

# PROCEEDING CONFERENCE PROGRAMME

## iconpo 2011

International Conference on Public Organization

CHALLENGE TO DEVELOP A NEW PUBLIC  
ORGANIZATION MANAGEMENT  
IN THE ERA OF DEMOCRATIZATION  
Comparing models in various countries

Yogyakarta Indonesia, January 21-22, 2011

ICONPO 2011 is Organized By

Department of Government Affairs and Administration  
Faculty of Social and Political Science  
Universitas Muhammadiyah Yogyakarta

In Collaboration with Korea University, Thammasat University  
and Universitas Ngurah Rai Denpasar



PROCEEDING : INTERNATIONAL CONFERENCE ON PUBLIC  
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We wish to thank the Rector of Universitas Muhammadiyah Yogyakarta Ir HM. Dasron Hamid, M.Sc for giving the license to drive this conference. We also express my sincere gratitude to Prof. Sunhyuk Kim of Korea University as our Keynote Speaker. Special thanks go to all of the honorable our paper reviewers for the Proceeding those are Assoc. Prof Azhari Samudra of Universitas Ngurah Rai Denpasar, Prof. Dr. Jin- Wook Choi from Korea University, Prof. Dr. Miftah Thoha, MPA from Universitas Gadjah Mada, Prof. Francis Loh Kok Wah, PhD from University Sains Malaysia, Prof. Dr. Azhar Kasim, MPA from Universitas Indonesia, and Dr. Vidhyandika D Perkasa from Center for Strategies and International Studies Indonesia (CSIS), Prof Amporn Tamronglak and Dr. Soparatana Jarusombat from Thammasat University, without their contribution this paper will never come into being. We also thank to the ICONPO committee, and all collagues for their support to this conference. We thank to all the paper presenters and participants who contributed through their papers in this proceeding.

This proceeding is divided into 10 themes, those are:

1. Environmental changes and collaboration in public organization.
2. Need assessment of public issues in public organization.
3. Design of structure organization in democratic era
4. Planning and Decision making .
5. Human resources management.
6. Culture and ethics of public organization in democratic era;

7. Communication practices in public organization
8. Transformative Leadership .
9. Current Management Information system in electronic era.
10. Performance measurement

Reason for selecting these themes is because the wave of democracy has influence the dynamics of public organization, a well known institution model related to governmental, non-profit, and non-governmental organizations. The dynamic of public organization management in response to democratic era, now encompasses more challenging issues. The issues such the shifting paradigm from government to governance could be seen as the trend drives to the reform of government. The concept of governance means that the government must improves the functions of public organization management process. The process must be efficiently, effectiveness, responsiveness, transparently, participative, and accountable. Other important issues are the growing of gender mainstreaming, public policy processes and the dynamic of civil society which have demanded a changing management of public organization. The most important thing so that public organization could challenge in the democratic era is to improve and develop a new public organization management. Therefore, public organization needs to respond, explore and develop innovative management. It challenges the scholars and practitioners to explore and develop new models of public organization management by drawing the experience and lessons learned of their countries

Thus, the proceeding explores the issues and challenges to develop a new public organization management in the era of democratization. We hope this proceeding will benefit the readers, academicians, politicians and scholars on more about a new way to develop public organization in this democratization era.

Yogyakarta January 21st 2011

**Head of Government Science**  
Dr. Suranto

**Dean of Faculty of Social and Political Science**  
Dr. Nurmandi

## PREFACE

The first paper as Keynote Speech written by Sunhyuk Kim (Professor, Department of Public Administration, Korea University) entitled **Globalization and Policy Change: The Case of Korea**. This paper emphasizes on "neoliberal" globalization. The writer argues that neoliberal globalization is just one type of globalization, and it is likely that in the future another type of globalization may emerge. "Varieties" of economic, political, and public administration systems in the world will respond differently to the new wave of globalization. It is essential, therefore, to craft a more prudent national strategy to flexibly and comprehensively deal with different kinds of globalization. The writer examines how Korea has coped with the challenge of globalization, by analyzing how the latest neoliberal globalization has affected governmental restructuring and policy transformation in Korea since its democratization in 1987. It is underscored that Korea needs a better national strategy to handle future waves of globalization—potentially of the non-neoliberal nature. I sketch out the main contents of such a new national strategy, primarily focused on the need to build and nurture more effective multi-sector governance system, increasing communicative and collaborative capacity of all the sectors involved.

The second paper was written by Su-jin, Yu, 3rd semester of master's course Korea University entitled **Conflicts in Environmental Policy-making in Korea: The case of Gyeyang Mountain Golf course**. In this research studies about the Gyeyang Mt. golf course development plan (GGDP) which has shown sharp conflict aspect. Commonly, environmental conflicts in the policy-making have two different belief systems such as environmental conservation and environmental development. Based on this two different belief system, various stakeholders united as a policy actor. Coalition actors from two different values enforce a different strategy to policy-making.

The third paper written by Laila Kholid Alfirdaus of Government Department Faculty of Social and Political Science Diponegoro University Semarang Central Java Indonesia titled **Governing the Disaster-Prone**

**Community.** Public organisation does not only deal with problems which is regular in its nature, periodical, and in orderly situation. More often, public organization faces uncertain circumstances that the way of governing as usual cannot be applied. One of the notable constraints in governing community for public organization to manage is disaster. Firstly, disaster often comes at an unpredictable time. Secondly, disaster often bears considerable risks even beyond a public organisation's capacity to deal with. Its quick attack often results in much longer impacts. Thirdly, any single thing, such as food supply, sanitation, water supply, shelter, and so forth, suddenly turns into emergency, meanwhile the public organization has usually shortcomings in resources. Forthly, any demand for the public organization quickly moves into a big pressure, therefore public organization easily becomes the subject of failure once they are unable to tackle the complex situation. Considering such the specific nature of disaster, there is a clear need for public organization to apply specific governing strategies. This paper tries to elaborate some thinking on governing the disaster-prone community, especially for developing nations, using experiences in various countries. Such a thinking becomes important since it is the developing nations that use to have problems in their bureaucratic structure. A change of mindset in public organization in which disaster should not be treated as business as usual rather as in a crisis is one of the keys. A deep thinking on how to manage the interrelation with some non-government organizations, economic society, academic society, and the media in emergency and recovery based on context and culture, is also worthwhile.

The fourth paper entitled **The Sustainability of Jakarta as the capital city.** It is written by Hartuti Purnaweni Public Administration Program, Environmental Study, Post Graduate Program, Diponegoro University. This paper aims to find out efforts to be done to Jakarta as the Capital City of the Republic of Indonesia. Jakarta has turned from merely old day traditional port to the present day of a megapolitant figure, where skyscrapers mount in many places. Jakarta is an area with low topographic feature as it is situated at the coastline, in particular North Jakarta. As time goes by, the city becomes less convenient as settlements due to traffic jam, flood, land subsidence, land water deficit, inadequate green space, severe air pollution, etc. Jakarta's carrying capacity has been passed over. New public management system is needed. Therefore, a new paradigm has emerged concerning its status replacement as the Indonesian capital city, and to make it a more livable city. Three alternatives are proposed for the solution.

