anti-corruption court. However, other than the conviction of former President Joseph Estrada, who had already been run out of office, the Office of the Ombudsman cannot claim any other successful prosecutions of high-level government officials.⁵ The Ombudsman has struggled as a result of a mediocre staff as well as poor coordination between the investigatory and prosecutorial arms of its operation.⁶

Outside of Southeast Asia, several more countries have attempted to create multi-function anti-corruption agencies, including Argentina, Bosnia, and India. Yet without strong

commitment on the part of politicians, failures of coordination within the government, and a lack of financial resources, these commissions have generally failed to bring down corruption or improve governance.⁷ Botswana has been a notable exception, managing to control corruption in its diamond industry. Botswana's high-functioning bureaucracy and support from a strong, centralized, executive--which tends to impose itself on the legislature--are seen as possible reasons for the country's success.⁸

Corruption in Indonesia

Corruption has long been seen as a major presence in Indonesian society. Yet many observers noted that corruption grew more rampant and institutionalized during the 31-year rule of President Suharto, between 1967 and 1998. Suharto himself is thought to have embezzled between US\$15 and US\$35 billion during his 31 years in power.⁹ In Transparency International's 2003 Corruption Perceptions Index, Indonesia ranked 122 out of 133 countries, behind neighbors like Thailand, Vietnam, Malaysia, and Papua New Guinea.¹⁰

Many observers believe that corruption is Indonesia's "biggest problem." Employees in virtually all government branches and agencies use their authority and power to enrich themselves, their family, and their friends. Hamid added that not only is "petty corruption" everywhere, but more significant acts of venality can be found in local government, the national government, and state-owned enterprises. Arif Zulkifli, editor-in-chief of the Jakarta-based magazine Tempo, noted that political parties are particularly susceptible to corruption, lacking both state-funding and transparency.

Before the KPK, anti-corruption activities were handled primarily by the Police, the Attorney General's Office, and the courts. However, the agencies and bureaucracies traditionally charged with combatting government venality are hotbeds of corruption themselves. For ordinary people, the police are often seen as a predator rather than a protector. The police, the saying goes, require a goat's worth of bribes to investigate a stolen chicken, and a cow's worth of bribes to investigate a stolen goat.¹¹

Ibrahim Assegaf has commented that corruption in law-enforcement and the judiciary represents a three-level food chain, with alleged corruptors having the opportunity to influence the outcome of the case at each point.¹² At the first and lowest level, corruptors bribe the police and prosecutors carrying out the investigation. At the second level, alleged corruptors seek to influence the prosecutors deciding what charges should be filed and how to argue the case. The third and highest level of the food chain is the courts, where judges ruling on guilt or innocence, as well as sentence length, are targeted. Thus, the justice-sector mafia, as some observers have labeled it, contributes to corruption in Indonesia by taking bribes in exchange for dropping cases, intentionally botching prosecutions, and issuing less onerous sentences than are warranted under the law.¹³

As a result, few anti-corruption advocates believe that the traditional institutions (i.e. Police, Attorney General's Office, courts, etc.) can be relied upon to fight corruption. As one expert put it, it takes a “clean broom” to clean a “dirty floor.”¹⁴ The KPK is not, however, the first attempt to create an anti-corruption commission in Indonesia. In fact, Indonesia has seen several anti-corruption initiatives, both during Suharto's rule and after. Yet these efforts have generally failed for three reasons:¹⁵ first, the scope of past agencies' mandates have been rather limited, generally giving them the authority only to coordinate anti-corruption activities among the existing agencies or to assist and advise them in planning and investigation. Second, even given the limited scope of past agencies' roles, the government has seemingly lacked the political will to provide them with the support and resources needed to carry out their duties. Finally, the judicial process itself is so corrupt that existing agencies and institutions have often sought to undermine the anti-corruption initiatives of new bodies.

