

# The Prevention of Corruption as A Result of Implementing E-Government: A Geographical Review of Indonesia

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## Abstract

E Government is the use of information technology in government. In Indonesia, E Government began to be developed since 2003 based on Presidential Instruction No.3 of 2003 concerning national policies and strategies for the development of E-Government Indonesia, and then followed up on Presidential Regulation No. 95 of 2018 concerning Electronic-Based Government Systems. The regulation instructs the government to prioritize public transparency. E-governance can reduce corruption risks so that government can run more efficiently and avoid corruption. The existence of public transparency can provide an opportunity the public to control public officials. One case related to e government occurred in DKI Jakarta. The budget contained in e-government is considered to be unreasonable budget and can indicate corruption. There is a budget for the purchase of Rp 82 billion glue, Rp 124 billion ballpoint, Rp 213 billion paper, Rp 400 billion printer ink, Rp 31 billion eraser and Rp 31 billion calculator for public elementary school students. This happens because there is no public transparency when making budget plans. Usually, the plan is always uploaded on the [apbd.jakarta.go.id](http://apbd.jakarta.go.id) site every year. With transparency, the public can monitor budget allocations from the planning stage. Cases like this might be possible in the implementation of e-government in other cities or districts in Indonesia. This study aims to analyze the implementation of city and district e government in West Java, Indonesia. It is expected that the results of this research can find obstacles that exist during the implementation of e government so that the government can implement better policies. The method used in this research is website content analysis. The analysis is done by examining whether the content on the e-government website meets the criteria for financial transparency or not. The results showed that only 1 website was transparent in presenting financial information because the website had all the criteria set

## Keywords

E government, transparency, corruption, West Java, Indonesia

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## Introduction

### Background

The State Budget Plan for the Special Capital City of Jakarta 2020 Special Capital City Government has become a public concern because of the findings of the DKI Jakarta Regional Representative Council (DPRD) regarding a glue purchase budget of Rp. 82 billion glue, Rp 124 billion ballpoint, Rp 213 billion paper, Rp 400 billion printer ink, Rp 31 billion eraser and Rp 31 billion calculator for public elementary school students. In his explanation, the Governor of DKI Jakarta, Anies Baswedan said the budgetary discrepancy was caused by an error in the e-budgeting system which was one of the mechanisms for implementing e government (Altounjy et al., 2020). According to the Secretary General of the Indonesian Forum for Budget Transparency, budget irregularities contained in e-government have led to allegations that there are indications of corruption due to budget misappropriations starting from the planning carried out by the ranks of the DKI Jakarta provincial government. So, this is not just a technical error, wrong entry and administration. This shows the irregularities related to the bureaucratic system and coordination in the DKI Jakarta Provision Government. The e government system should make the budget planning and execution mechanism more transparent, participatory and accountable. However, the facts show that the existing system has not shown maximum results (Arwati & Latif, 2019).

In Indonesia, E Government began to be developed since 2003 based on Presidential Instruction No. 3 of 2003 concerning national policies and strategies for the development of Indonesian E-Government, and then followed up on Presidential Regulation No. 95 of 2018 concerning Electronic-Based Government Systems. The regulation instructs the government to prioritize public transparency. Transparency in e-government is the fulfillment of the right to information for the community. The community has the right to know what the government is going to be doing and has done, both at the stage of development planning, the budgeting process, as well as budget implementation and accountability. Budget information contained in e-government is expected to be able to encourage community involvement to participate in the entire planning, budgeting, and subsequent development stages (Anunti et al., 2020).

A survey conducted by Transparency International stated that Indonesia was ranked 96th out of 180 countries in terms of public transparency. The survey means that the level of public transparency in Indonesia is still very low. Minister of Administrative Reform and Bureaucratic Reform (Menpan-RB), Asman Abnur said that in Indonesia many regional governments have implemented e-government in their respective institutions. However, it has not been entirely based or integrated with the performance that will be realized. So that the implementation of e government has not been able to prevent wastefulness and to increase the effectiveness and efficiency of the use of the budget (Bikar et al., 2020).

