

## Optimization of Corruption Prevention Government Procurement of Goods and Services

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### Abstract

*The procurement of charcoal and services is an important aspect of clean and effective governance. This procurement process aims to meet the needs of public infrastructure, complement government facilities, and ensure the controlled use of state finances. However, in its implementation, there are often irregularities and corrupt practices that are detrimental to the State's finances. This study aims to analyze the factors that cause corruption in government procurement of goods and services, identify gaps in the system that are vulnerable to corrupt practices, and evaluate existing policies and regulations. The results of the analysis show that transparency, strengthening regulations, strict law enforcement, increasing the professionalism and integrity of procurement apparatus, and community participation in supervision are key steps in eradicating corruption in government procurement. The implementation of good governance principles, including through the implementation of E-Government, is also an effective solution in overcoming corrupt practices. The results of the research are expected to provide concrete recommendations for improving the government procurement system for goods and services, improving the supervision mechanism, and strengthening integrity in the procurement process.*

**Keywords:** Procurement of Goods and Services, Corruption, Governance

## INTRODUCTION

The government provides various efforts to improve the quality of its human resources, including carrying out the procurement of government goods and services carried out by government agencies. Indonesia is currently a legitimate developing country and is actively developing in all fields. Development is an effort to realize welfare and happiness for the community. (Pane, 2017, p. 148)

The procurement of goods and services for the needs of the State is now one of the ways to advance economic growth and improve the peace of the Indonesian people. This is because the procurement of goods and services in the public sector is very tied to the use of the State budget. The importance of carrying out procurement effectively, efficiently, and economically is emphasized to maximize the benefits of the use of the budget. Most of the funds for the procurement of goods and services come from the government, both through the state budget and non-state budget. Improving the method of government procurement of goods and services is an integral part of the transformation stage towards a more transparent and efficient government structure (good governance and clean government). (Listiyanto, 2012, p. 114)

The procurement of goods and services by the current government must ensure that the government's obligation to provide public facilities and public services can be carried out

effectively. State financial management must be controlled and accountable according to the ongoing procedures. However, in the practice of government procurement of goods and services, discrepancies were found in various aspects due to complex bureaucracy, long processes in completing procurement packages, and other factors that resulted in economic losses for the country.(Arsyad & Karisma, 2018, p. 2).

This government procurement of goods and services is a breeding ground for corruption among bureaucrats, because they can manipulate the budget in various ways to fill their own pockets. The government plays the role of an entity that serves the needs of the community, must provide reliable goods and services. In fact, the results were not as expected and instead provided information to the public about corruption in the procurement of government goods/services. This is seen every day and is an integral part of media coverage of corruption at both the central and regional levels. Various efforts have been made to eradicate it, but the number has increased instead of decreased. The government, which is the foundation of the people's hopes, cannot overcome it, instead it seems to be playing with the people's money, and some bureaucrats control state finances and commit corruption crimes.(Arsyad & Karisma, 2018, p. 10)

Currently, in Indonesia, corruption occurs not by chance in financial management carried out by elements of state administrators/government agencies/SOEs/D, but is planned carefully or deliberately in Indonesia. Corrupt practices reduce economic efficiency and socio-economic growth of the community, because corruption reduces investment in various socio-economic sectors of the people, this has weakened economic growth in a number of countries. Corruption can disrupt the work and function of markets and the allocation of economic resources to reduce socio-economic efficiency and socio-economic growth in a country. This condition has been experienced by the people for many years in the Republic of Indonesia, for example there is a pungli practice that causes high economic and business practices that can reach a minimum of 20% of all business operational costs.(Kasiyanto, 2018, p. 7)

Prevention of corruption is very important. This is because it can harm all communities or the government. Good governance must be carried out because good government will provide various reliefs, clarity, and cleanliness in preparing services and guarding from various arbitrary acts either on oneself, rights, or property.(Maksum, Makarao, & Fauziah, 2023, p. 178)

The purpose of this study is to review and formulate optimization strategies in overcoming corruption in the process of government procurement of goods and services. The research will analyze the factors that cause corruption, identify gaps in the system that are vulnerable to corrupt practices, and evaluate the effectiveness of existing policies and regulations. The study also aims to explore the role of information technology, transparency, and accountability in preventing corruption, as well as to study best practices from various countries that have succeeded in suppressing corruption in government procurement. The results of the research are expected to provide concrete recommendations for system improvement, improvement of supervision mechanisms, and strengthening integrity in government procurement procedures for goods and services, so as to uphold the efficiency of the state budget and improve the quality of public services.