One of the most recent anti-corruption initiatives preceding the KPK was the Joint Investigation Team (JIT). Established in the post-Suharto era of *reformasi*, the JIT's role was to temporarily coordinate the investigation and prosecution of difficult-to-prove corruption cases until the KPK could be established. The JIT encountered many of the challenges faced by previous anti-corruption bodies, including minimal authority, a lack of funding, and resistance from the judiciary.¹⁶ Seeing judicial venality as a primary impediment to progress in the fight against corruption, the JIT targeted the courts. In what is now termed the “Three Judges Case,”

the JIT investigated two current justices and one former justice of the Supreme Court, who were believed to have accepted a bribe in return for a favorable judgment in an inheritance dispute. Demonstrating the judiciary's resistance to anti-corruption reform, not only were the judges able to convince a district court to throw the case out, but also successfully petitioned the Supreme Court to conduct a judicial review of the legislation relating to the Joint Investigation Team. Based on supposed inconstancies regarding whether the JIT would be temporary or permanent, the Supreme Court, rather than simply clarifying the issue, ruled the government regulation establishing the agency void, leading the JIT to cease operations.

Governor Puteh and the Helicopter

Aceh is a region of Indonesia located at the northern tip of the island of Sumatra. Most of its inhabitants are ethnically Acehnese and are often seen as a devoutly Muslim people who do not identify with Indonesia's primarily Javanese political elite. The region has been a hotspot of civil unrest for decades, as the Free Aceh Movement has clashed with government forces in a fight for greater autonomy. The conflict has flared up of late, with the Indonesian government launching a major offensive and imposing martial law in the province after peace talks broke down in May of 2003. Though martial law has been lifted, the province is still in a state of civil emergency and government military operations are ongoing. In the context of this intractable conflict, the Acehnese have become marginalized in Indonesian national politics and Aceh has earned a reputation as one of the most corrupt places in the country.

Abdullah Puteh, the governor of Aceh and a member of the Golkar party, is ethnically Acehnese. Despite this, he has a number of connections to the political and business elite in Jakarta, including President Megawati's husband, Taufiq Kiemas and Minister of the Interior Hari Sabarno. One member of the Aceh Anti-Corruption Movement noted that, particularly given the weak justice system in the province, Puteh is seen by many in Aceh as nearly "untouchable."¹⁷ While Erry does not know Puteh well, he is aware of the governor's reputation for being "greedy."

The KPK has received many public complaints about Puteh's conduct and use of state funds. Allegations of corruption relating to Puteh's procurement of a Russian Mi-2 helicopter were first reported to the Aceh Provincial Prosecutor's Office. Without receiving a strong response from the Acehnese authorities, whistleblowers next informed the Corruption Eradication Commission of their suspicions that Puteh had marked up the price of the helicopter. While Puteh's administration claimed to have paid Rp 12 billion for the chopper, the Indonesian Navy had recently paid only Rp 6 billion for a similar model. The difference is said to have cost the state over US\$500,000. Puteh is also being investigated by the National Police for the alleged markup of power generators. Despite his reputation for corruption and greed, Puteh was recently appointed as the administrator of the state of civil emergency in Aceh by President Megawati, giving him additional powers to act unilaterally.

In recent weeks, the KPK has summoned Governor Puteh to its headquarters in Jakarta for questioning regarding his involvement in the purchase of the helicopter. However, Puteh has twice failed to appear. Though the KPK was not initially clear on the reason for his absence, the commissioners now believe that he is deliberately being uncooperative. Concerned with Puteh's elusiveness, the KPK recently banned him from traveling abroad.

President Megawati

President Megawati Sukarnoputri is the daughter of Sukarno, Indonesia's first president and a leader of the country's independence movement. A member of the Indonesian Democratic Party (PDI-P), she served as vice president to President Abdurrahman Wahid from October 1999 to July 2001. When President Wahid was removed from office by the legislature over unproven charges of corruption, Megawati was sworn in as president of Indonesia.