The fifth paper entitled **Democratization and Environmental Politics of Natural Resources Management** at Local level written by Edi Santosa, Governmental Program, Social and Political Faculty, Public Administration, Post Graduate Program, Diponegoro University. The paper aims to deliver the idea that Environmental democracy is not new in Indonesia since it stated its commitments in Rio Declaration in 1992 and World Summit on Sustainable

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Development in 2002. However, empirical evidence shows that the commitment to implement the ideal is still far behind. In theoretical, policy and empirical area, discussing environmental sociopolitical aspects should include all stakeholders in it. In managing environment and natural resources, both politicians and government officials have the political power as representatives of the state. Their political actions should cover activities of development policies which are oriented towards sustainable development, whether at local, national, regional and global. Rondinelli and Chema (1993) stated that the state should be committed to pursuing sustainable development across the region – it calls for a clean and green environment with fully established mechanisms for sustainable development to ensure the protection of the environment, the sustainability of its natural resources and the high quality of life of its people and neighbours in one earth.

The sixth paper entitled **The Implementation of Social and Environmental Responsibilities's Regulation by PT Karya Tangan Indah Bali** written by Ni Putu Tirka Widanti, Universitas Ngurah Rai, Denpasar, Bali, Indonesia. The paper aims to analyze the most prominent CSR activities of PT Karya Tangan Indah, those are the environmental re-cycling and social religious supports to the traditional village where the company is situated. PT. Karya Tangan Indah's CSR programs are affected by the party receiving supports and the internal organization. From the analysis, it has been found that PT. Karya Tangan Indah's CSR programs on recycling and social religious supports have managed to attract the community's enthusiasm. It is because the ritual ceremonies in the traditional village where PT. Karya Tangan Indah operates are held regularly and involve the entire community members. Based on the analysis findings, it is recommended that the future PT. Karya Tangan Indah's CSR programs should involve the community members commencing from the planning up to the evaluation processes. It is necessary to involve them for sustainable programs and for addressing their needs and priorities. In addition, their involvements are hoped to be able to duly plan and organize the allocated budgets.

The seventh paper is **Impacts Of Decentralization On Environmental Management In Thailand**, written by Soparatana Jarusombat, Ph.D of Faculty of Political Science, Thammasat University, Bangkok, Thailand. This paper describes the process, institutional and legal framework within which the environmental management operates in Thailand. It specifically focuses on the decentralization within central and local government's role in environmental management. The aim of the paper is to examine how interface between the central and local loci of power have affected pieces of legislation relating to management of the environment by central and local government in Thailand.

The eighth paper is titled **An Empirical Study of the Autonomy of Thai (Autonomous) Public Organizations** written by Associate Professor Amporn Tamronglak, Head of Public Administration Department and Director of Executive Public Administration (EPA) Program, Faculty of

Political Science, Thammasat University, Bangkok, Thailand. The latest Administrative Reform in Thailand in 1999 reflected the influence of New Public Management (NPM) perspectives, leading to a drastic restructuring of age old bureaucracy. "Agencification" or creating new single purpose agencies was one of various approaches to face lift bureaucracy in the name of "Public Organizations or Autonomous Public Organizations (APOs)" to be free from tedious regulations and hierarchical commands of politicians. Since (Autonomous or Quasi-autonomous) Public Organizations Act has been issued in 1999, there are approximately 29 agencies created. This paper aims at attacking and analyzing the issue of autonomy of Public Organizations in Thailand, which is the main reason in hiving off from their original organizations. The theoretical basis of autonomy employed in the study is drawn from Peters Verhoest and others, particularly in the areas of personnel and financial management. Constructive questionnaires were employed and collected between June and August 2010 from all 29 Public Organizations. In-depth interviews with the agency's executives were conducted to gain insight knowledge of the concept in practice. The statistical analysis shows that Thai APOs are more or less independent from the politicians. Though the legal and administrative structure of their establishment, they somewhat recognize and are responsive to the demands of the relevant Ministries. On the contrary, they are able to maintain the balance and handle the pressure in such a way that the agencies can carry out and accomplish the government policies professionally and cost-effectively.

The ninth paper written titled **Government Antismoking Campaign: Quixotic Dream Or Confident Expectation?** By Subiyanto of Wijaya Putra University. Smoking habit was one of global problems, but the effects of it are very dangerous on smoking related diseases, so Indonesian Government had to take the genius actions. This study investigated the effects of Government Antismoking Campaign on Behavior of Smoking in East Java. Research model was adopted from the Theory of Reasoned Action dan the Theory of Planned Behaviour introduced by Ajzen and Fishbein modified by DeVries et al. The population were smokers or someone who have experience with cigarette smoking in East Java, sampling method by Multistage Cluster Random Sampling in three stages. Data analysis utilized Structural Equation Modelling (SEM) used AMOS 4.01. Hypothesis analysis used regression Weight standardized estimates, compare p value in 5percent significancy, if p value < 5percent is mean significant. This study found four negative significant hypothesis and two not significant hypothesis. The effect of Government antismoking campaign on Attitude toward smoking behaviour and on Subjective norm of smoking are not significant, while effect of Attitude toward smoking behaviour on Refusal skill, the effect of Subjective norm of smoking on Refusal skill, are negative significant. The effect of Refusal skill on Behavioural intention to smoke, and the effect of Behavioural intention to smoke on Behaviour of smoking are also negative significant. There were



recommendations for Indonesian Government, cigarettes industries and collaboration among government and cigarettes industries.

The tenth paper entitled **Leading to Improvement? The Politics of ISO 9001:2000 Transfer to Local Service Delivery** and written by Wawan Sobari, Lecturer and Convenor of the Department of Political Science, Faculty of Social and Political Science, University of Brawijaya Malang. This paper addresses three main questions concerning the process, impacts and external evaluation of the transfer of ISO 9001:2000 to service delivery at the local secretariat office in the Regency of Malang Indonesia. Its methodology applies qualitative approach to build understanding by intensifying the research process aimed to obtain the full picture of the transfer. This paper shows some important findings around this transfer; first, the decision to transfer is a result of social process aimed to build better image of the office. As well, a policy network, ranges from local to international actors, has constructed the ISO 9001:2000 implementation as the best practice in service delivery. Finally, the certificate attributed to the implementation of ISO 9001:2000 cannot adequately assures the improvement of technical capacity of the office. Rather, it has created dependency on assurance server to sustain the performance improvement. Thus, this transfer has created a qualified office, not an educated office that is self-achieved fulfilment in delivering better service.

The eleventh paper **Democracy and Growth Revisited : An empirical study using fsQCA** written by Dong-Hyun Choi, Graduate Student, Department of Public Administration, Korea University. This paper will analyze The relationship between political freedom and economic growth has been a much scrutinized topic over the past few decades. According to Barro once the impact of other exogenous factors are controlled for, the effect of democracy on growth is weakly negative. He further raised the possibility of a nonlinear relationship between democracy and growth. Barro's work, while convincing in terms of methodological rigor and interesting in terms of the observations made, nonetheless is hardly free from the flaws that may potentially undermine the credibility of his arguments. This is the point of departure for this article. The first section of the article discusses the potential flaws evident in Barro (1996), and suggests ways to improve upon his work. The second section introduces fuzzy set qualitative comparative analysis (fsQCA) as an alternative methodological approach, and analyzes the relationship between democracy and economic growth using fsQCA. The analysis generally concurs with the nonlinearity hypothesis suggested by Barro (1996): democracy does in fact disparately impact economic growth at different levels of democracy. For full democracies and authoritarian regimes, causal combinations indicate that democracy has a positive impact on economic growth. For flawed democracies and hybrid regimes with intermediate levels of democracy, the dynamic between democracy and economic growth is revealed to be negative.

