RIYANTO. Corruption in Regional Development: a Political Economic and Cultural Study (ISANG GONARSYAH as Chairman, AKHMAD FAUZI and ARYA HADI DHARMAWAN as Members of the Advisory Committee).

Regional autonomy that has been implemented in Indonesia since 2001 has opened social space for democratization process in regional development. It rendered more authorities to the regional government in managing economic as well as political agenda. However, due to lack of political as well as administrative, and professional accountability of the regional government as a result of politic, economic and cultural factors interplay, more authorities acquired then have triggered corruption in several regional governments, indicated by among others the emergence of problematic regional regulation. The main objective of this study is to analyze the political economic and cultural factors affecting corruption in regional economic development during the decentralization era in Indonesia.

The research makes use qualitative (descriptive) as well as quantitative (econometric) methodology in identifying and analyzing the political economic and cultural factors affecting corruption in the regional administration. In addition, case studies are conducted in three regencies, i.e. Kabupaten Solok, Kabupaten Sukoharjo and Kabupaten Kutai Kartanegara to elaborate the process of policy making in formulating budget and regional regulation.

Results of the study show that (1) political economic and cultural factors are strongly affecting corruption in regional development in the autonomy era, (2) the seed of corruption has already emerged since the beginning of the decision making process in the executive as well as legislative agencies, and (3) compared to the Administration of Kabupaten Solok which has implemented the practices of good governance, the magnitude of corruption in the Administration of Kabupaten Sukoharjo and Kabupaten Kutai Kartanegara is higher, due respectively to the interplay of political power and cultural factors in Kabupaten Sukoharjo and to the relatively absolute power held by the regent of Kabupaten Kutai Kartanegara.

Keyword: corruption, political economic, cultural factor, regional regulation, regional development, good governance