LEGAL PERSPECTIVES ON MORAL HAZARD: STRENGTHENING DEMOCRACY IN INDONESIA'S POLITICAL SYSTEM

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Abstract

Political parties are central to the democratic system in Indonesia, acting as the intermediary between citizens and the government. However, one of the most significant challenges facing political parties today is the issue of moral hazard, which occurs when party members prioritize personal or group interests over the public good. This study explores the impact of moral hazard within political parties and its detrimental effects on democracy in Indonesia. Using doctrinal legal research with a conceptual and descriptive analysis of secondary data, the study finds that moral hazard leads to a decline in public trust, diminished political participation, and weakened social control. The consequences also extend to the quality of public policies, which suffer due to misaligned priorities, lack of expertise, and insufficient evaluation. Moreover, moral hazard erodes accountability, which fuels corruption, nepotism, and a lack of oversight, ultimately compromising the quality of democracy. To address these challenges, the study proposes a multi-pronged strategy, including strengthening internal oversight within political parties, improving transparency, and reforming the party system. Key reforms include ensuring ethical conduct through codes of ethics, establishing independent oversight committees, and protecting whistleblowers. The study also advocates for stricter legal enforcement, increased public participation, and the role of media in holding parties accountable. Finally, global cooperation is crucial in tackling cross-border corruption and unethical practices. By implementing these reforms, Indonesia can reduce moral hazard within political parties, strengthening the democratic process and ensuring that the political system serves the public interest effectively and transparently.

Keywords: *Moral Hazard; Political Parties; Democracy; Indonesia; Accountability; Transparency.*

A.   Introduction

Indonesia is a democratic nation that upholds the sovereignty of its people.[1] All power originates from the citizens, is exercised by the citizens, and is intended for the citizens. Democracy in Indonesia is based on several key principles, such as equality among citizens, where every individual has equal rights in political practices, the involvement of citizens in political

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[1]   David M. Bourchier, 'Two Decades of Ideological Contestation in Indonesia: From Democratic Cosmopolitanism to Religious Nationalism', *Journal of Contemporary Asia* 49, no. 5 (2019): 713–33, https://doi.org/10.1080/00472336.2019.1590620; Jamie S. Davidson, 'Contemporary Authoritarianism in Southeast Asia: Structures, Institutions and Agency', in *Contemporary Authoritarianism in Southeast Asia* (Routledge, 2013); Amitav Acharya, *Indonesia Matters: Asia's Emerging Democratic Power*, vol. 1 (World Scientific, 2014); Mohammad Hatta, 'Indonesia's Foreign Policy', *Foreign Affairs* 31, no. 3 (1953): 441–52, https://doi.org/10.2307/20030977.

decision-making, and the recognition of freedom by the state.[2] A fundamental element of democracy is the existence of political parties. Since gaining independence, Indonesia has adopted a multiparty system, where multiple parties compete for governmental authority.[3] The issuance of Vice President M. Hatta's Decree No. X/1945 marked a significant milestone in the establishment of Indonesia's multiparty system.[4]

According to Article 1 of Law Number 2 of 2011, which amends Law Number 2 of 2008 concerning Political Parties, a political party is defined as a national organization voluntarily formed by a group of Indonesian citizens, based on shared aspirations and ideals, to advocate for and defend the political interests of its members, society, the nation, and the state, while preserving the integrity of the Unitary State of the Republic of Indonesia based on Pancasila and the 1945 Constitution of the Republic of Indonesia.[5]

Article 11, paragraph (1) of Law Number 2 of 2008 concerning Political Parties outlines several key functions that political parties in Indonesia must fulfill. These functions are crucial for ensuring that political parties not only operate effectively within the framework of the nation's democratic system but also play a vital role in upholding the values of democracy, inclusivity, and justice. By serving various essential purposes, political parties contribute significantly to the political and social development of the nation.[6]

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[2] Ida Widianingsih and Elizabeth Morrell, 'Participatory Planning in Indonesia: Seeking a New Path to Democracy', *Policy Studies* 28, no. 1 (2007): 1–15, https://doi.org/10.1080/01442870601121320; Simon Butt, *The Constitutional Court and Democracy in Indonesia* (Brill, 2015); Olle Törnquist, 'Assessing Democracy from Below: A Framework and Indonesian Pilot Study', *Democratization* 13, no. 2 (2006): 227–55, https://doi.org/10.1080/13510340500523937.

[3] Andreas Ufen, 'Political Party and Party System Institutionalization in Southeast Asia: Lessons for Democratic Consolidation in Indonesia, the Philippines and Thailand', *The Pacific Review* 21, no. 3 (2008): 327–50, https://doi.org/10.1080/09512740802134174; Muh Hasrul et al., 'Simplifying the Multiparty System or Compromising Equality? Legal Challenges and the Current Political Landscape in Indonesia', *Sriwijaya Law Review* 9, no. 2 (2025): 416–31, https://doi.org/10.28946/slrev.v9i2.4030; Marcus Mietzner, 'Comparing Indonesia's Party Systems of the 1950s and the Post-Suharto Era: From Centrifugal to Centripetal Inter-Party Competition', *Journal of Southeast Asian Studies* 39, no. 3 (2008): 431–53, Cambridge Core, https://doi.org/10.1017/S0022463408000337.

[4] Qurrata Ayuni et al., 'The Fall of Executive Power in Indonesia: The Need to Strengthen Legal Arrangements', *Revista de Investigações Constitucionais* 12, no. 1 (2025): e500, https://doi.org/10.5380/rinc.v12i1.94404; Simon Butt and Tim Lindsey, *Indonesian Law* (Oxford University Press, 2018).

[5] Mochammad Andry Wikra Wardhana Mamonto, 'Legal Politics of Simplifying Political Parties in Indonesia (Case Study of 2004–2014 Election)', *Substantive Justice International Journal of Law* 2, no. 1 (2019): 1–20, https://doi.org/10.33096/substantivejustice.v2i1.25; Ibnu Sina Chandranegara and Syaiful Bakhri, 'Institutional Arrangements of the Political Party Wing on the Functions of Political Parties.', *Jurnal Hukum Novelty* 12, no. 2 (2021): 153–70, https://doi.org/10.26555/novelty.v12i2.a17870.

[6] Moch Andry Wikra Wardhana Mamonto et al., 'Promoting the Principle of Political Equality: Reformulation of Private Funding Source Regulations for Indonesian Political Parties', *Journal of Law and Legal Reform* 5, no. 3 (2024): 1067–128, https://doi.org/10.15294/jllr.v5i3.14457; Butt, *The Constitutional Court and Democracy in Indonesia*.

One of the primary functions of political parties, as outlined in the law, is political education.[7] Political parties are responsible for fostering awareness among their members and the wider community regarding their rights and responsibilities as citizens in the social, national, and state life. This educational role is fundamental in a democracy, as it helps individuals understand their role in the political process and encourages active participation in shaping the future of the nation. By educating their members, political parties contribute to the creation of an informed electorate, which is essential for the health of a democratic system. Political education goes beyond teaching legal rights; it also encompasses the cultivation of a deeper understanding of democratic principles, ethical political behavior, and the importance of civic responsibility. Through these efforts, political parties can help create a population that is both knowledgeable and engaged, ready to contribute positively to the nation's political life.[8]

Another significant function of political parties is their role in creating a conducive environment for national unity and societal welfare.[9] Political parties are tasked with promoting the unity and integrity of Indonesia as a nation. This involves facilitating cooperation between different groups within society, bridging social and cultural divides, and advocating for policies that contribute to the common good. A strong political party system helps maintain harmony and stability by ensuring that diverse voices are heard and that the needs of various communities are addressed. This is particularly important in a diverse country like Indonesia, where differences in ethnicity, religion, and regional identities must be managed with care and respect. By promoting unity, political parties contribute to societal welfare by working towards policies that address social inequalities and ensure that economic and social development benefits all citizens.[10]

Additionally, political parties serve as a channel for absorbing, collecting, and disseminating public political aspirations.[11] In a democratic system, it is essential for the government to be

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7   Endro Tri Susdarwono and Aswhar Anis, 'Political Education in Indonesia: Community Assessment and Preferences for Political Education Conducted by Political Parties', *Futurity Education* 3, no. 2 (2023): 5–20, https://doi.org/10.57125/FED.2023.06.25.01; Gunawan Arifin et al., 'Enhancing the Role of Political Parties in Advancing Political Education as a Foundation for Democracy', *Fiat Justisia: Jurnal Ilmu Hukum* 19, no. 1 (2025): 73–92, https://doi.org/10.25041/fiatjustisia.v19no1.4026.

8   Daniel Bladh, 'Party Functions and Party Education in the Political Landscape of Sweden', *International Journal of Lifelong Education* 41, nos 4–5 (2022): 435–49, https://doi.org/10.1080/02601370.2022.2104397.

9   Achmad Hariri, 'Reconstruction of Political Party System Towards Substantive Democracy in Indonesia', *Proceedings of the 1st UMSurabaya Multidisciplinary International Conference 2021 (MICon 2021)*, 13 May 2023, 7–13, https://doi.org/10.2991/978-2-38476-022-0_2.

10   Magnus B. Rasmussen and Carl Henrik Knutsen, 'Party Institutionalization and Welfare State Development', *British Journal of Political Science* 51, no. 3 (2021): 1203–29, Cambridge Core, https://doi.org/10.1017/S0007123419000498.

