The Role of Public Integrity in Controlling Corruption

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Abstract
This study aims to determine the matter to which the Index of Public Integrity can be used to increase Perceived Corruption so that low and low-middle-income countries can form policies that will increase the country's ability to control corruption in the future. This study uses panel data from ERCAS's Index of Public Integrity and Transparency International's Corruption Perception Index for low- and low-middle-income countries during 2016 – 2022. Regression analysis, t-test, and R-Square were done using EViews 9 software. Test results show Administrative Transparency, Online Services, Freedom of the Press, and Judicial Independence positively influence the Corruption Perception Index so that it can be used as a major consideration in formulating government policies and regulations to reduce corruption. Meanwhile, E-Citizenship has no influence, and Budget Transparency has a negative relationship with Perceived Corruption because of the legal culture. This research can contribute to the basis and consideration of preparing government policies to control a country's corruption level.

Keywords:
Public Integrity, Corruption Perception, Low and Low-Middle Income

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INTRODUCTION

Corruption is often construed as public power abusing to any personal or individual advantage. Corruption has significant negative repercussions for the growth of any region, country, and/or continent (Folarin, 2020). A country’s socioeconomic features may be impacted by corruption, both in terms of poverty, inequality, and even unemployment, which has an impact on the economic growth of a country (Adjor & Kebalo, 2018; Barik & Kumar, 2023; Ndjié et al., 2019). However, until now, almost all countries have corruption cases of mild and severe levels (Song et al., 2021).

A lack of accountability, inefficiency, openness, and public participation are the hallmarks of poor governance, which leads to corruption (Nahe et al., 2020; Maolani, et. al., 2021; Folarin, 2020). Allocating and using resources more effectively are made possible by good governance to provide maximum results for the community (Welch, 2020; Nguyen & Bui, 2022). Corruption control has always been a key factor in improving government systems and governance to advance the country. Lustrilanang et al. (2023), Inawati and Sabila (2021) argue that corruption is influenced by good state governance, but corruption can also affect a country's governance. High corruption will hinder a country's economic growth and progress. Therefore, low—and low-middle-income countries need to pay attention to the level and perception of corruption by increasing the state's ability to control it.

Based on agency theory, the government as an "agent" more information about public administration than the public as a "principal" thus causing information asymmetry (Bergman & Lane, 1990). However, information asymmetry can be reduced by increasing public transparency, public services, accountability, and public participation in government performance, in other words, through improving government governance (Kaufmann et al., 2010; Garrido-Rodríguez et al., 2019).

The state needs to obtain an effective mechanism to suppress the corruption level and enhance the perception that the country is clean from corruption (Montes & Luna, 2020; Nguyen, 2022). Not only from the economic aspect, corruption can also be controlled through other aspects, such as social and legal aspects (Hamada, 2019; Montes & Luna, 2020). Previous research aimed at enhancing the perception of control over corruption, the state can strengthen the judicial system and get rid of government discretionary actions by increasing transparency (Setyobudi & Setyaningrum, 2019; Suardi, 2021). However, controlling corruption requires great efforts from the state. According to (Usman et al., 2022) corruption control is expensive and requires many costs, such as the cost of establishing anti-corruption institutions, the procurement of modern equipment and gadgets to detect and prevent corruption, and the cost of human resources. Therefore, low-income countries tend to find it difficult to control corruption successfully.

In 2016, ERCAS (European Research Centre for Anti-Corruption) initiated the Index of Public Integrity, which defines corruption as a balance between public officials' opportunities to commit corruption and the obstacles that can fight corruption through society, mass media, and social media. To control corruption, it is necessary to increase obstacles and tighten the opportunities that officials can take to increase personal profits. These obstacles can be overcome by increasing the freedom of the public and the press in expressing their voices and aspirations that will be responsible for monitoring the operation of government initiatives and a politically neutral legal system (Pippidi & Dadašov, 2016).

Pippidi and his colleagues in ERCAS found six indicators that have a strong influence on corruption control, the study concluded the improvement of these six indicators would increase the state's ability to control corruption and reduce the level of corruption (ERCAS & CIPE, 2023). In addition, previous research has also concluded that these indicators are able to control corruption because they support transparency, accountability, and public participation in government performance (Bisogno & Cuadrado-Ballesteros, 2021; Brusca et al., 2017; Elbahnasawy, 2014; HackCorruption, 2023; Hamada, 2019; Hollyer et al., 2014; Montes & Luna, 2020; Zamzam, 2016). By combining these various aspects, it is hoped that it will be able to describe the level of public integrity that can reduce the level of corruption and improve the perception that the country is clean from corruption.
Table 1. Research Hypothesis