The twelfth paper entitled **Competition for jurisdiction over food industry in Korea** was written by Sung Eun Park, Korea University. This paper points out the matter of food safety management system with a view of competition for jurisdiction over food industry among the Ministry of Health and Welfare and the Ministry for Food, Agriculture, Forestry and Fisheries and affiliated organizations. Each ministry has separate basic positions and approaches to food industry policy: regulation and promotion. The policy image has been changed into "regulation" as public anxiety and concern for hazardous foods has grown since the end of 1990. They complete take charge of promoting or regulating the food industry by establishing or amending laws, expanding organizations and mobilizing a coalition. Coordination by policy committee, cooperation between agencies, and integration of agencies were introduced as measures to eliminate unnecessary competition for jurisdiction.

The thirteenth paper written titled **Making Strategic Plan Works In Local Government: Challenge And Problems, A Case Study of Strategic Plan Implementation in Yogyakarta Special Province** by Achmad Nurmandi and Eko Priyo Purnomo of Universitas Muhammadiyah Yogyakarta. The term of strategic plan is a new type of plan in Indonesian government that introduced since 1999 based on Law No. 22/1999. As a new approach, government organization has tried to set priorities and allocated scarce resources according to the formulated vision and mission. Meanwhile, these strategic efforts have not been successful achieved yet, including in Yogyakarta Province. This essay examines the implementation of strategic plan in Yogyakarta Special Province. The Yogyakarta has vision and missions that are looked at this paper as basis of analysis. Measuring on how they can reach their goals and missions is an appropriate way to analyze the how the strategic plan works. Using qualitative data and choosing a case study method, this research also have conducted in-depth interviews with bureaucrats in Yogyakarta. First of all, the Yogyakarta province tried to providing the strategic plan to be followed by government officer in their activities according to strategic design and planning school approaches. Secondly, most of local government's agencies are less understand on their vision and missions. Thirdly, Zero-sum game effect, reaching the goals and mission are difficult because most of their budget is spending their salary. Fourthly, The strategic plan has been implemented but it has not executed the strategic zone whose it support for dealing with mission from number two to six .

The fourteenth paper written titled **Improving Indonesia Civil Servants REVITALISASI PELAYANAN PUBLIK MELALUI ANALISIS JABATAN 'Performance Through Job Analysis** by Dyah Mutiarin "Dr. Dyah Mutiarin- Department of Government Affairs and Administration Universitas Muhammadiyah Yogyakarta. The red tape phenomenon in Indonesia civil servants performance Khusus berkaitan dengan birokrat pemerintah, banyaknya persoalan yang timbul dalam pemerintahan selama ini pada

dasarnya menunjukkan rendahnya kemampuan dan kurangnya sikap dari aparaturnya untuk mencoba peduli dan membantu masyarakat serta pengguna jasa pemerintahan lainnya dalam memenuhi kebutuhannya. This shows the lack of ability and lack of capacity to carry government tasks. This phenomenon needs improvement. Improving the quality of the state apparatus resources is directed to realize the professional human resources, neutral, and prosperous for civil servants as well as citizen at large. Hal itu merupakan faktor penting dalam menunjang peningkatan kapasitas dan akuntabilitas kinerja instansi pemerintah. This is an important factor in supporting capacity and accountability of civil servants as well as state apparatus. Analisis jabatan diperlukan dalam pengembangan pegawai yang pada hakekatnya adalah suatu upaya pemenuhan kebutuhan tenaga kerja secara kualitatif sesuai dengan persyaratan pekerjaan yang ditentukan dengan mempertimbangkan kepentingan-kepentingan individu pegawai untuk dapat mengembangkan potensinya seoptimal mungkin mencapai karier setinggi-tingginya di dalam organisasi. Therefore, in order to achieve the quality of human resource in civil servants, the government need to continue to improve the application of merit system in the administration of personnel management by implementing job analysis. The future of structure bureaucratic organizations as public organization tend to be slender but rich in function. The concept of 'the right man in the right place in the right time' needs to be applied correctly in order in filling the vacancy actually forward the principle of professionalism through the process of job analysis.

The fifteenth paper titled **Career Path Development for Indonesian Public Servant** by **Utami Dewi, S.IP, MPP** and **Dra. Atik Septi Winarsih, M.Si** of Government Affairs and Administration Department, Universitas Muhammadiyah Yogyakarta. Decentralization demands more competent and professional public servants, so that they can perform jobs well particularly in delivering services to society and in maximizing local resources. However, several problems surrounding civil service management have hampered this decentralization goal. These obstacles come from government regulations, institutional relationship and human resources. There are some regulations on civil service affairs but many of them are incompatible. Ironically, moreover, the important regulation on public servant management-career path development- has not been formulated yet. This career path development is crucial since it guides the staff to plan their job position in the future. Moreover, it is beneficial for manager in the public sector to conduct staff placement and promotion. Therefore, the formulation and implementation of career path development is a must to find the best staff in the right job. In doing so, performance measurement that consists of performance appraisal, competency test and fit and proper test may be chosen as a model. This paper will reveal this career path development by firstly evaluating the practice of recruitment; promotion and mutation; salary; and performance appraisal system in recent Indonesian studies.

The sixteenth paper was written by Jin-Wook Choi, Associate Professor, Department of Public Administration, Korea University entitled **Anticorruption Agencies and Reform: The Case of the KPK in Indonesia**. This paper analyze the establishment of an anticorruption agency (ACA) due to reduce corruption in a county in this case is Indonesia. This paper examines the effectiveness of anticorruption law enforcement functions of the KPK, the Indonesia's ACA that was created in 2003 and identifies key challenges that lie ahead of the KPK. By adopting key performance indicators, this paper finds that the KPK has been successful in carrying out three-pronged anticorruption strategies—repression, prevention and public relations, which is congruent with strong public support to and trust in the KPK. However, the KPK faces several challenges posed by inherent structural limitations and external political forces that may threaten the efficacy of the Commission's anticorruption functions. While the public has to show continuous strong support to the KPK, the Commission must effectively perform legally mandated and socially expected anticorruption functions with high integrity and discipline in order to become a de facto ACA.

The seventeenth paper written by Bonefacius Bao entitled **Robust Ondoafi Powers in Central Urban Communities (Studies Authority Ondoafi in Jayapura Papua)**. This paper aims to find out Ondoafi in the capital to actualize its power, and care for it so the power of capital in the middle of an urban community. There are three power capital Ondoafi namely social capitals, symbolic and material. Assuming the persistence of capital even living in urban areas had to survive because they have the ability to manage symbols, manage social relationships and manage the economy. Allegations were proven because of the discussion about the workings of the three capital Ondoafi power, can be in the know that Ondoafi respond to change with the actualization of such capital through a revitalization strategy, adaptation and repositioning. Those capitals are not working alone but comes along. Ondoafi convert into equity capital one another so that there is a logical relationship with his rule. Capital-capital is reproduced and exchanged with each other. In practice the power to show how the three capital Ondoafi able to manage its power to make strategic changes. Ondoafi thus becomes very important and strategic for anyone who needs it.

