



Journal of Social and Political Sciences

Mollet, Julius Ary (2018), Corruption and Asian Value's in Indonesia: The Case of The Suharto Family Business. In: *Journal of Social and Political Sciences*, Vol.1, No.2, 314-325.

ISSN 2615-3718

DOI: 10.31014/aior.1991.01.02.22

The online version of this article can be found at:
<https://www.asianinstituteofresearch.org/>

Published by:
The Asian Institute of Research

The *Journal of Social and Political Sciences* is an Open Access publication. It may be read, copied and distributed free of charge according to the conditions of the Creative Commons Attribution 4.0 International license.

The Asian Institute of Research *Social and Political Sciences* is a peer-reviewed International Journal. The journal covers scholarly articles in the fields of Social and Political Sciences, which includes, but not limited to, Anthropology, Government Studies, Political Sciences, Sociology, International Relations, Public Administration, History, Philosophy, Arts, Education, Linguistics, and Cultural Studies. As the journal is Open Access, it ensures high visibility and the increase of citations for all research articles published. The *Journal of Social and Political Sciences* aims to facilitate scholarly work on recent theoretical and practical aspects of Social and Political Sciences.



ASIAN INSTITUTE OF RESEARCH
Connecting Scholars Worldwide



Corruption and Asian Value's in Indonesia: The Case of The Suharto Family Business

Julius Ary Mollet¹

¹ Faculty of Economics and Business, Cendrawasih University, Jalan Kampwolker Waena, Jayapura, Provinsi Papua, Indonesia 99358.

Abstract

The subject of corruption in Indonesian life has been neglected as an area of social research. Many studies suggest that Asian values have a strong connection with the Asian communities' corrupt conduct and that they underpin several factors that contribute to individual or society's corruption. In the context of Indonesia, President Suharto successfully developed Indonesia, establishing a strong foundation for the Indonesian economy. This achievement brought President Suharto the title of "Father of development". He involved his family businesses in all sectors of the economy and the family became one of the top ten businesses in Asia. Indonesian businessmen close to Suharto received protection and concessions from the President. This paper examines Suharto's and his mates' collaboration in business corruption in Indonesia. The study shows that after the Suharto step down from presidency the Suharto family businesses collapse due to their practice of corruption and nepotism.

Keywords: Suharto family business, corruption, Asian values, and Indonesia

1. Introduction

Corruption has received a considerable amount of attention from sociologists, in particularly the causes of corruption in developing countries. Barr (2000) investigated the issues of corruption Asia and the Pacific regions and explored the relationship between Asian values and corruption. Lindsay and Dick (2010) investigated government and corruption the Asian countries, while Fan (2012) explored the implications of Confucian ethics (Asian values). Later, Moktan (2015) found that economic expansion in Asia and the Pacific led to an increase in the negative impact of bribery in business. More specifically, Aditjondro (2002) investigated Indonesian businessman involved in collusion, corruption and nepotism in order obtain concessions from the central government.

The Indonesian economy exhibited remarkable development from mid 1968 until 1997, the growth of real GDP reaching an annual average of 7.1 percent (van der Eng, 2009). The

country shifted from being a low income country to a lower middle income country (Tobar, 2015). According to Elias and Noone (2011), the country's economic performance was shaped by government policy, the country's endowment of natural resources and the growing labor force, and its socio-economic progress supported President Suharto's regime across the three decades.

Suharto succeeded in boosting economic development and developing a strong economic foundation in Indonesia by promoting the industrial sector, where industries supporting agricultural development became crucial to economic growth. The most remarkable achievement of the Suharto program in agriculture was the surplus in rice production in the mid-1980s. In the financial sector, Suharto formulated a policy which aimed to encourage savings and provide a domestic source of finance required for growth. The policy, named "October Package of 1988", eased the requirements for establishing banks and increased competition in the banking system (Bennett, 1999). During the time, banks grew significantly in Indonesia, with the Suharto family also establishing businesses in the banking sector. The progress of development in Indonesia brought Suharto the title of "*Father of development*". The success of the Suharto development in Indonesia, however, led to the involvement of the Suharto family in corruption, collusion, and nepotism. The Suharto family and its relatives became involved in business, as President, Suharto had the power to provide government concessions to protect the businesses of his family and his mates.

