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A STUDY ON IMPROVING GOVERNANCE AS AN EFFORT TO REDUCE CORRUPTION IN INDONESIA

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Abstract
Corruption remains one of the most persistent institutional challenges hindering economic development and public welfare in Indonesia. Despite various government initiatives, including bureaucratic reforms, public service digitalization, and strengthened law enforcement institutions, corruption continues to undermine the quality of governance and public trust. This study aims to examine the effects of corruption control and the rule of law on Indonesia's Corruption Perceptions Index (CPI) during 2010–2023. A quantitative explanatory approach was employed using multiple linear regression analysis based on secondary data obtained from the World Bank and Transparency International. The findings reveal that corruption control has a positive and statistically significant effect on the Corruption Perceptions Index, indicating that stronger corruption control contributes to improved perceptions of corruption. In contrast, the rule of law does not exhibit a statistically significant influence on the Corruption Perceptions Index. These findings suggest that strengthening corruption control mechanisms plays a more dominant role than legal enforcement alone in improving governance quality and combating corruption in Indonesia. The study contributes to the empirical literature on governance and provides policy implications for strengthening anti-corruption strategies through institutional reforms, transparency, accountability, and effective oversight.
Keywords: *corruption, governance, corruption control, rule of law, corruption perceptions index*

1. Introduction

Corruption has become one of the most persistent and systemic challenges facing Indonesia, significantly hindering economic growth, weakening institutional performance, and reducing public confidence in government institutions. Beyond its economic consequences, corruption undermines the quality of public services, distorts resource allocation, and limits sustainable development. According to Ahmad et al. (2022), corruption in Indonesia has evolved into a deeply rooted institutional problem that requires comprehensive governance reforms rather than isolated legal interventions.

Over the past decade, the Indonesian government has introduced various initiatives to combat corruption, including bureaucratic reforms, digitalization of public services, strengthening supervisory institutions, and improving legal enforcement mechanisms. Despite these efforts, Indonesia's Corruption Perceptions Index (CPI) continues to indicate that corruption remains a major governance issue. This condition reflects a considerable gap between existing governance practices and the principles of good governance, particularly regarding transparency, accountability, and the effective enforcement of laws.

Theoretically, good governance emphasizes transparency, accountability, participation, and the rule of law as essential components for preventing corruption. Effective corruption control reduces opportunities for the abuse of public authority, while a strict rule of law provides a legal foundation for ensuring fair and consistent law enforcement. Previous empirical studies have demonstrated that effective corruption control contributes significantly to improving governance quality and institutional performance. However, existing studies have generally examined corruption control and the rule of law separately and have rarely investigated their combined influence on Indonesia's Corruption Perceptions Index

Therefore, this study seeks to address this research gap by examining how corruption control and the rule of law influence corruption perceptions in Indonesia between 2010 and 2023.

Specifically, the study investigates whether improvements in governance through stronger corruption control and legal enforcement contribute to better corruption perception outcomes. The findings are expected to enrich the empirical literature on governance and provide evidence-based recommendations for strengthening anti-corruption policies in Indonesia.

2. Literature Review

2.1 Good Governance and Corruption

Good governance is widely recognized as a fundamental element in promoting sustainable economic development and improving public sector performance. It emphasizes transparency, accountability, participation, effectiveness, and the rule of law as essential principles for ensuring that public institutions operate efficiently and responsibly. In the context of corruption prevention, good governance reduces opportunities for the misuse of public authority while strengthening institutional integrity.

Corruption remains one of the major obstacles to achieving good governance because it distorts public decision-making, weakens institutional credibility, and decreases public trust in government. According to Ahmad et al. (2022), corruption in Indonesia has become a structural and systemic issue that requires comprehensive institutional reforms rather than isolated legal interventions. Similarly, Firmansyah and Syam (2022) argue that strengthening governance institutions is essential to improving the effectiveness of anti-corruption policies.

2.2 Corruption Control

Control of Corruption (CC) is one of the Worldwide Governance Indicators developed by the World Bank to measure the extent to which public power is exercised for private gain, including both petty and grand corruption as well as state capture by elites and private interests. Higher levels of corruption control indicate stronger institutional capacity to prevent the abuse of authority and improve government accountability.

