Corruption in Indonesia

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Chapter 6

Discussion and Conclusion

6.1. Taking Stock

Combating corruption in Indonesia is considered essential to achieve good governance, which is characterized by public service accountability and transparency. As mentioned in the Introduction, the government has made a sincere effort and shown great commitment to preventing and combating pervasive corruption in Indonesia, as illustrated by the many anti-corruption initiatives issued. These initiatives are aimed at strengthening formal institutions and included implementing decentralization policies, expanding the democratic system, and establishing anti-corruption laws and various agencies tasked with preventing corruption and punishing those who engage in it. Nevertheless, the traditional approach to strengthening formal institutions seems insufficient, as corruption remains in Indonesian society.

This study suggests a complementary approach to address corrupt behavior at all levels of government, focusing on informal institutions. The underlying argument is that corrupt transactions are the *collective action* of two or more actors – with one at least a public official (politician or civil servant) – who go against the law to gain benefits for themselves and their accomplices. Such collective action can be facilitated by informal institutions, by which we mean exchange networks of organizational or informal ties that operate on the basis of structures of social values and norms, which may condone and encourage corrupt acts.

Warburton (2013) pointed out that one major challenge in fighting corruption is to understand how corruption functions. We thus argue that attention to actor's social relations and norms is an important factor to understand how corruption works and why public officials engage in corrupt deals. Once embedded social norms and relations are identified and better understood, the probability of detecting corruption may increase, and targeted policies may be put in place to address such degrading practices (Warburton, 2013).

This study worked to identify and address the specific social relations and norms that contribute to the persistence of corruption practices in Indonesia. The main theoretical implication of this study is that both formal and informal institutions play a salient role in understanding corruption. From the formal institutional perspective, inefficient regulations, weak institutional arrangements, and the lack of monitoring and sanctioning regimes may create favorable conditions for corruption. From an informal institutions perspective, opportunistic behavior in public officials may be facilitated or

hampered by social relations, norms, and culture. Moreover, if patterns of informal institutions (e.g., actors' relations, organizational norms) and aspects of formal institutions (e.g., laws enforcement mechanisms, anti-corruption agencies) are not aligned, anti-corruption efforts are unlikely to generate desirable sustainable results.

This concluding chapter summarizing the study is divided into five sections. Section 6.2 summarizes the hypotheses and main findings of the four empirical chapters (see Table 6.1). Sections 6.3 and 6.4 outline the theoretical and the methodological implications. Section 6.5 addresses some of the limitations of the study and suggests possible directions for further research. Lastly, Section 6.6 provides the practical implications.

6.2. Summary of Main Findings

6.2.1. Institutional Change and Corruption in Local Public Leaders

Using an exploratory descriptive analysis of real corruption cases obtained from newspaper articles, Chapter 2 studied to what extent the institutional change from a centralized autocratic regime to a decentralized democratic regime influenced the structure of corruption networks at the local level. The study shows that the decentralization policies did change the nature of corruption networks at the local level to some extent, particularly in terms of the actors and types of relations. Although it has been argued that the scale of corruption may be smaller after decentralization (in terms of resources, actors' position, and size of the case) compared to the grand corruption cases during the centralized regimes, we conclude that more local actors in total are involved per corruption case. We also conclude that the decentralization policy created privileges and benefits to local public leaders that facilitated the establishment of informal networks of various actors interested in exchanging material and immaterial payments, leading to opportunities for corruption. Furthermore, patron-client networks, which we argued to be the main characteristic of centralized autocratic regimes, remain even after the decentralization process was initiated in Indonesia. Finally, the application of a social capital perspective shows that informal relations play an important role in corruption practices in public leaders in all three phases studied.