11   Myrat Kovusov et al., 'The Impact of Elections in Various Aspect of Life in Indonesia', *Proceedings of the International Conference for Democracy and National Resilience (ICDNR 2023)*, 6 December 2023, 27–36, https://doi.org/10.2991/978-2-38476-148-7_4.

responsive to the needs and concerns of the public. Political parties act as intermediaries between the people and the government by gathering and representing the political aspirations of citizens.[12] By doing so, they ensure that the political system remains responsive to the public's concerns, making it more accountable and transparent. Political parties play a crucial role in the formulation and establishment of state policies, as they help bridge the gap between the government and the electorate. They give voice to the diverse political opinions and aspirations of the people, ensuring that these are taken into account when shaping national policies. In this way, political parties help ensure that policies are not only reflective of the government's objectives but also aligned with the public's needs.[13]

Political parties also serve as facilitators of political participation.[14] They provide a platform for citizens to engage in the democratic process by supporting political participation in elections and policy-making. By encouraging citizen involvement, political parties promote a more inclusive and representative democracy. They help ensure that all citizens, regardless of their socio-economic background, have the opportunity to participate in the political process. Political parties play an essential role in this function by organizing activities, debates, and campaigns that encourage public involvement. Moreover, by offering citizens the opportunity to vote, stand for office, or engage in political discussions, political parties ensure that democracy is not a passive experience but an active one in which citizens have a direct influence on the political landscape. Through such efforts, political parties enable citizens to take ownership of their democracy, fostering greater political awareness and participation.[15]

Lastly, political recruitment is another essential function of political parties.[16] Political parties play a critical role in filling political positions through democratic mechanisms, ensuring that the leadership of the country is chosen based on merit, competence, and public support. This recruitment process is vital for maintaining the democratic system, as it helps ensure that public office is accessible to all qualified individuals, regardless of their background. In a well-functioning democracy, political parties should prioritize the recruitment of candidates who are

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[12]   Maiken Røed, 'When Do Political Parties Listen to Interest Groups?', *Party Politics* 29, no. 2 (2023): 374–83, https://doi.org/10.1177/13540688211062832.

[13]   Britt Vande Walle and Sarah L. de Lange, 'Understanding the Political Party Think Tank Landscape: A Categorization of Their Functions and Audiences', *Government and Opposition* 60, no. 1 (2025): 104–24, Cambridge Core, https://doi.org/10.1017/gov.2024.5.

[14]   Firdaus Arifin et al., 'Indonesia's Identity Politics and Populism: Disruption to National Cohesion', *Jurnal Civics: Media Kajian Kewarganegaraan* 22, no. 1 (2025): 166–75, https://doi.org/10.21831/jc.v22i1.1291.

[15]   Natalia Villaman, 'Cultivating Political Efficacy: Facilitation as a Catalyst for Democratic Education and Civic Competence', *Journal of Civil Society* 21, no. 1 (2025): 1–20, https://doi.org/10.1080/17448689.2024.2390054.

[16]   Arifin et al., 'Enhancing the Role of Political Parties in Advancing Political Education as a Foundation for Democracy'.

not only skilled and capable but also committed to representing the interests of the people. Political parties should also ensure gender equality and justice in the recruitment process, encouraging the inclusion of women and marginalized groups in political positions. By ensuring diversity and equal representation in political offices, political parties contribute to a more equitable and fair political system, one that truly reflects the diversity of the population.[17]

In the political realm, political parties are critical entities that play a significant role in the advancement and deterioration of democracy.[18] They are essential for upholding democratic principles, serving as platforms for citizens to express their views, and holding government officials accountable. Political parties represent public interests, educate voters on political issues, and foster social and political change through elections. However, modern political parties face numerous challenges, with one of the primary concerns being moral hazard.[19] This refers to the tendency of party members to prioritize their own or their group's interests over the collective good.[20] Such behavior can erode public trust in political parties, degrade the quality of public policy, and threaten the stability of democracy.

To investigate this issue, this study employs doctrinal legal research, which delves deeply into the development of new legal concepts, particularly in the areas of principles, systematization, and legal synchronization, focusing on legal norms. The research relies on secondary data, which includes sources such as books, legal regulations, and relevant documents. It adopts a conceptual framework that emphasizes the exploration and evaluation of principles, foundations, doctrines,

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[17] Marc Hooghe et al., 'Head Start in Politics: The Recruitment Function of Youth Organizations of Political Parties in Belgium (Flanders)', *Party Politics* 10, no. 2 (2004): 193–212, https://doi.org/10.1177/1354068804040503; R. B. Andeweg, 'Political Recruitment and Party Government', in *The Nature of Party Government: A Comparative European Perspective*, ed. Jean Blondel and Maurizio Cotta (Palgrave Macmillan UK, 2000), https://doi.org/10.1057/9780333977330_6; Lester G. Seligman, 'Political Recruitment and Party Structure: A Case Study', *American Political Science Review* 55, no. 1 (1961): 77–86, Cambridge Core, https://doi.org/10.2307/1976051.

[18] Dele Babalola, 'Party Politics, Dearth of Political Ideology, and the 2023 Presidential Election in Nigeria', *The Round Table* 113, no. 5 (2024): 434–50, https://doi.org/10.1080/00358533.2024.2410544; Hasto Kristiyanto et al., 'Institutionalization and Party Resilience in Indonesian Electoral Democracy', *Heliyon* 9, no. 12 (2023): e22919, https://doi.org/10.1016/j.heliyon.2023.e22919; Thomas Poguntke et al., 'Parties and Democracy: A Difficult Relationship', in *Political Parties and the Crisis of Democracy: Organization, Resilience, and Reform*, ed. Thomas Poguntke and Wilhelm Hofmeister (Oxford University Press, 2024), https://doi.org/10.1093/oso/9780198888734.003.0027.

[19] Marcus Mietzner, 'Dysfunction by Design: Political Finance and Corruption in Indonesia', *Critical Asian Studies* 47, no. 4 (2015): 587–610, https://doi.org/10.1080/14672715.2015.1079991; Kaare Strøm and Wolfgang C. Müller, 'The (Moral) Hazards of Parliamentary Democracy', in *Delegation in Contemporary Democracies* (Routledge, 2006); Alex Williams, 'Moral Hazard in a Modern Federation', *Journal of Post Keynesian Economics* 44, no. 2 (2021): 173–83, https://doi.org/10.1080/01603477.2021.1872031.

[20] Avidit Acharya et al., 'Political Accountability Under Moral Hazard', *American Journal of Political Science* 69, no. 2 (2025): 641–52, https://doi.org/10.1111/ajps.12860; Hideshi Itoh, 'Moral Hazard and Other-Regarding Preferences', *The Japanese Economic Review* 55, no. 1 (2004): 18–45, https://doi.org/10.1111/j.1468-5876.2004.00273.x.

theories, and legal philosophies. The primary goal of this study is to examine the legal implications of moral hazard within political parties from a democratic perspective. The analysis is descriptive, providing comprehensive explanations related to the research topic.

B.   Addressing Moral Hazard in Indonesia's Political Parties: Strengthening Democracy Through Ethical Reform, Accountability, and Public Engagement

In its democratic evolution, Indonesia has successfully transitioned from an authoritarian regime to a peaceful democratic system.[21] This achievement is noteworthy when compared to other nations undergoing similar transitions. However, despite these advancements, the quality of democracy in Indonesia still requires significant improvement. The country's democracy index remains in the moderate category, signaling that numerous challenges persist[22]. One of the most pressing issues is the occurrence of moral hazard within political parties.[23]

Moral hazard can be examined through the lens of political ethics. Political ethics provides a framework for analyzing the relationship between individual actions, collective behaviors, and existing political structures. The primary goal of political ethics is to improve the functioning of political life and promote the development of just political institutions.[24] Effective ethics management within political parties is a potential mechanism for maintaining or strengthening public trust.

Moral hazard in legislative contexts often arises when political parties or interest groups prioritize their self-interest, shifting the associated risks onto others. Interest groups, for instance, wield significant influence in legislative processes through financial contributions and

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[21] Jamie S. Davidson, *Indonesia: Twenty Years of Democracy*, Elements in Politics and Society in Southeast Asia (Cambridge University Press, 2018), Cambridge Core, https://doi.org/10.1017/9781108686518; Edward Aspinall, *Opposing Suharto: Compromise, Resistance, and Regime Change in Indonesia, Redwood City* (Stanford University Press, 2005), https://doi.org/10.1515/9780804767316-011; Paul Carnegie, *The Road from Authoritarianism to Democratization in Indonesia* (Springer, 2010).

[22] Iqra Anugrah, 'The Illiberal Turn in Indonesian Democracy', *Asia-Pacific Journal* 18, no. 8 (2020): e1, Cambridge Core, https://doi.org/10.1017/S1557466020029691; Amy Freedman and Robert Tiburzi, 'Progress and Caution: Indonesia's Democracy', *Asian Affairs: An American Review* 39, no. 3 (2012): 131–56, https://doi.org/10.1080/00927678.2012.704832; Douglas Webber, 'A Consolidated Patrimonial Democracy? Democratization in Post-Suharto Indonesia', *Democratization* 13, no. 3 (2006): 396–420, https://doi.org/10.1080/13510340600579284.

[23] Marcus Mietzner, 'Party Financing in Post-Soeharto Indonesia: Between State Subsidies and Political Corruption', *Contemporary Southeast Asia: A Journal of International and Strategic Affairs* 29, no. 2 (2007): 238–63, https://doi.org/10.1353/csa.2007.0030; Stephan Haggard and Andrew MacIntyre, 'The Politics of Moral Hazard: The Origins of Financial Crisis in Indonesia, Korea and Thailand', in *The Political Economy of the East Asian Crisis and Its Aftermath* (Edward Elgar Publishing, 2001), https://doi.org/10.4337/9781035352098.00014.

[24] Leonard Kostovetsky, 'Political Capital and Moral Hazard', *Journal of Financial Economics* 116, no. 1 (2015): 144–59, https://doi.org/10.1016/j.jfineco.2014.12.003; Acharya et al., 'Political Accountability Under Moral Hazard'.

endorsements, which can sway electoral success and shape legislative actions.[25] These groups typically aim to elevate the importance of issues that benefit them, thereby influencing policy outcomes. Legislators, in turn, may invite these groups into the legislative process, especially during election periods, to gain electoral advantages. Such interactions can provide interest groups with preferential access, allowing them to fine-tune laws that directly impact their interests, resulting in an imbalance of representation and legislative responsiveness.[26]

This dynamic is also evident in the electoral strategies of political parties, which often offer access to multiple interest groups in the policy areas they prioritize. The influence of these groups can lead to skewed policy decisions and unfair advantages in the legislative process. Furthermore, the prospect of judicial review can further exacerbate moral hazard, as legislators may pursue electorally beneficial but irresponsible policies, relying on the courts to overturn them before they are implemented.[27] In administrative states, moral hazard can distort governmental structures, promote bureaucratic dysfunction, and displace political values.[28] Additionally, in policy implementation, principal-agent problems can arise when field agents act against the public interest.[29]

Legislative ethics plays a vital role in guiding lawmakers and maintaining the integrity of the legislative process.[30] Dennis Frank Thompson[31], in his work *Political Ethics and Public Office*, outlines three main approaches to understanding legislative ethics. These approaches focus on the core values and responsibilities that legislators must uphold to ensure their actions align with the public's interest.

