



BRIDGING REGULATION AND PRACTICE REGIONAL INSIGHTS ON LOCAL BUDGET CORRUPTION AND GOVERNANCE IN SOUTHEAST ASIA

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Abstract

Corruption in local government budget management remains a persistent threat to the principles of good governance across Southeast Asia. Despite the presence of formal regulatory frameworks aimed at promoting transparency and accountability, their practical implementation often falls short due to structural, institutional, and political constraints. This study investigates how public regulations influence the enforcement of good governance and explores the challenges faced by law enforcement agencies in combating corruption in regional budgets, with a particular focus on Indonesia and comparative insights from other ASEAN countries. Employing a qualitative approach, the study uses case studies of two Indonesian local governments, combining document analysis, in-depth interviews with key stakeholders, and field observations of budgeting practices. The findings reveal that although regulatory frameworks are generally adequate, their enforcement is undermined by limited bureaucratic capacity, political patronage, and institutional fragmentation. Law enforcement is further hampered by overlapping mandates, weak inter-agency coordination, and uneven resource allocation. Comparative analysis highlights that effective anti-corruption strategies require more than robust legal frameworks—they depend on political will, institutional integrity, and active civic participation. This study contributes both theoretically and practically by bridging the gap between policy and enforcement, offering insights for reform strategies tailored to decentralized governance systems.

Keywords: decentralization; good governance; law enforcement; local budget corruption; public polic; Southeast Asia.

Abstrak

Korupsi dalam pengelolaan anggaran pemerintah daerah tetap menjadi ancaman serius terhadap prinsip-prinsip tata kelola pemerintahan yang baik di kawasan Asia Tenggara. Meskipun kerangka regulasi formal untuk mendorong transparansi dan akuntabilitas telah tersedia, implementasinya di lapangan sering kali tidak efektif akibat kendala struktural, kelembagaan, dan politik. Studi ini menelusuri bagaimana regulasi publik memengaruhi penerapan prinsip-prinsip good governance serta mengidentifikasi tantangan utama yang dihadapi lembaga penegak hukum dalam memberantas korupsi di anggaran daerah, dengan fokus pada konteks Indonesia dan wawasan komparatif dari negara-negara ASEAN lainnya. Melalui pendekatan kualitatif, penelitian ini menggunakan studi kasus di dua pemerintah daerah Indonesia, dikombinasikan dengan analisis dokumen, wawancara mendalam dengan para pemangku kepentingan, serta observasi langsung atas praktik penganggaran. Temuan menunjukkan bahwa meskipun regulasi secara umum memadai, pelaksanaannya seringkali terhambat oleh kapasitas birokrasi yang terbatas, patronase politik, dan fragmentasi kelembagaan. Upaya penegakan hukum juga terhambat oleh tumpang tindih kewenangan, koordinasi antarlembaga yang lemah, serta alokasi sumber daya yang tidak merata. Analisis komparatif menunjukkan bahwa strategi antikorupsi yang efektif tidak hanya bergantung pada kekuatan regulasi hukum, tetapi juga pada kemauan politik, integritas institusional, dan keterlibatan masyarakat sipil. Studi ini berkontribusi secara teoritis dan praktis dengan menjembatani kesenjangan antara kebijakan dan pelaksanaan, serta memberikan rekomendasi reformasi yang kontekstual dan operasional bagi sistem tata kelola daerah yang terdesentralisasi.

Kata Kunci: desentralisasi, tata kelola pemerintahan yang baik, penegakan hukum, korupsi anggaran daerah, kebijakan publik, Asia Tenggara

1. INTRODUCTION

Corruption in local government finance poses a serious threat to governance quality, public trust, and socio-economic development across Southeast Asia. In Indonesia, decentralization has expanded fiscal authority at the local level, but also opened space for corruption including embezzlement, procurement collusion, and political patronage (Suriadi et al., 2024). According to the OECD (2021), such practices distort service delivery and weaken democratic institutions.