6.2.2. Institutional Change and the Dyadic Structure of Corruption

Chapter 3 extended the previous chapter by examining the relationship between institutional change toward decentralization and the structure of corruption on the actor (dyadic) level. Building on social capital theory, the chapter outlined the importance of reducing the risk of detection by embedding corrupt exchanges in organizational or informal relations as well as the preference of actors to select resourceful partners for corruption. Looking at differences in the power structures between the first and second phases of decentralization, especially with regard to the local council, we expected to see

changes in partner preferences and relation types to embed corrupt exchanges in the local executive, civil servants, and private actors.

Analysis reveals, as predicted, a significant decrease in the proportion of corrupt exchanges embedded in organizational relations between the local council and local executive in the move from the first to the second phase of decentralization. We argue that this could happen because in the first phase the local council, a powerful actor in the region, used their influence to gain profit from the less powerful local executive who was accountable to the local council. In the second phase, the abuse of public authority changed when the local executive gained greater discretionary power. The results demonstrate that the proportion of corrupt exchanges embedded in a formal authority relation between the local executive and local civil servants was significantly higher than in the first phase of decentralization. At the same time, the proportion of corrupt exchanges embedded in informal relations between the local executive and private actors also increased significantly. These results suggest that when the local council or local executive are given greater power and become resourceful political actors, they become more inclined to engage in corruption.

In addition to the results confirming the value of the theoretical framework, this study found that the share of profit relations embedded in informal ties between civil servants and private actors actually decreased in the second phase. This unexpected finding might result from the introduction of e-government policies, consisting of an e-procurement process, e-budgeting, and one-stop service policies. These tools limit the direct contact frequency of local civil servants, who used to give face-to-face services to individuals or businesses, and thus affect the network embeddedness of local civil servants and private actors. However, whether or not this assumption is correct and a matter of importance is a subject for future research.

It is argued that strong informal (friend and kin) ties may facilitate corruption (Granovetter, 2007). However, the results show that despite the increase of informal ties from the first to the second phase (as shown in Chapter 2), if we look at the actor level (as shown in Chapter 3) there are relatively few situations in which corrupt exchanges were embedded in informal relations compared to formal authority and horizontal working relations. This might be related to the fact that trust can also be established in the context of hierarchical relations between leader and subordinates or horizontal working relation between peers. Hence, organizational relationships may act as a substitute for informal ties. This result might also be related to the study sample, which consists of cases of detected corrupt exchanges. It could be that corruption involving mainly kin/friend runs a much lower risk of detection in the first place, because of the strong solidarity norms governing kinship/friendship ties. This would result in an underrepresentation of informal-based corruption cases in our sample.

6.2.3. A Role Structure Approach to Corruption Networks

Building on the previous chapters, Chapter 4 traced the multiplexity of dyadic and triadic relationships in 190 corruption cases by applying embeddedness and relational model

approaches to the study of corruption in Indonesia. This chapter began with a proposition that corruption comes with risks ranging from being cheated to the transaction being disclosed to the authorities. Social embeddedness is a way of managing the risk, because social relations can mitigate the risk or their assessment.

Applying three types of embeddedness (i.e., relational embeddedness, structural embeddedness, and institutional embeddedness) reasoning to the Indonesian context leads to three main conclusions. (1) Being exclusively based on non-embedded market pricing relations, role structures are comparatively rare in both phases of decentralization. (2) The second phase of decentralization is characterized by the shift from deep dependence power relationships to shallow (inter)dependence. This resulted in an increased proportion of compound role structures due to the local executive's reduced dependence on the local council, which provided the opportunity to enlarge the scope of illicit transactions, and to initiate corrupt exchanges with a broader set of players both inside and outside the bureaucracy. (3) The second phase also resulted in an increased involvement of third-party role structures, at the expense of simpler corruption structures anchored exclusively in authority relationships within the bureaucratic hierarchy, e.g., between the local executive and (senior) civil servants, or combined with a market exchange with outside players. It also favored the proliferation of a role structure that was virtually absent in the first phase: corruption networks in which no authority relation but market pricing is involved, anchored in illicit economic transactions with kinship or friendship ties. In sum, a main unintended consequences of Indonesia's large-scale democratization and decentralization was to increase the variety of corruption networks in form and content.

