

**In Indonesia, Corruption Scandals Plague Anti-Graft President**  
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**By Jason Tedjasukmana / Jakarta**

When Indonesian President Susilo Bambang Yudhoyono took office in 2004, he vowed to wage a campaign of "shock therapy" to help rid his country of endemic corruption. With two of his ministries currently embroiled in scandal, the timing couldn't be better to deliver a strong electric jolt — and it could result in some departures from his government. Facing mounting public pressure, Yudhoyono is expected to reshuffle his cabinet before he finishes the second year of his second term on Oct. 20. "The president wants to find new ways to improve performance," Daniel Sparringa, a presidential advisor on political affairs, told TIME.

Most analysts agree that Yudhoyono, who has three years left in his final term, has little choice but to shake up his cabinet, which is made up of coalition partners from different parties, many of whom have competing interests and various competency issues. The recent corruption scandals have brought these weaknesses into sharp relief and cast Yudhoyono's cabinet, as well as his party, in an unflattering light. ([Read about the Indonesian president's promises.](#))

Late last month, two officials in the Ministry of Manpower and Transmigration were arrested after allegedly accepting 1.5 billion rupiah (\$175,000) in kickbacks from a businesswoman who was trying to steer government development funds toward her region. And in an even more embarrassing incident, Muhammad Nazaruddin, the 33-year-old former treasurer of Yudhoyono's Democratic Party, was arrested on Aug. 8 in the Colombian city of Cartagena after skipping the country when he was implicated in a major bribery scandal involving the construction of athlete housing for the Southeast Asian Games, being held in Indonesia in November. The secretary to the Minister for Youth and Sports and two others have also been arrested.

In both cases, however, the heads of the ministries involved have denied any knowledge of what their subordinates were involved in. And neither has offered to step down. Unlike in India, where the telecommunications minister resigned in shame in 2008 after a massive corruption scandal, or in Japan, where ministers and prime ministers routinely bow out at the slightest hint of impropriety, Indonesian officials tend to cling to power. To make things even worse for the Democrats, Nazaruddin publicly accused party chairman Anas Urbaningrum, widely considered a possible presidential candidate in 2014, of corruption, as well. He denies the charges. ([Read about President Susilo Bambang Yudhoyono.](#))

Whether the cabinet reshuffle changes anything remains to be seen. Corruption is still a serious problem in Indonesia despite Yudhoyono's various attempts to stamp it out over the years. Since 2004, the Corruption Eradication Commission (or KPK) has received more than 48,000 complaints from the public involving judges, governors, ambassadors and parliamentarians, with 7,800 of them deemed to show indications of corruption. But even though the commission has a 100% conviction rate, KPK officials say corruption has only gotten worse in recent years. Mochamad Jassin, a KPK deputy commissioner, recently told reporters that corruption is "bigger than [in] the Suharto period" and that it usually takes the form of "mark-ups and abuse of regional budgets." Put simply, he said, "In the area of public service, corruption is still rampant."

Ironically, the fear of corruption investigations might be holding the country back, too. Indonesia may be humming along at an enviable 6.4% growth rate, but many economists feel that it's still not living up to its full economic potential. Umar Juoro, a

senior economist at the Center for Information and Development Studies, a Jakarta-based think tank, believes Indonesia has the potential to grow at 9% per year, but the economy has been slowed, in part, by the government's inability to disburse funds fast enough. One of the reasons? Ministries are fearful of anything that smacks of corruption, he says. "If the government could disburse budgetary funds more quickly we could still do better, even with all the corruption," he says. "Corruption will always be there but it's no excuse for the government not to get things done."

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