Despite having robust regulatory frameworks and anti-corruption agencies, Indonesia and many ASEAN countries continue to experience entrenched corruption at the subnational level. This gap between policy and practice reflects structural weaknesses: limited bureaucratic capacity, fragmented oversight, and political interference. For instance, Indonesia has introduced systems such as e-budgeting and e-procurement to enhance fiscal transparency, but their effectiveness is often undermined by weak supervision, manipulation of digital records, and limited interoperability across agencies. While countries like Singapore align regulations with strong enforcement capacity and political commitment supported by an independent Corrupt Practices Investigation Bureau (CPIB) others, such as Cambodia and Myanmar, struggle with fragile institutions, lack of judicial independence, and insufficient political will to enforce anti-corruption norms.

Good governance, defined by the UNDP (2015) as encompassing transparency, accountability, rule of law, and citizen participation, remains central to effective public finance. Yet, elite capture, weak oversight, and low public engagement continue to hinder its realization in many local contexts (World Bank, 2006). In Indonesia, post-1999 decentralization granted substantial autonomy to districts and cities (Shoesmith et al., 2020), but this was often not matched with sufficient accountability mechanisms, enabling new forms of local-level corruption (Chandra, 2024). As a result, decentralization has produced mixed outcomes empowering communities in some areas, while entrenching clientelistic practices in others.

Law enforcement is a critical yet underpowered pillar in this equation. While Indonesia's KPK plays a strong national role in investigating high-level corruption cases, local-level enforcement by provincial prosecutors and police is often hampered by resource constraints, low technical capacity, and political influence (Suramin, 2021). Many regional prosecutors lack specialized training in financial crimes or access to forensic tools, while coordination with local audit institutions is frequently weak. In some cases, political actors interfere with investigations to protect allied officials, further undermining institutional integrity. In contrast, Singapore's CPIB benefits from operational independence and stable funding, contributing to a credible anti-corruption regime. Similarly, the Philippines has experimented with mechanisms like Local Development Councils and participatory audits, though success varies depending on local leadership and civil society engagement.

This study critically examines how public regulations influence the enforcement of good governance principles and explores the interplay between governance practices, institutional capacity, and law enforcement in addressing local budget corruption in Indonesia, while drawing comparative insights from other ASEAN countries. It argues that formal regulation alone is insufficient effective anti-corruption outcomes require synergy between regulatory

design, institutional integrity, and political commitment. The main objective is to analyze how such regulations shape enforcement practices in local government budgeting, identify structural, institutional, and political challenges faced by enforcement agencies, and develop context-sensitive, operationally feasible anti-corruption strategies that bridge the gap between formal frameworks and practical implementation in decentralized governance settings.

2. LITERATUR REVIEW

Corruption in local government budgets remains a pressing issue due to its damaging impact on governance, public trust, and service delivery. In Southeast Asia, decentralization has transformed local governance into both a space for democratic innovation and heightened corruption risk. While good governance principles transparency, accountability, participation, and the rule of law are widely recognized as essential in curbing corruption (Kaufmann et al., 2009; Nur et al., 2025), their practical implementation is often undermined by elite capture, clientelism, and weak institutional safeguards (Chandra, 2024). Although regulatory frameworks, such as anti-corruption laws, procurement protocols, and fiscal transparency measures form a foundational anti-corruption architecture (OECD, 2021), their effectiveness depends heavily on enforcement capacity, institutional coherence, and political support (Short, 2021; World Bank, 2006).

Law enforcement bodies are central to translating anti-corruption norms into practice, yet face systemic barriers including overlapping mandates, weak coordination, and insufficient resources (Fakhrizy, 2021). Moreover, political interference often compromises investigations, eroding institutional independence (Abou Ltaif & Mihai-Yiannaki, 2024). The relationship between decentralization and corruption is complex greater local autonomy may improve service delivery, but without robust accountability mechanisms, it can also exacerbate rent-seeking behaviors (Ibrahim, 2024). In countries like Indonesia and the Philippines, the decentralization of fiscal authority has yielded mixed results, reflecting both progress and persistent governance challenges.

Despite growing research on governance and decentralization, limited attention has been given to enforcement challenges at the local level. Most studies focus on policy design or macro indicators, leaving a gap in understanding how law enforcement agencies manage political constraints and institutional fragmentation in practice. This study addresses that gap by examining how public regulations interact with governance practices and enforcement capacities in local budget management. Drawing comparative insights from Indonesia, the Philippines, and Thailand, it offers a contextualized analysis to inform more integrated and adaptive anti-corruption strategies for decentralized settings in Southeast Asia.