Applying a role structure approach adds a long neglected though crucial dimension to the study of institutional change, network embeddedness, and corruption. Our findings resonate with the leads provided by one of the rare theoretical analyses of the informal structure of illegal markets (Beckert & Wehninger, 2013: 18), according to which the various risks inherent in illicit transactions (e.g., state prosecution) give rise to *overembedded* network structures. Furthermore, the analysis at the level of the corruption case allowed us to discern shifts in network patterns at a level that would have gone undetected if the analysis remained at lower (dyadic or triadic) levels of aggregation.

6.2.4. The Effect of Leader and Peer Behavior on Corruption in Senior Civil Servants

Despite government efforts to eradicate corruption, illicit transactions in the form of bribery, extortion, embezzlement, bid rigging, nepotism, and money laundering are still pervasive in Indonesia, not only among appointed political leaders but also among senior civil servants in both central and local governments. Chapter 5 discussed under which conditions senior civil servants engage in or refrain from corruption. First, following cost-benefit analysis reasoning, we expected that if senior civil servants consider that the government has effective monitoring and strong sanctioning mechanisms, they will be less likely to accept offered bribes.

Second, we proposed an alternative approach to temper corruption that is effective

alongside formal monitoring and sanctioning. Under the goal-framing theory (Lindenberg, 2008; 2011) we hypothesized that rule compliance in leaders and co-workers in organizations affects senior civil servants' framing process to engage (or not) in corruption. If, for example, a senior civil servant observes that a leader or colleague condones corrupt practices in the organization by accepting gifts from any person who has official dealings with them, this cue will weaken the normative goal frame, and the senior civil servant is more likely to choose a hedonic or a gain goal by also accepting the offered gift.

Analysis reveals that first, senior civil servants are indeed more reluctant to accept bribes if both monitoring and sanctioning systems are strong. This confirms that actors consider the costs of detection and of being sanctioned in decisions to engage in corrupt behavior, as argued in the economic approach to corruption. Second, the results indicate that compliant behavior in leaders and peers has a positive effect on framing senior civil servants' decision not to engage in corruption and strengthens the effect of monitoring and sanctioning mechanisms. Signaling compliant behavior in peers and leaders is thus of important added value in attempts to prevent corruption. This research also found evidence that, compared to peers, the effect of a leader's compliant behavior was stronger when respondents considered the senior civil servant's inclination in the vignette to refrain from corruption.

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Table 6.1. Summary of the institutional relational perspective on corruption and the main contributions of the empirical chapters (2-5)

Chapter	Description	Assumptions/hypotheses	Main Findings
2 Corruption landscape	Provides insight into corruption at the local level by examining occurrences in various institutional settings. Based on a social capital perspective. Proposes a framework to further investigate institutional change and corruption in Indonesia local government.	• Given the institutional change from a centralized autocratic to a decentralized democratic regime, more actors, especially local public leaders, will be involved in networks of corruption. • In centralized autocratic regimes, corruption networks will mainly be dyadic and multiplex relations. In decentralized regimes (especially in the setting of direct elections) there will be a diversification of types of relations (with triadic and unidimensional relations).	• Average number of actors per case rose as decentralization progressed (if we consider local councils as single actors). • Dyadic relations remained prominent in the corruption networks of both regimes. • Non-dyadic relations (triadic, or between four or more) became more prominent in corruption networks over time. • Contrary to expectation, the percentage of multiplex relations increased from the first to the second phase of decentralization.
3 Dyadic structure	Examines corruption from a social capital perspective; analyzes associations between changes in power structures in both decentralization phases and changes in actors' preferences for partners and types of relations	Compared to the first phase, in the second phase of decentralization: • H1a: The proportion of corrupt exchanges embedded in organizational relations between local council and local executive is likely to decrease. • H1b: The proportion of corrupt exchanges embedded in formal authority relations from local executive to local civil servants is higher.	Reducing the power of local council over the local executive had a positive impact on controlling legislative corruption. It made local council less resourceful political actors for the local executive. The abuse of public authority also occurred in the system where the local executive held more power, as the