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[25] Georg Lutz et al., 'Interest Group Support and Electoral Success in the Swiss Elections of 2015. A Candidate Survey Analysis', *Swiss Political Science Review* 24, no. 4 (2018): 487–509, https://doi.org/10.1111/spsr.12337; Sebastián Vallejo Vera, 'By Invitation Only: On Why Do Politicians Bring Interest Groups into Committees', *The Journal of Legislative Studies* 29, no. 1 (2023): 1–38, https://doi.org/10.1080/13572334.2021.1905327.

[26] Michael Becher and Daniel Stegmueller, 'Organized Interests and the Mechanisms behind Unequal Representation in Legislatures', in *Unequal Democracies: Public Policy, Responsiveness, and Redistribution in an Era of Rising Economic Inequality*, ed. Noam Lupu and Jonas Pontusson, SSRC Anxieties of Democracy (Cambridge University Press, 2023), Cambridge Core, https://doi.org/10.1017/9781009428682.008; Lise Rødland, 'Some Policies Matter More: Party Salience and Interest Group Access to Political Parties in Western Democracies', *Journal of European Public Policy* 32, no. 7 (2025): 1780–803, https://doi.org/10.1080/13501763.2024.2387641.

[27] Dalston G. Ward and Matthew Gabel, 'Judicial Review Timing and Legislative Posturing: Reconsidering the Moral Hazard Problem', *The Journal of Politics* 81, no. 2 (2019): 681–85, https://doi.org/10.1086/701763.

[28] David H. Rosenbloom, 'Administrative States as Moral Hazards: Four Dimensions', *Journal of Chinese Governance* 8, no. 4 (2023): 433–51, https://doi.org/10.1080/23812346.2023.2247198.

[29] Andrew B. Whitford and Anna M. Whitford, 'Modalities of Monitoring: Evidence from Cameras and Recorders in Policing', *Government Information Quarterly* 40, no. 4 (2023): 101882, https://doi.org/10.1016/j.giq.2023.101882.

[30] Bruce Jennings and Daniel Callahan, *Representation and Responsibility: Exploring Legislative Ethics*, vol. 11 (Springer Science & Business Media, 1985); Jeremy Waldron, 'Legislating With Integrity', *Fordham Law Review* 72 (2003): 373–94, https://gretchen.law.nyu.edu/fac-articles/1159/.

[31] Dennis Frank Thompson, *Political Ethics and Public Office* (Harvard University Press, 1987).

The first approach, minimalist ethics, centers on the basic idea of prohibiting harmful behaviors, such as corruption, that could undermine the trust citizens place in their elected representatives. It focuses on the need for clear regulations and an established code of ethics that lawmakers are expected to follow. By setting clear boundaries, minimalist ethics aims to create a fundamental level of ethical conduct, ensuring that politicians refrain from actions that could damage the political system or public trust. Establishing internal rules and a formal code of ethics is essential, as it provides a guideline for legislators to follow, reducing opportunities for unethical behavior and increasing accountability.

Moving beyond mere prohibition, another approach emphasizes the practical roles and duties that legislators have as representatives of the public. This perspective stresses the importance of lawmakers understanding their election and the purpose of their position within the legislative body. It requires legislators to recognize that their responsibilities extend beyond the personal or partisan interests and must focus on serving the public good. In this framework, legislators are expected to make decisions with a clear understanding of their impact on society, promoting policies that reflect the collective will and addressing the challenges their constituents face. The key here is for legislators to always keep in mind the reasons for their election, which are to represent and work for the welfare of the people.

Lastly, there is an approach that calls for a commitment to core political values such as justice, freedom, and the common good. This perspective pushes lawmakers to not only adhere to established rules but also to ensure their decisions reflect the broader ethical values that sustain a democratic society. Legislators are encouraged to think critically about their actions, ensuring that they contribute to justice, fairness, and the well-being of all citizens. By upholding these core values, lawmakers act as stewards of democratic principles, ensuring that their decisions benefit society as a whole and promote long-term progress.

The three approaches to legislative ethics are essential for maintaining the ethical conduct of council members, ensuring that any policies which may facilitate potential violations by the council can be re-evaluated and refined. Legislative ethics provides a framework that constrains the behavior of legislators while simultaneously allowing them to effectively fulfill their roles as representatives of the people. These ethical demands are not intended to limit their actions but to guide them toward decisions that prioritize the greater good. At its core, political ethics reflects the qualities of a good and responsible leader—one who aligns their actions with their words and acts with integrity. It emphasizes the need for consistency between what leaders say and what they do, demanding accountability at every turn.

Political ethics is deeply intertwined with moral discourse, as it cannot be separated from the ethical agents involved: human beings.[32] The decisions of legislators and the values they uphold are rooted in a broader concept of goodness, one that is connected to humanity's essence as cultured and civilized beings. When it comes to political ethics, goodness is not a vague notion; it is directly related to the moral fabric of society. Leaders must, therefore, embody ethical principles that reflect the ideals of justice, fairness, and the common good, ensuring that their actions contribute positively to the lives of citizens. This connection between ethics and humanity underscores the importance of maintaining high standards of conduct in political life, as lawmakers are not only bound by laws but also by their moral obligation to their constituents.[33]

The parliament, as a political institution, is uniquely positioned to generate innovative ideas that can enlighten society and bring about positive change. It plays several crucial roles within the democratic system.[34] First and foremost, parliament acts as a policymaker. Lawmakers are tasked with formulating strategic policies that prioritize public interests, ensuring that national goals align with the needs of society. These policies should be developed with the well-being of the people at their heart, promoting fairness and justice while addressing the most pressing concerns of the population. In this regard, the parliament must remain vigilant, constantly evaluating the impact of its decisions to avoid policies that may serve narrow interests or undermine the common good.

In addition to policymaking, parliamentarians also serve as legal drafters, responsible for creating laws that guarantee the legality of social justice and regulate the orderly functioning of community life.[35] Lawmaking is a solemn duty, as the laws passed by the parliament have the power to shape society and guide the actions of individuals and institutions. Legislators must be meticulous in crafting laws that uphold the values of justice and equity, ensuring that they reflect the needs of society and address issues in a fair and balanced manner. The process of legal drafting requires not only technical knowledge but also a deep sense of moral responsibility, as laws must be equitable and serve the public interest, avoiding bias or favoritism toward particular groups.

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[32] Mark Devenney, 'Ethics and Politics in Discourse Theory', in *Laclau: A Critical Reader* (Routledge, 2012); Thomas F. Murphy, 'Discourse Ethics: Moral Theory or Political Ethic?', *New German Critique*, no. 62 (1994): 111–35, https://doi.org/10.2307/488511.

[33] Michel Rosenfeld, *Just Interpretations: Law Between Ethics and Politics*, vol. 4 (Univ of California Press, 1998); Joseph Raz, *Ethics in the Public Domain: Essays in the Morality of Law and Politics* (Oxford University Press, 1994).

[34] Gabriela Nemţoi, 'The Decisive Role of Parliaments in Democracy of Social-Political Life', *LUMEN 2014 - From Theory to Inquiry in Social Sciences, Iasi, Romania, 10-12 April 2014* 149 (September 2014): 647–52, https://doi.org/10.1016/j.sbspro.2014.08.242; Roger D. Congleton, *Perfecting Parliament: Constitutional Reform, Liberalism, and the Rise of Western Democracy* (Cambridge University Press, 2010).

[35] Tonye Jaja and Zaka Aditya, 'Promoting the Good Governance by Advancing the Role of Parliamentarians and the Term Offices Limitation (Comparing Nigeria and Indonesia)', *Journal of Indonesian Legal Studies* 7, no. 1 (2022): 265–98, https://doi.org/10.15294/jils.v7i1.54776.

Furthermore, parliamentarians serve as the "voice of the people," acting as legislators who articulate the aspirations and interests of citizens.[36] This role is vital to the functioning of democracy, as parliamentarians are the link between the government and the public. They must ensure that the voices of their constituents are heard and that their concerns are adequately represented in the legislative process. In doing so, they play a key role in shaping the political landscape and ensuring that the government remains accountable to the people it serves. Their effectiveness in this role depends on their ability to listen to their constituents, understand their needs, and advocate for policies that reflect their values and priorities.

In carrying out these responsibilities, ethical considerations and political morality are fundamental. Legislators must be guided by principles that ensure their actions benefit the welfare of the populace, rather than advancing personal gain or political glory. Ethical conduct in the legislative process fosters trust in political institutions and ensures that democracy functions as it should. When politicians act with integrity and align their decisions with the public's best interests, they strengthen the democratic system and contribute to a society built on justice and fairness. In contrast, when personal ambitions and unethical behavior take precedence over the needs of the people, the political system is undermined, eroding public trust and threatening the stability of democracy.

Ultimately, the role of parliamentarians is not simply to make laws but to serve as ethical stewards of public trust. Their actions should always reflect the values that underpin a healthy democracy: transparency, accountability, fairness, and justice. By adhering to these ethical principles, legislators can ensure that their decisions lead to the welfare of the people, creating a political environment where the interests of the public take precedence over individual desires. In this way, legislative ethics is not just about following rules; it is about fostering a political culture that prioritizes the common good and upholds the integrity of the democratic process.

In Indonesia, not all members of the legislative body adhere to political ethics as a guiding principle. Some legislators exhibit behaviors that are detrimental to the nation's democratic fabric, undermining public trust and the very essence of a functioning democracy. Among these negative behaviors are the abuse of power, elite capture within political parties, and the exploitation of identity politics.

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[36] Lawrence Ezrow et al., 'Bicameralism and Policy Responsiveness to Public Opinion', *American Journal of Political Science* 68, no. 3 (2024): 1089–105, https://doi.org/10.1111/ajps.12773; John R. Wallach, ed., 'Representation as a Political Virtue and the Formation of Liberal Democracy', in *Democracy and Goodness: A Historicist Political Theory* (Cambridge University Press, 2018), Cambridge Core, https://doi.org/10.1017/9781108524971.005.