Previous empirical studies consistently demonstrate that corruption control contributes significantly to improving governance quality and institutional performance. Lustrilanang et al. (2023) found that stronger corruption control positively influences governance quality across ASEAN countries. Likewise, Celik and Kostekci (2025) identified corruption control as one of the most important determinants of institutional effectiveness and human development, highlighting its critical role in promoting sustainable development. These findings suggest that strengthening corruption control mechanisms can substantially reduce corruption risks and improve public sector performance.

2.3 Rule of Law

The Rule of Law (ROL) reflects the degree to which citizens have confidence in and abide by societal rules, including the quality of contract enforcement, property rights protection, judicial independence, and the effectiveness of law enforcement institutions. A strong rule of law creates legal certainty and provides an institutional framework that discourages corrupt behavior.

Although legal enforcement is generally expected to reduce corruption, empirical evidence has produced mixed findings. Mohd-Rashid et al. (2023) argue that strengthening the rule of law contributes to lower corruption levels in Asia-Pacific countries. However, other studies indicate that legal enforcement alone may not significantly reduce corruption unless supported by effective governance, institutional quality, and transparent public administration. Consequently, the effectiveness of the rule of law depends not only on the existence of legal regulations but also on their consistent implementation.

2.4 Corruption Perceptions Index

The Corruption Perceptions Index (CPI), published annually by Transparency International, measures perceived levels of public sector corruption based on expert

assessments and business surveys. Higher CPI scores indicate lower perceived corruption and better governance quality. Because corruption is often difficult to observe directly, the CPI has become one of the most widely accepted indicators for evaluating anti-corruption performance across countries.

Several studies have shown that improvements in governance indicators, particularly corruption control and institutional effectiveness, are associated with higher CPI scores. Therefore, the CPI serves as an appropriate proxy for assessing the effectiveness of governance reforms and anti-corruption policies.

2.5 Research Hypotheses

Based on the theoretical framework and previous empirical findings, this study proposes the following hypotheses:

H1: Corruption Control has a positive and significant effect on the Corruption Perceptions Index in Indonesia.
H2: Rule of Law has a positive and significant effect on the Corruption Perceptions Index in Indonesia.

3. Research Methods

This study employed a quantitative explanatory research design to examine the influence of Control of Corruption (CC) and Rule of Law (ROL) on the Corruption Perceptions Index (CPI) in Indonesia. The explanatory approach was selected to identify and analyze the causal relationships between the independent variables and the dependent variable through statistical analysis.

The study utilized secondary data collected from internationally recognized institutions. Data on the Corruption Perceptions Index (CPI) were obtained from Transparency International, while data on Control of Corruption (CC) and Rule of Law (ROL) were collected from the Worldwide Governance Indicators (WGI) published by the World Bank. The observation period covered fourteen years, from 2010 to 2023, providing sufficient time-series data to analyze governance performance and corruption trends in Indonesia.

The dependent variable in this study is the Corruption Perceptions Index (CPI), which measures the perceived level of public sector corruption. The independent variables consist of Control of Corruption (CC) and Rule of Law (ROL). Control of Corruption measures the extent to which public power is exercised for private gain, whereas Rule of Law reflects the degree of public confidence in legal institutions and the effectiveness of law enforcement.

To examine the relationships among the variables, this study employed multiple linear regression analysis using IBM SPSS Statistics. Before estimating the regression model, classical assumption tests were conducted to ensure that the model satisfied the assumptions of ordinary least squares (OLS). These tests included the normality test, multicollinearity test, and heteroscedasticity test. The normality test was performed using the Kolmogorov–Smirnov test, while multicollinearity was evaluated using the Variance Inflation Factor (VIF) and tolerance values. Heteroscedasticity was assessed using the Glejser test. The regression model used in this study is expressed as follows:

$$CPI = \beta 0 + \beta 1\, CC + \beta 2\, ROL + \varepsilon \quad (1)$$

Where:
CPI = Corruption Perceptions Index
CC = Control of Corruption
ROL = Rule of Law
β_0 = Constant
β_1, β_2 = Regression coefficients
ε = Error term

4. Research Findings and Discussion

4.1 Descriptive Statistics 1

Based on Table 1, the descriptive statistical analysis provides an initial overview of the data characteristics for the variables Corruption Perceptions Index (CPI), Control of Corruption (CC), and Rule of Law (ROL) during the 2010–2023 period. This analysis serves as a crucial foundation for understanding general data patterns before further testing.