Table 6.1. Continued

Chapter	Description	Assumptions/hypotheses	Main Findings
	to embed corrupt exchanges in, especially with regard to the local council, the local executive, civil servants and private actors.	• H2a: The proportion of corrupt exchanges embedded in informal relations from private actors to local executive is higher. • H2b: The proportion of corrupt exchanges embedded in informal relations from private actors to local civil servants is higher.	corruption network between local executive with civil servants and private actors increased in the second phase. The share of profit relations embedded in informal ties between civil servants and private actors actually decreased.
4 Role structure approach	Develops a role structure approach to move analysis from dyad-level structures to the network level. Points to three types of embeddedness associated with corrupt transactions in social and economic relations: *content* (relational); *structure* (structural); *context* (institutional).	• The first phase of decentralization was characterized by deep dependence power relations, with limited importance of third-party intermediaries. • Reshuffling power structures in the second phase triggered a shift to shallow (inter)dependence relations as they underlie work, market, kinship and friendship relations, and increased the importance of third-party role structures.	• Role structures exclusively based on non-embedded market pricing relations are rare in both decentralization phases. • Second phase shows a relative increase in variety of relational models represented in the role structures. The shift from deep dependence power relationships to shallow (inter)dependence led to an increased proportion of compound role structures. • Second phase also shows increased involvement of third party role structures, involving (senior) civil servants acting as intermediaries between private actors and the local executive.

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Table 6.1. Continued

Chapter	Description	Assumptions/hypotheses	Main Findings
5 Framing process to engage (or not) in corruption	Conducts a vignette study to analyze the effect of goal framing on the intention of senior civil servants (SCS) to engage in corruption; the focus is on the micro dynamics of corruption.	• H1: Effective monitoring and sanctioning → SCS will be less likely to accept bribes. • H2a: Peers refuse bribes → SCS will be less likely to accept bribes. • H2b: Leader refuses bribes → SCS will be less likely to accept bribes. • H2c: Compared to peers, compliant (or noncompliant) behavior in the leader has a stronger effect on SCS' decision to accept the bribe. • H3: The effect of monitoring and sanctioning will be stronger if both leader and peers refuse bribes, and the effect will be weaker if both leader and peers accept bribes.	Compliant behavior in leaders and peers has a positive effect on framing senior civil servants' decision not to engage in corruption and strengthens the effect of monitoring and sanctioning mechanisms.

6.3. Theoretical Implications

So far, much research on corruption in Indonesia has looked at the economic aspects, focusing on the causes and impact of corruption on public life, and how to control corruption. This dissertation extends that perspective by adopting a sociological approach, which focuses on informal institutions. Specifically, this study stressed the importance of social relations and the relevance of a social norms-based view to understand the phenomenon of corruption.

6.3.1. Implications of a Relational-Based View on Corruption

From *a relational-based view*, the three empirical chapters on the different levels of social relations in Indonesian corruption networks provided the following insights. First, government actor's power structures – in terms of access to resources, and levels of autonomy and discretion – affect their resourcefulness as a potential exchange partner in corruption at the actor level. Analyzing changes in power structures in different government settings, and demonstrating the resulting changes in resourcefulness of actors, this study showed that institutional change has altered the structure of corruption

in Indonesia, especially between four key players: the local executive, the local council, local civil servants and private actors. The type of actors in dyadic relationships changed from the first phase to the second phase of decentralization. The most prominent example is between the local council and local executive in the first phase and between the local executive and local civil servants in the second phase. In the first phase, members of the local councils exploited their formal power positions to co-opt local executives in their attempt to generate illicit benefits. The same holds for the local executive in the second phase of decentralization. Local executives took advantage of their greater discretion by engaging in corrupt exchanges and forced local civil servants, as subordinates, to act as accomplices in corruption.