Abuse of power is one of the most visible manifestations of moral hazard within political parties and the democratic system. It occurs when leaders misuse their authority for personal gain or to benefit others at the expense of the public interest. The abuse of power often manifests as corruption, collusion, and nepotism—behaviors that threaten the integrity of the political system and erode public trust. Corruption, as defined in the Black Law Dictionary, is an act performed with the intent to gain benefits contrary to official duties.[37] Syed Hussein Alatas[38] identifies several key characteristics of corruption, including the involvement of multiple individuals, secrecy, mutual benefit, and attempts to justify illegal actions through legal rationales. Corruption is inherently destructive, as it erodes the moral and intellectual standards of society. It often involves powerful individuals who can influence decisions, prioritizing personal interests over the common good. In political parties, corruption commonly takes the form of bribery, where certain interest groups offer financial incentives to sway legislative outcomes in their favor. Corruption can also manifest in inflated government procurement costs, where political parties involved in state-funded projects engage in financial misconduct. Misappropriation of party funds for personal or group interests is another common issue, as these funds are diverted away from legitimate political activities like campaigning or development efforts.

Collusion, as defined by Law Number 28 of 1999 concerning the Clean and Free State Administration from Corruption, Collusion, and Nepotism, is an unlawful agreement or cooperation between state organizers or between state organizers and external parties to achieve results detrimental to individuals, society, or the state.[39] Collusive behavior is widespread within political parties, particularly when different parties collaborate to gain electoral success or secure power through unethical means.[40] In some cases, political parties collude with business entities, granting government contracts to certain companies in exchange for financial kickbacks. Additionally, collusion between political parties and bureaucrats allows for the expedited processing of permits or licenses, further undermining the fairness of the political system and enabling corruption.[41]

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[37] Bryan A. Garner and Henry Campbell Black, *Black's Law Dictionary* (West, 2009).

[38] Syed Hussein Alatas, *The Problem of Corruption* (The Other Press, 2015).

[39] Nazhif Ali Murtadho and Sri Warjiyati, 'Reassessing Nepotism: Wederrechtelijk and Onrechtmatige Daad in Indonesian Law', *Corruptio* 5, no. 2 (2025): 117–36, https://doi.org/10.25041/corruptio.v5i2.4088.

[40] Stephen Sherlock, 'Made by Committee and Consensus: Parties and Policy in the Indonesian Parliament', *South East Asia Research* 20, no. 4 (2012): 551–68, https://doi.org/10.5367/sear.2012.0121; Fiona Robertson-Snape, 'Corruption, Collusion and Nepotism in Indonesia', *Third World Quarterly* 20, no. 3 (1999): 589–602, https://doi.org/10.1080/01436599913703.

[41] Olga Chiappinelli, 'Political Corruption in the Execution of Public Contracts', *Journal of Economic Behavior & Organization* 179 (November 2020): 116–40, https://doi.org/10.1016/j.jebo.2020.08.044; Mohammad Hidayaturrahman et al., 'Exploring Patterns of Collective Corruption and Integrity Risks by Regional Heads in

Nepotism, also outlined in Law Number 28 of 1999, refers to actions taken by state officials to favor family members or cronies over the interests of the public.[42] Nepotism within political parties is evident when family members or close associates are appointed to key positions without a transparent selection process.[43] This often extends to the awarding of government contracts to family-owned companies, thus creating an environment where decisions are made not based on merit but on familial or personal relationships. Such practices not only diminish the quality of governance but also perpetuate inequality and hinder democratic principles.

Elite capture within political parties is another major issue in Indonesia's political landscape.[44] Elite capture occurs when a small group of powerful elites monopolize control over a political party, using it for their own personal or group interests rather than for the benefit of the broader public. These elites, often wealthy individuals, can exert substantial influence over party activities, particularly through campaign financing and media control. By leveraging their economic power, these elites can shape public opinion and skew political decisions in their favor. Elite capture undermines the democratic process by ensuring that a small group of individuals maintain control over political outcomes, excluding the voices and interests of ordinary citizens. This concentration of power not only undermines political equality but also distorts the democratic principle of fair representation.[45]

Identity politics has also emerged as a significant challenge to Indonesia's democracy.[46] In the context of globalization, political parties often exploit the identities of specific groups—such as those defined by religion, ethnicity, race, or gender—to gain political support. Identity politics prioritizes the needs and desires of specific groups over the broader national interest, which can result in the marginalization of other groups. In contrast to nationalism, which seeks inclusivity

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Indonesia', Articles, *Journal of Governance and Public Policy* 12, no. 2 (2025): 159–73, https://doi.org/10.18196/jgpp.v12i2.22081.

[42] Murtadho and Warjiyati, 'Reassessing Nepotism: Wederrechtelijk and Onrechtmatige Daad in Indonesian Law'.

[43] Isaac Nana Akuffo and Kurmet Kivipõld, 'Influence of Leaders' Authentic Competences on Nepotism-Favouritism and Cronyism', *Management Research Review* 43, no. 4 (2019): 369–86, https://doi.org/10.1108/MRR-02-2019-0078.

[44] Anton Lucas, 'Elite Capture and Corruption in Two Villages in Bengkulu Province, Sumatra', *Human Ecology* 44, no. 3 (2016): 287–300, https://doi.org/10.1007/s10745-016-9837-6; Eve Warburton, 'The Politics of Indonesia', in *Oxford Research Encyclopedia of Politics* (Oxford University Press, 2025).

[45] Aniruddha Dasgupta and Victoria A. Beard, 'Community Driven Development, Collective Action and Elite Capture in Indonesia', *Development and Change* 38, no. 2 (2007): 229–49, https://doi.org/10.1111/j.1467-7660.2007.00410.x; Ellisa Vikalista et al., 'Elite-Centered Regimes as Barriers to Meritocracy: The Case of Indonesia', *Frontiers in Political Science* 7 (2026): 1687026, https://doi.org/10.3389/fpos.2025.1687026; Jamie S. Davidson, 'Dilemmas of Democratic Consolidation in Indonesia', in *Contemporary Authoritarianism in Southeast Asia: Structures, Institutions and Agency* (Routledge, 2013).

[46] Marcus Mietzner, 'Authoritarian Innovations in Indonesia: Electoral Narrowing, Identity Politics and Executive Illiberalism', *Democratization* 27, no. 6 (2020): 1021–36, https://doi.org/10.1080/13510347.2019.1704266; Arifin et al., 'Indonesia's Identity Politics and Populism: Disruption to National Cohesion'.

and unity among both majority and minority groups, identity politics often fosters division by promoting the exclusivity of one group. Political parties that engage in identity politics may use religious or ethnic issues to mobilize their base, sometimes engaging in discriminatory practices against other groups.[47] In extreme cases, they may propagate misinformation, hate speech, and division, further polarizing society and undermining national unity. The rise of identity politics threatens democratic systems by prioritizing the interests of certain groups over the collective good, leading to social fragmentation and deepening divisions within the electorate.

The presence of these negative behaviors—abuse of power, elite capture, and identity politics—poses a significant threat to the quality of democracy in Indonesia. The ethical and moral failings of some legislators undermine the democratic process and threaten the public's trust in their elected officials. Corruption, collusion, and nepotism create a political environment where public resources are diverted for personal gain, rather than being used to improve the welfare of society. Elite capture further consolidates power in the hands of a few, leaving the majority of citizens without adequate representation. Identity politics exacerbates divisions within society, undermining efforts to build a united and inclusive nation.

Addressing these issues requires a concerted effort to strengthen political ethics, promote transparency, and ensure accountability within political parties and the legislative process. It is essential that political parties and their leaders commit to upholding the values of democracy, integrity, and justice. By fostering a culture of ethical behavior and creating mechanisms for greater oversight and transparency, Indonesia can reduce the prevalence of corruption, collusion, and nepotism, while ensuring that political power is more evenly distributed and representative of the diverse needs of its people. Ultimately, the success of Indonesia's democracy depends on the ability of its political leaders to rise above personal and group interests and prioritize the common good, ensuring that the nation's democratic ideals are upheld for future generations.

Several negative behaviors exhibited by political parties, which constitute moral hazards, have a profound impact on Indonesia's democratic life. These behaviors, including corruption, nepotism, and collusion, not only diminish public trust in the political system but also create long-term challenges for the country's democracy. These moral hazards undermine the essence of representative democracy, as political parties, instead of serving the public's interests, prioritize their own self-interests and those of select groups. This phenomenon has triggered a series of consequences that threaten the stability and progress of democratic governance in Indonesia.

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[47] Lili Romli, 'Political Identity and Challenges for Democracy Consolidation in Indonesia', *Politik Indonesia: Indonesian Political Science Review* 4, no. 1 (2019): 78–98, https://doi.org/10.15294/ipsr.v4i1.17214.

One of the most significant effects of moral hazard is the decline of public trust in political institutions. Since the reform era, Indonesia has witnessed a surge in the number of political parties, but this increase has not translated into better political representation or greater alignment with the public's aspirations.[48] Instead, democracy has shifted towards serving the interests of political parties, leaving the public feeling increasingly disillusioned. When political parties engage in unethical practices like corruption, nepotism, or collusion, the public loses confidence in the political system. This erosion of trust leads to several negative outcomes, the first of which is a decrease in political engagement. The public's apathy toward politics grows, as many feel that their voices are not heard and that meaningful change is unlikely. This apathy manifests in political indifference, where people show a lack of interest in political activities, such as elections, because they believe the system is rigged or unresponsive. Voter abstention becomes more common as people, disillusioned with the political process, choose not to vote. Moreover, radicalization can occur when individuals, frustrated by a system they perceive as unjust, turn to extremist or violent actions as a form of protest.

Another consequence of the decline in public trust is the weakness of social control. The public's role in monitoring government actions weakens as trust in political parties and their leaders diminishes. This lack of oversight results in difficulties in supervision, where the public and civil society no longer hold political leaders and institutions accountable for their actions. Without effective supervision, corruption and abuse of power become more widespread. The absence of mechanisms to hold political parties and their members accountable creates an environment where unethical practices thrive unchecked, further deepening the crisis of trust in the political system. This weakened social control threatens the sustainability of democracy, as the very institutions responsible for upholding democratic principles become compromised.