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>The CPI is positively impacted by administrative transparency</td>
</tr>
<tr>
<td>H2</td>
<td>The CPI is positively impacted by budget transparency</td>
</tr>
<tr>
<td>H3</td>
<td>The CPI is positively impacted by online service</td>
</tr>
<tr>
<td>H4</td>
<td>The CPI is positively impacted by e-citizenship</td>
</tr>
<tr>
<td>H5</td>
<td>The CPI is positively impacted by freedom of the press</td>
</tr>
<tr>
<td>H6</td>
<td>The CPI is positively impacted by judicial independence</td>
</tr>
</tbody>
</table>

However, increasing the Index of Public Integrity is not always able to improve the perception that the country is clean from corruption, especially in low and low-middle-income countries. Based on the data seized from the Public Integrity and CPI (Corruption Perception Index) scores, the results show the opposite. Where increasing Public Integrity cannot increase the CPI value which describes the state’s ability to improve the perception that the country is clean from corruption. This raises questions about the effectiveness of these elements as a basis for the preparation of anti-corruption policies that can be applied to low and low-middle-income countries to enhance the perception that the country has a better level of cleanliness from corruption than before.

![Index of Public Integrity](image1.png)

**Figure 1. Index of Public Integrity 2016 – 2018**

![Corruption Perceptions Index](image2.png)

**Figure 2. Corruption Perception Index 2016 – 2018**

This study has major objectives, namely: 1) Analyzing how much the Index of Public Integrity (IPI) affects the Corruption Perception Index (CPI); 2) Analyzing IPI indicators that have a significant influence and need to be improved.
RESEARCH METHODOLOGY

Samples and Research Data

This study looks at how public integrity affects 42 countries’ Corruption Perception Index (CPI) in 2023, covering low and low-middle-income nations. Using the purposive sampling technique, the sample of this research is built by excluding the nations which are not included in the CPI surveys and Integrity of Public. The observation period is from 2016 – 2020 by employing secondary data gathered from the internet with values of index align to those survey organizer.

Table 2. Data Sources

<table>
<thead>
<tr>
<th>Variable</th>
<th>Data Sources</th>
<th>Data Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Index of Public Integrity (IPI)</td>
<td>Corruption Risk Forecast by ERCAS</td>
<td>0 – 10</td>
</tr>
<tr>
<td>• Administrative Transparency</td>
<td>ERCAS</td>
<td></td>
</tr>
<tr>
<td>• Budget Transparency</td>
<td>Open Budget Survey</td>
<td></td>
</tr>
<tr>
<td>• Online Service</td>
<td>UNDP (e-Government)</td>
<td></td>
</tr>
<tr>
<td>• E-Citizenship</td>
<td>ICT Dataset ITU</td>
<td></td>
</tr>
<tr>
<td>• Freedom of the Press</td>
<td>Reporters Without Border</td>
<td></td>
</tr>
<tr>
<td>• Judicial Independence</td>
<td>World Economic Forum (WEF)</td>
<td></td>
</tr>
<tr>
<td>Corruption Perception Index (CPI)</td>
<td>Transparency International</td>
<td>1 – 100</td>
</tr>
</tbody>
</table>

Analysis Methods

This study employs panel data testing to evaluate hypothesis by completing descriptive analysis, regression analysis, t-test, and determination test by using software namely Eviews (Ismanto & Pebruary, 2021). This study model can be compiled as follows:

\[ CPI = \alpha + \beta_1(\text{AT}) + \beta_2(\text{BT}) + \beta_3(\text{OS}) + \beta_4(\text{EC}) + \beta_5(\text{FP}) + \beta_6(\text{JI}) + \epsilon \]

CPI or Corruption Perception Index, measures the level of perception or view of country’s corruption from 2016 to 2022. The higher a country’s perceived value, the better the state is at managing its degree of corruption, indicating the lower amount of corruption.

The independent variables consist of six indicators of Public Integrity Index such as AT (Administrative Transparency); BT (Budget Transparency); OS (Online Service); EC (E-Citizenship); FP (Freedom of the Press); and JI (Judicial Independence).

RESULTS AND DISCUSSION

Table 3. Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Min.</th>
<th>Max.</th>
<th>2016</th>
<th>2018</th>
<th>2020</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPI</td>
<td>15</td>
<td>55</td>
<td>32</td>
<td>32</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>AT</td>
<td>1.00</td>
<td>10.00</td>
<td>5,6971</td>
<td>5,3683</td>
<td>5,3683</td>
<td>5,3683</td>
</tr>
<tr>
<td>BT</td>
<td>1.00</td>
<td>9.57</td>
<td>6,6317</td>
<td>6,5657</td>
<td>7,8740</td>
<td>4,9486</td>
</tr>
<tr>
<td>OS</td>
<td>1.66</td>
<td>9.60</td>
<td>2,7002</td>
<td>2,8931</td>
<td>2,9569</td>
<td>3,5483</td>
</tr>
<tr>
<td>EC</td>
<td>1.00</td>
<td>7.95</td>
<td>4,5293</td>
<td>4,6114</td>
<td>4,5410</td>
<td>5,9076</td>
</tr>
<tr>
<td>FP</td>
<td>1.00</td>
<td>8.17</td>
<td>4,6443</td>
<td>4,7110</td>
<td>4,5624</td>
<td>4,6021</td>
</tr>
<tr>
<td>JI</td>
<td>1.28</td>
<td>7.99</td>
<td>7,1433</td>
<td>7,7357</td>
<td>7,9131</td>
<td>4,7260</td>
</tr>
</tbody>
</table>