Table 1. Descriptive Statistics

Statistik	IPK	CC	ROL
Mean	35.15385	-0.510231	-0.370000
Median	36.00000	-0.473000	-0.350000
Maximum	40.00000	-0.299000	-0.150000
Minimum	28.00000	-0.803000	-0.660000
Std. Dev.	3.236411	0.144740	0.147309
Skewness	-0.650045	-0.451104	-0.520643
Kurtosis	2.913325	2.624451	2.550983
Jarque-Bera	0.919613	0.517301	0.696525
Probability	0.631406	0.772093	0.705914
Sum	457.0000	-6.633000	-4.810000
Sum Sq.	16191.00	3.635757	2.040100
Sum Sq. Dev.	125.6923	0.251396	0.260400
Observations	13	13	13

Source**:** Data processed by the authors (2026).

The average CPI score of 35.15 indicates that the level of perceived corruption in Indonesia remains low, implying that the actual prevalence of corruption remains relatively high. This finding aligns with research by Ratmono et al. (2021), which states that Indonesia continues to face significant corruption issues despite various reform efforts. Meanwhile, the average scores for Control of Corruption (CC) at -0.51 and Rule of Law (ROL) at -0.37—both negative values—indicate that the quality of governance, particularly regarding corruption control and law enforcement, remains suboptimal. This is supported by Lustrilanang et al. (2023), who found that indicators of corruption control in developing countries tend to be weak, thereby contributing to high levels of corruption.

Regarding data dispersion, the CPI standard deviation of 3.23 is higher than the standard deviations for CC (0.14) and ROL (0.14), indicating greater year-to-year fluctuation in the CPI. This suggests that perceptions of corruption in Indonesia are unstable, likely influenced by policy dynamics and socio-political conditions. Furthermore, the minimum and maximum value ranges reveal significant variation in the CPI—spanning from 28 to 40—whereas CC and ROL scores fall within narrower ranges. This indicates that even minor changes in governance variables can have a substantial impact on corruption perceptions. These findings are consistent with Koeswayo et al. (2024), who noted that changes in governance quality significantly influence public perception.

4.2 Classical Assumption Test Results 2

Normality test results, conducted using histograms and the Jarque-Bera test, indicate a Jarque-Bera value of 0.921383 with a probability value (p-value) of 0.630847. Since the p-value exceeds the significance level of 0.05 (0.630847 > 0.05), the null hypothesis (H_0) is accepted. This indicates that the residuals in the research model are normally distributed. These results demonstrate that the data used in the analysis of corruption in Indonesia generally satisfy the normality assumption, allowing the regression model to be utilized optimally. Furthermore, these findings are consistent with Mohd-Rashid et al. (2023), who stated that governance data—such as corruption control and law enforcement—tend to exhibit stable distributions and meet classical assumptions in econometric analysis. Thus, the data in this study satisfy the normality assumption, making them suitable for regression analysis, and the resulting estimates can be

considered valid and unbiased. Type your paragraphs here. Text must be in Times New Roman, font size must be 11.

Thus, it can be concluded that the data in this study meet the assumption of normality, making them suitable for use in regression analysis, and the resulting estimates can be considered valid and unbiased.

Table 2. Normality Test Results

Breusch-Godfrey
Serial Correlation LMTest :
Null hypothesis: No serial correlation at up to 2 lags

F-statistic	0.439195
Obs*R-squared	1.286165

Source: Data processed by the author (2026)

The multicollinearity test was conducted by examining the Variance Inflation Factor (VIF) values for each independent variable. The test results show that the centered VIF values for the Control of Corruption (CC) and Rule of Law (ROL) variables are 2.139909 each.