Furthermore, the decline in the quality of public policy is another severe consequence of moral hazard within political parties. When political decisions are driven by the interests of individuals or specific groups, rather than by the public good, the quality of policies suffers. Misplaced priorities emerge when political parties favor particular factions, such as wealthy business owners or influential interest groups, over the needs of the general populace. This leads to inequitable regulations that disproportionately benefit a small elite, while leaving the majority

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[48] Laode Muliawan and Imam Sumantri, 'Institutionalization of Political Parties on Post New Order Authoritarianism and It's Implications for Indonesian Democracy', *Journal of Local Government Issues* 3, no. 2 (2020): 164–81, https://doi.org/10.22219/logos.v3i2.12860; Kristiyanto et al., 'Institutionalization and Party Resilience in Indonesian Electoral Democracy'.

of citizens without adequate representation or support. For instance, policies may be crafted to favor a select few, resulting in economic disparity and social injustice.

The focus on short-term political gains over long-term solutions also leads to insufficient expertise in policy formulation. Political parties that prioritize political expediency over the well-being of the public often overlook the importance of having skilled experts involved in policy development.[49] As a result, the quality of policies is compromised, and decisions are made based on political convenience rather than informed expertise. Additionally, there is a decline in policy evaluation, where implemented policies are seldom reviewed or evaluated for their effectiveness. Without objective assessments of the impact of policies, it becomes difficult to determine whether they have achieved their intended goals or addressed the needs of society.

Another significant issue is the weakness of accountability within political parties. Accountability refers to the responsibility that political actors have for their actions and decisions. When political parties and their members engage in moral hazard, they often evade responsibility for their actions. The lack of accountability leads to an increase in corrupt practices, as there are minimal sanctions or consequences for unethical behavior. Without effective oversight and transparency, corrupt actions go unchecked, further eroding public trust in political institutions. The absence of accountability also diminishes the quality of democracy, as a healthy democratic environment relies on political parties being transparent, responsible, and responsive to the needs of the people. Accountability is essential for maintaining a democratic system where power is exercised responsibly and for the benefit of the public, not for personal or group interests.

Moreover, moral hazard creates significant barriers to democratic progress. As more political parties engage in unethical practices, it becomes increasingly difficult to build a strong, functional democracy. The negative behaviors that emerge from moral hazard, such as corruption, collusion, and nepotism, weaken democratic institutions and processes, making it harder for citizens to trust the political system. In turn, the weakened democratic structure makes it easier for moral hazard to flourish, creating a vicious cycle. A prominent example of this is the widespread corruption that hampers national stability, security, and development. Corruption not only undermines the integrity of political institutions but also erodes the moral foundation of the nation. As corrupt practices become normalized, they threaten the very principles of democracy and ethics that the nation's political system is built upon.

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[49] Nisha Mukherjee, 'Party Systems and Human Well-Being', *Party Politics* 19, no. 4 (2013): 601–23, https://doi.org/10.1177/1354068811407601; Ian Bache and Louise Reardon, *The Politics and Policy of Wellbeing: Understanding the Rise and Significance of a New Agenda* (Edward Elgar Publishing, 2016), https://doi.org/10.4337/9781783479337.

Addressing the issue of moral hazard within political parties requires a multi-faceted approach, involving collaboration from various stakeholders, including political leaders, civil society, the media, and the public. Strengthening democratic institutions, improving transparency, and ensuring accountability are crucial steps in combating moral hazard and restoring public trust in the political system. Political parties must be held to high ethical standards, and those who engage in corrupt or unethical behavior must face the consequences. The media and civil society play an important role in holding political parties accountable by raising awareness of unethical practices and advocating for reform.

Ultimately, fostering a robust and sustainable democratic process in Indonesia requires a collective effort to address the root causes of moral hazard. By promoting ethical behavior, transparency, and accountability, Indonesia can create a political environment where the public's interests are genuinely represented, and democratic principles are upheld. This will not only restore public trust but also ensure that democracy in Indonesia is resilient, inclusive, and responsive to the needs of all its citizens.

C. Strengthening Indonesia's Democracy: Key Principles for Building a Robust and Transparent Political System

Indonesia, as outlined in its 1945 Constitution, is a democratic nation where sovereignty belongs to the people.[50] Article 1, paragraph (2), of the Constitution clearly states that the people's sovereignty is exercised in line with the Constitution. For a nation to truly function under a democratic system, certain criteria must be met. These indicators not only define the essence of democracy but also serve as benchmarks for measuring how well democratic principles are being upheld. In the case of Indonesia, these criteria include accountability, power rotation, open political recruitment, elections, and the fulfillment of basic rights. Each of these principles plays an integral role in ensuring that the country's democratic system remains robust, representative, and responsive to the needs and aspirations of the citizens.

One of the most critical aspects of democracy is accountability. In a democratic system, elected officials must be held responsible for the policies they implement, as well as those they intend to enact in the future.[51] Accountability ensures that government actions are transparent and

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[50] Zen Zen Zanibar, 'The Indonesian Constitutional System in the Post Amendement of the 1945 Constitution', *Sriwijaya Law Review* 2, no. 1 (2018): 45–55, https://doi.org/10.28946/slrev.Vol2.Iss1.109.pp45-55; Herbert Feith, *The Decline of Constitutional Democracy in Indonesia* (Equinox Publishing, 2006).
[51] Yannis Papadopoulos, *Understanding Accountability in Democratic Governance*, Elements in Public Policy (Cambridge University Press, 2023), Cambridge Core, https://doi.org/10.1017/9781108973823; Tine Hindkjaer

that political leaders justify their decisions to the public. Without accountability, there is a risk of power being abused, as leaders might pursue personal interests rather than serving the collective good. Accountability is not only about the leaders answering to the electorate at the polls but also about their ongoing responsibility to the citizens. This means that political representatives must regularly communicate their actions, decisions, and the rationale behind them, ensuring that the people can evaluate the effectiveness of the government's policies. In Indonesia, accountability is vital in maintaining the credibility of political parties, the government, and the broader democratic system. For democracy to thrive, the electorate must trust that those in power act in the public's best interest and can be held accountable when they do not.

Next, power rotation is another cornerstone of any healthy democracy. This principle ensures that no individual or group monopolizes political power for an extended period. Power rotation is integral to maintaining checks and balances within the government, preventing the rise of authoritarian regimes. A democratic system requires that power be distributed and rotated regularly to ensure that no party or individual becomes too entrenched in power. It limits the potential for corruption and guarantees that leadership changes occur in a peaceful and orderly manner. Regular power rotation not only promotes fairness but also provides citizens with the opportunity to assess the effectiveness of current leaders and make informed decisions in subsequent elections. In Indonesia, regular, peaceful transitions of power are essential for safeguarding democracy and maintaining the government's legitimacy.

Closely tied to power rotation is the principle of open political recruitment. Democracy thrives when there is an open and transparent process for selecting political leaders. In Indonesia, this means that all citizens, regardless of their background, have the opportunity to compete for public office if they meet the necessary qualifications. Open political recruitment fosters a competitive political environment where political parties and individuals must earn their place in government. It allows for the emergence of fresh ideas, diverse perspectives, and new leadership that reflects the broad spectrum of society. This open system is essential for ensuring that those who govern are truly representative of the people. When political recruitment is open, it removes barriers to entry, allowing qualified individuals from various walks of life to participate in the political process. It also discourages the concentration of power in the hands of a select few, promoting inclusivity and fairness in governance.

Madsen, 'The Moral Roles of Democratically Elected Politicians and Civil Servants', *Critical Review of International Social and Political Philosophy*, 19 August 2024, 1–23, https://doi.org/10.1080/13698230.2024.2380220.

Equally important in a democracy are elections. Elections serve as the mechanism by which power is rotated and political leaders are chosen.[52] Regular elections provide citizens with the chance to express their preferences and have a say in how their country is governed. In a true democracy, elections are held at regular intervals, ensuring that those in power are continually accountable to the people. Elections are not merely a formality but a fundamental feature of democratic governance. They offer voters the opportunity to make decisions about the leadership and direction of the country, enabling them to choose representatives who align with their values and needs. In Indonesia, elections are a vital means for ensuring that political parties remain responsive to the will of the people. Every adult citizen has the right to vote and to be elected, and they must be free to exercise this right according to their conscience, without fear of intimidation or coercion. Elections in Indonesia are a critical tool for power rotation and for ensuring that leaders remain answerable to the people they serve.

Beyond elections, a democratic system must ensure the fulfillment of basic rights for all its citizens. Democracy is not just about casting votes; it is also about protecting the fundamental freedoms and rights that allow individuals to express themselves, associate freely, and access information. In Indonesia, these rights include the right to free speech, the right to assemble, and the right to access a free and independent press. These rights form the backbone of a functioning democracy by providing citizens with the tools they need to engage in the political process. When individuals can express their opinions without fear of retribution, when they can come together to discuss issues, and when they have access to diverse sources of information, they are empowered to make informed decisions. The protection of basic rights ensures that citizens can participate fully in democratic life, without fear of censorship or oppression. It also guarantees that political leaders remain accountable to an informed and engaged electorate.

Each of these principles—accountability, power rotation, open political recruitment, elections, and the fulfillment of basic rights—works together to create a dynamic, responsive, and effective democracy. However, for these principles to function properly, they must be supported by strong institutions, active civil society, and an engaged public. When any of these principles is undermined or ignored, the democratic system becomes weaker and less effective. In Indonesia, the challenge lies in strengthening these democratic features and ensuring that they are upheld across all levels of government.

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[52] Richard S. Katz, *Democracy and Elections* (Oxford University Press, 1997); Waldemar Wojtasik, 'Functions of Elections in Democratic System', *Political Preferences*, no. 4 (2013): 25–38, https://doi.org/10.31261/polpre.

Indonesia's democratic development has seen significant progress since the reform era, yet challenges remain in fully realizing the potential of these democratic ideals.[53] For example, while elections are held regularly, there are ongoing concerns about the fairness of the electoral process, the influence of money in politics, and the role of political dynasties. Similarly, while Indonesia has made strides in political openness, there are still barriers to full participation, particularly for marginalized groups. The struggle to ensure that all citizens can freely and fairly engage in the political process remains an ongoing challenge.