3. METHODOLOGY

This study employs a qualitative research design to explore the complex interplay between public policy, good governance, law enforcement, and corruption in local budget management in Indonesia, where decentralization has increased regional autonomy and associated risks (Creswell, 2014). A multiple case study approach is used to enable in-depth analysis and cross-case comparison of governance and enforcement dynamics in selected regions (Yin, 2018). Primary data were collected through semi-structured interviews with local

officials, anti-corruption agencies, civil society representatives, and budget oversight committees, supported by focus group discussions to gather public perceptions on transparency and accountability (Leonov et al., 2024).

Secondary data include official documents such as regional regulations, audit findings, and legal case records, which are analyzed to triangulate findings and provide contextual depth (Bowen, 2009). The data were examined using thematic analysis, combining inductive coding from empirical insights with deductive coding based on governance and institutional theories to identify recurring themes related to policy implementation and enforcement challenges (Akramul Kabir, 2024).

4. RESULT & DISCUSSION

This study explores the intricate relationship between public regulation, good governance, law enforcement, and corruption in local government budgeting, particularly in the context of decentralization. Although the principles of good governance transparency, accountability, participation, and the rule of law are embedded in Indonesia's legal and policy frameworks, their practical implementation remains inconsistent, often fragmented, and highly dependent on regional institutional capacity and political dynamics.

Corruption in local budgeting is not only a matter of moral failure but also a reflection of structural and systemic deficiencies. The findings of this study reaffirm that without operational coherence between regulation and enforcement, legal frameworks alone are inadequate to prevent rent-seeking behavior or to ensure fiscal responsibility at the subnational level. Comparative analysis with other ASEAN countries reinforces this view, showing that success in anti-corruption governance hinges on the integrity and synergy of institutions rather than the mere presence of formal policies.

4.1. Good Governance in Local Budgeting: Principles vs. Practice

Good governance in local budgeting is essential for ensuring that public funds are managed efficiently, transparently, and equitably. The core principles transparency, accountability, participation, and rule of law serve as the foundation for combating corruption and promoting sustainable development. However, the practical application of these principles varies significantly across ASEAN countries, influenced by political, institutional, and socio-cultural factors.

Transparency

Transparency is a crucial component in promoting governmental accountability, particularly in budget management. It entails making budgetary information accessible and understandable to the public. While transparency represents an important first step toward effective oversight, it does not, by itself, guarantee the prevention of corruption or ensure full accountability (Surjono, 2022). In Indonesia, efforts to enhance transparency have been implemented through the Sistem Informasi Pemerintahan Daerah (SIPD), a system designed to improve access to local budget information. However, the system still faces challenges, particularly in terms of technical complexity and the limited capacity of the public to engage with and interpret the available data.

In contrast, the Philippines has demonstrated moderate progress in budget transparency. According to the 2015 Open Budget Survey, the Philippines scored 64 out of 100, indicating a fair level of openness. Despite the public availability of budget documents, concerns remain regarding the clarity and timeliness of the information provided.

Vietnam, on the other hand, scored significantly lower in terms of transparency. Based on Oxfam's assessment, Vietnam received a score of only 18 out of 100, highlighting substantial deficiencies in public access to budgetary information and limited opportunities for citizens to influence public spending decisions.

Accountability

Accountability mechanisms are essential to ensure that public officials are held responsible for their actions and decisions. Effective accountability depends on the presence of robust institutions, well-defined regulations, and a culture that upholds integrity (Syadiyah et al., 2024). However, the practical implementation of these mechanisms varies significantly across countries due to differing political and institutional landscapes. In Indonesia, the local parliaments (DPRD) are tasked with overseeing budget processes, but their role is frequently weakened by political patronage and limited institutional capacity. Furthermore, internal supervisory bodies such as the *Inspektorat Daerah* struggle to maintain their independence and often face constraints in exercising effective oversight.