Source: Data processed using Eviews (2023)

Data of Public Integrity Index and Corruption Perception Index in low-middle countries showed value inequality and significant value changes. As seen from Table 3, the average value of the six Public Integrity indicators did not have an even value between indicators.
Judicial Independence and Budget Transparency were sufficient for 2016-2018, but declined drastically in 2022. Therefore, to be able to increase the CPI, which tends to stagnate at 32 and 33 out of 100, low and low-middle-income countries can implement policies that improve indicators that are still low, such as Online Service, E-Citizenship, and Freedom of the Press.

The prob value is obtained from the panel data estimation on Public Integrity influence to CPI with Eviews 9. The score Chi-square 0.0000 for CEM (Common Effect Model) testing and Prob value. The FEM (Fixed Effect Model) test yielded a cross-section random value of 0.0002. So the FEM (Fixed Effect Model) is the appropriate estimate model for this study. Furthermore, to determine the soundness of the research model, a classical assumption test was performed. The classical assumption test findings in the appendix showed that the research model is devoid of heteroskedasticity and multicollinearity, with Prob values. > 0.05 and value of collinear < 0.9. This suggests that the model of this research did not have variance inequality over residual observations, and there was no association among independent variables.

Table 4. The Relationship between Public Integrity and Corruption

<table>
<thead>
<tr>
<th>Predictor</th>
<th>Unstd Coefficients</th>
<th>Std Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Std. Error</td>
<td>Beta(β)</td>
</tr>
<tr>
<td>(Constant)</td>
<td>.0285</td>
<td>.0035</td>
</tr>
<tr>
<td>AT</td>
<td>.0028</td>
<td>.0068</td>
</tr>
<tr>
<td>BT</td>
<td>.0017</td>
<td>-.0063</td>
</tr>
<tr>
<td>OS</td>
<td>.0026</td>
<td>.0062</td>
</tr>
<tr>
<td>EC</td>
<td>.0026</td>
<td>.0026</td>
</tr>
<tr>
<td>FP</td>
<td>.0028</td>
<td>.0204</td>
</tr>
<tr>
<td>JI</td>
<td>.0036</td>
<td>.0345</td>
</tr>
</tbody>
</table>

Source: Data processed using Eviews (2023)

The findings of the hypothesis test indicate that Administrative Transparency, Online Service, Press Freedom, and Judicial Independence were positive influence to the Corruption Perception Index (CPI) with a Prob value. < 0.05. Meanwhile, Budget Transparency has a negative relationship with CPI and E-Citizenship has a Prob value. It was 0.3246, which is > 0.05, so it had no effect on the CPI.

Table 5. Determination of Public Integrity against Corruption

<table>
<thead>
<tr>
<th>R-Squared</th>
<th>Adjusted R-Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>.4854</td>
<td>.4663</td>
</tr>
</tbody>
</table>

Source: Data processed using Eviews (2023)

Furthermore, the determination test showed an Adjusted R-square value of 0.4663, or 46.63%. This means that Public Integrity, consisting of Administrative Transparency, Budget Transparency, Online Service, E-Citizenship, Freedom of the Press, and Judicial Independence, can explain the CPI of 46.63%, while the remaining 53.37% can be explained by other variables outside this research model.

Administrative Transparency

The more open public administration will decrease public officials potentials to perpetrate corruption. The state administration’s judgment will offer possibilities to conduct acts of corruption, so the government is essential to provide transparency that can reduce discretion and enhance the administrative system to be able to regulate corruption (Badinger & Nindl, 2014; Silal et al., 2023). In developing countries, state administration is often less transparent which creates an incentive to commit non-fraud such as gratuities. The Administrative
Transparency value of low and low-middle-income countries, which is at 5 for four years, shows that there is still a lack of de jure and de facto values regarding public administration publications (ERCAS & CIPE, 2022). Therefore, administrative transparency needs to be considered and improved as a basis for controlling corruption so that it can improve the perception of state corruption in the future (Pippidi & Dadašov, 2016).

