

Comments on the *Experiences in China* Panel

By:

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- In May last year, an MOU was signed between the KPK, our anti-corruption commission, and the CPC's Central Commission for Discipline Inspection, to exchange information on methodology, understanding and experience in curbing corruption and to step up cooperation with China's Ministry of Supervision → but what can we learn from China?
- Li Cheng's reasons why corruption is rampant in China are very familiar to us; his stories about princelings remind us of the Soeharto children
- These are stories of a combination of political and economic monopolies resulting in cases of what the Chinese call commercial corruption occurring in lucrative sectors such as urban infra-structural projects, land sales and leases, construction, real estate areas.
- In 2006, in prosecuting corruption cases, priority areas were identified, namely
 - Bribery and embezzlement by CCP and government officials
 - Misuse of power of personnel appointments and project approvals
 - Corruption in the process of restructuring, bankruptcy and the management of SOEs
 - Corruption in the judiciary and law enforcement agencies
 - Corruption in major infrastructural projects, land management, and the financial sector
 - Bribes to officials to advance illegal private interest

- So, needless to say, corruption in China is a very serious problem and, although it is difficult to measure the magnitude of the problem, it is nevertheless great, maybe even worse than Indonesia

- But what comes out from the presentations is that there is strong political will of the Party leadership to clean up, including within the Party itself. It is imperative that corruption is dealt with because the Party's legitimacy derives from its success in economic development and corruption threatens development. So the Party also has to strike a balance between combating corruption and maintaining its credibility

- What also is clear is the methodological approach taken to achieve their objective in the 30 years since China embarked on economic reforms

- Note China's unique balancing act of pursuing rapid economic growth and liberalization, while incrementally loosening up towards political liberalization and improving governance as explained in Yu Keping's explanation of the IELCG; the experiments with 'grassroots democracy'; how China is managing the transition from a planned economy to a market economy

- In the Indonesian public mind, however, what is most impressive is China's daring to mete out the death sentence

In March, the president of a legal aid body in Medan, North Sumatra, mentioned the example of Zhou Liangluo, former head of Haidian district in Beijing, who was sentenced to death for taking US\$2.2 million in bribes while his wife was given a life sentence for taking half as much → this is nothing compared to the \$445 million misuse of Shanghai's pension fund by the Party Secretary in 2006!

The head of a research centre for the constitution, law and human rights added that Indonesia is too scared of violating the human rights of the corruptor when in fact corruption itself should be considered a violation of human rights

- Regardless of whether we approve or disapprove of capital punishment, such comments reflect our frustration in dealing with corruption and how eager we are to learn from China's experience.
- But, is capital punishment an effective deterrent? In the past 5 years, courts have dealt with 120,000 cases of embezzlement, bribery, dereliction of duty (up 12% from the previous 5 years). There has also been a 30% increase of corruption charges (116,627 cases)
- In January last year, President Hu Jintao announced 4 major fronts for the Central Commission for Discipline Inspection:
 - Step up ethics education
 - Maintain momentum by routing out key offences and high-level suspects
 - Address the problems that pose a great threat to the public sector
 - Mend the official system and its procedures, basically bureaucratic reform

In Indonesia, bureaucratic reform is a priority – not surprisingly when Indonesia is still ranked among the bottom 40 in ease of doing business. The KPK has also targeted high profile cases involving large amounts.

Instilling ethical values, however, has to start from the very young and some schools and universities in Indonesia have begun to look at putting anti-corruption efforts as part of their curriculum.

- Hence, anti-corruption efforts should not be seen in isolation but as part of achieving better governance and greater transparency and accountability in the way the government is run.

This goes hand in hand with developing greater judicial independence, as well as a clean legal system → Indonesia is moving towards this but the current major case involving the corruption within our Attorney General's office shows that we still have a long way to go.

A vibrant civil society is also vital, one with press freedom and with active and vocal NGOs → We are more fortunate than China in this case as we certainly enjoy press freedom where no one is above criticism and our civil society is very vibrant.

- All this has been possible only within the past ten years during which we have had to rebuild our economic and political institutions and we are in the process of continuously strengthening these institutions. RI's low performance in the Corruption Perceptions Index during the early stage of reform should not discourage us as we are continuing to improve. If, according to Hu Angang, China is in their 3rd phase of institution building, maybe Indonesia is at the 2nd stage of institutional deepening.
- Nevertheless, we are still struggling to fight against corruption and the biggest the problem is in the enforcement of our laws. And, if according to some sources, China has more than 1,200 laws, rules and regulations to curb official corruption they too still have problems with weak implementation and effectiveness then this is one area where we can perhaps learn from each other.

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