According to the Chairperson of the Indonesian Curator and Management Association (HKPI), Soedeson Tandra, a system that can encourage a transparent system to prevent criminal acts of state budget corruption in the implementation of government projects must be created. Corruption can occur because the system of discussion of the state budget and government projects with the House of Representatives is carried out in a closed room. In this confined space, there is a high possibility of bargaining and bribery. Therefore, a transparent system is very much needed in the process of discussing the budget both for the State Expenditure Budget, and the Regional Expenditure Budget, so that budget information and its implementation can be shared with the public, and the public can control it (Bulut, 2020).

Based on the description above, which explains that the implementation of e government in many regions in Indonesia has not been able to prevent wasteful and efficient use of the budget due to the lack of transparency in budget management, this research aims to analyze the implementation of e government in terms of financial transparency. The benefit of this research is that the implementation of e government in Indonesia, especially in the province of West Java becomes more transparent so that it can reduce the level of corruption

### E Government

E-government is the use of Information and Communication Technology (ICT) by the government. The use of ICTs is combined with changes in government organizations in order to improve government structures and operations. The benefit of e government is to assist the government in



providing services to citizens, businesses and other government institutions. Understanding of e government requires an understanding of public sector management. Public sector organizations differ from the private sector, although both have the same goal which is to serve the public. In private organizations, what is meant by the public is the customer, so the private organization can try to maximize profits. In government organizations, the public is a constituent, so that government organizations are not only looking for income but are also required to be able to explain their use to the public. This explanation is important because government actions usually do not have a direct impact on citizens but have a direct impact on stakeholder groups (Bastida Albaladejo, 2019).

Chen & Neshkova (2020) define e government in a narrow and broad scope. Within a narrow scope E-Government only refers to the delivery of government electronic and information services. Conversely, in a broader scope, e governance includes regulation, transparency of operations and control by citizens and the Government. The aim of e governance is to improve services, stakeholder participation in policies and decision-making using ICTs towards better governance

Implementation of E government through stages that are transformative: the stage of emergence, improvement, transactions and connections. In the initial stages e government only provides information from the government to the public relating to contact information and policies. The next stage is the stage of improvement marked by an increase in simple communication between the government and the public. The public can submit complaints about services received to the government through the official government website. The next stage is the transaction stage. At this stage the activation of a two-way transaction between the government and the citizens occurs. An example is citizens can pay taxes online. The next stage is the connection stage. At this stage e government is an integrated government service where citizens can access all types of public services because there has been a connection between the central and regional governments (Hermana & Silfianti, 2011).

The development of e-government can cause an increase in services to the community so that it can be used as a tool to reduce corruption. Increasing e-government shows the quality of technology and telecommunications infrastructure of a country. The development of e-government also provides an indication of the increased ability of its citizens, businesses and governments to adopt, use and benefit from modern technology in a certain period of time (Ismail et al., 2020).

## **E government in Indonesia**

E government began to be implemented in Indonesia since 2003 based on Presidential Instruction No. 3 of 2003 concerning national policies and strategies for the development of Indonesian E-Government, and then followed up on Presidential Regulation No. 95 of 2018 concerning Electronic-Based Government Systems. In Indonesia, e-government development focuses on the development of IT and also Information Technology Governance (ITG). This is based on Law number 11 of 2008 concerning Information and Electronic Transactions, Government Regulation Number 82 of 2012 concerning Electronic System Implementation, and Regulation of the Minister of Communication and Information Number 4 of 2016 regarding Information Security Management Systems. With the existence of these government regulations, in Indonesia, there are 548 local governments that have implemented e government, but only five local governments are able to implement e government effectively, so that the five e governments are chosen as models for the development of e government in cities and districts in Other Indonesia. Cities and regencies that are models of e-government development are Surabaya City, Bojonegoro Regency, Binjai City, Bandung City, and Yogyakarta City. Other cities and districts in Indonesia have not been able to develop e-government because of several obstacles, namely unclear regulations, limited human resources, data integration, infrastructure standardization and lack of information security. The effectiveness of ITG is an important aspect that must be considered to achieve the success of e-government development in Indonesia's local government. With the effective ITG, the five cities that have the best e-government have been able to improve government financial and non-financial performance (Kimanzi, 2020)

