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393

Journal of
Financial Crime

Number 4

- 393 Editorial advisory board
- 394 Editorial
- 396 A routine activity perspective on online victimisation: results from the Canadian General Social Survey
Bradford W. Reyns
- 412 The dynamics of favela justice; identity, legitimacy and legality
David Bagnall
- 422 General theory, gender-specific theory, and white-collar crime
Kristy Holtfreter
- 432 Tax fraud: a socially acceptable financial crime in France?
Frederic Compin
- 447 Revisiting employee fraud: gender, investigation outcomes and offender motivation
Paul Bonny, Sigi Goode and David Lacey
- 468 The issue of enforcement in Chinese corporate governance
Charles K.N. Lam and S.H. Goo
- 476 Fostering and enhancing the role of private sector: a prevention way towards corruption eradication in Indonesia
Anastasia Suhartati Lukito
- 492** Towards a common identity? The harmonisation of identity theft laws
Jonathan Clough
- 513 Amending UN drug treaties to allow member states self-determination
Domitilla Vanni
- 520 Failure of the Dodd-Frank Act
Michael I.C. Nwogugu



Fostering and enhancing the role of private sector

A prevention way towards corruption eradication in Indonesia

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Abstract

Purpose – The purpose of this paper is to examine the role of private sector in Indonesia to prevent and combat corruption practices. The eradication of corruption is not only the government's problem which can be solved only by government regulations. The private sector should be involved in and be aware of these matters because of the huge interest of the business activities concerning national interest as well as their private interest to achieve highest profit.

Design/methodology/approach – This paper explores the Indonesian laws on corruption eradication and analyzes the important role of the private sector that needs to be built.

Findings – The role of private sector in the financial system can be viewed as a non-penal policy, which has a great impact as a prevention method to combat economic crimes such as corruption. A new perspective is needed to build, balance and integrate the role of the private sector. As a new perspective combating corruption, Indonesian Laws on Corruption Eradication is fostering the role of the private sector in promoting integrity and good corporate governance.

Practical implications – The paper can be a source to explore the eradication of corruption based on Indonesian perspectives.

Originality/value – This paper contributes by encouraging the private sector to prevent corruption and bribery practices, which, nowadays, are common in Indonesia.

Keywords Integrity, Private sector, Corruption, Criminal law policy, Role

Paper type Viewpoint

Introduction

In Indonesia, corruption cases not only had an implication toward financial system losses but also had a negative impact, which was very damaging, and the existence of violations of social and economic rights widely influenced the community. Corruption is a complex social, political and economic phenomenon that affects many countries, including Indonesia. Quantitatively, the country's loss through corruption has exceeded tolerance limits which can be seen from moral, ethics, morality and law perspectives. In fact, the characteristics of corruption in Indonesia, as shown in the Road Map Indonesian Corruption Eradication Commission 2011-2023, are described as very complex and rooted problems. Thus, eradication needs to be done in a systematic, integrative and focused manner. Because corruption is an extraordinary crime, its eradication must be also carried out in an extraordinary manner.

There is widespread skepticism regarding the eradication of corruption in Indonesia, and the most that can be hoped for is some form of management or containment. Based on the Corruption Perceptions Index, 2012 by Transparency International, Indonesia