The eighteenth paper was written by Arundina Pratiwi, entitled **Transformation of public organization Culture in Indonesian Democratic Era**. The main problem discussed on the paper provide an understanding about the transformation of public organization culture in Indonesian democratic era. Literatures research, both from books and media publications, on current development of transformative public services performed by several regional governments provides the primary conceptual foundation for investigating the effect of democratization process on the transformation of public organization culture in Indonesia. Additionally, this paper reveals the specific example on transformation of

organizational culture in the regional government of Jembrana in Bali which is currently often used as the best example for other regional governments across Indonesian archipelago. Jembrana case can be classified as a success of public organization culture transformation, with its main goal to overcome the bad image of Indonesian public institutions in serving public needs. The achievement of Jembrana can be used as an important example to motivate other regional governments to improve their commitment on providing good public services.

The nineteenth paper is **An Analysis of the Effect of Press Freedom on Corruption: Evidence through a Cross-Sectional Data Analysis** written by Songhee Yoo, mastercourse student, Korea university. This study attempts to find the relationship between the government corruption and the media based on Latham's democratic theory. First of all, the empirical results of this study show that the autonomy of the media reduces corruption. It can be seen as an element of direct democracy that makes up for the constraints of indirect democracy. In addition, the writer further investigated the impact of the economic level and social globalization on corruption through the empirical research. Therefore, when the anti-corruption policy is established, the administrator should carefully consider whether the policy runs the risk of suppressing the economic growth of a country. And globalization is an opportunity to establish anti-corruption agencies and institutions. Because increasing the level of trust with other countries brings down corruption in the field of related work. Finally, determinant element of reduced corruption is identified as femininity. However, the simple increase in the employment of women may not be the solution. If the organization wants to reduce corruption, they must increase the culture of femininity. Efforts should not stop at recruiting more female workers, but rather focus on the improvement of organizational culture.

The twentieth paper entitled **Organizational Communication licensing Office of Yogyakarta City to Achieve Service Performance** and written by Yeni Rosilawati lecturer of UMY, Communication Department majoring in Public Relations subjects, Krisna Mulawarman, lecturer of UMY, Communication Department, majoring in a broadcasting subjects, and Dian Kusumadewi alumni of Communication Department UMY, graduated in 2009. The paper focus on Licensing Agency it is an organization in the field of services still relatively new, however Licensing Office of Yogyakarta city has a strong commitment in carrying out its functions. Awards obtained Jogjakarta City Government Licensing Service Award include Investment Award from BKPM as City Best One Stop Service Providers in 2007 later in the year 2008 Licensing Office Title again awarded the Excellent Service Award 2008 as the image of one government agency that has the quality of public services best. This study sought to describe the steps the Licensing Office of organizational communication Jogjakarta City Government to improve service performance.

The twenty first paper entitled **Potential Users and Critical Success Factors of e-Government Services: the Case of Indonesia** written by Ali Rokhman, Post Graduate Program in Administration Science, Jenderal Soedirman University. This paper elaborated more on Implementation of e-government in Indonesia began in 2003. However, until then the public services that provided through e-government are still very limited in quantity as well as quality. Based on the research the internet users are they who have the characteristics in majority consist of: female, have age in twenty one to thirty years old, have bachelor education degree, and they have been using the Internet for a period of seven to nine years. Considering this phenomenon therefore from the government's perspective, the most critical factors for successful implementation of e-government are the e-leadership and the opportunity to develop employees' capacity in the technical training on e-government.

The twenty second paper entitled **Bureaucracy Culture and Leadership in Indonesian E-Administration Implementation: Based on Perspective of Knowing and Learning Organization** written by Ayuning Budiati and Rudiant Komara the paper focus on Indonesian E-administration implementation involves bureaucratic culture and leadership issues. Those issues appear due to the change that occurs if e-administration is implemented nationally. Implementing e-administration can be risky, expensive and difficult because public employees are not being motivated to improve and provide policy about ICT. This situation causes a lack of policy including operational guides at every level of government to improve ICT. Improvement of ICT literacy and skill is needed in Indonesia's e-administration implementation. The paper will analyze those factors regarding the organization's paradigms: organization as learning and knowing organization.

The twenty third first paper written by Gyuseong Park, Korea University entitled **Internet Regulatory Policy in Korea: Its Origins, Impact, and Changes**. The paper aims to show the reason why the Korean Internet regulatory policy to ensure safety has its own uniqueness which cannot be observed in other countries; using external plug-in program instead of built-in and highly dependent upon specific platform. According to the study following the institutional approach of regulatory policies, these "Korean-style" regulations were created to solve technological constraints in the early beginning stage of development of Internet transactions, but these regulatory policies results in many "unexpected outcomes," such as strengthening monopoly in Operating system and Web browser market, customers' inconvenience, and paradoxical outcome which regulations intended to enhance security eventually weaken the safety. These regulations have been challenged, and recently announced its abolishment by Korean government due to its negative consequences. Based upon this case, the paper argues that the technological factor, inertia of institution, and various actors and their interests around regulatory policies are important to understand these

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regulatory policies, and it contends that IT regulatory policies should be technologically neutral because these policies cannot catch up the rapid evolution of these industries.

The twenty fourth paper entitled **Decentralization, accountability and local government performance in Indonesia** written by Sujarwoto, PhD Student at Institute for Social Change University of Manchester UK and Yumarni, Lecturer on the Department of Public Administration, Jenderal Soedirman University Purwokerto Central Java Indonesia. This article contributes to an understanding the linkage between local government accountability, corruption, and citizens' participation. Departing from critiques on fiscal federalism theory, we propose hypothesized pathway through which decentralization can lead better local public service performance. The basic hypotheses underlying this research is that decentralization will result in better local public service performance only if mechanisms for strengthen political accountability are established within local governments. Without strong political accountability, decentralization only creates powerful incentives for political and bureaucrat agent to capture local political process and misallocate public resources. The writer tested these hypotheses against evidence from 155 newly empowered local governments in Indonesia. Governance Decentralization Survey Data (GDS) is used to examine the linkage between decentralization, accountability and local government performance in the country. The results of simple and multilevel regression model broadly support the hypotheses. Less corruption, higher local government accountability and citizen's political participation are all associated with better local government performance. In contrast, poorly performing local public services are often deeply rooted in their political and social contexts. Local governments often fail to provide better public service when political accountability is absent due to weak checks and balances, lack of transparency, and weak electoral incentives. These effects remain statistically robust across all regression specifications

The twenty fifth paper written by Septiana Dwiputrianti, Senior Lecturer and Head of Postgraduate Program School of Public Administration, the National Agency for State Administration (STIA LABandung, West Java, Indonesia entitled **How Effective is the Indonesian External Public Sector Auditing Reports Before and After the Audit Reform for Enhancing the Performance of Public Administration?**. The research aims to enrich the existing administration, accountability, and auditing of public sector literature. Two main research questions; firstly, how is the quality of information in the audit reports of the BPK; secondly, what are the key factors influencing the effectiveness and ineffectiveness of information in the audit reports.