Another obstacle in implementing ITG is the lack of concern from the local government. Local governments are not yet aware of the importance of e-government which will facilitate the provision of public services, increase financial transparency and oversight in government institutions, which in turn will have an impact on reducing the level of corruption

## **Financial Transparency in E Government**

In e government transparency is a term that refers to the openness of the governance system through clear processes and procedures and easy access to information for the public. Machova et al., (2018) Transparency does not depend on the many technical documents available to citizens, but how government data is can be delivered effectively to the community, so that people can understand important information contained in e government. For e government transparency to be effective, three conditions are needed, namely, information contained in e government is relevant, fair, and objective information (Maluleke, 2020).

Financial transparency is defined as the openness of government structures and functions, the purpose of government policies, public sector accounts and public projections. Financial transparency involves easy access for the public to obtain information that is reliable, comprehensive, timely, understandable, and can be compared internationally about government activities - whether carried out within or outside the government sector, so that the public can assess the government's financial position and the costs and benefits of and their social implications (Nurhidayat & Kusumasari, 2018).

The implementation of e government aims to provide financial information in a transparent manner to show that the government has effectively used public resources. With this financial transparency, the government can build credibility among various stakeholders. Financial transparency is an important prerequisite for macroeconomic sustainability and good governance. Financial transparency can be achieved through openness of the organization through the budget, decision making related to policies and programs related to financial aspects. Financial transparency can also improve the financial performance of government by means of evaluating the distribution and use of public resources. With the disclosure of government finances, it is hoped that the government will become more efficient and effective, and free from corruption. Nurhidayat & Kusumasari (2018) Financial transparency requires the government to report to citizens both planned expenditures and actual budget execution so that the public can monitor the whole process (Ncube & Koloba, 2020). If the government has executed the budget, then the next step is to make financial reports. Financial reports must be audited by a state financial audit institution to assess the reasonableness of the government's financial statements. Audit information on financial statements also needs to be announced also to the public. In this way, transparency can increase public oversight of the allocation and expenditure of resources so as to reduce the misuse of public funds for bureaucrat's personal gain. Based on the description above it can be concluded that financial transparency is the ease of access for the public to find out relevant and easily understood information about budget policies and programs. The government must provide information relating to revenue and expenditure budgets along with their realization and audit reports conducted by the state financial audit agency in a timely manner. However, the existence of transparency in e-government will not succeed without the participation of the community to conduct oversight to hold the government accountable.

## **Transparency and Citizen Participation**

With e government, the government can provide easy access for citizens to obtain information transparently related to government activities. With transparency it is hoped that the ideals of an open government can be realized. Transparency is an important foundation for citizen participation. Transparency can stimulate and integrate citizens into decision making about their civil affairs through discussion and deliberation by combining their collective knowledge, ideas and competencies. Transparency can also stimulate participation and encourage citizens through opinion surveys, requests for feedback or crowdsourcing activities through social media channels. Citizen participation can provide opportunities for innovation in government. Therefore, citizen participation is an absolute prerequisite for achieving effective e-government implementation Puron-Cid et al., 2019).

Transparency in e-government can encourage citizens to participate in overseeing government activities in managing their finances. Citizens can participate in overseeing budget implementation. The government in this case, the public manager must calculate expenses in accordance with predetermined targets. If there is a discrepancy, then citizens must ask for an



explanation from the public manager. Public managers must be able to account for what they have done by making timely reports accurately and consistently, so that the audit trail can be detected (Park & Kim, 2020).

