

# Anti-corruption Law Needs Revision

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Law No. 20 Year 2001 on eradication of corruption practices needs to be revised as the Law had been drafted without taking into account the rationale of the perpetrator or potential perpetrators. This can be seen in the enactment of maximum fine up to 1 billion whilst on the other hand there is no limit on how much the amount of money can be corrupted by corrupters.

“The Law used to counter corruption has instead created a system that forces people to subsidise corrupters, so the Law needs to be revised, said Rimawan Pradiptyo, Ph.D, researcher in crime economy from Faculty of Economics and Business UGM, Monday (4/3) in the Faculty.

In his opinion, although corrupters can be punished with substitute punishment, it appeared that the scale of corruption explicit costs is not related to the verdict on money recompensation. The total of explicit corruption costs of cases arbitrated by the Supreme Court during 2001-2012 reaches up to Rp62,76 trillion based on existing price or Rp168,19 trillion based on constant price year 2012. The amount of total financial punishment sentenced to corrupters is only Rp 6,27 trillion based on existing price or Rp15,09 trillion based on constant price in 2012. “The scale of total financial punishment for corrupters in 2001-2012 was only 8,97 % of the total explicit cost due to corruption. Then, who pays the discrepancies between corruption explicit costs and the total of financial punishment amounting to Rp153,1 trillion? Of course, it’s the public as taxpayers,” he said in the discussion entitled *Estimate of Corruption Explicit Cost based on Supreme Court verdict 2001-2012*.

Rimawan said that corruption also creates social costs for people. Corruption also creates implicit costs which is opportunity cost due to corruption, including rate installment in the future due to corruption done in the past. It even creates corruption anticipation costs, including cost of socialisation of corruption as latent danger and bureaucratic reform to reduce corruption desires. Corruption also creates costs due to reaction against corruption, such as cost of legal proceeding, investigating, policing costs, and asset confiscation process domestically and overseas. “The social cost of the crime has to be paid by taxpayers, so there is subsidy from people for corrupters,” he

said.

Seeing such a condition, Rimawan recommends an immediate amendment to the Law, adding that fine and recompensation charged to corrupters should be adjusted to the extent of social costs due to corruption.

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