This paper examines the Suharto family businesses and the corruption of the conglomerate business environment in Indonesia. The paper begins with a discussion of several theories of the corruption, which is followed by a brief definition of Asian values. An overview of the Suharto family businesses is followed by a discussion on their future..

Our paper makes two important contributions to the research on corruption and on the family businesses of the former Indonesian President. First, it provides the empirical evidence in the literature of the role of the Suharto businesses in the Indonesian business environment, which itself was characterized by corruption. Second, and maybe more importantly, it investigates the practice of corruption and nepotism by the Suharto family businesses.

2. The Nature of Corruption: Review

The issue of corruption has received growing attention in recent years. There are several notions of corruption. According to the World Bank, corruption can be defined as the abuse of public power for private benefit (Tanzi, 1998). Corruption can be seen as "a social problem and a phenomenon" (Khondker, 2006), while the impact of corruption in an economy can lead to "a market-distorting externality" (Alatas, 2013). Macrae (1982) defined corruption as an arrangement that involves a private exchange between two parties, and Avnimelech, Zelekha and Sharabi (2014) argued that corruption can be found in developed and developing countries. Gurgur and Shah (2005) concluded that the major causes of corruption are lack of service orientation in the public sector, weak democratic institutions, economic isolation, a

colonial past, internal bureaucratic controls, inequality and centralized decision-making. Corruption occurs in state activities, particularly in relation to the monopoly and discretionary power of the state (Tanzi, 1998). In economic activities, corruption can cause a lower level of competition, which can motivate public servants and politicians to grab roles in economic activities (Lambsdorff, 1999). Lambsdorff also argued that an abundance of natural resources and some cultural dimensions were more likely to increase corruption. He further suggested that the freedom of the press and independence are important factors that may reduce corruption.

Caiden (2001) explained that many factors can be the root causes of corruption, such as psychological, ideological, external, economic, political, socio-cultural and technological conditions. Corruption also occurs in the public sector, as pointed out by Tanzi and Davoodi (1997), when corrupt government officials make direct public investments in large projects, probably at the expense of basic expenditures. Murphy, Shleifer, and Vishny (1991) argued that corrupt societies create incentives that stimulate the most talented people to earn their income through bribery rather than in more productive activities.

De Graaf (2007) discussed the causes of corruption in terms of six theories. The first is the “public choice theory”. This theory assumes that the individual attempts to maximize utility. He decides rationally to become corrupt because he believes corruption will be of benefit even when calculating the chance of being caught and the impact of the possible penalty. The second theory is “bad apple”. This theory assumes that a bad character will likely lead a person to corrupt acts. The root cause of corruption is to be found in defective human character and the person’s tendency toward criminal action. The third theory is organizational. Organizational culture plays an important role in getting an individual to act corruptly. This theory argues that once an organizational culture is corrupt, each person who comes in contact with it also runs a big risk of becoming corrupt. The next theory refers to clashing moral values. Connections with people in our social circles such as family and friends could lead corrupt behavior. In our society, values, norms and moral obligations affect our lives. Moral obligations in our personal lives are characterized by reciprocity: we help friends and family just as we expect them to help us. The ethos of public administration is another of De Graaf theories of the cause corruption. Public and private officials have a causal path from societal pressure through the level of structures such as political and economic organizations. A lack of attention to integrity makes them corrupt. In his study, De Graaf refers to “correlation” which highlights certain social, political, organizational or individual factors that can cause corruption.

Alam (1989) divided corruption into four categories. The first category encompasses cost-reducing corruption, which involves officials looking for agent’s costs that are lower than the regulated level. Usually, these take the form of tax reductions or laxity in the enforcement of some regulation. The second category refers to cost-enhancing corruption, which occurs when excess demand exists for an officially supplied goods or service. The government official may seek to appropriate the implicit profit by charging as much as the market will bear. This

situation appears when officials enjoy monopoly power via their control over licensing procedures. The third category of corruption is benefit-enhancing corruption. This arises whenever an official seeks to transfer benefits to an agent in excess of what is legally established, usually in the form of corrupt payments made by over-reporting work done. The last category is benefit-reducing corruption where officials directly appropriate benefits intended for agents. For instance, delaying payment of pension funds and appropriating the interest or stealing supplies from a hospital.