In the Philippines, the government introduced the Bottom-Up Budgeting (BuB) initiative to promote accountability by involving civil society in the budget formulation process. While the initiative had the potential to improve transparency and citizen engagement, its effectiveness was hampered by inconsistent implementation across regions and interference from political actors, as reported by the Philippine Institute for Development Studies (PIDS).

Meanwhile, Vietnam has undertaken high-profile anti-corruption efforts, notably through the "Blazing Furnace" campaign, which resulted in significant political changes. However, despite these efforts, institutional weaknesses remain, particularly at the local level. Enforcement of accountability continues to be uneven, and corruption still poses a serious obstacle to the delivery of public services and the attraction of foreign investment.

Participation

Citizen participation in the budgeting process is vital to ensuring that public spending aligns with the real needs and priorities of the community. Inclusive participation not only enhances the legitimacy of government decisions but also fosters public trust in the policymaking process. Despite its importance, the level and quality of participation vary across countries due to structural and institutional challenges. In Indonesia, the *Musyawarah Perencanaan Pembangunan* (Musrenbang), or Development Planning Consultation, was established as a platform for citizen involvement in planning and budgeting. However, studies have shown that this participatory process often remains superficial. Citizens may attend the meetings, but their input tends to have minimal influence on final budget allocations, reducing the impact of their involvement.

In the Philippines, the government introduced the Bottom-Up Budgeting (BuB) initiative to integrate civil society organizations more directly into the budget planning process. While

some local governments reported improvements in civic participation and responsiveness, others encountered significant challenges. Bureaucratic resistance and limited capacity among civil society organizations frequently hindered meaningful engagement and the effective translation of community input into policy outcomes.

In Vietnam, citizen participation in budgeting remains very limited. Although the legal framework nominally supports public involvement, in practice, engagement is constrained by centralized decision-making processes and restricted access to information. These structural barriers prevent citizens from playing an active role in shaping fiscal priorities and holding the government accountable for its budgetary choices.

Rule of Law

The rule of law plays a critical role in ensuring that laws are applied consistently and fairly, thereby laying the foundation for accountability and transparency. A strong legal framework is indispensable for effective governance, as it establishes clear rules, limits arbitrary power, and supports institutional integrity (Mahmutovic & Alhamoudi, 2023). However, the strength of the rule of law is often tested by the realities of enforcement and political influence across different national contexts. In Indonesia, the legal framework governing local budgeting is relatively comprehensive and well-established. Nonetheless, the implementation of these laws is often undermined by inconsistent enforcement. Weak judicial independence and the persistent influence of political interests pose significant barriers to the impartial application of budgetary regulations, limiting the overall effectiveness of legal oversight.

The Philippines also has legal provisions that support transparency and accountability in public financial management. However, the impact of these laws is frequently diluted by political dynamics and institutional fragility. The enforcement of legal mandates often depends on the shifting interests of political elites, which can erode the credibility and stability of governance structures.

In Vietnam, various legal reforms have been introduced to enhance transparency and accountability in governance. Despite these efforts, the centralized political system and the limited independence of the judiciary continue to hinder effective law enforcement. As a result, legal mechanisms often fall short in curbing abuses of power and ensuring consistent application of public finance regulations.

Comparative Analysis

The comparative analysis underscores that while ASEAN countries share common goals of enhancing good governance in local budgeting, the practical application of transparency, accountability, participation, and rule of law varies significantly (Sari, 2023). Factors such as political will, institutional capacity, and civil society engagement play crucial roles in determining the effectiveness of governance reforms.

For Indonesia, lessons can be drawn from countries like Singapore, where strong institutions and a commitment to the rule of law have led to higher governance standards. Conversely, challenges observed in countries like Vietnam highlight the importance of decentralization and citizen participation in fostering accountable governance.

Future reforms in Indonesia should focus on strengthening institutional capacities, ensuring judicial independence, and promoting meaningful citizen engagement in budgeting processes to achieve sustainable and effective governance outcomes.