Despite her pedigree, President Megawati is not viewed as a particularly effective or skilled politician. She is often portrayed as a weak and indecisive leader without strong ideological positions. Rather, her reputation is that of a pragmatist who is unlikely to go against the counsel of close advisors, her husband chief among them. In early 2003, one democracy

promoter noted that Megawati has “very limited political capital: being the daughter of Sukarno.”¹⁸

While Puteh is being investigated, President Megawati is in the middle of a re-election campaign. Her primary opponent, Susilo Bambang Yudhoyono, is a former Army general with whom Megawati has a fierce rivalry. Yudhoyono, an advisor to Megawati before he became her competition for the presidency, is running on an anti-corruption platform. In a June 30 presidential debate, President Megawati seemed to support calls for Puteh’s suspension. However, she has since exhibited her trademark indecisiveness, failing to back up her words with action. Meanwhile, Megawati's Minister of the Interior, Hari Sabarno, has stated that he doesn't believe the investigation should interfere with Puteh’s day-to-day responsibilities in Aceh.

Erry suspects that Megawati’s resistance is politically motivated. He has heard that she believes his dismissal would be bad for the PDI-P, particularly since Puteh has been cooperative with her government’s efforts to keep the conflict in Aceh under control. With the presidential campaign underway, replacing Puteh would be an unwanted distraction from other issues facing her government and her campaign.

Looking to Fry “Big Fish”

For several months, capacity building has been the primary focus of the KPK. Erry sees building a strong organization with exceptional human capital as essential. In its efforts to recruit top-notch employees, who are often seconded from existing law-enforcement agencies, the KPK puts job applicants through a gauntlet of tests and interviews to determine not only the technical competence of potential employees, but also their psychological makeup and commitment to the cause of anti-corruption. The Commission has also sought to develop a guiding code of ethics for the agency, soliciting the advice of stakeholders like non-governmental organizations and the private sector. Despite the effort devoted to capacity building, Erry and the other commissioners now face pressure to start ramping up investigations. One civil society observer notes that people’s hopes for change have “plateaued” with the realization that little has changed following *reformasi*, putting a “huge burden” on the KPK to meet the public’s expectations. Erry and the

other commissioners would like to satisfy the public's demand for visible progress on anti-corruption, believing that public and media support is the KPK's greatest assets, a defense against elected officials who are ambivalent or hostile to anti-corruption reform.

Erry and the other commissioners are also keen to establish their credibility with international donors, showing them that they can use funds efficiently and work independently of political pressure. Even though some in the donor community are concerned that the KPK will become little more than window-dressing, organizations like the World Bank have given the KPK significant financial and technical assistance. Moreover, since the creation of the Commission was a “prior action” that Indonesia was required to take in order to receive IMF aid following the 1998 financial crisis, future assistance from these types of institutions could depend, in part, on Indonesia making progress in the fight against corruption. High-profile convictions in the Anti-Corruption Court might also improve Indonesia's standing in the eyes of the private sector, which would be more likely to invest in the country if corruption were less prevalent.

In addition to establishing credibility with their domestic and international backers, the KPK also wants to send a message to their opponents in government and the private sector, many of whom benefit from corrupt activities. One expert on corruption, Robert Klitgaard, recommends frying “big fish” as a strategy for fighting widespread and systematic corruption.¹⁹ Bringing a “big fish” like Puteh to justice this early in the KPK's existence would be an impressive accomplishment. Not only would it remove a corrupt leader from a position of significant power, but it could also serve as a deterrent to others; politicians and government officials across Indonesia would start to question whether they can continue to break the law with impunity. However, despite the benefits of pursuing Puteh more aggressively, bringing him in will be difficult and could have negative consequences for the long-term health of the Commission if his case is mishandled.