It can be seen from the above review that the issue of corruption is complex. Internal and external factors affect an individual's inclination to act corruptly. The internal factor can be classified as the character of a person, while the external factor comes from beyond the character of individual such as social, political, economic and other factors.

3. The Asian Values

Many studies have investigated the relationship between Asian values and the performance of economies in the regions of Asia. East Asian countries particularly Japan, Hong Kong, Taiwan, Singapore, and South Korea, which are referred to as "the five dragons", have been remarkable in developing economic growth. Many people argue, "Asian values have been described as Asian strategy to negotiate a position in Eurocentric nations of modernity" (Chong, 2002 p.394).

Some economists have pointed out that cultural influences such as Confucian ethics play an important role in business activities. The notion of Confucian ethics not only deals with the connection of humans in the family, society, the market, and corporations, but also gives important direction regarding the appropriate relationship of humans to nature (Fan, 2010).

First, let us examine how Asian values are discussed in the economic sphere. Western scholars introduced the concept of the "Asian development model" in order to explain the economic miracles of the newly industrializing Asian nations between the 1970s and 1980s. Confucian values were the critical driving forces of economic growth in this region (Shung-Hwan, 2001).

Confucians ethics or "Asian values", as the foundation of the success story of the miracle economies, have recently been called "crony capitalism". Political and cultural issues are becoming major aspects of business dealings in the Southeast and East Asia countries, where corruption is receiving criticism from public opinion mobilizers in the press and popular political reform movements (Callahan, 2000). According to Hofstede and Bond (1988), there are four factors which link the ethics of "Confucian Dynamism" to business activities. The first is ordering relationships based on status and observing this hierarchy. In the Chinese tradition, hierarchical dualities and interrelatedness are as important as individuality. This attitude can make the entrepreneurial role easier to play. The second is the sense of shame, which supports interrelatedness through sensitivity to social contacts. The third is thrift,

which leads to savings, producing available capital for investment to create economic growth. Statistics show that in the “five dragon” countries there is a high rate of saving. Finally, there is persistence or perseverance. This suggests a general tenacity in the pursuit of personal goals, including economic goals.

Barnwell and Pratt (1998, p. 54) pointed out that the ethic of discipline in all activities, taught in The Analects of Confucius, is important in relation to business activities. Moreover, as thought in Eastern countries is based on the art of synthesis, the focus on management and government is via innovation in sciences. Hofstede and Bond (1988, p. 20) argued that Eastern culture could become more successful by putting Western technologies into practice with their superior synthetic abilities. However, culture alone cannot determine successful economic growth. There must also be a conducive market and political context. For example, in 1955 the “five dragon” growth occurred because the conditions for a truly global market and supportive political context in all five countries were in place. Finally, Mahbubani in The Economist (1998, p. 23) argued, “attachment to the family as an institution, deference to societal interests, thrift, conservatism in social mores, and respect for authority” are typical Asian values.

There are, however, shortcomings associated with Confucian ethics. In relation to Confucian dynamism, the importance of protecting one’s face can have a negative impact on business activities because a person can be more concerned with saving face than making the best business decision. In addition, the custom of reciprocation of greetings, favor, and gifts in social activities can result in people being concerned with material gain rather than performance. In these cultures people can have too much respect for tradition, which can have the effect of hampering innovation. Finally, personal steadiness and stability can discourage initiative, risk taking and the flexibility needed to exploit the changing conditions in the world market.