Table. 1 Comparative Analysis

| Country | Transparency | Accountability | Participation | Rule of Law |
|-------------|--------------|----------------|---------------|-------------|
| Indonesia | Moderate | Weak | Low | Moderate |
| Philippines | Moderate | Moderate | Moderate | Moderate |
| Vietnam | Low | Weak | Very Low | Weak |
| Singapore | High | High | Moderate | High |
| Thailand | Moderate | Moderate | Low | Moderate |

The table presents a comparative analysis of governance principles—transparency, accountability, participation, and rule of law across five Southeast Asian countries. Singapore stands out with high scores in most aspects except for participation, which remains moderate, reflecting strong institutional capacity. The Philippines shows relatively balanced and moderate performance across all indicators. Indonesia demonstrates moderate levels of transparency and rule of law but remains weak in accountability and low in public participation. Thailand also ranks moderately in most aspects, with public participation being the weakest. Vietnam scores the lowest across all four principles, indicating limited access to information, weak accountability, minimal citizen engagement, and poor rule of law enforcement. This comparison highlights varying levels of institutional capacity and commitment to governance reform among these countries.

4.2. Public Policy Frameworks and Enforcement Challenges

Efforts to promote good governance in local budgeting are often anchored in public policy frameworks that emphasize transparency, accountability, and anti-corruption safeguards. These policies are typically aligned with international standards such as the OECD Principles of Budgetary Governance and the United Nations Convention against Corruption (UNCAC), which stress the need for legal clarity, institutional coordination, and independent oversight.

In Indonesia, a series of legal instruments have been introduced to strengthen fiscal governance at the subnational level. Notable among them is Permendagri No. 77/2020 on regional financial management, which outlines technical guidelines for budget formulation, implementation, and reporting (Kamariah & Mauliana, 2024). Other key policies include:

- Law No. 23/2014 on Regional Government, which decentralizes financial authority
- Government Regulation No. 12/2019 on regional financial management discipline
- Presidential Instruction No. 10/2016 on anti-corruption actions across ministries and local governments

These frameworks provide a robust legal and regulatory foundation. However, the implementation and enforcement of these policies at the local level remain fraught with serious challenges. While the regulatory foundation is solid, enforcement is undermined by several persistent challenges:

- a. Limited Institutional Capacity, local inspectorates lack skilled auditors and investigators, relying heavily on procedural rather than investigative audits (Santoso & Haryanti, 2024).
- b. Political Interference:, local political elites often exert pressure on enforcement agencies to drop or delay investigations (Kurniawan, 2025).
- c. Fragmented Oversight, the existence of multiple oversight institutions Audit Board of Indonesia (BPK), Government Internal Supervisory Apparatus (APIP), and Corruption Eradication Commission (KPK) with overlapping mandates leads to poor coordination and enforcement gaps (Suramin, 2021).

4.2.1 ASEAN Comparisons

Malaysia

In examining anti-corruption enforcement across Southeast Asia, Malaysia, Thailand, and Singapore offer valuable insights into how institutional design, political context, and governance culture shape the effectiveness of accountability mechanisms.

In Malaysia, the Auditor General's Office plays a prominent role in promoting transparency by regularly publishing detailed reports on public spending. These reports often trigger parliamentary debates and spark public discussions, leading in some cases to policy adjustments and administrative reforms. However, enforcement of findings is frequently selective. High-profile corruption scandals, such as the 1MDB case, have demonstrated how political protection of elites can override institutional processes, undermining the credibility of the accountability system. While civil society groups such as Bersih have advocated for stronger governance reforms, the results have been uneven. Nevertheless, Malaysia still exhibits greater institutional responsiveness compared to Indonesia, where audit findings are often disregarded or lack meaningful follow-up (Suyatmiko & Nicola, 2021).

Thailand

In Thailand, the National Anti-Corruption Commission (NACC) serves as a constitutionally mandated agency with a wide-ranging authority to investigate corruption in the public sector (Prateppornnarong, 2020). The NACC has taken on several high-profile cases and is relatively well-resourced. Despite this, the challenge of elite impunity persists. Investigations into influential political and military figures are infrequent and often inconclusive. Public confidence in enforcement institutions has been further weakened by the politicization of the judiciary and the overarching influence of the military in governance. Thailand's experience underscores that even strong institutional frameworks and formal independence are insufficient without genuine political will and a deeply rooted culture of the rule of law.

