

# Asean: Handling Disruptions and Combating Corruption

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## ABSTRACT

This paper discusses the resilience of ASEAN member countries facing some obstacles to achieve common success. Various multilateral cooperation in the economic, political, legal, and others were implemented for achieving the goals. The revolution of industrial 4.0 which is characterized by super computers and robotics is just arrived. The implementation of industry 4.0 has caused a disruption era as one of the exponential growth as elements. This disruption era became a night mare to the parties who are not able to transform and adapt to the change. The challenges facing ASEAN are not just technology, but also Trans national crime and Transorganized crime (TNC and TOC) such as corruption and money laundering. ASEAN member countries have agreed to face the disruption era and industry 4.0 by promoting the manufacturing sector as a superior product. Meanwhile, related to the prevention and eradication of corruption, ASEAN member countries agreed to prepare a mutual legal assistance (MLA). The importance of MLA because of the increasing sophistication of crime TNC and TOC but indeed there are difference legal practices among the ASEAN countries. There have been many forms of cooperation carried out both with regard to extradition, sharing information and knowledge, as well as litigation support.

**Keywords:** *Disruption, Industry 4.0, Exponential Growth, Corruption, ASEAN*

## 1. INTRODUCTION

World modernization goes from time to time since the ancient Greece. During this period some great philosophers such as Aristotle, Plato, and others addressed ideas for guidelines on ways of thinking and acting, especially in relation to live together in a social community of mutual respect and recognize the rights and obligations of all parties as the residents of the community. With these guidelines has led to all members of society into the regular living conditions, patterned, respect others, respect for plurality, the rule of law, uphold justice, uphold honesty in order to achieve common prosperity. They realize that the common interest takes precedence over the interests of individuals and groups. Hence also, science, culture, and civilization developed rapidly during the period.

Furthermore, with the development of civilization and human being led to the next modernization. Some values which basically leads people to behave and act in their lives in the world. Interactions among humans, humans and other living creatures were based on the beliefs and values. All the guidance of life basically to create harmony which is essentially supposed positioning on every element on earth. Earth as the home of all human beings and other creatures both animate and inanimate certainly needs to be preserved. All it does nothing but going back to the comfort and sustainability of human life on earth in peace and prosperity. It must be realized by all parties that the slightest done to keep the

earth and everything in it will give a positive impact for the survival of human life. It will derive advent of civilization and high culture until now. Many civilization heritages and culture such as magnificent thousand year's buildings still standing exist today. We find ancient plant and animals are protected from extinction. We also can still enjoy the culture and tradition of every part of the world is included in this beloved country.

It must be recognized that the development of human science and technology has been growing more rapidly. This has led to globalization is now widely perceived by humans. The world is increasingly borderless, without distance, and blends of civilization and culture. We'll see how the products, technology, knowledge, lifestyle, and various form of modernization more evenly in each hemisphere. Almost every major city has the similarity of shape, food, clothing, entertainment, and even language and patterns of human life which is dominated values and western civilization given the western world has become a barometer of progress. When observed closely these developments very much dominated by the enormous influence of the western. Many pros and cons of that globalization due to of domination of Western countries.

Globalization has indeed been encouraging rapid progress of science and technology and the change towards more dynamic civilization and metropolis.

Nevertheless, globalization causes a cost that must be paid by the world. Various costs associated with the globalization and exploitation of a massive earth caused impacts to the harmony of life on earth. Aggressive exploitation of natural resources, such as mining and forestry, caused much damage both on the earth surface the earth's subsurface. Aggressive logging has pushed the world to lose filter or lungs of the world, giving rise to changes in the weather (climate change) that is so damaging to the world. Industry mainly produced carbon and other greenhouse gases that contributed to the destruction of the earth as a whole. This is the price we pay for progress or what is known as globalization.

Such things cultivate an awareness of all parties concerning to rescue harmony of life. All parties should care that we have to change patterns of thinking, behaving and acting in carrying out its activities in the face of the earth. They realize that the world must go well with the support of the earth harmony for the present and the future beyond. This is much touted by the term sustainable development. All progress and exploitation not only for the usefulness of the present (the now generation) but also have to prepare for continuity for the future generation. Various policies and advances in technology and industry must pay attention to the sustainability of the earth till no time limit.