The East Asian crisis proved that Eastern countries are still weak in economic structure. The World Bank (2000) reported that the crisis exposed major weaknesses particularly in financial sectors. In relation to this point, it was found that auditors in Eastern countries are often unprofessional and do not work to international standards. This phenomenon may be attributable to cultural values such as “reciprocation of greeting, favor and gifts”, which often involve nepotism, collusion, and corruption. For example, some Eastern people prefer to recruit staff not on the basis ability but on the basis of friendship or family connection, or on money received in order to secure a job or project. Corruption is like as a “cancer”, and people at all levels in Eastern countries practice corruption. As result, economic activities do not function properly. When the economic crisis hit Asia, the Asian economic structure collapsed, particularly in the financial sector, because of corruption. Mahbubani’s “protection of one’s face” can result in institutions, whether private or government, sometimes making decision based on feeling rather than rationality. This can lead to lack of system transparency. In addition, such unprofessional attitudes can also lead to nepotism and cronyism because

families and friend are involved in an organization which is more concerned with personal relationships than formal legality.

4. Suharto Family Business: “Crony Capitalism”

The Suharto family was included in the top ten big businesses in Asia. During three decades as President of the Republic of Indonesia, Suharto family was estimated to be worth U\$30 billion when they had control over vast sectors in Indonesia economy (Transparency International, 1998). Suharto’s family businesses were involved in all sectors of the economy and had a strong influence not only in the public sector but also in the private sector. It seems that Suharto was “politically connected” with all business activities in Indonesia. For instance, as Handerson and Kuncoro (2004) pointed out, in order to “smooth business operations” by obtaining licenses and permits, firms spent on average over 10 percent of costs on bribes. As well as Suharto’s children and other relatives running connected firms, other conglomerate businessmen were also connected with Suharto family businesses, including Salim of Salim Group, Eka Tjipta Widjaja of Sinar Mas Group, and Bob Hasan of Nusamba Group (Asiaweek, 1996, Colmey & Liebhold 1999).

In order to protect and benefit the family businesses, Suharto formulated a policy to create a direct mechanism connected to the President. This applied to each group connected to the Suharto family, who then created more business groups through joint ownership or management (Mobarak & Purbasari, 2006). Furthermore, as McLeod (2005) pointed out, President Suharto operated a “franchise system”, which provided incentives for public officials in political parties, in the judiciary, the bureaucracy, the military, the police, and in state owned enterprises.

Suharto had six children and each son or daughter had companies that were supported by Suharto. They were all entrepreneurs. Suharto’s first daughter, Siti Hardijanti Rukmana (Tutut), owned Citra Marga Nusaphala Persada. Tutut was 35 percent shareholder and her husband 20 percent shareholder in another company, Citra Lamtoro Gung Persada that was established in 1982. The company had interests in more than 90 companies ranging from telecommunications to infrastructure, including tollways in Indonesia and the Philippines.

Suharto’s first son, Sigit Harjojudanto owned the Henurata Group, which was involved in plywood, banking and plastic. He had a joint venture with Bob Hasan (a prominent Indonesia businessman) and with Liem in the Bank Central Asia, while having a share in Nusamba. Bambang Trihatmodjo, Suharto’s second son, owned the Bimantara Citra Company that received concessions from the Indonesia government. He also owned one of Indonesia’s largest conglomerates with 27 subsidiaries and interests in broadcasting and telecommunications, automotive, oil industry, infrastructure, finance, electronics, entertainment and animal feed. Suharto’s third son, Hutomo Mandala Putra (Tomi), owned the Humpuss group established in 1984. The company covered about 70 companies which were involved in aviation, agribusiness, toll road construction, oil, gas, commodities, manufacturing, media and timber. Humpuss made huge profits from shipping with Pertamina (The State Oil and Gas Corporation).

Tomi promoted a “national car” (the Timor) in a joint venture with Kia the South Korean car company. As a result, not surprisingly, “this precipitated protests to the World Trade Organization by car manufacturers in Japan the EU and USA” (Barenwell & Pratt, 1998 p. 275). Fealy (2015) described the extensive role under Suharto that the armed forces played in political, social and economic affairs. In collaboration with an army general, Tomi also had business involvement in Sempaty Air, and received free fuel and free airport use. Further, Suharto’s second daughter, Siti Hedijanti Harijadi’s (Titiek), owned Maharani Paramita, which had businesses in property, telecommunications, finance and forestry. Suharto’s third daughter, Siti Hutami Endang Adiningsih (Mamiék), had companies that were involved in plantations, warehousing, transport and a land-reclamation project.

