The Role of Financial Digitalization in Eradicating Corruption in Indonesia

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ABSTRACT

Technological advances provide a number of benefits in various sectors, one of which is the financial sector. Technological advances in the financial sector or commonly known as financial digitalization have made data bookkeeping more effective, easily accessible, transparent, and made it easier for employees to carry out financial reports. Based on this, this research aims to analyze the role of financial digitalization in preventing corruption in Indonesia. This research is qualitative research with a descriptive approach, namely describing the meaning of technology, technological developments, the benefits of technology, its relationship with finance, and the benefits of digitalization of technology in preventing corruption in Indonesia. The data used by researchers in this article is secondary data, namely in the form of legislation, scientific articles, books, websites and other things that are usually used in every research. The researchers analyzed these data using the stages of data collection analysis, data reduction, data analysis, and drawing Conclusion. The result in this research show that the presence of financial digitalization at least has benefits in preventing corruption because of its transparency. With the digitalization of financial tenders, financial reporting, and other things that are transparent and do not endanger privacy, they can be accessed easily by all stakeholders, supervisors, partner companies, internal company parties, and so on to find out the tender winner, continuity of the tender, until completion of the tender. Apart from that, if suspicious potential for corruption is found, it can be tracked easily. Because of this, anyone who has the intention to commit corruption will be discouraged.

Keywords: Financial Digitalization, Eradicating, Corruption

INTRODUCTION

Current technological developments have shown many significant advances whose influence is felt in everyday life, including in supporting various human activities. Humans themselves have known technology since thousands of thousands of years ago. In fact, before entering the modern era like today, technology experienced development from time to time, through several phases. It started in prehistoric times, a time when humans did not know writing. At this time, humans made tools from stone which were used for various activities such as hunting and processing food. Next we entered ancient times or the period after pre-history where many inventions were used for mass purposes such as ships and buildings, and historical
relics in the form of writing were also found. Entering the 5th to 15th centuries AD or the Middle Ages, Europeans were the pioneers of technological development at this time. The technology that is visible is from an artistic perspective and various mathematical formulas and physical theories are discovered. During this time the compass was also discovered which was used for exploration. At the beginning of the industrial revolution, namely around the 17th to 18th centuries AD, demand for life’s necessities increased, as people increased. The technology discovered is in the form of a machine with the ability to mass produce. Until now, technology is increasingly showing progress whose development covers various areas of human life. Current technological advances are characterized by changes in production processes and the introduction of new products which have an impact on increasing productivity (Pujoalwanto, 2014).

Technological progress was also marked by the industrial revolution that emerged and occurred in the 18th century with the discovery of the steam engine. At that time, human labor could be replaced with machines so that factories were able to mass produce products. Then the industrial revolution 2.0 occurred in the 19-20 century through the use of electricity which made production costs cheap (Saliman, 2016) The Industrial Revolution 3.0 occurred around 1970 through the use of computerization, and the most recent is the industrial revolution 4.0 which began around 2010 through intelligence engineering and the internet of things as the backbone of human and machine movement and connectivity. The Industrial Revolution 4.0 has fundamentally changed the way humans think, live and relate to one another. This era will disrupt various human activities in various fields, not only in the field of technology, but also in other fields such as economics, social and political, as well as those related to information technology. Information technology can be a source of information and a means of learning, and a means of seeing the market more broadly through its products (Nopriansyah, 2019).