The exploitation of the world continues towards increasingly complex and interconnected between various aspects such as economics, law, security and technology. The latest development is the inclusion of a new era of the industrial revolution 4.0 and the consequences of exponential growth of technology.

## 2. DISCUSSION

### 2.1 Disruptions Era

The first industrial revolution, known as the industrial revolution 1.0 occurred as a response to the evolutionary theory proposed by Thomas Malthus. In his book, "An Essay on the Principle of Population" Thomas Malthus (1798) stated that the tendency of population increase faster than the increase in food production. Malthus said that population growth following the pattern of exponential while the food availability growth pattern by arithmetically. Driven by the Patent Act many scientists racing to form various researches and studies. The scientists then found the steam engine. This encourages the production efficiency thus accelerating the economic development and prosperity of man.

With the rapid development of production that uses the engine as the main factor consumes a great energy. Energy used mainly the non-

renewable fossil energy. This raises new problems for the world cause the destruction of nature conservation. Moreover, businesses often oriented to get profit as much as possible in any way. *Sustainable development* is a concept which requires that an economic growth in order to continue to provide protection for the environment and social interests. In the book "In Our Common Future", (United Nations, 1987), WCED states that the achievement of sustainable development is not only the duty of governments as regulators and policy makers but also need to participation of the business. Elkington (1994) stated that for the survival of a company priority on economic issues is not sufficient, but must also give the same attention to social and environmental aspects at the same time. Thus, the Elkington corporate sustainability concept called The Three Bottom Line (TBL).

This encouraged industrialized countries to pay attention much for creating new breakthroughs without causing a negative impact on the environment. Industrial revolution continues to the next generation called industrial revolution 2.0. Industrial 2.0 triggered by the some discoveries in the field of electricity. Not long after the development of electricity, also found electronic devices and telecommunications are creating new findings in the field of information technology and electronics. This is known as the industrial revolution 3.0.

The newest innovation is industrial revolution 4.0. This revolution is characterized by disruption era, namely the emergence of industries based online (digital). Not just computers, mobile technology is endemic and almost everyone is connected online. This revolutionary and innovation change the competitiveness of a product on the market. The problem with this new technology is a gap between the industries and workforce readiness. Many employers having trouble finding human resources who are fully competence and has the literacy skills (reading, writing, and arithmetic) are also literacy of data (big data), literacy technology (coding, and understanding of AI) and literacy humans (humanities, communication and design). Actually, disruption era had begun a few years ago but unnoticed by the incumbents (large companies that existed during this time). Ray Kurzweil, co-founder of Singularity University, in 1999 rolled out a phenomenal book entitled "The Age of Spiritual Machines". Ray Kurtzweil also wrote and published his thesis related to "The Law of Accelerating Return". Compare to the growth of human way of thinking (linear), technology is developed in a different way. Since 120 years ago, the technology has progressed following exponential pattern. The rapidly evolving technology is represented by the

development of computers. The higher the speed of a computer processor, the greater the capacity of the hard disk, and continue to multiply (double) every 18 months. Besides, the technology prices also continued to decline nearly 50% of the original price. Real example is rapidly progress in telecommunications. Smart Phone that exist today is a combination of some technologies (GPS, gyroscope, fax machines, video recorders, radios, TVs, cameras, encyclopedias, dictionaries, telephone, scanner, etc.) which are many and each one is very expensive before.

The more spectacular ideas was stated by the founder of Singularity University others that Peter Diamandis. He did some research and managed to convince many people that the technology is moving exponentially growth through 6 stages known as "6D's of Exponential Growth", namely:

- a. Digitalization. Almost all of the activity and infrastructure in our daily lives is supported by digital. It means that human can move more quickly, accurately, precisely and surely become cheaper. Starting from the facility's financial transactions, trade, transportation and healthcare industry to require digital engine capabilities.
- b. Deception. The development of digital technology looks mediocre considered by many (especially the incumbent) as small ripples are not nothing. With the response that they got complacent (boil frog), and was shocked when they come to the point of death called "knee of the curve".
- c. Disruption, also known as knee of the curve. Reaction is as small as atoms seed but can destabilize and destroy the establishment of the incumbents. The incumbents had been enjoying heaven-establishment, was suddenly startled by a big wave that inundated his greatness. As an example is the transportation business that is taken over by the transport online, online transactions, trade in goods and services online.
- d. Dematerialization. By entering the world of digital and disruption of the increasingly abundant information that is no longer possible to be stored statically in the limited hard drive capacity. Grow of non-physical storage is dynamic and can be accessed anywhere and anytime. Thus the information and data are transferred into the Cloud (digital cloud).
- e. Demonetization. The digital cloud is a place to store any things, makes us indulge in an efficient, effective, excellent, and definitely all costs be reduced dramatically. Books, music, movies, science, information, communication, etc. tiba2 so booming volume, and increasingly less costly, even for free without the need to pay at all.
- f. Democratization. The tip for human life to be abundance, fast, precise, accurate but with a very minimal fee once. It means that the world entered the era of "Abundance" or so called "Free Economy" and "Sharing Economy". This era has begun slightly we feel with the use of free mail (email), free long-distance calls (WA call), free schools (khanacademy), free tuition (Coursera), free book (pdfdrive.net), movies and music for free (youtube), recording lectures, seminars and training free of charge (youtube), design for free (Canva), play free games, Chatting for 50 people from all over the world for free (zoom), lodging for free (couchsurfing) etc. And free (or a minimum of once a bargain price so affordable for everyone) the longer it will be more massive, because it will spread to all areas of the others, especially energy, water, food, transport and health. This was stated in his book Peter Diamandis entitled "Abundance". It is estimated that in the year 2035-2040 (Bonus Demography Indonesian experience) will appear trending type of work has not encountered today. Robots and computers (AI) took over 50% of the work of human muscles and brain. Then humans focus on a less dignified pekerjaan<sup>2</sup> who use the "advanced brain" (creativity, etc.) along with the "heart and soul" (intelligence emotional, social, spiritual) that are not owned robots and AI. Or by using "Neural-link".

## 2.2 Combating Corruption

Hopes and dreams of the fighters and heroes who liberate the Homeland apparently have not yet been fully realized. Despite advances in national development and economic growth has shown its success, but still there are many problems facing this nation. As the largest democracy country in the world, Indonesia has entered the transition from state-paced towards more put together and shared decision-making for the common good. With a variety of God's gifts to the homeland of Indonesia, is feasible if provided many jobs for the citizens? In addition, other issues related to the social and horizontal and vertical conflicts increasingly characterize the lives of the people of Indonesia. This is not due to the increasing number of Indonesian population

(more than 250 million people), not because it was the rapid depletion of natural resources in Indonesia, nor because of the laziness of the Indonesian nation, but more due to the still widespread corruptive behavior at various levels life of the nation and in many policies, programs, and activities of the government. It is just a limited number of expensive fees to be paid society as prolonged as a result of corrupt behavior of the authorities in this country who have betrayed the trust and confidence of society (Haryono Umar, 2016). nor because of the laziness of the Indonesian nation, but more due to the still widespread corruptive behavior in a variety of national and state levels and in many policies, programs, and activities of the government. It is just a limited number of expensive fees to be paid by society as prolonged as a result of corrupt behavior of the authorities in this country who have betrayed the trust (Haryono Umar, 2016). nor because of the laziness of the Indonesian, but more due to the still widespread corruptive behavior in many policies, programs, and activities of the government.

As crimes have broad impact, since 1999 Indonesia has stated that corruption is an extraordinary crime that must be dealt with the extraordinary way. Therefore, in 2003 established Corruption Eradication Commission (KPK) to accelerate efforts to eradicate corruption both repressive and preventive manner. Hundreds of major cases at both central and local levels have been dealt with prison sentence for perpetrators of corruption. Besides, in terms of prevention has been successfully saved the state finance and state assets amounting to more than 156 trillion rupiahs. However, it seems that corruption still a lot going on even started to plague the young people. Reveal cases in the tax sector where some employees have a wealth tax which far exceeded

his income profile as civil servants has opened the eyes of the public that corruption must be fought together. The issue of corruption is not just relating to law, but many aspects. So in order to realize a prosperous Indonesia corruption should be eradicated by everybody.