In order to expand the family business, Suharto maintained a close relationship with Liem Sioe Liong for over 30 years. During Suharto’s fights for Indonesia’s independence Liem supported the Indonesian army with provisions such as medicine and food. Verchere (1978, p. 9) pointed out that when Suharto become the second president of Indonesia “heading a huge industrial empire and wielding enormous political influence, [Liem] had total access to the President both at home and at the Istana Palace”. Therefore, Suharto had the power to protect Liem’s business activities with exclusive concessions from the government. Liem had outstanding entrepreneurial skill and most of his business collaborations were with the Suharto family. The Suharto-Liem businesses provided the Indonesian people with jobs. However, most of the companies were guilty of corruption, cronyism and nepotism and one by one became bankrupt when the economic crisis hit Indonesia.

Liem was the founder of the Salim Group. According to Hiscock (1997, p. 195), the Salim group was the most powerful in Asia with 300 companies, 135,000 employees and an annual revenue of US\$10 billion and interests spanning food and beverages, cooking oil, cement, motor vehicles, commodity trading, property, chemicals, pharmaceuticals, textiles, financial services, distribution, media and telecommunications. In the banking sector, Suharto’s family and Liem established the Bank Central Asia (BCA), which was the second largest private bank in Indonesia. Liem, together with Tutut and Sigit, expanded the bank into Hong Kong where it was named the Central Asia Capital Corporation.

Liem’s companies had concessions from the Indonesian government, which laid the foundation of the Salim group. One of the Salim companies, PT Bogasari Flour Mill became the largest wheat buyer with a monopoly in the market in western Indonesia. Another company, PT Mega, imported cloves with exclusive concessions from the government. The Indonesian government had shares in PT Indocement, which produced cement. Liem also had food companies under PT Indofood Sukses Makmur. Liem prepared his son, Anthony Salim, as his business successor.

5. Discussion

As mentioned previously, Asian values have strongly influenced Asian societies. In the case of Indonesia, Suharto succeeded in developing his family businesses because of the hierarchy of relationships based on status. As the President, Suharto was easily able to make connections with other businessmen in Indonesia. Many conglomerates, such as the Liem and Bob Hasan conglomerates, took the advantage of a relationship with the Suharto family because the President gave protection to the businesses of close friends. These businessmen also collaborated with the Suharto family businesses. In the other words, the Suharto family and these conglomerates had mutually beneficial relationships. As a result, the Suharto family's businesses expanded rapidly during 1980s until the end of 1990s. However, the Suharto family established their business empire through corruption, collusion and nepotism in the Indonesian business environment, which can be attributed to the custom of reciprocation of greetings, favor, and gifts in business activities. The Suharto family tended to monopolize all business activities, while other companies obviously were unable to become involved in certain sectors, because the Suharto family had exclusive protection from the Indonesian government.

The Suharto family had close relationships with top businessmen in Indonesia. The famous businessmen, Liem and Bob Hasan, made it easy for the family to be involved in the business arena. Within these mutual relationships, Suharto, on the one hand used his politico-bureaucratic power to protect the business activities of Liem and Bob Hasan. On the other hand, Liem and Bob Hasan supported the Suharto family firms through skill and capital. As a result, the Suharto family and Liem and Bob Hasan became a huge conglomerate.

Indonesia suffered from the economic crisis in 1997. The Indonesia government felt the crisis more deeply than other countries because it affected the economic, social and political structures. Brown (2015) reported, "Indonesia was particularly hard hit, inflation reaching almost 80 percent in 1998, and economic growth becoming negative at around 13 percent". Radelat (2000) proposed three causes of the economic crisis: 1) bad management in the financial sector such as Indonesia's deregulation of the banking sector in the late 1980s, 2) increased vulnerability to the sudden withdrawal of short-term finance, and 3) increased influence of the Suharto family in business activities featured corruption and cronyism.