One of the key issues facing Indonesia's democracy is the quality of political institutions. While the country has made remarkable progress in democratizing since the fall of the authoritarian regime, the functioning of political parties, the electoral system, and government institutions still faces challenges. Corruption, weak institutional frameworks, and inadequate political education often hinder the democratic process. To strengthen democracy, Indonesia must continue to focus on building robust political institutions that are transparent, accountable, and responsive to the people's needs.[54]

Civil society also plays a critical role in safeguarding democracy. An active and informed citizenry is essential for holding government officials accountable and ensuring that political leaders remain responsive to the public. In Indonesia, civil society organizations, the media, and grassroots movements have played an important role in advocating for democratic reforms and pushing for greater accountability.[55] However, for civil society to function effectively, there must be a legal and political environment that supports freedom of expression, the right to assemble, and the ability to challenge government actions without fear of retaliation.

Finally, the political culture in Indonesia must evolve to support democratic values. A healthy democracy requires not only the existence of democratic institutions but also a political culture that respects the rule of law, promotes tolerance, and values political participation.[56] The role of education in fostering democratic values cannot be overstated. By teaching young people

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[53] Donald L. Horowitz, *Constitutional Change and Democracy in Indonesia* (Cambridge University Press, 2013); Davidson, 'Dilemmas of Democratic Consolidation in Indonesia'.

[54] Kristiyanto et al., 'Institutionalization and Party Resilience in Indonesian Electoral Democracy'.

[55] Ken M. P. Setiawan and Dirk Tomsa, 'Defending a Vulnerable yet Resilient Democracy: Civil Society Activism in Jokowi's Indonesia', *Journal of Current Southeast Asian Affairs* 42, no. 3 (2023): 350–71, https://doi.org/10.1177/18681034231209058; Jacqui Baker, 'Reformasi Reversal: Structural Drivers of Democratic Decline In Jokowi's Middle-Income Indonesia', *Bulletin of Indonesian Economic Studies* 59, no. 3 (2023): 341–64, https://doi.org/10.1080/00074918.2023.2286020.

[56] Defbry Margiansyah et al., 'Beyond Radicalism: Islamist Attitudes and Democratic Support in Indonesia', *Sage Open* 15, no. 3 (2025): 215824402251378287, https://doi.org/10.1177/215824402251378287.

about the importance of democracy, accountability, and active citizenship, Indonesia can help ensure the long-term health of its democratic system.

D.   Tackling Moral Hazard in Indonesia's Political Parties: Strengthening Ethics, Oversight, and Public Engagement for a Transparent Democracy

Indonesia continues to face significant challenges in its democratic processes, particularly with regard to moral hazard within political parties, which has a profound impact on the country's governance.[57] Moral hazard refers to actions by political party members or leaders that violate ethical standards or legal frameworks, often driven by personal interests or the interests of specific groups, rather than the common good.[58] This issue not only undermines the credibility of political parties but also erodes public trust in democratic institutions. To strengthen Indonesia's democracy, addressing moral hazard within political parties is of utmost importance. It requires a multifaceted approach, involving both internal and external measures, to ensure transparency, accountability, and ethical conduct within the political system.

One of the most effective ways to address moral hazard is by strengthening internal oversight within political parties. Political parties must develop the capacity to monitor their members' behaviors and actions closely.[59] Internal oversight is crucial in preventing actions that violate party regulations and ethical standards, thereby preserving the integrity of the party and maintaining public confidence. One of the first steps in strengthening internal oversight is to establish a clear code of ethics. A well-defined code of ethics serves as a roadmap for party members, guiding their conduct and decision-making. It sets out the fundamental principles that party members must uphold, such as integrity, honesty, transparency, accountability, and a commitment to the public interest. By explicitly outlining prohibited actions like corruption, nepotism, and collusion, the code of ethics helps prevent these harmful practices from taking root within the party. Additionally, the code should not only define these principles but also include mechanisms for enforcing them, such as regular audits, internal reviews, and penalties for violations. For the code

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[57]   Budi Setiyono, 'Does Governance Reform in a Democratic Transition Country Reduce the Risk of Corruption? Evidence from Indonesia', in *Corruption, Good Governance and Economic Development* (World Scientific, 2014), https://doi.org/10.1142/9789814612593_0011.

[58]   Laura Pierret, *The Political Use of the Term 'Moral Hazard': Evidence from Policymakers of the Eurozone* (Bruges Political Research Papers, 2019); N. A. Mozumder, 'Can Ethical Political Leadership Restore Public Trust in Political Leaders?', *Public Organization Review* 22, no. 3 (2022): 821–35, https://doi.org/10.1007/s11115-021-00536-2; Acharya et al., 'Political Accountability Under Moral Hazard'.

[59]   Nick Cowen et al., 'Democracy as a Competitive Discovery Process', *European Journal of Political Economy*, 30 May 2025, 102695, https://doi.org/10.1016/j.ejpoleco.2025.102695; Qingjie Zeng, 'Party Origins, Party Infrastructural Strength, and Governance Outcomes', *British Journal of Political Science* 54, no. 3 (2024): 667–92, Cambridge Core, https://doi.org/10.1017/S0007123423000455.

of ethics to be truly effective, it must be implemented and enforced rigorously, with periodic assessments to ensure it is being applied properly across all levels of the party.

In addition to the code of ethics, political parties should establish an independent internal oversight committee.[60] This committee would be tasked with monitoring party activities, ensuring compliance with the ethical standards set forth in the code of ethics, and addressing any violations that may occur. The committee should be composed of impartial individuals with no direct involvement in the daily activities of the party, allowing them to oversee operations objectively and independently. The internal oversight committee should be given the authority to investigate any allegations of misconduct and take appropriate action. This could include disciplinary measures for individuals found to be in violation of party rules, as well as public reports to maintain transparency and accountability.

Moreover, to encourage individuals to come forward with information about unethical practices, political parties should implement a whistleblower protection system.[61] Whistleblowers play a critical role in exposing corruption and other forms of misconduct within political parties. A robust whistleblower protection system ensures that those who report violations are shielded from retaliation, such as job loss, harassment, or other forms of discrimination. This system fosters an environment where individuals feel safe and empowered to report unethical behavior, knowing that their actions will be protected. Political parties must establish secure, confidential channels through which whistleblowers can report misconduct anonymously if necessary. These channels should be accessible to all party members and should guarantee the confidentiality of those who come forward. In addition, the party must have clear protocols in place to investigate whistleblower claims promptly and fairly, ensuring that any issues raised are addressed in a transparent and accountable manner.

While strengthening internal oversight is a crucial step, political parties must also engage in broader efforts to ensure the democratic system remains free from the influence of moral hazard. One of these efforts is to enhance external oversight. Independent institutions such as the Corruption Eradication Commission, civil society organizations, and the media play a significant role in monitoring political party activities and ensuring compliance with ethical standards. These

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[60] Luís de Sousa et al., 'Mapping Ethics Self-Regulation Within Political Parties: Norms, Oversight and Enforcement', *Party Politics* 29, no. 5 (2023): 892–905, https://doi.org/10.1177/13540688221107098.

[61] David Schultz and Khachik Harutyunyan, 'Combating Corruption: The Development of Whistleblowing Laws in the United States, Europe, and Armenia', *International Comparative Jurisprudence* 1, no. 2 (2015): 87–97, https://doi.org/10.1016/j.icj.2015.12.005; Suteki et al., 'Empowering Local Communities: Enhancing Engagement in Anti-Corruption Action Program', *Lentera Hukum* 11, no. 1 (2024): 56–88, https://doi.org/10.19184/ejlh.v10i1.46552.

external bodies provide an additional layer of accountability by scrutinizing party finances, election campaigns, and the conduct of elected officials. They act as watchdogs, ensuring that political parties remain transparent and answerable to the public.

Additionally, Indonesia must continue to strengthen its legal frameworks to support transparency and accountability within political parties. This may involve updating laws related to political party financing, campaign transparency, and lobbying practices to ensure that party activities are not only ethical but also subject to public oversight. By strengthening legal regulations, Indonesia can reduce the opportunities for corruption and unethical practices within political parties. Clear legal guidelines on party operations and the enforcement of these rules are necessary to ensure that political leaders remain focused on serving the public rather than engaging in self-serving practices.

Another important aspect of tackling moral hazard is promoting public participation in the political process. Citizens must be engaged and informed, ensuring that they play an active role in monitoring the actions of political parties and holding them accountable.[62] Public participation can take many forms, from engaging in political discussions to participating in public consultations and town hall meetings.[63] When citizens are actively involved in the political process, they are more likely to recognize unethical practices and demand transparency from political leaders. One way to encourage public participation is through the use of online platforms where people can voice concerns, ask questions, and provide feedback on political party activities. The more the public is involved in the democratic process, the more likely it is that moral hazard will be exposed and addressed.

Furthermore, a cultural transformation within political parties is essential to combating moral hazard. Political leaders must demonstrate ethical behavior and lead by example.[64] When leaders set a standard of integrity, transparency, and accountability, it fosters a culture within the party that values these principles. This cultural shift requires ongoing education and training on ethical standards for all party members, ensuring that everyone understands their responsibilities and the consequences of unethical behavior. A strong internal culture of ethics can help prevent

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[62] Bodil Damgaard and Jenny M. Lewis, 'Accountability and Citizen Participation', in *Oxford Handbook of Public Accountability, Oxford* (Oxford University Press, 2014); Anil Kumar Gupta et al., 'Political Parties' Accountability to the Public in Nepal: What Factors Affect It?', *Heliyon* 11, no. 1 (2025): e41312, https://doi.org/10.1016/j.heliyon.2024.e41312.

[63] Judith E. Innes and David E. Booher, 'Reframing Public Participation: Strategies for the 21st Century', *Planning Theory & Practice* 5, no. 4 (2004): 419–36, https://doi.org/10.1080/1464935042000293170.

[64] Markus Holdo, 'How Can We Trust a Political Leader? Ethics, Institutions, and Relational Theory', *International Political Science Review* 43, no. 2 (2022): 226–39, https://doi.org/10.1177/0192512120913572; Mozumder, 'Can Ethical Political Leadership Restore Public Trust in Political Leaders?'

moral hazard from becoming embedded in party practices, ensuring that the party remains committed to democratic values.