## RESEARCH METHODS

This study uses a qualitative method with a focus on literature data analysis. The research began with the collection of comprehensive secondary data from a variety of literature sources, including academic books, scientific journal articles, government reports, policy documents, and publications from anti-corruption agencies. The analysis methods used are content analysis and thematic analysis, where the researcher will identify, categorize, and interpret patterns and themes that arise from the collected data. Furthermore, the researcher will synthesize various findings and arguments in the literature to develop a deeper understanding of the problem and potential solutions. The results of the analysis will be used to formulate recommendations and optimization strategies in overcoming corruption in the government procurement system.

## RESULTS AND DISCUSSION

In simple terms, corruption is the abuse of office for interests that are not for the public interest. Corruption is also a rationally planned action, not driven by emotions. In essence, corruption is a betrayal of public trust for personal gain. Specifically, corruption includes actions such as intentional misconduct, neglect of clear obligations, or unlawful use of power for personal gain. Corruption also refers to the diversion of public resources for personal gain. Corrupt practices generally occur in the public sector, involving officials who violate the law. Robert Klitgaard formulated corruption as  $C = M + D - A$ , where C (corruption) is the result of a combination of a monopoly of power minus accountability. (Indrawan, Ilmar, & Simanihuruk, 2020, pp. 130-131)

In general, corruption can cause great losses to a country's finances and economy, so corruption can hinder the development that a country wants to obtain. Therefore, to achieve development goals and build a just and prosperous society, corruption must be eradicated immediately. Losses caused by corruption cases make economic growth difficult to obtain, especially when state institutions are weak. In addition, corruption can also trigger inefficient bureaucracy and poor public strategies that hinder economic development. Infrastructure is a very important element for economic development. The presence of adequate infrastructure not only reduces the distance between regions, but also allows market integration and linking economic centers. Efficient infrastructure results in higher productivity gains than inefficient infrastructure. Given the very important role of infrastructure in economic growth, to achieve stable and sustainable growth, it is necessary to eliminate all forms of corruption in infrastructure development projects. (Nayabarani, 2017, p. 484)

One form of corruption regulated in the Corruption Eradication Law is corruption in the procurement of government goods and services. The procurement, as explained in Presidential Regulation Number 16 of 2018, refers to the procurement of goods or services charged by the State Revenue and Expenditure Budget (APBN) and carried out by ministries, institutions, regional agencies, or the APBD. The stages start from the needs assessment to the submission of the work results.

The procurement of government goods or services is an activity carried out by the government as part of national development to achieve the general welfare of the community. Through the procurement of government goods and services, various physical and non-physical development activities are carried out. Therefore, in the procurement of goods and services, it is very necessary to have a corruption-free and healthy government. In all aspects related to the management and supervision of the implementation of government goods/services procurement activities (Cahyani, 2022, p. 82)

The implementation of procurement of goods and services in the country must comply with applicable regulations to avoid the possibility of irregularities or implementation that is not according to plan. Planning in the implementation of government procurement of goods and services is a crucial aspect because the quality of planning greatly affects the success of its implementation. To facilitate this process, several legal instruments have been introduced that regulate the implementation of the procurement of goods and services to facilitate the process (Kuniati, 2017, p. 314).

With the issuance of Presidential Regulation No. 70 of 2012 which is the second amendment of Presidential Regulation No. 54 of 2010 concerning the Procurement of Government Goods/Services, as well as Presidential Regulation No. 35 of 2011 which amends Presidential Regulation No. 54 of 2010 concerning Procurement, procurement of goods refers to the acquisition of any type of object, whether tangible or intangible, that can be traded, used, or utilized by users.

A person who takes actions to increase his or her own property, another person, or a company illegally that can harm or endanger the country's finances and the national economy, can be punished with life imprisonment or imprisonment for a minimum of 4 years and a maximum of more than 20 years. As well as a minimum fine of IDR 200,000,000 (two hundred million rupiah) and a maximum of IDR 1,000,000,000 (one billion rupiah).