The Suharto family firms were also adversely affected by the economic crisis. One by one most of the Suharto family firms were found to be guilty of corruption, cronyism and nepotism and one by one went into bankruptcy. The Indonesian government did not practice rational decision-making, with the President occasionally intervening through presidential instruction (*instruksi presiden*) in the business sector. Suharto gave protection to his children through tax concessions and special considerations. For instance, his son (Tomi) received free aircraft fuel and hangar space at Indonesian airports. This situation led to a monopoly resulting from collaboration with close friends like Liem and Bob Hasan. As a result some economists felt that the Indonesian economic crisis cut more deeply because of the enormity of business dependence on the government.

Many of the Suharto family's major business activities contributed to the economic crisis. In the financial sector, the Suharto family was involved in the banking sector and some banks operated under the Suharto family names. For instance, Suharto founded the Bank Duta whose purpose was set to up social services but in fact, the money was distributed to his children and friends. Tutut and Sigit together with Liem shared in the Bank Central Asia (BCA), which was a large private bank in Indonesia. Bambang and Tommy were involved in Bank Bumi Daya, while Bambang owned Bank Andromeda. These banks were later closed down. Most Suharto family banks had bad debts in foreign currency, obtaining low-interest loans by colluding with or even strong-arming bankers who were often afraid to ask for repayment due to the instruction of President. Likewise, it was difficult for state banks to refuse giving the loans.

Suharto sons, Bambang and Tommy had bad loans from just one of their four banks, the Bank Bumi Daya, while the Suharto family had stakes in Bank Central Asia, which was saddled with bad loans such as unbudgeted foreign debts. The Finance Ministry announced that Bambang's Bank Andromeda was undercapitalized and should close. Bambang defied the decision and sued the Finance Ministry and then reopened the bank as the Bank Alfa. His position as a member parliament for the Golkar party and his father's influence made this transaction possible. Meanwhile, Tomi enjoyed an exclusive concession to produce a national car called the "Timor". The project was a joint venture with the Korean carmakers Kia and epitomized the rampant cronyism that Suharto Inc. was renowned for. To implement Tomi's programs, President Suharto granted tax-free in importation of this car. Not surprisingly, as Barenwell and Pratt (1998, p. 275) reported, "This precipitated protests to the World Trade Organization by car manufactures in Japan, EU and USA". In addition, Bambang's company Bimantara had a joint venture with Hyundai to produce the Cakra car. When Bimantara was overwhelmed with debt, consultants and brokers were resentful and disrespectful of Bambang for his administration, which adversely affected his reputation.

The IMF developed strategies to help Indonesia to overcome the economic crisis by proposing several packages to improve Indonesian management efficiency. For Indonesia, the IMF program was particularly extensive and included a large number of additional structural reforms to eliminate cronyism (Takagi, 2016). The packages included abolition of protection for economic activity, no subsidies, and the restructure of the Indonesian financial sector. The IMF strategies also impacted on the Suharto family businesses and Suharto was reluctant to follow the IMF's direction. Aditjondro argued, "Suharto had difficulty sacrificing his family's business empire, which he has built in nearly 50 years" (The Australian Financial Review, 1997). The Indonesia economy worsened, and sank more deeply into debt. Indonesia recovered from the economic crisis somewhat later than Thailand and Malaysia.

6. Conclusion

What can be learned from the Suharto family business and Asian values? Through Asian values, the power and relationships of the Suharto family firms strongly influenced the

Indonesian business environment. However, many Suharto family firms were basically unhealthy. For example, the banking sector had enormous debts because of bad management, which involved corruption and collusion. As a result, when the economic crisis hit Indonesia most of the Suharto family banks faced bankruptcy because they were undercapitalized. Similarly, Tomi's "Timor car" project, which was an expensive project for the government because of the tariff breaks, collapsed after Suharto's retirement. Moreover, recently, one by one Suharto's companies have become bankrupt because of the economic crisis and the inability to gain the previously available concessions. Therefore, the Indonesian people face enormous debts from international institutions caused by the Suharto-Liem collusion in Indonesian business. In the future, the prospect for the Suharto family seems to be bankruptcy and loss of credibility because of the bad management that had been strongly supported by Suharto when he was president. Since the Indonesian financial crisis, the Indonesian government has been investigating the Suharto family who cost Indonesia much money and burdened the government with a huge debt. Unfortunately, the Indonesian people will pay the price for Suharto's indiscretions for some time to come.