Second, in its most basic form, corruption refers to a dyadic relationship which involves the pure corrupt exchange (i.e., market pricing). On the basis of relational model theory, in addition to the market pricing exchange relation, profit exchange might also be embedded in friendship or kinship ties (communal sharing), work relations (equality matching) or authority relations (authority ranking). This multiplexity of dyadic relationships helps to solve the trust problem in corruption, and to avoid detection or betrayal. In terms of the nature of relations in which corruption is embedded, this study showed that authority-based corruption is quite dominant in the sample of Indonesian corruption cases studied here. The prominence of authority-ranking relationships could be related to the fact that first, it is a logical manifestation since corruption is defined as an act that involves the illegal or illegitimate use of government sources and this logically involves government actors. Second, this observation may imply that embedding corrupt transactions in authority relations is quite a 'safe' strategy because obedience by lower-level officials can be enforced and assured, given that lower-level officials can be easily sanctioned if they do not comply (they can be transferred to a less preferable work unit, demoted, etc.), whereas the power of sanctions power on kinships, friendship or work relations might be less effective or secure.

Third, at the case level of analysis, this dissertation showed that corruption is not solely dyadic but may involve third and other parties that – through various types of relationships – facilitate corrupt transactions. Corruption can be a manifestation of multiple dyadic and triadic structures, with actors that fulfill various kinds of roles (cf. the facilitator, guarantor and advisors). In other words, corruption networks may be characterized by compound models of profit exchange, communal sharing, equality ranking, and authority ranking.

6.3.2. Implications of a Social-Norms Approach on Corruption

From a social norms-based view, this study offered a novel perspective on understanding corruption at the micro level by applying goal-framing theory to corruption, which helps us to understand how public officials react to corruption, and under which conditions public officials become more vulnerable to corruption. The goal-framing approach has taught us that cues in organizations can activate the senior civil servants' intention to accept or refuse bribes. The study has shown that compliant behavior in leaders and peers

has a positive effect on senior civil servants' responses to the vignettes: the likelihood of accepting bribes goes down considerably. This dissertation therefore contributes to recent discussions in the corruption literature that plead for a greater understanding of deeply rooted norms and actors' social relations and how the focus on informal institutions may enhance the effectiveness of formal institutions in controlling corruption (Ganie-Rochman & Achwan, 2016). Hence, efforts to control corruption are not solely about reforming formal institutions; integrating organizational norms and values with formal regulations should be a part of designing anti-corruption policies.

6.4. Methodological Implications and Avenues for Future Research

The empirical studies of this dissertation employed two different data sources to answer the presented research questions, the implications of which we will discuss separately.

6.4.1. Newspaper Data

Given the secretive nature of corruption, it is difficult to collect first-hand information about it. Hence, three empirical studies in this dissertation relied on the second-hand information presented in newspaper reports. We used newspaper data to reconstruct 200 corruption networks in various Indonesian government settings from the years before 2001 to 2013. This dataset covers a large variety of corruption types and extends over different government settings (one centralized and two types of decentralized systems). To our knowledge, the resulting dataset is the first of its kind which extracts information on large numbers of corruption cases from newspaper reports to observe the association of social capital, social networks and corruption.

This dissertation demonstrates that printed media is an important data source for investigating corruption, especially if the aim is to systematically explore several social networks and role structures of corruption across a large variety of cases. These data allowed us to assess not only the number of actors involved or types of corruption, but also to explore under which conditions corrupt transactions are embedded in informal (kinship or friendship) and/or organizational (formal authority) relationships. In addition, it allowed us to study several levels of analysis, namely the dyad level, triadic level, and case level. Newspaper content analysis gave us the opportunity to better understand the context of every single case. Additionally, the dyad census and role analysis methods applied in analyzing newspaper data helped this study to test diverse hypotheses about specific actors' relations in various corruption networks.