Perpetrators of acts of corruption, as explained in Law No. 31 of 1999 which has been amended by Law No. 20 of 2001 concerning the Eradication of Corruption Crimes, are referred to as "everyone". According to Article 1 Number 3 of Law No. 31 of 1999 concerning the Eradication of Corruption Crimes which has been amended by Law No. 20 of 2001, "everyone" can refer to an individual or legal entity. Sanctions for corruption in the procurement of goods and services are as follows:

1. Imprisonment for life, or imprisonment for a minimum of 4 years and a maximum of 20 years
2. In addition to imprisonment, a fine of at least Rp 200,000,000.00 (Rp 200 million) and a maximum of Rp 1,000,000,000.00 (Rp 1 billion) can also be imposed. (Saraya & Handayani, 2024, p. 16724)

There are several solutions to prevent corruption in the procurement of government goods and services, namely: *First*, transparency and accountability must be improved at every stage of the procurement process. All information related to tenders, evaluation criteria, and winner decisions must be publicly published. *Second*, strengthening regulations and law enforcement is very important. Anti-corruption laws must be tightened with heavier sanctions for procurement corruption actors. Supervisory institutions such as the KPK should be given broader authority to conduct investigations. *Third*, the professionalism and integrity of the procurement apparatus must be improved. Training and certification are mandatory for all procurement officials to

ensure their competence. Periodic rotation of positions also needs to be carried out to prevent long-term collusion. *Fourth*, community participation in procurement supervision must be encouraged. Non-Governmental Organizations (NGOs) and the mass media need to be involved to monitor the tender process. An easily accessible public complaint mechanism must also be provided.

In addition to the above solutions, eradicating corruption in Indonesia also requires the implementation of good governance. In order to implement the principles of good governance as best as possible, there is Presidential Instruction No. 3 of 2003 concerning the National Policy and Strategy for E-Government Development which mandates the development of e-Government in all government agencies, both at the central and regional levels, to promote its introduction. On the other hand, in realizing e-Government, it is necessary to integrate the four strategies above so that the eradication of corruption can be carried out optimally.

*First* The implementation of e-Government can reduce corruption by providing services with simple, effective and efficient measures and reducing direct contact with officials (who may be distorting their powers). *Second* The introduction of e-Government will help law enforcement ensure accountability and transparency through published data, published government actions and decisions, and the existence of methods to provide advice and opinions from the public and also serve as a form of legal regulation. *Third* e-Government makes it easier for citizens to access government information so that this can increase transparency and make the government more accountable to the public for all information submitted. *Fourth*, e-Government implementation must consider the ability of institutions and individuals to create telecommunications infrastructure, hardware, and software that support e-Government applications. (Hardjaloka, 2014, pp. 445-446)

By implementing these solutions comprehensively and consistently, it is hoped that corrupt practices in government procurement can be minimized. Of course, it takes a strong commitment from all stakeholders to make it happen. Related to the Indonesian government system. Good Governance is a government that is based on and implements the basic principles of accountability, transparency, and participation. Accountability can be realized if the administration of government is regulated by a system that ensures that all aspects have measurable performance standards and can be controlled and monitored both from within and outside the government. As an integral part of the democratic national order, the community (the people) can also carry out supervision. It also depends heavily on whether the government has the capacity, moral commitment, and sense of responsibility to create space for public scrutiny. (Saraya & Handayani, 2024, p. 16726)

## CONCLUSION

Government procurement of goods and services is a field that is vulnerable to corrupt practices that have a negative impact on society and the government. Corruption in public procurement can lead to inefficient bureaucracy and poor public policies, which can hinder a country's economic growth. Efficient infrastructure is essential for economic growth, but to achieve stable and sustainable growth, it is necessary to eradicate corruption in infrastructure

development projects. Concrete steps are needed that cover various aspects of good governance. Transparency in the bidding process, clear evaluation criteria, and publicly available award decisions are important first steps.

Eradication of corruption in the procurement of government goods and services requires a strong commitment from all stakeholders. Transparency, accountability, and community participation are needed as part of a good governance system to overcome corrupt practices. Bureaucratic centralization in government procurement is also an important highlight, where the government must carry out the procurement of goods/services in a credible manner to serve the interests of the community without corruption.

In addition, strengthening regulations and stricter law enforcement against procurement corruption actors is urgently needed. Anti-corruption laws should be tightened, and supervisory agencies such as the KPK should be given broader authority to conduct investigations. The professionalism and integrity of procurement apparatus must also be improved through mandatory training and certification, as well as periodic rotation of positions to prevent long-term collusion.

Public participation in procurement supervision must also be encouraged by involving NGOs and mass media to monitor the tender process. An easily accessible public complaint mechanism must also be provided. In addition, the implementation of the principles of good governance, as proclaimed in Presidential Instruction Number 3 of 2003 concerning E-Government, can also be a solution in efforts to eradicate corruption.

This study emphasizes the importance of optimizing government procurement of goods and services as a step to minimize corrupt practices and improve good governance. Concrete recommendations from this study are expected to support the efficiency of the state budget and improve the quality of public services through system improvements, improvement of supervision mechanisms, and strengthening integrity in the process of procurement of government goods and services.

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