Singapore

Singapore, on the other hand, is frequently recognized as a best-practice model in anti-corruption governance. The country's success lies in its integrated and coherent policy architecture (Saha, 2009). The Corrupt Practices Investigation Bureau (CPIB), although placed under the Prime Minister's Office, functions with high levels of autonomy and operational independence. Enforcement is swift and impartial, reflecting a zero-tolerance policy toward corruption regardless of rank or political affiliation. Moreover, Singapore's meritocratic bureaucracy and competitive public sector salaries significantly reduce the incentive for corrupt behavior. The Singaporean case demonstrates that effective anti-corruption efforts require more than institutional structures—they demand policy coherence, independent enforcement, and strong leadership commitment to integrity.

4.2.2 Lessons for Indonesia

Indonesia can draw valuable lessons from its ASEAN neighbors to strengthen local budget governance. Malaysia emphasizes the importance of acting on audit findings, where reports from the Auditor General often lead to public discourse and policy adjustments momentum still lacking in Indonesia. Institutionalizing such follow-up mechanisms could improve oversight credibility.

Thailand highlights the need for agency independence. Despite political challenges, Thailand's NACC shows that insulating enforcement bodies from elite influence is vital. For Indonesia, safeguarding institutions like the BPK, KPK, and APIP is crucial. Singapore offers a model of integrated governance, combining a merit-based bureaucracy with a well-resourced anti-corruption agency. Its coherence between policy and enforcement reduces corruption and improves service delivery. Although Indonesia's regulatory framework aligns with international standards (Junaenah, 2021), weak capacity, political interference, and fragmented oversight hinder implementation. Addressing this requires reforms focused on:

1. Professionalizing local oversight bodies;
2. Enhancing inter-agency coordination (BPK, KPK, APIP);
3. Securing institutional independence; and
4. Building unified, tech-enabled enforcement systems.

Such reforms are essential to move beyond mere formal compliance, aiming instead for substantive governance that reduces corruption, strengthens public trust, and ensures public resources are used in the true interest of citizens.

4.3. Law Enforcement Obstacles

Indonesia faces significant structural barriers in enforcing anti-corruption laws at the local level (Khoirunnisa & Jubaidi, 2023a). A major issue is overlapping jurisdictions among the Corruption Eradication Commission (KPK), the Attorney General's Office, and local police forces, which causes confusion, delays, and fragmented investigations (Khoirunnisa & Jubaidi, 2023b). This problem is compounded by limited resources, as many regional units lack adequate budgets and trained personnel specialized in corruption cases.

Poor coordination among oversight bodies such as Regional Inspectorates, BPK, and the KPK also hampers early detection and prosecution. Their disjointed efforts reduce the effectiveness of audits and hinder case development. Moreover, political patronage often

protects local elites from legal consequences, reinforcing public perceptions of selective enforcement and impunity.

According to DM et al. (2025), this confluence of factors results in low conviction rates, especially at the district and municipal levels. The erosion of KPK's independence following legislative changes has further weakened public confidence in the government's anti-corruption agenda (Khoirunnisa & Jubaidi, 2023b). In areas lacking media scrutiny or civil society pressure, corrupt practices persist unchecked. In contrast, Singapore's Corrupt Practices Investigation Bureau (CPIB) demonstrates effective anti-corruption enforcement through institutional independence, strong political support, and adequate funding (Wal, 2020). Its clean and transparent bureaucracy benefits from clear mandates, competitive salaries, and robust oversight. Singapore consistently ranks among the least corrupt nations globally.

By comparison, Cambodia and Myanmar lack autonomous law enforcement institutions, and their anti-corruption agencies remain heavily influenced by political interests (Abdul Manan et al., 2023). This allows local corruption to thrive with minimal fear of accountability. These regional comparisons underscore a critical lesson: effective local anti-corruption enforcement requires institutional autonomy, sustained political will, and sufficient resources. Without these, Indonesia's local anti-corruption efforts risk stagnation and continued public distrust.

4.4 Decentralization: Opportunities and Risks

Decentralization is widely promoted as a strategy to enhance governance by shifting authority closer to citizens. It is expected to improve responsiveness, encourage public participation, and tailor service delivery to local needs (Ibrahim, 2024). In Indonesia, post-1999 reforms granted significant fiscal and administrative autonomy to districts (*kabupaten*) and cities (*kota*), giving local governments control over budgets, procurement, and licensing areas highly susceptible to corrupt practices (Datta et al., 2018).