For one, the KPK doesn't know how President Megawati will respond if they order her to suspend Governor Puteh. In both the short-term and the long-term, high-level political support will likely be an important factor in the success or failure of the KPK. Though the

commissioners believe they have the legal authority to order the president to suspend Puteh, Megawati has said that while she was in favor of having a new anti-corruption agency, she feels that the KPK Law gave too much power to the Commission.²⁰ If President Megawati refuses to suspend Puteh, it would undercut the Commission's credibility and make it even more difficult to investigate suspects going forward.

Even if Megawati suspends Puteh, the KPK will still face a difficult process of investigation and prosecution. While the Anti-Corruption Court was intentionally designed to limit the potential for corruption, it has yet to be tested. Since the KPK cannot drop cases once a formal investigation has been opened, the Commission could be humiliated if they find themselves unprepared for the prosecution.

Going after “big fish” may invite efforts to undermine the KPK's authority and effectiveness. Many politicians likely went along with recent anti-corruption legislation believing that reforms would be largely superficial, allowing them to tout their anti-corruption credentials without truly changing the system. If Puteh is convicted, influential people may begin to worry that the KPK has too much power and seek to restrain it. The commissioners know that they will have to be prepared to defend themselves.

The Choice

As the first leaders of the KPK, the commissioners must make difficult choices that balance their credibility with the public and international organizations against the need to maintain a reasonable degree of support among the Indonesian political elite. As the organization grows and stabilizes, sustaining the momentum for anti-corruption emanating from the public will be crucial. At the same time, the KPK does not want to unnecessarily alienate politicians who could use their position to undermine the KPK's power or moral authority.

Invoking Article 12 of the KPK Law and “ordering” Megawati to suspend Puteh is a high-risk, high-reward strategy. Ideally, Megawati would respond not only by complying with the instruction, but by providing strong political backing for the commissioners. Still, even

unenthusiastic compliance would be a positive outcome. However, Megawati has a reputation for being indecisive and it is not clear that she would comply with the KPK's order. She has political incentives in both directions. In the midst of the presidential campaign, she may see suspending Puteh as a way to score points with the public. At the same time, she may see Puteh's dismissal as adding to instability in Aceh as well as creating a distraction for her administration and reelection team. It is also possible that she would not want to risk alienating Puteh's network of allies in Jakarta. If Megawati refuse to comply with the KPK's orders, it could severely damage the Commission's reputation going forward.

Less risky, the KPK could downplay the importance of the Puteh case. Instead, at least in the near-term, the commissioners could focus on smaller fish, pursuing less influential corruptors while continuing to build the institution's capacity for the long-term. This course of action poses a less acute threat to the KPK's credibility and future support than would Megawati's refusal to suspend Puteh. Nonetheless, the case has already attracted a fair amount of public attention and if the KPK backs down, the Commission would likely be seen by supporters and adversaries alike as having been bested by Puteh in this early battle.

The Puteh case is reaching a head and a decision on how to proceed in light of his intransigence must be made. The commissioners are planning to meet in the coming few days to decide the KPK's next move. Erry is aware of the struggles of past anti-corruption commissions in Indonesia and abroad and understands the importance of the obtaining high-level political support for his anti-corruption agenda. Erry and the other commissioners must therefore deal with the Puteh case in a way that considers the feasibility of persuading President Megawati to take action while keeping in mind the constellation of domestic and international stakeholders in Indonesia's culture of corruption. What should Erry recommend that the KPK do when he meets with the other four commissioners? If they decide to invoke Article 12, how should they approach Megawati and attempt to win her support? If they decide to move on, how can they justify their actions to allies in Indonesia and abroad?

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Notes

¹ Law No. 30/2002 on the Commission for the Eradication of Criminal Acts of Corruption.

² Ibrahim Assegaf, "Legends of the Fall: An Institutional Analysis of Indonesian Law Enforcement Agencies Combatting Corruption" in Timothy Lindsey and Howard W. Dick, eds. *Corruption in Asia: Rethinking the governance paradigm*. (Federation Press, 2002), 127 .