E.   Enhancing Transparency in Political Parties: A Key Strategy to Combat Moral Hazard

Improving transparency is one of the most effective ways to reduce the risk of moral hazard within political parties.[65] Transparency ensures that the actions and decisions of political parties are open and accessible to the public, making it harder for unethical behaviors, such as corruption and nepotism, to thrive. When party activities are transparent, they are subject to greater scrutiny from both the public and other political actors, which can help expose and deter misconduct. There are several key actions that can be taken to enhance transparency within political parties, making it easier to monitor their activities and hold them accountable for their actions.[66]

First, financial report publication is a critical step in ensuring transparency in political parties. Political parties should be required to regularly and clearly publish their financial reports. These reports must detail all sources of funding, including donations, party membership fees, and other income, as well as how these funds are spent. The financial reports should be easily understandable to the public, providing a clear breakdown of income and expenditures. By making financial information readily available, political parties can demonstrate their commitment to transparency and reduce the chances of financial mismanagement, corruption, or the diversion of funds for personal gain. Moreover, regular publication of financial reports helps prevent the misuse of party funds, as the public, the media, and oversight bodies can scrutinize the reports and raise concerns when necessary. Transparency in financial matters also builds trust with the electorate, who want to know that the funds supporting political parties are used appropriately and in the public interest.

Second, transparent decision-making processes within political parties are equally important in reducing moral hazard. Political parties must ensure that their decision-making processes are open and inclusive of all party members. Every decision made by the party—whether related to policy, leadership appointments, or other important matters—should be thoroughly documented and made accessible to the public. Transparent decision-making processes ensure that party

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[65] Rino Irlandi, 'Strengthening Transparency of Political Party Financial Reports to Prevent Illegal Fundraising', *Integritas: Jurnal Antikorupsi* 10, no. 2 (2025): 211–24, https://doi.org/10.32697/integritas.v10i2.1218; Catharina Lindstedt and Daniel Naurin, 'Transparency Is Not Enough: Making Transparency Effective in Reducing Corruption', *International Political Science Review* 31, no. 3 (2010): 301–22, https://doi.org/10.1177/0192512110377602.

[66] Seira Tamara et al., *Mengurai Praktik Keterbukaan Informasi Partai Politik* (Indonesia Corruption Watch (ICW), 2022), https://antikorupsi.org/id/mengurai-praktik-keterbukaan-informasi-partai-politik.

decisions are not made behind closed doors for the benefit of a select few, but are instead based on clear, justifiable reasoning that can be scrutinized by the public and party members alike. This transparency also promotes accountability, as party leaders must justify their decisions to the party members and the public. In addition to enhancing accountability, open decision-making fosters a culture of inclusivity and respect within the party, as members are more likely to support decisions when they feel that their voices and perspectives are heard.

To further enhance transparency, the creation of a party member database is a crucial measure. A comprehensive, easily accessible database of party members would improve oversight and allow for greater scrutiny of the party's operations. This database should include relevant information about party members, such as their positions within the party, their involvement in decision-making processes, and any financial contributions or conflicts of interest. By maintaining an up-to-date and transparent record of its members, a political party can demonstrate its commitment to openness and ensure that its operations are in line with democratic principles. This database also enables party members to track the activities and actions of their colleagues, making it easier to identify any potential instances of misconduct or unethical behavior.

Furthermore, a well-maintained member database helps facilitate communication within the party, allowing members to stay informed about important developments, decisions, and actions being taken by the party. It also strengthens internal oversight, as members can hold one another accountable for their actions. This transparency within the party itself is crucial for creating a democratic and ethical political environment. By ensuring that all party members have access to the necessary information about the party's structure and activities, political parties can foster a culture of openness and mutual respect.

In addition to these specific actions, transparency must be supported by a broader commitment to openness in all areas of party operations. This includes transparency in the selection and promotion of candidates, the allocation of resources, and the party's overall strategy. Political parties should prioritize clear communication with the public about their policies, goals, and actions. By providing regular updates and engaging with the public, political parties can build trust and demonstrate that they are working in the best interest of the electorate. Public trust is essential for the health of a democracy, and transparency is a key factor in cultivating that trust.

Moreover, transparency should not be limited to financial matters or decision-making processes but should extend to how political parties interact with external stakeholders, including businesses, interest groups, and the media. For instance, when political parties receive financial contributions from external sources, these donations should be disclosed to the public, including

details about the donors and the amounts involved. This transparency helps prevent undue influence and ensures that political parties remain accountable to the public rather than to powerful special interests. Similarly, the party's relationship with the media should be open and transparent, ensuring that information is disseminated accurately and fairly, without manipulation or bias.

F.   Reforming Indonesia's Political Party System: Strengthening Democracy Through Accountability, Internal Democratization, and Term Limits

The reform of the party system in Indonesia is essential for addressing the challenges facing the democratic process, particularly in combating moral hazard within political parties. Moral hazard, often characterized by corruption, nepotism, and unethical practices, undermines the trust citizens place in political institutions. For democracy to thrive and for public trust to be restored, it is critical to reform political party systems to enhance their accountability, transparency, and responsiveness to the public's needs. These reforms should focus on fundamental changes to the structure, mechanisms, and operational methods of political parties. By strengthening the integrity of political parties, Indonesia can create a more robust democratic system that is less susceptible to moral hazards.[67]

One key approach to reforming the party system is through quality recruitment. Political parties should adopt a transparent, competitive, and competency-based system for recruiting new members and candidates. Recruitment must go beyond party loyalty or personal connections and focus on selecting individuals who possess the necessary skills, integrity, and commitment to the public interest. Political parties should aim to recruit candidates who have proven track records in public service or who have demonstrated a genuine concern for addressing societal issues. The recruitment process should be competitive, ensuring that only the most qualified individuals are chosen, and it should be open to all qualified individuals, regardless of their background, to ensure diversity and inclusivity within the party. By selecting high-quality, competent candidates, political parties will be better positioned to serve the public and reduce the risk of moral hazard driven by ineffective or corrupt leadership.[68]

Another crucial aspect of reforming the party system is internal democratization. For a political party to be truly representative of its members and the broader electorate, its internal processes must be democratic and inclusive. Strengthening internal democracy within political

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[67] Siti Sakinah et al., 'Reformasi Partai Politik Dalam Sistem Ketatanegaraan Indonesia: Analisis Normatif Dan Kelembagaan', *Jurnal Ilmiah Advokasi* 13, no. 3 (2025): 1204–27, https://doi.org/10.36987/jiad.v13i3.7506.

[68] Muhammad Mutawalli Mukhlis et al., 'Narrating Recruitment Model for Legislator Candidates: Is It Fair?', *Jambe Law Journal* 7, no. 1 (2024): 91–126, https://doi.org/10.22437/home.v7i1.345.

parties can be achieved by ensuring that leadership elections, such as the election of the party chairperson, are conducted in a fair and transparent manner. Party members should have a genuine say in the decision-making processes, with decisions made through consensus-building rather than imposed from the top down. This can be achieved by creating mechanisms that allow for more direct participation from party members, such as open discussions, votes, and feedback channels. By ensuring that all members have a voice in party matters, the party will be more representative of the people it seeks to serve, and the risk of concentrated power or internal corruption will be reduced. Internal democratization also encourages accountability within the party, as leaders must be responsive to the needs and concerns of the party's members rather than maintaining power for personal gain.

Term limits are another critical reform that can help combat moral hazard and prevent the concentration of power within political parties. The imposition of term limits—both within political parties and in legislative bodies—can help reduce the influence of entrenched political elites and prevent the formation of political dynasties or oligarchies. Political dynasties, where power is passed down within a few families or groups, undermine democratic ideals by consolidating power within a limited circle. In Indonesia, the issue of long-serving legislators has led to concerns about the potential for corruption and the entrenchment of power within the legislative framework. By imposing term limits on party leadership and elected officials, Indonesia can ensure that new voices and fresh perspectives are regularly introduced into the political process. This will help prevent the stagnation of political ideas and reduce the likelihood of corruption, as long-serving individuals or groups may be more prone to abusing their power for personal or partisan gain. Limiting the duration of a politician's time in power ensures that the political system remains dynamic, with opportunities for new leadership and ideas to emerge, fostering a more inclusive and competitive political environment.[69]

Term limits should also be applied to legislative terms, particularly for lawmakers who create policies that directly impact society. Legislative term limits would prevent the over-concentration of power within the hands of a few individuals or groups and promote a more diverse

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[69] Aprista Ristyawati et al., 'Rethinking Legislative Term Limits: Safeguarding Democratic Renewal in Constitutional State of Indonesia', *Diponegoro Law Review* 10, no. 1 (2025): 16–28, https://doi.org/10.14710/dilrev.10.1.2025.16-28; Siti Fatimah et al., 'Restricting Public Officials' Authority to Combat Corruption: The Role of Term Limits and Political Sanctions in Indonesia', *Journal of Indonesian Legal Studies* 10, no. 2 (2025): 955–94, https://doi.org/10.15294/jils.v10i2.32525.

and dynamic political system.[70] This approach would help reduce the risk of moral hazard by breaking up entrenched political networks and ensuring that lawmakers do not become too comfortable in their positions of power. By creating a regular rotation of elected officials, term limits can also reduce the likelihood of legislative gridlock, as new lawmakers bring different perspectives and fresh approaches to governance. This also helps prevent the development of oligarchies within political parties, ensuring that the political process remains open and responsive to the public.

The implementation of these reforms can also reduce the likelihood of moral hazard by curbing the development of powerful interest groups or factions within political parties that are more focused on preserving their own power than on serving the public. When political parties are dominated by a small, powerful group, they are more likely to make decisions that benefit their own interests rather than the interests of the people. Reforming the party system through quality recruitment, internal democratization, and term limits helps prevent the emergence of such groups, ensuring that political power is more evenly distributed and that political parties remain accountable to the public.

Moreover, these reforms align with the broader goals of enhancing the quality of democracy in Indonesia. A healthy democracy depends on the active participation of the people and the responsiveness of political parties to their needs. By ensuring that political parties are led by competent, accountable, and diverse leaders, Indonesia can create a more inclusive and transparent political system that reflects the will of the people. The introduction of transparent recruitment processes, democratic decision-making, and term limits will help ensure that political parties are less likely to become vehicles for personal gain or the entrenchment of power.

G. Combating Moral Hazard in Political Parties: The Role of Law Enforcement, Public Engagement, Media, and Global Collaboration

Strict law enforcement, public involvement, media engagement, and global collaboration are crucial components in combating the persistent problem of moral hazard within political parties.[71]

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[70] Muhammad Mutawalli Mukhlis et al., 'Law Reform in Parliamentary Democratization: A Comparative Study of Legislative Terms in Indonesia, Philippines, and the United States of America', *Journal of Law and Legal Reform* 6, no. 3 (2025): 1079–122, https://doi.org/10.15294/jllr.v6i3.20664.