These values fall below the general threshold (VIF < 10), indicating no evidence of serious multicollinearity among the independent variables. This implies that the two variables do not exhibit an excessively high correlation with each other and can still be used together in the regression model.

Table 3. Multicollinearity Test Results

Variance Inflation Factors Sample : 114
Included observations : 13

Variable	Coefficient		Variance
C	4.472132	14.47092	NA
CC	34.19781	30.94790	2.139909
ROL	33.01537	16.76508	2.139909

Source: Research data, processed by the author (2026)

These results align with the study by Koeswayo et al. (2024), which found that governance indikators such as control of corruption and rule of law tend to exhibit moderate correlations, thereby avoiding multicollinearity issues within the analysis model. Furthermore, research by Lustrilanang et al. (2023) indicates that the study variables can generally be used simultaneously, as they do not distort regression estimation results.

Thus, it can be concluded that this research model satisfies the assumption regarding multicollinearity; consequently, the resulting regression coefficient estimates can be considered stable and reliably interpreted.

Table 4. Heteroskedasticity Test Results

Heteroskedasticity Test Breusch-Pagan-Godfrey Null hypothesis: Homoskedasticity

F-statistic	0.204955
Obs*R-squared	0.511910
Scaled explained SS	0.312510

Source: Research data, processed by the author (2026)

A heteroskedasticity test was conducted using the Breusch-Pagan-Godfrey method to determine whether unequal residual variances exist within the regression model. In this test, the null hypothesis (H_0) states that heteroskedasticity is absent (i.e., the data are homoskedastic).

Based on the test results, the probability value of Obs*R-squared exceeds 0.05; therefore, H_0 is accepted. This indicates the absence of heteroskedasticity issues in the research model, allowing the residual variance to be considered constant.

This condition suggests that the regression model effectively explains the relationships between variables without the interference of unequal variances. Consequently, the regression estimation results can be considered more accurate and unbiased.

These findings align with research by Koeswayo et al. (2024), which demonstrates that models incorporating governance variables such as corruption control and law enforcement typically do not suffer from heteroskedasticity when utilizing relatively stable time-series data. Furthermore, a study by Mohd-Rashid et al. (2023) found that research models satisfying the homoskedasticity assumption tend to yield more consistent and reliable estimates.

Thus, it can be concluded that this research model satisfies the assumption regarding heteroskedasticity, making it suitable for further regression analysis.

4.3 Multiple Linear Regression Test Results

A multiple linear regression approach was employed to analyze the impact of corruption control and law enforcement as measures to improve governance on the Corruption Perceptions Index (CPI) in Indonesia. The test results indicate that the corruption control (CC) variable has a positive and significant effect on the CPI, whereas law enforcement (ROL) does not have a significant effect.

Theoretically, the positive effect of Control of Corruption (CC) on the Corruption Perceptions Index (CPI) indicates that better corruption control within a governance system enhances the effectiveness of anti-corruption efforts, as reflected by a higher CPI score. This finding is consistent with the good governance perspective, which emphasizes the importance of transparency and accountability in improving institutional performance.

This result is consistent with the study conducted by Celik and Kostekci (2025), which identified corruption control as a key determinant of institutional performance and sustainable development because it promotes greater efficiency in resource allocation and public sector management.

Table 5. Multiple Linear Regression Test Results

Dependent Variable: IPK Method;
Least Squares Sample: 114
Included observations: 13

Variable	Coefficient	Std. Error	t-Statistic	Sig
C	44.56734	2.114742	21.07461	0.0000
CC	18.88614	5.847889	3.229565	0.0090
ROL	-0.602140	5.745900	-0.104795	0.9186
R-squared	0.680366	Mea dependent Var	35.15385	
Adjusted R-squared	0.616439	S.D. dependent var	3.236411	
S.E. of regression	2.004384	Akaikeinfo Criterion	4.427725	