Advances in technology, especially information technology, have brought many changes to people’s lives. Technology continues to develop to make things easier for humans as life’s needs increase compared to before. These information technology activities can be used as a means of communicating, disseminating and searching for data, used for teaching and learning activities, used to provide services, and can also be used to carry out business transactions (Barkatullah, 2009). Information technology in The Dictionary of Computers, Information Processing and Telecommunications (Hariyadi, 1992) is defined as the technology for procuring, processing, storing and disseminating various types of information by utilizing computers and telecommunications which was born because of the strong incentives to create new technology that can overcome human slowness in processing information (Mathias, 2020). This slowness is felt because the volume of information is increasing rapidly. Pendit also added that information technology allows the consumption of information in large quantities and at extraordinary speed. This ability is mainly due to the "spearhead" of information technology, namely computers (Azhari, 2023).
One of the benefits of this progress/financial digitalization in the field of law and finance is the prevention of criminal acts of corruption in Indonesia. Deputy Chairman of the Corruption Eradication Committee, Nurul Ghufron, said that the root of the corruption problem lies in the moral integrity of people and data. According to Ghufron, so far the data in each sector has not been unified, resulting in many programs being implemented not according to needs, the timing is not on target, and the quantities are not correct. As a result, many problems arise, one of which is corruption. Apart from that, Sri Mulyani Indrawati said, the implementation of digital technology systems in government agencies has minimized the occurrence of corrupt practices (Effendy, 2003). One of them is in terms of social assistance programs (bansos) provided to the community. He said that currently a lot of social assistance is distributed by the government by name by address. This aims to be right on target and the money sent goes directly into the accounts of the recipients. Compared to the regime when there was no digital technology, there are concerns that every government program that directly benefits society will be worried about going through various administrative bureaucratic processes which will then be very vulnerable to corruption or illegal levies and then the benefits to society will decrease (Sulistyo, 2022).

Based on this, this research aims to examine the role of Financial Digitalization in minimizing the problem of corruption in Indonesia, what needs to be innovated to maximize this role, and so on which can help in minimizing corruption in Indonesia.

**RESEARCH METHODS**

Technological advances provide a number of benefits in various sectors, one of which is the financial sector (Muhammad, 2019). Technological advances in the financial sector or commonly known as financial digitalization have made data bookkeeping more effective, easily accessible, transparent, and made it easier for employees to carry out financial reports (Saputra & Fadhilah, 2022). Based on this, this research aims to analyze the role of financial digitalization in preventing corruption in Indonesia (Sugiyono, 2019). This research is qualitative research with a descriptive approach, namely describing the meaning of technology, technological developments, the benefits of technology, its relationship with finance, and the benefits of digitalization of technology in preventing corruption in Indonesia (Imam Gunawan, 2014). The data used by researchers in this article is secondary data, namely in the form of legislation, scientific articles, books, websites and other things that are usually used in every research (Manzilati, 2017). The researchers analyzed these data using the stages of data collection analysis, data reduction, data analysis, and drawing conclusions with the analysis results below (Abdurahman, 2016).
RESULT AND DISCUSSION

Technological Advances and Their Benefits

Current technological developments have shown many significant advances whose influence is felt in everyday life, including in supporting various human activities. Humans themselves have known technology since thousands of thousands of years ago. In fact, before entering the modern era like today, technology experienced development from time to time, through several phases. It started in prehistoric times, a time when humans did not know writing. At this time, humans made tools from stone which were used for various activities such as hunting and processing food. Next we entered ancient times or the period after pre-history where many inventions were used for mass purposes such as ships and buildings, and historical relics in the form of writing were also found. Entering the 5th to 15th centuries AD or the Middle Ages, Europeans were the pioneers of technological development at this time. The technology that is visible is from an artistic perspective and various mathematical formulas and physical theories are discovered. During this time the compass was also discovered which was used for exploration. At the beginning of the industrial revolution, namely around the 17th to 18th centuries AD, demand for life’s necessities increased, as people increased. The technology discovered is in the form of a machine with the ability to mass produce. Until now, technology is increasingly showing progress whose development covers various areas of human life. Current technological advances are characterized by changes in production processes and the introduction of new products which have an impact on increasing productivity (Pujoalwanto, 2014).

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From the explanation of the deputy chairman of the Corruption Eradication Committee and the Minister of Finance, it can be concluded that the presence of financial digitalization at least has benefits in preventing corruption because of its transparency. With the digitalization of financial tenders, financial reporting, and other things that are transparent and do not endanger privacy, they can be accessed easily by all stake holders, supervisors, partner companies, internal company parties, and so on to find out the tender winner, continuity of the tender, until completion of the tender. Apart from that, if suspicious potential for corruption is found, it can be tracked easily. Because of this, anyone who has the intention to commit corruption will be discouraged.
CONCLUSION

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