The study revealed that the executive's history had historically neglected the roles and functions of BPK. Auditors lacked independence as the executive influenced the administration and finances of BPK. Auditors also had lack of opportunity to increase their professionalism. Since there was little incentive

for auditors not to accept audit fees from auditees, the objectivity and integrity of auditors was reduced significantly. Since the third amendment of 1945 Constitution in 2001, the Indonesian government had reformed laws and regulations related to public sector auditing for strengthening BPK. In situation where the Indonesian public administration needs immediate reform, BPK keeps trying to improve its professionalism and independence to provide qualified audit reports. BPK has been given much attention to education, training, and the development of other skills and knowledge; implemented remuneration; applied a rewards and sanctions. This study revealed a significant improvement in the amount and quality of in audit resources, including numbers of qualified auditors, representative offices, information and technology, and modern equipment. However, many new auditors lack of experience and lack of diverse educational backgrounds in addition to accounting and finance for conducting performance auditing. To enhance the quality of public administration and accountability, this study gives recommendations for BPK in (1) strengthening its independence, (2) expanding auditor's professionalism and competency in risk management (3) improving the facilities of the training centers, (4) increasing follow up of audit reports, (5) evaluating laws and regulations, (6) enforcing the implementation of performance auditing.

The twenty sixth paper Titled **The Strategy For Improving Public Services Delivery In Indonesia** by **Dr. Suranto**, Department of Government Science, Muhammadiyah University of Yogyakarta and **Awang Anwaruddin** of Center of Research and Development for Information System and Administration Automation, National Institute of Public Administration of the Republic of Indonesia. The crisis of public services in Indonesia has spread out to almost all sectors for decades. The poor level of public services performance suffered by customers is mainly indicated by sluggish service processes and excessive service cost. Various public policies have been undertaken to improve public services performance; however, no significant improvement is perceptible.

This paper attempts to find a strategic solution to improve the public services in Indonesia. Through a depth analysis, a positive answer is recommended: The Indonesian Government should carry out a comprehensive approach of bureaucratic reform, including the bureaucratic institution, management, human resources, and service culture. Since the reform is complicated and massive, however, it should be carried out incrementally, through preliminary, implementation, and evaluation stages.

The twenty seventh paper titled **Analysis Of Democratic Public Service Network Case Study in Urban Transportation Service in Makassar City**, South Sulawesi Province, Indonesia by: **Dr. Alwi, M.Si**. In general, public services organized by government bureaucracy are still serious problem, including urban transportation services/public transportation in Makassar City. In this case, urban transportation services in Makassar City have not



been able to provide service as expected by citizen. As principle of democracy, citizens are "masters" who must be delivered service satisfactorily by state officials. Therefore, government bureaucracy, in fact, must understand the needs of citizens and this is what writers call democratic public service. Theoretically, to solve complex problems such as problems of urban transportation services necessary inter-organizational networks, because many institutions and associated with it. Merging the two concepts into the concept of democratic public service (urban transportation) network is a new concept in the science of public administration. Inter-organizational network aims to use resource efficiently and effectively, as well as a democratic public service aims at making citizens as the focus of public service through their involvement in the process of solving public problems. This study aims to describe the implementation of democratic public services (urban transportation) network in Makassar City. This study used qualitative methods and case study research strategy to uncover the deeply democratic public services network. Data collection techniques used was observation, in-depth interviews, and documents. Processing technique and data analysis is the analysis of qualitative descriptive case study. The result of research pointed out that the implementation of democratic public service (urban transportation) network in Makassar City has not been effective.

The twenty eighth paper titled **Balance Theory** by Dr. Inu Kencana Syafii. When people ask why today Islam is blasphemed throughout the world — forbidden wearing headscarves in France, in the United States its presence is examined and in Australia its organizations were disbanded — with various accusations we did not expect, this was because Islam is one of the world paradigms worried shifting all previous paradigms. After weakened communism socialism and capitalistic liberalism is the only wide world paradigm, they concerned about the return of the — according to them — tyrant rule, then it is anticipated with slander and propaganda. However, inevitably, humankind will understand goodness, truth, and the beauty, also in ethics, logic and aesthetics. So where are the ideologies sitting in case Koran assembled all the disciplines of science, moral ethics, and nuances of art? How about Al Fatihah which became Prolegomena and *preamble*, in addition to reading of the prayer becoming the rhythm of worship? It should be impregnated that Al-Fatihah is the core essence of transcendental thinking in three world grand narrative

Yogyakarta, January 21th, 2011

**Editors:**

Dr. Dyah Mutiarin  
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# AN ANALYSIS OF THE EFFECT OF PRESS FREEDOM ON CORRUPTION: EVIDENCE THROUGH A CROSS- SECTIONAL DATA ANALYSIS

Songhee Yoo<sup>\*)</sup>

## Abstract

This study attempts to find the relationship between the government corruption and the media based on Latham's democratic theory. First of all, the empirical results of this study show that the autonomy of the media reduces corruption. It can be seen as an element of direct democracy that makes up for the constraints of indirect democracy. In addition, I further investigated the impact of the economic level and social globalization on corruption through the empirical research. Therefore, when the anti-corruption policy is established, the administrator should carefully consider whether the policy runs the risk of suppressing the economic growth of a country. And globalization is an opportunity to establish anti-corruption agencies and institutions. Because increasing the level of trust with other countries brings down corruption in the field of related work. Finally, determinant element of reduced corruption is identified as femininity. However, the simple increase in the employment of women may not be the solution. If the organization wants to reduce corruption, they must increase the culture of femininity. Efforts should not stop at recruiting more female workers, but rather focus on the improvement of organizational culture.

**KEY WORDS:** Democratic theory, corruption, Press Freedom  
GDP, Social Globalization Index, Women's industrial employment rate

## I. Introduction

People are exposed to issues of corruption such as the Teapot Dome

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Scandal through the media. Television news, newspapers, Internet and broadcast media naturally functions to monitor government corruption. That is, the media has the ability to monitor and control government corruption, and the people control government corruption through the media. In other words, it is possible that the government can influence the people through the media, which can be controlled by the government. Therefore, the people have a vested interest in monitoring or controlling the government. In this paper, I will try to find the effect of press freedom on corruption, and the implication of this relationship for the field of public administration.

The first section introduces the structure of this paper. In the following section, I will examine existing studies and the theory and derive academic implications of this study. I will present the methodology and parameter settings in section three. The statistical results will be analyzed in section four. In section five, I would suggest the conclusions of this study.

## **II. Literature Review**

### **1. The definition of corruption**

Some people express their appreciation to civil servants in the form of a small return. It is regarded a gift in some countries. However, it is deemed as bribes in others. The reason for the existence of various criteria for bribery is because such criteria are based on a country's culture. Rose-Ackerman (1996) classified appreciation as charges, tips, gifts, and bribes in the case through how the culture can be defined as appreciation. Transparency International (TI) defined the corruption as "abuse of public office for private gain", and the definition of corruption set forth by Rose-Ackerman (1996) is analogous to that of TI. Rose-Ackerman (1996) said that corruption occurs in a principle-agent relation.