## Transparency, Citizen Participation and Prevention of Corruption

In government, corruption cases might occur, namely the misuse of public office for personal gain. Cases of corruption that often occur are officials can receive gifts or materials. Corruption cases lead to violations of legal, regulatory and ethical standards. If there is a corruption case in a government, this can indicate that there is something wrong in the management of the country (Raymond et al., 2009).

Financial transparency and public participation in e-governance are tools to reduce the level of corruption in government because government finance is the subject of public scrutiny. The existence of online application services can reduce contact between citizens and public officials, so as to limit the arbitrary decisions of corrupt public officials. E-government also allows high-level officials and auditors to monitor the activities of government officials. E-government transparency also makes it easy for citizens to participate in financial decision-making processes and can expose if there are corrupt practices (Sofyani et al., 2020).

The key to preventing corruption is to build integrity by educating and involving the community, which can be done by: campaigning public awareness of the dangers of corruption [18]. This can be done through various media and national integrity workshop activities. Corruption can have an impact on the economic and social aspects of society. Corruption can cause unequal distribution of income and the emergence of crime. This happens because there is an incentive for bureaucrats to abuse their power. Corruption causes a reduction in public funds that should be available to support economic growth programs that will reduce the ability of governments to provide services to their citizens, especially in education and health (Sgammini & Muzindutsi, 2020).

If the public understands the dangers of corruption, then an anti-corruption culture can be developed by using a whistleblowing system. Unfortunately, in Indonesia this system has not run well because the reporter is in a dilemma. The position of the reporter is very weak because the reporter often faces resistance from the perpetrators of corruption. [20]. In fact, Government Regulation No. 43 of 2018, explains that the public can play a role in helping prevent and eradicate corruption, which is manifested in the form of the right to seek, obtain, and provide information on allegations of corruption. If the information is correct, the reporter will be given legal protection and will be given an award (Suryanto et al., 2018).

## Material and Method

This study aims to analyze whether the implementation of e government in Indonesia has provided transparent financial information or not. In Indonesia there are 34 provinces spread over 5 big islands, namely Sumatra, Java, Kalimantan, Sulawesi and Sumatra. Each of these provinces consists of municipal and district governments. For this study the research sample is the implementation of e government in the government in the province of West Java [24]. The Province of West Java has 9 municipalities and 18 districts which all of them have implemented e government. The reason for choosing West Java province for this research is because based on data as of October 7, 2019 from the Corruption Eradication Commission, in the West Java Provision, corruption has occurred to the most regions compared to other provinces in Indonesia. The number of regional heads who committed acts of corruption in West Java was 18 people, followed by East Java by 14 regional heads and North Sumatra by 12 regional heads. This corruption may occur due to e government that has not provided transparent financial information (Stanić, 2018).

The method used to analyze the implementation of e government is a website content analysis method. Website content analysis is a research technique to describe a website objectively, systematically and quantitatively. To analyze government websites, content analysis plays an important role to identify the conditions of the website, whether the website has met the demands of the community or not. For financial transparency measurement of content includes:

- Easy access to information for the public
- Availability of information regarding budget policies
- Availability of information overseeing budget proposals
- Availability of information regarding government revenue budgets
- Availability of information regarding the government expenditure budget
- Availability of information regarding budget realization
- Availability of information regarding the audit report
- Availability of all information about the budget in a timely manner

## Result and Discussion

The results of the study using content analysis are presented in table 1. The implementation of e government studied was 27 websites consisting of 9 municipal websites and 18 district websites.