Acknowledgements

Thanks to Prof. Heizpeter Snoj (University of Bern), and A/Prof. Elco van Burg (Vrije Universiteit Amsterdam) for their comments on an earlier version of this article, and to Dr Maria Flutsch (ret. University of Tasmania) for editing.

References

- Aditjondro, G. (2000, September 17). *Fortunes of the first family*. The Australian Financial Review, p. 95.
- Alam, M. S. (1989), Anatomy of corruption: An approach to the political economy of underdevelopment. *The American Journal of Economics and Sociology*, 48(4), 441-456.
- Alatas, H. S. (1999). *Corruption and the destiny of Asia*. Prentice-Hall: Petaling Jaya.
- Avnimelech, G., Zelekha, Y., & Sharabi, E. (2014). The effect of corruption on entrepreneurship in developed versus non-developed countries, *International Journal of Entrepreneurial Behavior & Research*, 20(3), 237-262.
- Barnwell, N. & Pratt, G.R. (1998). *Australian business: An Asia Pacific perspective (3rd ed.)*. Prentice Hall Sprint Print: Brookvale, NSW.
- Barr, M. D. (2000). Lee Kuan Yew and the "Asian values" debate. *Asian Studies Review*, 24(3), 309-334.
- Bennet, M. (1999) Banking deregulation in Indonesia: An updated perspective in light of the Asian financial crisis. *University of Pennsylvania Journal of International Economic Law*, 20(1). Retrieved from <https://scholarship.law.upenn.edu/jil/vol20/iss1/1>
- Brown, C. (2015). *Australian Indonesia project 50 year of engagement*. Canberra, ACT: Bobby Graham Publishers.
- Caiden, G. (2001). *Corruption and governance*. In G. E Caiden, O. P. Dwidevi & J. G. Jabbar (Eds.), *Where corruption lives* (pp. 15-34). Bloomfield: Kumarian Press.
- Callahan, W. A. (2000). *Political corruption in Southeast Asia*. In R. Williams (Ed.), *Party finance and political corruption* (pp. 163-198). Basingstoke and London: Palgrave Macmillan Press.
- Chong, T. (2002). Asian values and Confucian ethics: Malay Singaporeans' Dilemma. *Journal of Contemporary Asia*, 32(3), 394-406.