However, the absence of strong institutional safeguards has turned decentralization into a double-edged sword. Many local governments lack the administrative capacity, ethical culture, and oversight systems necessary to manage their newfound autonomy effectively. As a result, decentralization has, in some cases, empowered local elites and political patrons to entrench corruption through patronage networks. The proliferation of "local dynasties" family-based political control has further eroded democratic competition and accountability.

Another critical issue lies in the weak horizontal and vertical accountability frameworks. Central oversight is often limited or poorly enforced, and civil society actors in many regions lack the strength or freedom to provide adequate checks. As a result, corruption patterns once concentrated in the central government are now dispersed across various localities, making them harder to detect and prosecute.

Comparative experiences in Southeast Asia illustrate different outcomes. Thailand's controlled decentralization approach limiting fiscal autonomy has curbed some risks but also hindered innovation. Conversely, the Philippines has adopted a broader model, granting more power to local government units (LGUs), which is balanced by mechanisms like Local Development Councils (LDCs) that include civil society in planning and budgeting. This

participatory infrastructure has helped reduce corruption risks by ensuring more oversight and public involvement.

These comparisons highlight that decentralization is neither inherently good nor bad. Its success depends on the presence of strong institutions, active civil society engagement, and clear accountability mechanisms. Without these, decentralization may merely decentralize corruption, replicating old governance failures at new levels.

4.5. Toward an Integrated Anti-Corruption Strategy

This study underscores the urgent need for a comprehensive, multi-dimensional anti-corruption strategy in local budgeting. Legal reforms, while important, are not enough. Effective anti-corruption must target legal, institutional, and societal levels, especially within decentralized governance systems (Habiburrochman et al., 2024).

There are four strategic pillars to strengthen local anti-corruption efforts:

- a. **Capacity Building:** Many regional enforcement and oversight institutions lack skilled personnel, investigative tools, and audit systems. Targeted investments in training, digital systems, and monitoring tools are essential to enhance their capabilities.
- b. **Institutional Restructuring:** Clarifying mandates and enhancing inter-agency coordination is vital. Currently, overlapping jurisdictions and fragmented roles among KPK, BPK, APIP, and inspectorates lead to inefficiencies. Clear role definition and integrated protocols can reduce enforcement gaps.
- c. **Community-Based Monitoring:** Encouraging citizen participation through mechanisms like participatory budgeting and social audits can deter corruption. Engaged communities that monitor public fund allocation promote transparency and local accountability.
- d. **Judicial Independence:** A fair and autonomous judiciary is crucial to prosecuting corruption impartially. Reforms should protect judges and prosecutors from political influence to ensure credibility and enforcement of decisions.

These strategies align with the UNDP (2020) governance framework, which promotes reforms across legal, institutional, and participatory dimensions to build resilient, corruption-resistant public finance systems. The interplay of these factors is key to restoring public trust and delivering long-term improvements.

In ASEAN, Open Government Partnership (OGP) initiatives, particularly in Indonesia and the Philippines demonstrate the potential of integrated anti-corruption approaches. These include open data policies, civic tech tools, and public reporting systems that foster accountability.

However, the effectiveness of such programs hinges on two conditions: sustained political commitment and active civil society engagement. Where either is weak or absent, reform momentum stalls. Thus, embedding these strategies institutionally is critical for ensuring their durability and impact.

5. CONCLUSION

This study reaffirms that principles of good governance and well-designed public policy frameworks are essential foundations in the fight against corruption. However, they are not sufficient on their own. Without strong and consistent implementation mechanisms, these principles remain aspirational rather than transformative. Effective anti-corruption outcomes

require not only sound policy but also robust law enforcement, coherent institutional structures, and active citizen participation.

Addressing the challenges of weak law enforcement and institutional deficits at the local level is crucial to translating anti-corruption intentions into tangible results. Institutional restructuring, the empowerment of local actors, and the protection of judicial independence are not merely technical solutions, they represent a fundamental shift toward a system that is structurally resistant to corruption.

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