Rose-Ackerman published another on corruption in 1997. Corruption occurs in both the public and the private sectors. Corruption in Public sector is focused on public officers. They calculate between the costs and profits of receiving bribes, and then determine whether control their power or not. The World Bank defined that corruption as a misuse of public power for private gain.

This study attempts to find the relationship between the government corruption and the media. So I define the corruption as government corruption; abuse of delegated power for private gain.

### **2. The reason why freedom of speech is important in the study of corruption**

There are numerous papers about the relationship between corruption

and the media. Brunetta and Wider (2003) divided causes of corruption into internal and external factors, and analyzed the determinants of corruption. They identified the bureaucratic system and control of the media as internal and external determinants of corruption respectively, and that these variables influenced the behavior of administrators. They also argued that external factors had the ability to control potential corruption. Emaranul and Richard (2007) presented several factors that influence corruption, and especially focused on evaluating whether the media would function to increase or decrease corruption. Ahrend (2002) discussed what influence the media on corruption to achieve the social capital. Chowdhury (2004) argued that corruption influences the effectiveness of democracy, and conducted an empirical study on control of corruption through the media.

Kim (1999) discussed the role of the media as an anti-corruption monitor and Ahn (2005) studied the structure of corruption in Korea. He analyzed the relationship amongst the political power, the media, citizens and public opinion. Accordingly, he said that the development of democracy and press control have the opposite relationship.

Only when there is popular political support in the policy formation process can policy meet the needs of the people in the implementation process. That can be linked to elements of direct democracy. The press acts as a medium that delivers the opinion of the public. While the development of the Internet has increased the number of the postings on web-based bulletin boards of government organizations, the role of media, television, newspapers, and internet news are also great. This study highlights the relationship between the media and corruption in the development of democracy through empirical analysis.

### **3. Democratic theory**

Administrators are influenced by whether or not there is popular support in the process of policy formation and implementation. This is sometimes linked to the legitimacy of policy. The effort of a government to obtain legitimacy is sometimes channeled through institutions founded upon elements of direct democracy, a prime example of which are public hearings. This is linked with Latham's democratic theory that discusses the introduction of elements of direct democracy predicated on a system of indirect democracy.

Latham's (2001) study applies cases to theory to describe the flow of democratic theory. He discussed strengths and limitations of indirect democratic institutions. Latham (2001) presented the theory in Austrian case. He said that technological developments are elements of direct democracy that demonstrates the power of the people in an indirect democratic system. In Austria, the people exerted quiet power in the formation of national policy. He emphasized that Austria was not a unique case with the mechanisms to

potentially apply to other countries. His paper aims to effect of the autonomy of the media on corruption in a democratic theory.

Mill (2001) emphasized the importance of participation in his discussions of democratic theory. The participation that Mill discussed refers to the power of the people in influencing public officials. This pertains not only to small towns. Education or utilization of technology following the development of the Internet can be utilized as elements of direct democracy in democratic institutions. These democratic representations overcome a weak point in the political bottom-up approach, and supplement their limits. It is possible through trust building between administrators and citizens. Mill called this the 'trust tree'. Trust building is essential for policy formers and politicians whose objective is to gain the support of the public. Trust building is possible through a transparent disclosure of policy-making processes or participation. He explained e-government as a tool to form the trust tree. Based on this logical structure, this study hypothesizes that the autonomy of the media enhances trust tree-formation between the government and the people.

### III. Variables and methodology

Corruption = f (economic, social and cultural environment)

Table 1. Data and the sources of each variable

variable	Data	The sources
Dependent Variable	Press Freedom Survey	<a href="http://www.freedomhouse.org">http://www.freedomhouse.org</a>
ependent Variable	CPI	<a href="http://www.transparency.org">http://www.transparency.org</a>
Control variable	<Economic environment> GDP	<a href="http://www.imf.org">www.imf.org</a>
	<social environment> Social Globalization	Institute for Business Cycle (KOF, under the Federal Institute of Technology Zurich in Switzerland) (These data can be downloaded from the following site. <a href="http://www.qog.pol.gu.se/">http://www.qog.pol.gu.se/</a> )
	<Culture environment> Female Wage Employment	International Standard of Industry Classification (ISIC) (These data can be downloaded from the following site. <a href="http://www.qog.pol.gu.se/">http://www.qog.pol.gu.se/</a> )

#### 1. Dependent variable – Corruption

*Transparency International (TI) - Corruption Perceptions Index (CPI)*

In order to assess the impact of press freedom on corruption, this paper

must choose a proxy indicator to represent corruption as a dependent variable. Corruption was defined as government corruption in this study. Accordingly, I will use the corruption perceptions index (CPI) of TI (Transparency International) as a proxy for government corruption. Corruption index of Transparency International is derived by an independent survey research firm. TI has ten survey institutions. And the questionnaire, which becomes the foundation upon which the CPI can be calculated, consists of items intended to measure corruption of the public sector in the individual countries. For instance, a question asks what the amount of the bribe that officials demand is. This is connected to government corruption, and is therefore suitable as a proxy for the dependent variable.

Transparency International is a non-governmental organization (NGO) that is based in Berlin, Germany. TI publishes the corruption perceptions index (CPI) annually which ranges from 0 to 10. The index moves towards zero as the severity of corruption increases, and moves towards 10 as corruption levels decrease.

## **2. Independent variable - Press freedom**

### *Freedom House- Freedom of the press*

The purpose of this study is to analyze the impact of press freedom on corruption. Accordingly, I chose an independent variable that is an objective indicator of media autonomy, namely the Press Freedom Survey published by Freedom House.

Freedom House evaluates 'the law on Freedom of Expression' and 'the positive impact of the constitutional guarantees'. They also investigate the variety registration requirements targeted for the media and press, and even the potentially negative aspects, as well as security legislation, Criminal law & related regulations and penalties for libel.

The political influence category investigates the extent of political control on news contents. The issues incorporated in this category include access to information and sources, editorial independence, censorship by government officials and self-censorship, the ability of the media to work without being threatened, and threats by the government and other actors towards journalists.

The economic pressure category includes the structure of media ownership, the media establishment, production and distribution costs, government advertising and the selective endowment of government subsidies, the bias of the administrators in the granting of permits, and the impact of corruption on the content.

The Legal environment category ranges from 0 to 30, the political influence portion 0 to 40, and the economic influence category from 0 to 30. So the combined total is 100 points. Countries with scores from 0 to 30 points



are classified as countries with press freedom, countries with 31-60 points are classified as having partial press freedom, and countries with scores ranging from 61 to 100 points are classified as having no press freedom.

The objective of this study is to assess the impact of press freedom within the context of democratic theory. Accordingly, the factors constituting Freedom House's press freedom indicator is viable proxy to represent press freedom.

### 3. Control Variables- GDP & The electoral democracy

In this study, I investigate the effect of media autonomy on corruption based on democratic theory. In addition, this study introduces other factors that have an impact on corruption. Economic environment is represented by GDP, the social environment by the social globalization index, and the cultural environment by the women's employment index.