[71] Mathias Poertner and Nan Zhang, 'The Effects of Combating Corruption on Institutional Trust and Political Engagement: Evidence from Latin America', *Political Science Research and Methods* 12, no. 3 (2024): 633–42, Cambridge Core, https://doi.org/10.1017/psrm.2023.4; Poppy Sofia Koeswayo et al., 'Investigating the Relationship between Public Governance and the Corruption Perception Index', *Cogent Social Sciences* 10, no. 1 (2024): 2342513, https://doi.org/10.1080/23311886.2024.2342513.

Moral hazard, especially in the form of corruption, nepotism, and collusion, remains one of the most significant threats to the integrity of democracy in Indonesia. Tackling this issue requires a multifaceted approach involving comprehensive legal mechanisms, public participation, media oversight, and international cooperation. Each of these elements plays a pivotal role in ensuring that political parties operate transparently, ethically, and in the best interests of the public.

Effective law enforcement is foundational in combating moral hazard.[72] For any democratic system to thrive, it is crucial that all individuals, including political leaders and party members, are held accountable for their actions under the law. In Indonesia, this is particularly important because the absence of strong legal enforcement can lead to the normalization of unethical practices, such as corruption and nepotism, within political parties.[73] Strict law enforcement ensures that there are no exceptions based on power or influence, reinforcing the idea that political figures are not above the law.

The first step in improving law enforcement is legal certainty. For law enforcement to be effective, there must be a clear understanding of the laws, their interpretation, and their application.[74] Legal certainty provides the foundation for effective justice, ensuring that laws are consistently applied and that the actions of public officials, including political party members, are scrutinized and held accountable. The existence of independent oversight institutions, such as the Corruption Eradication Commission, is essential in this regard. These agencies are instrumental in investigating and prosecuting corruption, collusion, and nepotism within political parties, providing an essential check on their power. However, for the Corruption Eradication Commission and other regulatory bodies to be truly effective, they need to be properly funded, supported, and protected from political interference. Severe penalties should be imposed on political parties and their members who engage in unethical behavior, with corruption being met with robust sanctions, including criminal charges, asset forfeiture, and disqualification from public office. This would send a clear message that unethical behavior will not be tolerated.

Moreover, strengthening the enforcement of laws requires not only robust regulatory agencies but also an independent judiciary capable of impartially judging cases of corruption, abuse of power, and other moral hazards. This combination of strong institutions, clear legal

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[72] Mark A. Cohen, 'Optimal Enforcement Strategy to Prevent Oil Spills: An Application of a Principal-Agent Model with Moral Hazard', *The Journal of Law and Economics* 30, no. 1 (1987): 23–51, https://doi.org/10.1086/467128.

[73] A. Achmad Aulia, 'Disruption in Corruption Eradication in Indonesia', *Public Integrity* 27, no. 6 (2025): 736–57, https://doi.org/10.1080/10999922.2025.2455757.

[74] Steven Shavell, 'The Optimal Structure of Law Enforcement', *The Journal of Law and Economics* 36, nos 1, Part 2 (1993): 255–87, https://doi.org/10.1086/467275.

frameworks, and a fair and independent judicial system is vital for ensuring that political parties remain accountable to the public and operate in line with democratic principles.

Public involvement in the political process is another essential mechanism for reducing moral hazard within political parties. When citizens are actively engaged in monitoring the actions of their leaders and holding them accountable, the likelihood of corruption and unethical practices within political parties is greatly reduced. Public participation can take various forms, such as voting, attending town hall meetings, participating in public debates, and providing feedback on government policies. Engaging citizens in the political process ensures that politicians are more responsive to the needs of the people and less likely to engage in self-serving behavior.

One of the most important ways to strengthen public involvement is through political education. Citizens must be educated not only on their legal rights and responsibilities but also on ethical standards and moral norms that guide political behavior. Political education programs can raise awareness about the importance of engaging in the democratic process and monitoring political parties and government actions. These programs should focus on creating informed citizens who understand the political system, the role of political parties, and the potential dangers of moral hazards like corruption and nepotism.

In addition to formal education, fostering an active civil society is vital. Civil society organizations (CSOs) play an important role in monitoring political parties and advocating for greater accountability and transparency. By empowering citizens and CSOs to engage in oversight, the public becomes an active partner in ensuring that political parties adhere to ethical standards. The creation of platforms that facilitate civic participation, such as online petitions, public consultations, and community organizing efforts, allows citizens to more easily voice their concerns and demand accountability from their elected officials.

The mass media plays a pivotal role in shaping public opinion and holding political parties accountable. An independent, free press is essential for promoting transparency and ensuring that political leaders and parties are scrutinized effectively. Through investigative journalism and balanced reporting, the media can expose corruption, nepotism, and other forms of unethical behavior within political parties. Media outlets serve as the "watchdogs" of democracy, ensuring that the public remains informed about the actions of their leaders.

To enhance the role of mass media in combating moral hazards, it is essential to ensure press freedom. Media outlets must be free from political interference, enabling journalists to investigate and report on sensitive issues, such as corruption within political parties, without fear of retribution. This requires not only protecting journalists' rights but also fostering an environment

where media organizations can operate independently and without restrictions. In addition, investigative journalism should be encouraged and supported. Investigative journalists play a key role in uncovering corrupt practices and exposing moral hazards within political parties. Governments, civil society, and media organizations should work together to protect journalists and support their work in exposing wrongdoing.

By providing the public with accurate and independent information, the media can foster greater transparency and accountability within political parties. The media also helps shape public opinion by raising awareness about the dangers of moral hazard, prompting citizens to demand greater ethical standards from their leaders. However, for the media to be truly effective in its role, it requires public support, including financial support through subscriptions or donations, as well as legal protections to ensure its freedom.

Lastly, global collaboration is essential in addressing moral hazards that have international implications. Corruption and unethical practices often cross borders, especially when money laundering, illicit financial flows, and cross-border bribery are involved. International cooperation is therefore crucial for combating moral hazards in political parties, particularly when these practices have global repercussions.

Global collaboration can take various forms, such as bilateral and multilateral agreements, mutual legal assistance, and international conventions. These frameworks allow countries to work together to extradite corrupt individuals, recover misappropriated assets, and address cross-border corruption. International collaboration also facilitates the sharing of best practices and technical assistance from developed nations to help build the capacities of anti-corruption agencies in developing countries. By working together, countries can strengthen their collective efforts to combat corruption and other unethical practices within political parties.

In addition, global forums such as the United Nations, OECD, and G20 provide platforms for discussing and addressing global corruption. These platforms help coordinate international efforts to promote transparency, accountability, and ethical governance. Countries can learn from each other's experiences, share knowledge about effective anti-corruption measures, and commit to collective action against corruption. However, the effectiveness of international collaboration in preventing moral hazard largely depends on the political will of individual nations to cooperate and enforce these agreements.

H.   Conclusion

The moral hazard among political parties poses a significant threat to Indonesia's democratic integrity. The ramifications of moral hazard are extensive and may jeopardize the stability of the nation's democratic institutions. The erosion of public trust is a prominent and direct consequence, resulting in reduced political engagement, a weakened social control framework, and a decline in public confidence in the political system. As voters become disenchanted with political systems marred by corruption, nepotism, and collusion, their participation in democratic behaviors like voting and public discourse is significantly compromised. This disengagement poses a significant threat to the efficacy and legitimacy of democratic governance, complicating the nation's progress towards a more inclusive and accountable political landscape.

Secondly, moral hazard leads to a deterioration in the quality of public policies. Political actions motivated by personal or partisan interests frequently do not align with the genuine needs and aspirations of the wider public. Misaligned priorities, inadequate knowledge in policy development, and poor policy assessments intensify this problem, resulting in ineffective governance. Policies designed for immediate political advantage or to benefit particular interest groups can neglect wider societal requirements, leading to poor governance and exacerbating social inequities. The democratic process is compromised, as voters perceive that their demands and concerns are disregarded in favor of political objectives that do not serve the public interest.

Moreover, the deficiency of responsibility within political parties exacerbates these problems. The absence of accountability facilitates the proliferation of corruption, nepotism, and the misuse of power inside political parties. In the absence of a system of checks and balances, political leaders evade accountability for their acts, thus cultivating an environment in which unethical behavior is commonplace. This impunity fosters the entrenchment of corrupt practices, compromising the integrity of the democratic system and eroding public trust in political institutions. A robust democracy relies on accountable and transparent political parties; any compromise in this regard undermines the very foundation of democracy.

The entrenchment of moral dangers presents substantial obstacles to democratic advancement. The concentration of power among a select few elites, corruption, and the manipulation of political processes impede political and social advancement. These behaviors subvert the fundamental concepts of equality, fairness, and justice in democratic governance, hindering the political system's ability to adapt to society's evolving needs. While political parties remain vulnerable to these difficulties, they will continue to obstruct the development of a strong, transparent, and genuinely democratic political landscape in Indonesia.

Nonetheless, several techniques can be implemented to mitigate moral hazard and enhance democracy in Indonesia. Enhancing internal monitoring inside political parties is an essential initial measure. Formulating explicit ethical codes, establishing autonomous monitoring committees, and instituting whistleblower protection mechanisms are essential strategies to guarantee that political parties comply with ethical norms and maintain accountability to the public. Moreover, enhancing openness in financial reporting, decision-making processes, and organizational operations will alleviate the hazards of moral hazard and reinstate public trust. Reforming the political party system by emphasizing quality recruitment, internal democratization, and the establishment of term limits might diminish power concentration and avert the rise of political dynasties or oligarchies.

Implementing stringent legislative frameworks and ensuring that transgressors of ethical norms face significant repercussions is crucial. Robust law enforcement, bolstered by autonomous regulatory bodies such as the Corruption Eradication Commission, will facilitate political parties' accountability and mitigate corruption. Enhancing public involvement through political education and cultivating an engaged civil society will enable citizens to participate in the political process and demand greater accountability from their elected representatives. Moreover, strengthening the role of the mass media in uncovering unethical conduct and delivering precise, unbiased information to the public will enhance transparency and accountability in the political system. International collaboration is crucial for tackling transnational corruption and immoral practices, as it can strengthen global efforts to mitigate moral hazard.

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