Notwithstanding the above, the findings of this study have to be put in the context of the data sources used. First, the analyses in Chapters 2, 3, and 4 are based on a particular sample of corruption cases (those revealed and discussed in Indonesian newspapers). This may have resulted in under- or over-reporting of some types of relationships. Consequently, this study does not present a representative picture of corruption in Indonesia. Nonetheless, the sample used allowed us to explore the variability of social-structural characteristics of corruption. Compared to the court verdict

reports, newspaper reports sometimes gave even more information related to the actors' network and the transaction processes that are salient to reconstructing the corruption network in this study. One question for future research is whether the same results would have been found for different types of corruption cases, such as those that only appear in the court. One avenue for future research is therefore to take a sample of corruption cases that have been in court but have not been reported in the newspapers and to test our hypotheses on this specific sample of cases.

Second, both journalists and law-enforcement officials might not have full information about the relationships between actors in corruption networks, especially the informal ones, whereas other sources pinpoint the importance of these types of kinship and friendship relations in corrupt actions (Morselli, 2009). It could be that these relationships are not revealed by suspects or discovered by others, and are therefore not reported, resulting in the underreporting of the number of actual ties. Future research could try to triangulate the data, not only by cross checking with information from other newspapers and formal government documentation, but also by conducting in-depth interviews with experts on corruption in Indonesia or, even better but more challenging, by gaining access to corrupt actors to interview them.

6.4.2. A Vignette Experiment with a Factorial Design Method
To investigate the tendency of bureaucrats to engage in bribe taking, this dissertation surveyed 580 Indonesian senior civil servants from central and local governments, experimenting with vignettes. In focusing on senior civil servants, the fourth empirical chapter of this dissertation adds to the literature as most other relevant research focuses on political leaders.

The applied vignette study design proved valuable in generating relevant interesting insights into the microdynamics of corruption in Indonesia. Using the vignette scenarios, we were able to explore multiple reasons why bureaucrats decide to engage in or refrain from corruption. Producing vignettes that show a resemblance to real corruption cases in Indonesia involved pre-testing scenarios and using newspapers as information sources, and the method seem to have been successful given the high percentage of respondents who judged the scenarios to be realistic. Of course, collecting primary data from observations and interviews would add value, but given the sensitive nature of corruption, this remains a challenge.

Due to design restrictions, the vignette experiment in this chapter consisted of one type of corruption (bribery), two types of formal institutions (monitoring and sanctioning), and one type of cue (accepting gifts). Hence, the study's results cannot be directly be transferred to other types of corruption, formal institutions and cues. Whether variation in these dimensions will result in similar findings is an interesting avenue for future research. Additionally, future studies might also be supported by experts' interviews to cross check and verify information.

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6.5. Practical Implications

The pervasiveness of public sector corruption in Indonesia cannot be eradicated overnight. It requires major reform and sustained commitment on the part of the government, public, media, and civil society (Rothstein, 2011). Following the findings of this study, we argue that from a governance standpoint, Indonesia's ongoing anti-corruption efforts require the expansion of targets of reform, going beyond enacting anti-corruption laws and establishing anti-corruption agencies to integrate informal institutions such as social relations and norms related to corruption. The findings of this study have at least two important new insights of practical relevance.

First, this study is a first step to a deeper understanding of how the institutional changes in Indonesia's government structures altered the (opportunity) structure of corruption in the country. In line with the findings of previous studies, this study demonstrates that Indonesia's decentralization policy has shifted corruption from central government to local government, and has not eliminated corruption. The analysis in this study has indicated that with decentralization, where the opportunities to abuse power expanded at the local level, corruption followed. As power corrupts, a balance of power among government bodies seems important to temper potential corruption. Ensuring that each government body does not grant too much discretion to public officials while they are executing their duties might help to keep corruption in check. A dominant local executive, for example, can operate with impunity if there is no strong oversight by a local legislative body, and vice versa.