³ Erry Hardjapemekas, Interview with Gabriel Kuris. Princeton Innovations for Successful Societies. Indonesia, February 22, 2012. Accessed on June 12, www.princeton.edu/successfulsocieties.

⁴ Erry Hardjapemekas, "The Establishment of the Corruption Eradication Commission," in Partnership for Governance Reform in Indonesia, ed. *Fighting corruption from Aceh to Papua: 10 stories on corruption eradication in Indonesia*. (Partnership for Governance Reform in Indonesia, 2006), 173.

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⁶ Bolongaita, 16.

⁷ John R. Heilbrunn, "Anti-corruption commissions: Panacea or real medicine to fight corruption." World Bank Institute, Washington, DC. (2004), 10.

⁸ Heilbrunn, 10.

⁹ Transparency International, "Global Corruption Report 2004," 2004, 13.

¹⁰ Transparency International, "Annual Report 2003," 2003, 20.

¹¹ "Village justice in Indonesia: case studies on access to justice, village democracy and governance." World Bank Office Jakarta (2004), 59.

¹² Assegaf, 131.

¹³ Simon Butt, *Corruption and law in Indonesia*. (Routledge, 2011), 23-4.

¹⁴ Sofie Arjon Schuette, "Against the Odds: Anti-corruption reform in Indonesia." *Public Administration and Development* 32, no. 1 (2012), 38.

¹⁵ Assegaf, 136.

¹⁶ Assegaf, 135.

¹⁷ Akhiruddin Mahjuddin, "Uncovering Corruption in Aceh," in Partnership for Governance Reform in Indonesia, ed. *Fighting corruption from Aceh to Papua: 10 stories on corruption eradication in Indonesia*. (Partnership for Governance Reform in Indonesia, 2006), 4.

¹⁸ Jane Perlez, "Ahead of Re-election Run, Indonesia's President is Chased by Corruption Complaints," *The New York Times*, January 26, 2003.

¹⁹ Robert Klitgaard. *Controlling corruption*. (University of California Press, 1988), 187.

²⁰ Gabriel Kuris, "Inviting a Tiger Into Your Home": Indonesia Creates an Anti-Corruption Commission With Teeth, 2002- 2007." (Princeton Innovations for Successful Societies, 2012), 5.

Appendix A: Map of Indonesia

Republic of Indonesia



Source: CIA World Factbook

Aceh in Indonesia



Source: Wikipedia Commons

Appendix B: Country Statistics

Republic of Indonesia	
Population	238 million
GDP (PPP)	\$758.8 billion
GPP per capita (PPP)	\$3,200
Real GDP Growth 2003	4.10%
Population in poverty	27%
Literacy	87.90%