- Colmey, J. & Liebhold, D. (Monday May 24 1999). The family firm. *Time*. pp.23-47
- De Graaf, G. (2007). Cause of corruption: toward a contextual theory of corruption. *Public Administration Quarterly* 31(1), 39-86.
- Elias, S. & Noone, C. (2008). The growth and development of the Indonesian economy. Bulletin, December Quarter 2011, *Australian Reserve Bank*, Retrieved from <https://www.rba.gov.au/publications/bulletin/2011/dec/pdf/bu-1211-4.pdf>
- Fan, R. (2010). *Reconstructionist Confucianism: Rethinking morality after the West*. Springer Science.
- Fealy, G. (2015). *The politics and Yudhoyono majoritarian democracy, insecurity and vanity*. In E. Aspinall, M. Mietzner, & D. Tomsa (Eds.), *The Yudhoyono Presidency: Indonesia decade of stability and stagnation* (pp. 35-54). Singapore, ISEAS Publishing.
- Gurgur, T., & Shah, A. (2005). Localization and corruption: panacea or Pandora's box, *The World Bank Policy Research Working Paper* 3486.
- Handerson, J. V & Kuncoro, A. (2004). Corruption in Indonesia, *NBER Working Paper* No.10674, August.
- Hiscock, G. (1997). *Who's really who in business – the top 100 billionaires in Asia*. London: Nicholas Brealey Publishing.
- Hofstede, G., & Bond, M. H. (1988). The Confucius connection: from cultural roots to economic growth. *Organizational Dynamics*, 16(4), 4-21.
- Khondker, H. H. (2006). Sociology of corruption and 'corruption of sociology' evaluating the contributions of Syed Hussein Alatas. *Current Sociology*, 54(1), 25-39.
- Lambsdorff, J. G. (1999). *The impact of corruption on capital productivity*. Unpublished manuscript, Göttingen University.
- Lindsey, T. & Dick, H. Q. (2002). *Corruption in Asia: Rethinking the governance paradigm*. Sydney: Federation Press.
- Macrae J. (1982). Underdevelopment and the economics of corruption: A game theory approach, *World Development*, 10(8), 677-687.
- Mahbubani, K. (1998, July 25). *The Economist*, p. 23.
- McBeth, J. (1998, January 29). Win some, lose some. *Far Eastern Economic Review*.
- McLeod, R. H. (2005). The struggle to regain effective government under democracy in Indonesia. *Bulletin of Indonesian Economic Studies*, 41(3), 367-386.
- Mobarak, A. M. & Purbasari, D. P. (2006) *Corrupt protection for sale to firms: Evidence from Indonesia*. Retrieved from www.colorado.edu/Economics/courses/mobarak/Research.htm
- Moktan, K. M. (2015) *ADB/OECD Anti-corruption initiative for Asia and the Pacific, Strategies for business, government, and civil society to fight corruption in Asia and Pacific*, Proceedings of the 6th Regional Anti-Corruption Conference for Asia and the Pacific. Singapore: OECD.
- Murphy, K. M., Shleifer, A., & Vishny, R. W. (1991). The allocation of talent: implication for growth, *Quarterly Journal of Economics*, 106(May), pp. 503-530.
- Nababan, (1999, May 1999). The family firm. *Times*, p. 47
- Radelet, S. (1998, September 30), Indonesia's implosion. *Harvard Asia Pacific Review*, Retrieved from www.stern.nyu.edu/~nroubini/asia/Asia
- Rock, M. T. (2007) Corruption and democracy. *DESA Working Paper* No. 55ST/ESA/2007/DWP/55, August 2007.
- Shung-Hwan, L. (2001) "Asian Values" and Confucian discourse", *DEBATE on Asian Values* (4), *Korea Journal* Autom 2001.
- Snoj, H. (2007) *Deep corruption in Indonesia. Discourses, practice, histories*, in Nuijiten, M and Anders, G (edited) *Corruption and the secret of law: A legal anthropological perspective*, Ashagate Publishing Limited, England.

- Tabor, S.R. (2015) Constrains to Indonesia's Economic Growth, *ADB Papers on Indonesia*, No 10 December 2015, Asian Development Bank, Metro Manila, Philippines.
- Tanzi, V. (1998), Corruption around the world: Causes, consequences, scope, and cures. *IMF Staff Papers*, 45(4), (December 1998). Washington: International Monetary Fund.
- Takagi, S. (2016). Applying the lessons of Asia: The IMF's crisis management strategy following the global financial crisis. *International Economic Journal*, 30(3), 409-428. <https://doi: 10.1080/10168737.2015.1136669>
- Tanzi, V. & Davoodi, H. (1997). Corruption, public investment, and growth. *A Working Paper of the International Monetary Fund* WP/97/139, Washington: International Monetary Fund.
- Transparency International. (2004). *Corruption Perception Index*. Berlin, Retrieved from <http://www.transparency.org/surveys/index.html#cpi>
- Tripathi, S. (1998, January 8). A moment of truth, *Far Eastern Economic Review*.
- van der Eng, P. (2009). Growth and inequality: The case of Indonesia, 1960-1997. Munich Personal RePEc Archive. Retrieved from https://mpa.ub.uni-muenchen.de/12725/1/Income_inequality_
- Verchere, I. (1978, May). Liem Sioe Liong: Suharto's secret agent. *Insight*. pp. 8-16
- World Bank. (2000). *Indonesia: acceleration recovery in uncertain times*. (October 2000), Washington DC: World Bank.