Variable	Coefficient	Std. Error	t-Statistic	Sig
Sum squared resid	40.17556	Schwarz criterion	4.558098	
Log likelihood	-25.78021	Hannan-Quinncriter.	4.400927	
F-statistic	10.64288	Durbin-Watson	1.888067	
Prob(F-statistic)	0.003336	stat		

Source: Research data, processed by the author (2026)

To gain deeper insight into these findings, a more comprehensive interpretation from both theoretical and empirical perspectives is required.

$$CPI = 44.567 + 18.886\,CC - 0.602\,ROL \quad (2)$$

Furthermore, Abraham (2021) found that corruption control has a positive impact on economic development by enabling a more efficient allocation of public resources through the reduction of corrupt practices. Therefore, the findings of the present study reinforce previous empirical evidence that effective corruption control has a positive and statistically significant relationship with institutional performance, including improvements in the Corruption Perceptions Index (CPI) as an indicator of governance outcomes (Abraham, 2021).

In contrast, the Rule of Law (ROL) variable does not have a statistically significant effect on the CPI. This finding suggests that the existence of legal regulations alone is insufficient to improve governance outcomes unless they are accompanied by effective implementation and enforcement. In other words, the effectiveness of the rule of law depends not only on the legal framework itself but also on regulatory quality and the effectiveness of law enforcement institutions.

Similarly, Khan et al. (2024) reported that the impact of the rule of law on economic performance and development tends to be indirect, operating through mediating variables such as institutional quality and government effectiveness. This evidence supports the present findings by indicating that the insignificant effect of the rule of law may result from suboptimal implementation or the presence of other governance factors that exert a stronger influence on the Corruption Perceptions Index (CPI) (Khan et al., 2024).

The R-squared value of 0.680366 indicates that the regression model explains approximately 68.03% of the variation in the Corruption Perceptions Index (CPI), suggesting that the model possesses relatively strong explanatory power. This finding is also supported by previous studies demonstrating that the combined indicators of good governance, particularly corruption control and the rule of law, are capable of explaining a substantial proportion of institutional performance and development outcomes (Celik & Kostekci, 2025).

Moreover, the statistically significant F-statistic indicates that Control of Corruption (CC) and Rule of Law (ROL) jointly exert a significant influence on the Corruption Perceptions Index (CPI). This result is in line with previous empirical studies showing that governance indicators generally exhibit stronger explanatory power when analyzed simultaneously rather than individually (Celik & Kostekci, 2025).

Overall, these findings suggest that Control of Corruption (CC) is the most influential determinant of the Corruption Perceptions Index (CPI) in the estimated model, whereas the Rule of Law (ROL) functions as a supporting factor whose effectiveness largely depends on the quality of its implementation. These results are consistent with the principles of good

governance and further strengthen previous empirical evidence highlighting corruption control as a fundamental element in improving institutional performance and governance outcomes.

5. Conclusion

This study examined the effects of Control of Corruption (CC) and Rule of Law (ROL) on the Corruption Perceptions Index (CPI) in Indonesia during the 2010–2023 period using multiple linear regression analysis. The findings indicate that Control of Corruption has a positive and statistically significant effect on the Corruption Perceptions Index, suggesting that stronger corruption control mechanisms contribute to improved governance quality and lower perceived levels of corruption. Effective corruption control strengthens institutional accountability, enhances transparency, and increases public trust in government institutions.

In contrast, Rule of Law does not have a statistically significant effect on the Corruption Perceptions Index. This finding suggests that legal enforcement alone is insufficient to improve corruption perceptions unless accompanied by effective institutional governance, transparency, and accountability. Therefore, strengthening anti-corruption efforts requires not only improvements in the legal framework but also comprehensive governance reforms that reinforce institutional capacity and public sector integrity.

Overall, this study highlights the importance of strengthening corruption control as a strategic approach to improving governance and combating corruption in Indonesia. The findings provide empirical evidence that can support policymakers in designing more effective anti-corruption policies through institutional reform, enhanced transparency, stronger accountability mechanisms, and consistent supervision. Future studies are encouraged to include additional governance indicators and longer observation periods to provide a more comprehensive understanding of the determinants of corruption in Indonesia.

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