#### *Economic environment - GDP, International Monetary Fund (IMF)*

Mauro (1995) demonstrated the relationship between bureaucratic characteristics such as red tape, economic growth, and corruption. He argued that an honest and efficient bureaucracy based on economic growth positively influences the management of corruption, and discerned that economic growth as a factor reducing corruption.

Ahrend (2002) and Emaranul & Richard (2007) conducted empirical research on the media's function to control corruption, and in doing so, introduced economic controls in the model. This study hypothesizes that the economic environment affects corruption. Reduction of corruption lowers entry barrier of multinational corporations. Multinational corporations, in case of countries with a severe corruption, are compelled to pay greater costs to enter their market. This in turn reduces the profits of corporations.

In conclusion, the country with high corruption has higher entry barriers than the country with low corruption. Through this, we can infer that corruption is influenced by economic factors. Therefore this paper selects the economic environment as a control variable, and uses the GDP (gross domestic product) of the International Monetary Fund (IMF) as the proxy indicator.

GDP means total sum net worth of goods and services in the country during a period of time. It is appropriate as a proxy indicator for each country's economic level.

#### *Social environment*

#### *Globalization Index (Social Globalization, Institute for Business Cycle (KOF))*

WILLIAMS and BEARE (1999) have stated that corruption is associated with the political system of the world. In particular, they said that academia needs to contemplate the efficacy of anti-corruption within the trend of

globalization. Glynn, Kobrin, and Naim (1997) said that although it is very hard work to initiate a new anti-corruption movement, if anti-corruption surfaces as a global trend, the tides will likely turn. They presented the case in which anti-corruption institutions were formed in 1997 following the rise of anti-corruption as a hot topic around the world. It tells us that it is impossible to separate trend of globalization and corruption. World organizations, such as UN, NAFTA, and OECD are being formed based on various factors such as economic and geographical proximity and the value of peace and humanity. The creation of these international organizations has political, societal and economic ripple effects. Accordingly, this paper incorporates globalization as a control variable, and uses the global index of social indicators published by the Institute for Business Cycle (KOF) under the Federal Institute of Technology Zurich in Switzerland.

The measure of social globalization issued by the KOF has several standards of assessment. Those include that the scale of the international call rates, international tourism, foreign population, number of Internet users, newspapers, radios, and cable TVs.

#### ***Cultural environment - Female Wage Employment***

Hofstede (2005) observed four kinds of culture indices associated with corruption. One of them is masculinity, which leads to higher corruption. Here, masculinity is centered on dogmatic and competitive values, whereas femininity is centered around modesty and caring. It is very interesting index in a world where participation of women becomes more active in the world. This paper is based on the claims of Hofstede (2005). So I include Women industries wage index as a control variable. I will examine the relationship between corruption and Women industries wage index.

The female industrial wage indicator is released from International Standard Industrial Classification (ISIC). This indicator shows the ratio of wages of women in secondary and tertiary industries excluding those in the agricultural sector. If we look at the data, the agricultural sector refers to agriculture, hunting, forestry and fishing activities. The secondary sector includes manufacturing, construction and public utilities (gas, water, electricity), and the tertiary sector (service industry) includes wholesale and retail trade (restaurants, hotel, transport, storage, finance, insurance, real estate, business services and community, personal services and social services)

#### **4. Hypothesis and Methodology**

**Regression analysis through cross-sectional data: 2009year**

Table 2. Hypothesis

Hypothesis	
H1	If the press freedom is high, corruption is reduced.
H2	If the level of economic growth is high, corruption is reduced.
H3	If the degree of globalization is high, corruption is reduced.
H4	If the female wage rate is high, corruption is reduced.

The hypothesis of this study is 'if the autonomy of the press is higher, corruption is reduced.' To prove this hypothesis, this paper suggests the corruption for the dependent variable, the press freedom for independent variable, GDP, the index of social globalization, and women's employment index as control variables. This study examines impact of each variable on corruption, with the focus of analysis on press freedom. The data of the variables is collected and coded for 2009, and I use regression analysis.

Ahrend (2002) studied the impact of educational and economic situation on corruption. He derived the results of the study with cross-sectional data through a regression analysis for the year 1999. This paper will use cross-sectional data for 2009.

#### IV. Statistical results and analysis

Table3. Descriptive statistics results

Variable	Obs	Mean	Std. Dev	Min	Max
CPI	178	3.996629	2.085216	1.2	9.7
FP	192	44.78646	25.32183	8	96
GDP	191	1.55E+11	6.87E+11	1.45E+07	8.16E+12
SG	157	57.05522	20.38218	6.7	93.85
FWE	112	38.97143	12.50686	7.8	56

Table3 shows descriptive statistics for the 2009 data. Obs is the number of countries for which data is available. We have obtained data from more than 100 countries for all five variables. It is worth noting that FWE is the female wages as a proportion of total wages earned in the secondary and tertiary sectors. The maximum value of 56 out of 100 is therefore not an error in the data.

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Table4. The results of correlation analysis

		CPI	FP	GDP	SG	FWE
CPI	PCC	1	-.595**	.289**	.736**	.317**
	Significance level		.000	.000	.000	.000
	N	178	178	177	154	112
FP	PCC	-.595**	1	-.169*	-.564**	-.468**
	significance level	.000		.019	.000	.000
	N	178	192	191	157	112
GDP	PCC	.289**	-.169*	1	.130	.124
	significance level	.000	.019		.105	.194
	N	177	191	191	157	112
SG	PCC	.736**	-.564**	.130	1	.486**
	significance level	.000	.000	.105		.000
	N	154	157	157	157	111
FWE	PCC	.317**	-.468**	.124	.486**	1
	significance level	.001	.000	.194	.000	
	N	112	112	112	111	112

\*\* Correlation coefficient is significant within 0.01 (both) level, \*\* $p < .01$   
 \* Correlation coefficient is significant within 0.05 (both) level, \* $p < .05$   
 CPI = Corruption Perceptions Index, FP = Freedom of Press Survey, GDP = GDP, SG = social globalization index, FWE = Female Wage Employment rate

Table4 shows the correlation between variables. Corruption and press freedom exhibits a statistically significant negative linear relationship. A freedom of press value closer to 0 indicates higher press freedom, and a freedom of press value closer to 100 indicates lower press freedom. In contrast, a corruption index value closer to 0 represents higher corruption, and a value closer to 10 represents lower corruption. Therefore a negative (-) linear relationship between FP and CPI means that higher level of press freedom leads to lower corruption.

Between CPI and SG, the value of Pearson correlation coefficient is 0.736 which can be interpreted to demonstrate a statistically significant positive (+) linear relationship. In addition, the value of all correlation coefficients is found significant at a significance level of 0.01. However, it is worth underlining that the Pearson correlation coefficient establishes a correlation between the variables, not the causality.

Table5 is the results of regression analysis.