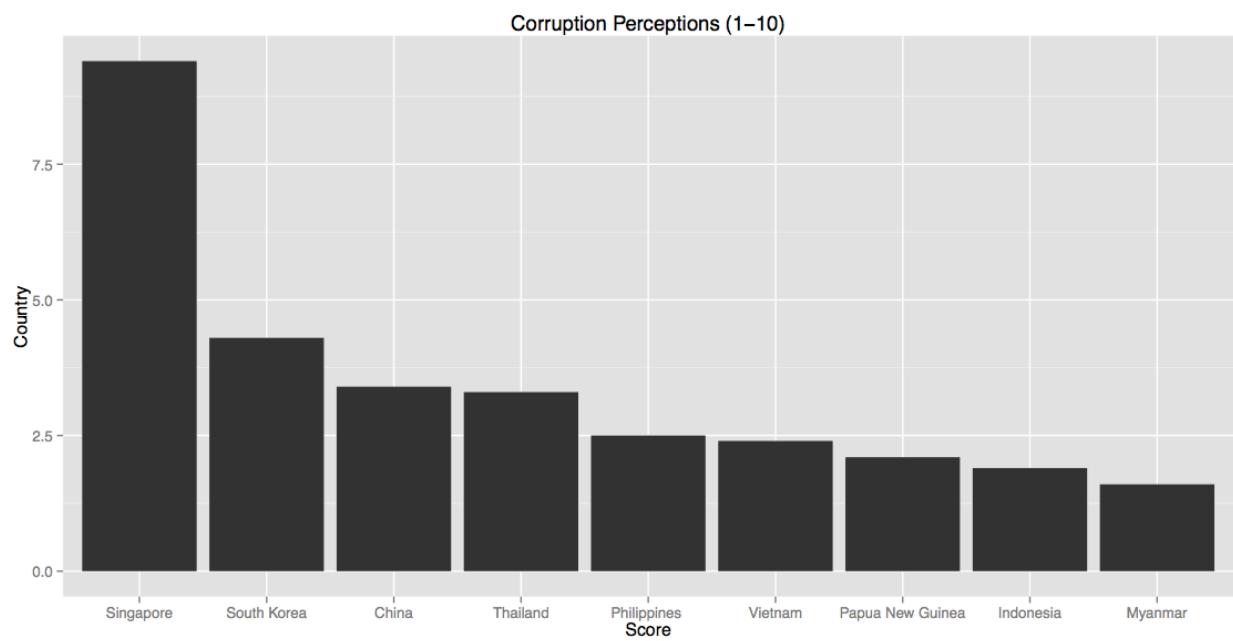
Source: CIA World Factbook

Appendix C: Freedom in Indonesia



Source: Freedom House

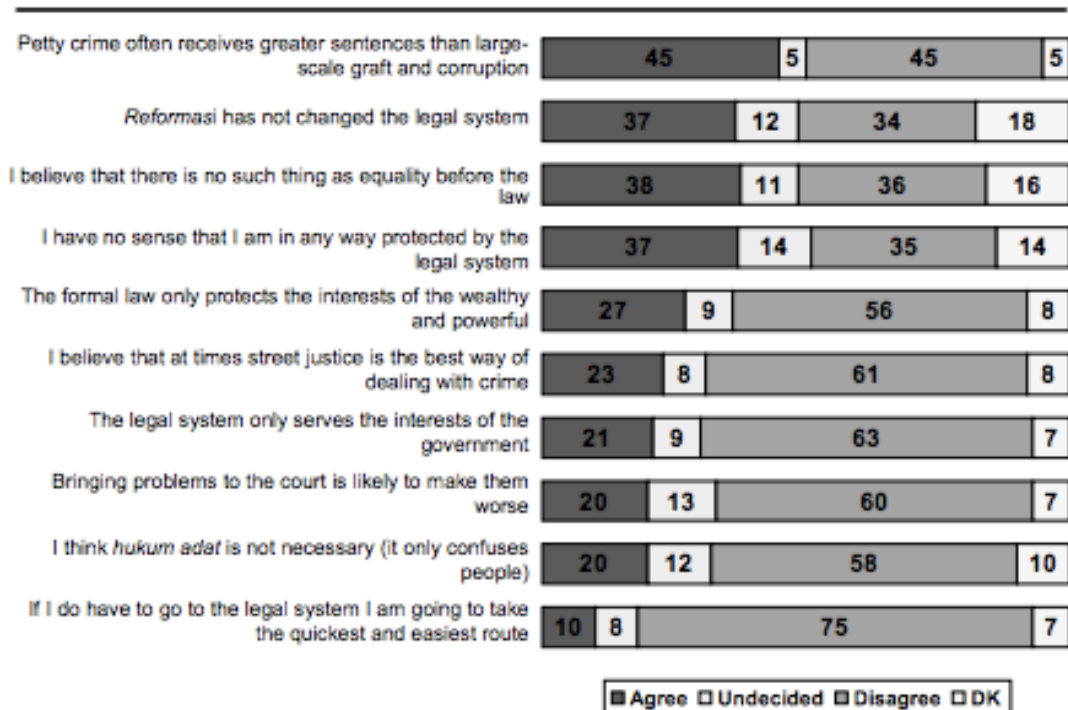
Appendix D: Regional Corruption Perceptions