**Table 1.**  
Results of Website Content Analysis

Content on the website	Number of websites that meet the criteria	Percentage
Easy access to information for the public	19	70.3
Availability of information regarding budget policies	17	63
Availability of information overseeing budget proposals	7	26
Availability of information regarding government revenue budgets	7	26
Availability of information regarding the government expenditure budget	7	26
Availability of information regarding budget realization	3	11
Availability of information regarding the audit report	7	26
Availability of all information about the budget in a timely manner	4	14.8

The results showed the low level of e-government financial transparency in the province of West Java. The highest percentage is 70.3 percent, which shows that the public can easily access financial information, especially related to budget policies. Unfortunately, not all websites provide information about budget proposals and realization. Websites that provide budget proposals are only 26% and for budget realization only as much as 11% and sometimes the budget information is not timely. The budget has occurred in the past. Only 14.8 percent can present budget on time. Based on the analysis content, it can also be seen that there is only 1 piece or 3.7% of websites that meet all the criteria that show transparent financial information. The website is a website owned by the Municipality of Bandung. The opposite is that there are 3 websites or 11 percent that do not meet financial transparency criteria (Twizeyimana & Andersson, 2019; Wirtz et al., 2019).

Bandung's e-government is the best e-government in the province of West Java. Therefore, Bandung City e government along with 4 other cities was chosen as a model for e government development in other cities and regencies in Indonesia. The city of Bandung is able to implement e government effectively. E Government has been able to present information on the process of budget proposal, budgeting, budget realization and financial audit reports in a timely manner. Besides that, information in e government can be easily accessed. This of course makes it easy for the public to obtain information about government activities related to cash receipts and disbursements. Transparent information can reduce the level of corruption because the public is increasing oversight of the receipt and expenditure of resources efficiently and effectively. Oversight by the public can reduce the misuse of public funds for the personal benefit of bureaucrats.

The implementation of e government in the municipality and regency in West Java has not shown good results. This is due to limited information regarding government financial transparency. Without this financial transparency, there is a big possibility that corruption will occur due to abuse



of authority by officials. The lack of financial transparency is also what causes corruption of regional heads in the province of West Java is the most numerous in Indonesia. Without transparency, it will be difficult for citizens to participate in the process of budget proposal, budgeting and budget realization. With this limitation, the community should be able to participate in demanding that the government be able to apply e government transparently. However, at present there are no demands because there are probably many people who do not understand the losses caused by corruption. Therefore, one of the efforts to reduce the level of corruption is to campaign for public awareness of the dangers of corruption. The community may also feel reluctant to make a claim because there is no adequate legal guarantee. In order to avoid this condition, it is necessary to make rules regarding the standards for implementing e government and if not implemented, the regional head may be subject to sanctions. If there is transparent financial information in the government, the community can easily oversee the administration and provide a report if deviations occur. The existence of irregularities indicates an indication of corruption. The community can play a role as a whistle blower. The public should not hesitate to report such irregularities because the reporter has been guaranteed to be given legal protection based on Government Regulation No. 43 in 2018

## Conclusion

DKI Jakarta's unreasonable government budget has led to allegations that there are acts of misappropriation of funds that indicate corruption. To avoid this, the government has instructed to implement e government, so there is transparency especially in the financial aspect. Unfortunately, the implementation of e government has not been able to reduce the use of budget waste. This study aims to examine the implementation of municipal and district e government in the province of West Java, Indonesia, in terms of financial transparency. This research uses website content analysis method. The results showed that there is only one website that has criteria that indicate that the implementation of e-government has been transparent in managing its finance. The rest, as many as 26 websites have not shown the effective use of e-government. The community should be able to assert their right to obtain information about government management. But in practice the people tend not to care about these conditions. This may occur because the community does not understand their rights and does not know the losses suffered due to corruption. In addition, it may also be that the community is afraid to demand disclosure to the government because there is no guarantee of legal protection. In order for the government to be able to implement e government effectively, it is better for the central government to create standards for implementing e government and impose sanctions on local governments that do not follow these standards. Another effort is to conduct an anti-corruption campaign to the public and provide legal protection guarantees for the public who will demand the right to information disclosure.

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