Table5. The results of regression analysis

CPI	Coef.	standard error	T	P>t (significant probability)	standardized coefficient (Beta)
FP	-0.0237371	0.00711	-3.34	0.001	-0.25122
GDP	4.08E-13	1.51E-13	2.71	0.008	0.157458
SG	0.079714	0.009011	8.85	0.000	0.660563
FWE	-0.0260134	0.012305	-2.11	0.037	-0.14223
constant	1.624054	0.854779	1.9	0.06	

CPI = Corruption Perceptions Index, FP = Freedom of Press Survey, GDP = GDP, SG = social globalization index, FWE = Female Wage Employment

The regression equation is derived by regression a coefficient, which is as follows.

$$Y = 1.624 - .024*FP + 4.080E-13*GDP + .080*SG - .026*FWE$$

At first, let us take a look at the relationship between corruption and the media. The t value is -3.34, significant at 0.001. The result is statistically significant at the 5% significance level. This means that the autonomy of the press affects corruption. Point to note is that 0 in freedom of press survey (FP) means the highest autonomy of the press, and 100 means the lowest autonomy of the press. In contrast, 0 in Corruption Perceptions Index (CPI) means the highest corruption and 10 means the lowest corruption. In the results of regression analysis, the FP and CPI regression coefficient has negative (-) values. Therefore we can say that when freedom of the press is higher, corruption is lower. And we can infer that if the government guaranteed the autonomy of the media, corruption in government would be reduced. Therefore if the government is willing to reduce corruption, it should build to ensure standards of the autonomy of the media. And it should make the system of autonomy of the media as a guarantee. The media functions as a channel of information in democratic theory. Therefore, ensuring the autonomy of the media has the ability to monitor the government. In other words, the build trust between the people and government will affect government policies in democratic system.

Second, take a look at the relationship between corruption and GDP. The t value is 2.71, and significant probability is 0.008. Therefore, it can be considered statistically significant within 5% significance level. This statistical result means that GDP growth impacts corruption. In particular, when GDP increases by one unit, corruption is reduced by 0.157458. It means that the economic environment is a factor that reduces corruption. This

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implies that if an anticorruption measure implemented by the government deters economic development, that anti-corruption policy would not be useful. Therefore, when the anti-corruption policy is established, the administrator should carefully consider whether the policy runs the risk of suppressing the economic growth of a country.

Third, take a look at the relationship between corruption and social globalization. The standardized coefficient (Beta) is the 0.660563. This means that an increase in the social globalization index will lead to a decrease in the level of corruption. The t value is 8.85, and the significant probability is 0.000, particularly. It can be considered statistically significant at the 5% significance level. Especially, the impact of the globalization index is four times more statistically robust ( $0.660563/0.157458$ ) than the impact of economic environment. The composition of indicator (the globalization index) is the scale and international phone rates, foreign tourism, foreign population, number of internet users, newspapers, radios, cable TVs. If an anti-corruption policy somehow deters globalization, the effectiveness of anti-corruption policy would be compromised. Therefore, it is necessary that policy-makers should note this point in establishing of anti-corruption policy. The index of social globalization is related to the element of trust that is built on the international community. Confidence-building between nations is formed into monitoring and control of foreign countries for protection, and into the reciprocity between countries for foreign residents. A lot of foreigners living in the country will create lots of trust-building relationships with the other countries. Eventually, increasing the level of trust with other countries brings down corruption in the field of related work.

Fourth, take a look at the influence between corruption and women employment index. The t value is -2.11, and significant probability is 0.037. It can be considered statistically significant within 5% significance level. The important thing is the configuration of women's employment index. It shows the ratio of women's wages of gross wages of workers in secondary and tertiary industries in each country. When it close to 0, it means that female employment rate is lower in secondary and tertiary industries. When it is close to 100, it means that the female employment rate is higher in secondary and tertiary industries. In the results of regression analysis, regression coefficient has a value of negative (-) between the industry wage rate of women and corruption. Therefore you can see, when the industry wage rate of women is higher, its impact on corruption is more increase.

However, caution must be exercised when interpreting the results. Hofstede (2005) said when masculine culture is higher, corruption increases. This paper attempts to analyze the statistical results based on theory. Therefore you may want to verify the theory of Hofstede (2005); you should analyze influence of masculinity on corruption and adopt a more in-depth

discussion about the variable. Hofstede (2005)'s theory shows that femininity leads to lower corruption. Femininity in this paper is the value of humility and caring. In this paper, statistical results can be interpreted to mean that if female employment rate is high, there would be higher corruption. The result can mean that even if an organization has a lot of women, an organization's culture may not necessarily have a culture of femininity. We can argue that the organizational culture should ensure the expansion of a culture of femininity rather than a culture of masculinity in order to reduce corruption. However, the simple increase in the employment of women may not be the solution. If the organization wants to reduce corruption, they must increase the culture of femininity.

Table 6. Model Summary of regression analysis

Number	R	R-squared	Adj R-squared	Root MSE	Durbin-Watson
1	.811	.658	.645	1.36821	2.131

\* Dependent Variable: Corruption Perceptions Index

Table 6 is the results of regression model summary. The R-squared is 0.658 that means it explains 65.8 percentage of the total variance. And adjusted R-squared is 0.645. And it is used to test for autocorrelation by Durbin - Watson statistic. If Durbin - Watson's value is close to 2, it is worthy to say that phenomenon of autocorrelation is negligible statistically. Durbin - Watson's value is 2.131 in the results of this study, it can be say that statistics do not have autocorrelation statistically.

## V. Conclusion

The empirical results of this study show that the autonomy of the media reduces corruption. Autonomy of the press can function as a monitor and control of government policies. And the government listens to the people through the media to earn political legitimacy. Based on democratic theory, we can see that trust is formed between the government, the media, and the people. In addition, it can be seen as an element of direct democracy that makes up for the constraints of indirect democracy.

I further investigated the impact of the economic level and social globalization on corruption through the empirical research. It is associated with the building of trust between the media the nation, the people, and the corporations. Political democracy guarantees the autonomy of the media and freedom of the press acts to monitor corruption in the country.

The autonomy of the media is an element that reduces corruption. Therefore, it makes lower barriers to entry of multinational companies, and

it helps to stimulate the economy of the country through the trust building. The increasing number of multinational companies is linked with the globalization index. The countries can form anti-corruption agencies and institutions so that it does not lag behind the trend of globalization. In other words, globalization is an opportunity to establish anti-corruption agencies and institutions. Determinant element of reduced corruption is identified as femininity. Femininity must settle as a part of bureaucratic culture if corruption is to be reduced. Efforts should not stop at recruiting more female workers, but rather focus on the improvement of organizational culture. This paper analyzed economic, social and cultural environment as elements reduce corruption on the basis of democratic theory. The results of this paper would help to establishing anti-corruption policies and systems.

Unfortunately, this paper does not use time series data. In other words, this research cannot find impact of time on factors of anti-corruption. It is the limitation of this research. I will complement this limitation later on.

## appendix

Table 7. The result of collinearity diagnostics

Model	Dimension	Eigenvalues	State Index	Variance ratio				
				(Constant)	FP	GDP	SG	FWE
1	1	3.726	1.000	.00	.01	.01	.00	.00
	2	.917	2.015	.00	.01	.81	.00	.00
	3	.292	3.571	.00	.31	.09	.01	.03
	4	.047	8.861	.01	.00	.00	.45	.45
	5	.017	14.973	.99	.68	.01	.52	.52

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