**Budget Transparency**

According to the agency's theory, promoting state openness was necessary to decrease information asymmetry among government and the people, it was required to promote state transparency, particularly on the side of economic, as demonstrated by the government budgeting process (Bergman & Lane, 1990; Pippidi & Dadašov, 2016). However, in practice, increased transparency in budgeting does not contribute to reduce corruption. To be able to expand transparency, government entities require additional finance, which becomes an internal difficulty (Zhang, 2016). In addition, the unsupport of this hypothesis suggests that low—and low-middle-income countries did not have sufficient transparency on the budgeting process to enhance the perception that the country is clean of corruption. This is shown by the average value of Budget Transparency, which increased in 2020 but decreased drastically in 2022, which then became a separate problem for why the assessment could decrease (ERCAS & CIPE, 2022).

**Online Service**

The system of government though web-based services aims to enhance public services effectiveness since it can decrease physical bureaucracy and third-party engagement, hence reducing the chance for civil servants to commit (Chen & Aklikokou, 2019; Maria & Halim, 2017; Silal et al., 2023). As a result, the usage of online technologies in public services was regarded to be accomplished to assist the state in managing and avoiding future corruption (Pippidi & Dadašov, 2016). However, in low and low-middle-income countries, the average value of Online Services is very low, in the range of 2 – 3 out of 10. This happens because of the amount of funds needed to be able to improve online-based services. So low and low-middle-income countries that have low Online Service scores are unable to improve the perception that the country is clean from corruption, as shown by the low average CPI value in 2016 – 2022 (ERCAS & CIPE, 2022).

**E-Citizenship**

More intense and high digital public participation or E-Citizenship will increase people's ability to supervise the performance of government and to reduce opportunities for public officials in committing corruption (HackCorruption, 2023; Pippidi & Dadašov, 2016). However, to fight corruption, the community cannot move on its own and need the support of independent institutions such as the judiciary, which can defend the community in articulating their desires and become social control over the implementation of government initiatives (Hollyer et al., 2014; Vadlamannati & Cooray, 2016; Dewi & Ariyanto, 2019). Furthermore, popular opposition is ineffective in combating corruption if public officials lack the necessary self-integrity and self-control to avoid corruption (Silal et al., 2023; Ariyanto et al., 2020). Therefore, E-Citizenship cannot stand alone to improve the perception that the country is clean from corruption; it needs to be supported by other aspects, such as legal, economic, and other aspects.

**Freedom of the Press**

The freedom of press of political interference in realeasing public information would lessen asymmetry of information and raise public trust about fairly treated of corruption perpetrators, furthermore, providing assurance of potential lackness for public officials to do corruption, so that press freedom must be provided by creating anti-corruption laws (Hollyer et al., 2014; Vadlamannati & Cooray, 2016). Therefore, the more open the press in providing information supported by laws and legal protection, the less likely it is to commit corruption (Pippidi & Dadašov, 2016). The average value of Freedom of the Press from low and low-middle-income countries which is below 5 shows that the freedom of the Press from political intervention is still low, which causes a high convinence for public officials to do corruption so that they are unable
to produce the perception that the country is clean from corruption (ERCAS & CIPE, 2022).

**Judicial Independence**

Judicial Independence, like freedom of the press, is a factor that originates from the community in order to limit government acts and use it as an element in curbing corruption (Pippidi & Dadašov, 2016). The more the judicial system is free of political and intervention of economic, the greater public trust in the feasibility of the judicial process against infractions of the law. A good judicial system is essential to be able to fight corruption, especially in low and low-middle-income countries that have high level of political intervention in independent institutions (Hamada, 2019; Spyromitros & Panagiotidis, 2022).

**CONCLUSIONS AND RECOMMENDATION**

**Conclusion**

The Index of Public Integrity has powerful enough to restrict the extent of corruption and state can enhance corruption perception by strengthening the system of government which focuses on factors of the public integrity. Furthermore, it concluded that Administrative Transparency, Online Service, Press freedom, and Judicial Independence were factors that require further consideration in creating regulations to discipline corruption.

The results concluded that low and low-middle-income countries showed less openness and internet-based public services; strength political intervention in the mass media and state judiciary. So that corruption level reducing was one of the primary concerns in low and low-middle-income countries, the state should emphasize establishing a transparent and accountable governance system in order to enhance public trust.

**Recommendation**

This study was confined to a few aspects that need to be expanded in future research. By only focusing on Public Integrity in several elements for providing the state regulate corruption. Second, this study only used limited sample in low and low-middle income countries that were included in the Index of Public Integrity. Third, the latest research using Public Integrity Index had weaknesses such as limited number of countries and period that only been initiated since 2016. Therefore, the further study can expand the sample and the period of gardening so that it can support the test results. In addition, further research can also expand observations by adding other variables that have a stronger influence on corruption.

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