Source: Transparency International

Appendix E: Justice Sector Perceptions

Tables 8B: Perceptions of the Justice Sector



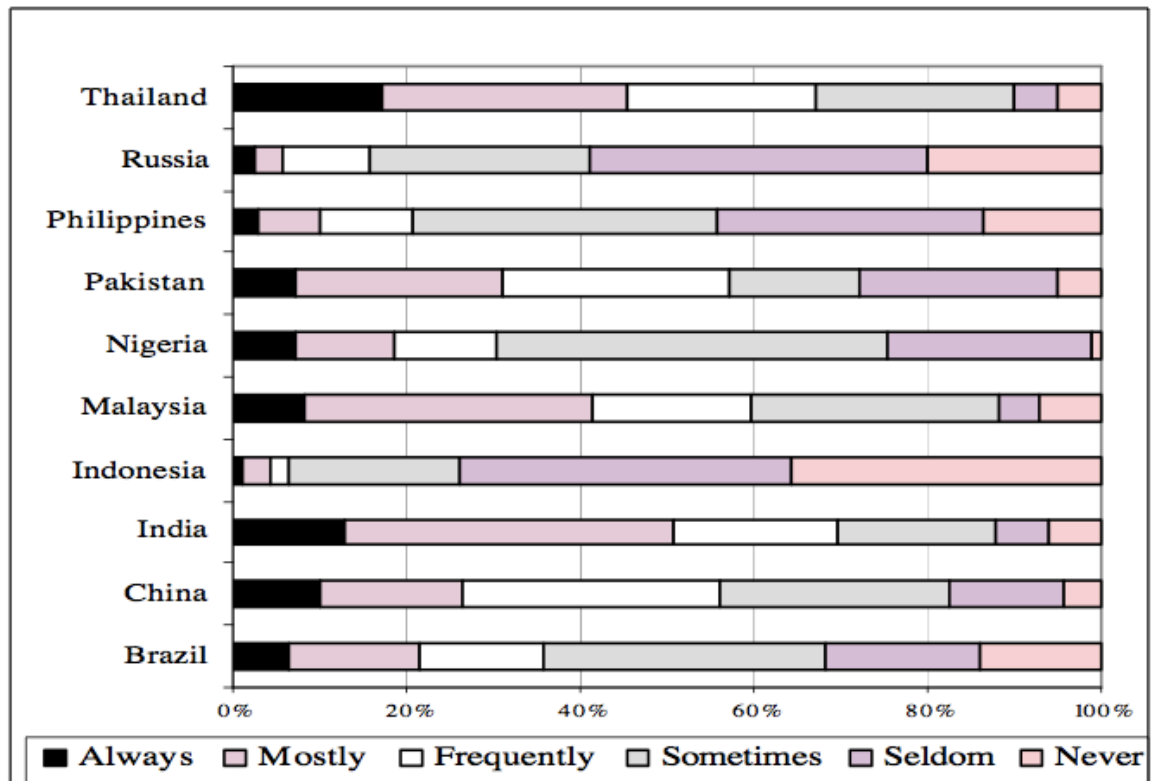
Tables Ref. 47A

Source: The Asia Foundation

Appendix F: Fairness of Courts in Business Disputes

Figure 5.2: Honesty of courts in business disputes

How often do you associate the following description with the court system in resolving business disputes?
"Honest and Uncorrupt"



Source: World Business Environment Survey 2000, World Bank

Source: World Bank, 2003

Appendix G: Public Corruption Complaints

<i>Public Complaints of Corruption Reported to the KPK</i>	
Cases Reported	2,243
Cases Studied	1,439
Case Forwarded	734
Being Processed	94
Not Pursued	498

Source: Corruption Eradication Commission, Annual Report 2004

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