Additionally, with respect to the change in power position, the institutional changes made some actors less resourceful while others became more resourceful, resulting in a process in which actors aiming to engage in corruption redirected their attention to the actors that had gained in resourcefulness. The change in resourcefulness also led to an increase or decrease in the value of having specific ties to these actors, in which corrupt exchanges could be embedded. These insights could be useful when considering or adjusting anti-corruption strategy policies as part of good governance reforms. For example, before deciding on specific anti-corruption strategies, policy makers or experts could make an ex-ante evaluation, analyzing how new measures might affect the power structures of actors in government – in terms of access to resources, levels of autonomy and discretion, as well as the authority to force civil servants to comply – and how this might affect their resourcefulness as a potential exchange partner in corruption. Possible policy planning discussions could include considerations of the desired degree of discretion – related to local budgetary policies, public procurement, and public services – as well as of the nature and level of authority of public officials that does not promote or enhance their personal interests.

Second, besides formal institutional reform, this study suggests that anti-corruption efforts in Indonesia could benefit from including changes in the cultural and mental mindset of public officials concerning corruption. However, changing mindsets and the behavior of public officials can be the most challenging effort in anti-corruption initiatives, especially if corruption is deeply embedded in the system, such as seems to be

the case in the Indonesian public sector. Nevertheless, anti-corruption initiatives could benefit from campaigns that focus on raising awareness, changing attitudes and promoting anti-corruption training and education, all aimed at developing and sustaining attitudes consistent with fairness and in order. Such initiatives could trigger the normative goal frame and thus help prevent misconduct.

Changing the mindsets and behavior in the fight against corruption also requires the continued support and commitment of public officials. This study argues that the presence of referent figures or role models – to strengthen the normative goal frame of senior civil servants and refrain from any corrupt transactions – can be a solution in changing the mindsets that breed corruption. This study suggests that leader and peer compliance behavior can be useful in prompting public officials' mindsets, behavior and values to act in accordance with existing norms that denounce corruption and help establish new norms of behavior that are more averse to corruption. Clean, good leaders can be a key to the success of anti-corruption efforts. Without a leader's support, even the best anti-corruption laws will have no impact on reducing corruption. Finally, as the results of this study also show, peer influences can be a critical factor in determining senior civil servants behavior toward corruption. Social interactions and norms between peers may induce the tendency to break rules and engage in illicit corruption. Therefore, one important point that the government can take to deter corruption and misbehavior is the presence for more honest and transparent officials to influence the corrupt ones to refrain from corruption.

While this study focuses solely on corruption in Indonesia, the general findings may benefit other countries going through similar socio-political transformations (i.e., governments transforming from centralized to decentralized regimes) and faced with similar corruption issues in similar government contexts in terms of structures and organizational characteristics.

First, this work suggests that the design of anti-corruption interventions must carefully take into account the alignment of formal and informal institutions. In any government context, policy responses to corruption can benefit not only by focusing on strengthening formal institutions but also by tending to social relations and norms that foster corruption. This study is thus in line with previous works that state that without considering informal rules and constraints, next to formal anti-corruption measures, attempts to battle corruption are less likely to succeed (Vannucci, 2015; Ganie-Rochman & Achwan, 2016). Considering the alignment of formal and informal institutions would help governments to design and implement more effective anti-corruption strategies that can comprehensively combat corruption. What the precise nature of this alignment is depends on the specific context of the countries in which these measures are implemented. Additional comparative and longitudinal studies into the interplay of formal and informal institutions in the fight against corruption in other government settings could provide insights in what kind of mix of formal and informal institutions would be more or less effective.

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Second, this study demonstrates that where opportunities to abuse power exist, corruption follows. Therefore, when designing anti-corruption initiatives, it is important that governments think carefully about the distribution of power to government bodies and the opportunities for corruption this may generate, as well as about potential checks and balances that may help to keep corruption in check.

Third, this study suggests that government leaders play a key role in fighting corruption and that cues from the civil servants' environment – appropriate behavior by peers and leaders – may help curb corruption. Activities aimed at triggering and strengthening the normative goal frame of civil servants, such as professionalizing the civil service through campaigns that focus on raising awareness, changing attitudes and promoting anti-corruption, thus seem relevant in this respect.