Empirical data shows that the most widely associated with corruption is government procurement of goods and services. Data handling cases of corruption committed by the KPK for a period of ten years shows that the cases of corruption dominated by the procurement of goods and services (about 70 percent) or more commonly known as projects. Many of the activities of government implementation of many large and small projects are abused by employees who prioritize self-interest of specific groups. The rise lobby practices and nepotism give rise to opportunities for certain business groups are trying to build a special access to the center of power because this is where the base of the plot awakened. As the party in power, government sometimes come rolling the rules are not conducive to the prevention and eradication of corruption. Sometimes they even published overarching rules for their corruptive behavior. Past practices shows that the government can cut 5% of receiver local taxes to be collected wages for officials enjoyed ranging from ministers, governors, regents and mayors and other officials both at regional and central government. The tax money should have been earmarked as much in the public interest and national development. Actually, it been used to enrich the officials who already receive a salary from the state. This is where the injustice was seen; by utilizing the corrupt official's regulations enrich himself and his group to exploit the public's money through taxation.

Table 1. Various cases of resource management in the area seen by many regional head convicted corruption prepared from Viva.co.id as follows (VIVA.co.id (Tuesday, September 19, 2017 | 16:59 pm, and Tim Okezone, Journalist · Saturday 23 September 2017, 11:44 pm, and [Ronna Nirmala](#)-Beritagar.id | 7:08 pm - Wednesday, September 27, 2017):

No.	District head	Case
1	AP, former Governor of Nanggroe Aceh Darussalam (NAD)	Procurement of Mi-2 helicopter aircraft belonging to the Government of the province. Determination of the suspects first announced on June 29, 2004.
2	SAF, former Governor of East Kalimantan (Kaltim)	The implementation of the Oil Palm Plantation Development Program million hectares in East Kalimantan followed dg Timber Utilization Permit Issuance year 1999-2002. He was arrested by KPK on June 19, 2006.
3	AA, former Regent Dompu	Dispensing or use of funds that are not in accordance with the allocation fund, Dompu district Suspect Year 2003-2005 budget. AA was first investigated by the Commission on 24 April 2006
4	SD, a former governor of South Kalimantan	Misuse or use not as intended on Budget Routine Post Regional Head South Kalimantan Year 2001-2004.
5	SD, former Riau Governor	procurement of fire engines in 2003
6	HB, (former) Regent of Kendal	Kendal local cash burglary committed in his first term, but the case was revealed in his second term. He was arrested by KPK on December 22, 2006



7	SH, (former) Regent Kukar	Samarinda airport development project implementation which occur in Kutai Kutai Regional government of East Kalimantan province, in 2003-2004
8	BAM, former Mayor of Makassar	procurement of fire trucks in city brands Tohatsu type V-80-HSA in Makassar City Government Budgets Year 2003-2004
9	Ab, former Mayor of Medan	Procurement fire trucks brands MORITA year 2005 budget and corruption misuse of Medan 2002-2006.
10	Rm, (former) Vice Mayor of Medan	Procurement of fire trucks in city brands MORITA year 2005 budget.
11	TAJ, (former) Regent Palalawan	permitting abuse on the issuance of IUP HHK-HT / GPA in 2001-2006 in the area of Pelalawan to a number of companies morbidly keeping with the applicable regulations
12	US, (former) Garut Regent	misuse of budget funds Garut FY 2004-2007
13	VAP, (former) Regent of North Minahasa	corruption misuse of budget
14	Is, (former) West Lombok regent	Takeover land and buildings of former West Lombok regent office in 2004.
15	DS, former Governor of West Java	procurement of fire engines, ambulances, stoom walls and dump trucks by the Government of West Java in 2003
16	JRR, (former) Regent Manado	abuse of Manado City Government Budgets FY 2006
17	(Former) Vice Regent Kutai Kartanegara	misuse of social assistance budget Kutai regency in 2005
18	AD, (former) Regent of Southeast Aceh	Southeast Aceh regency budget management FY 2004-2006
19	Is, (former) Regent of Situbondo	He was arrested the Commission on December 10, 2008 related to cases of abuse Situbondo FY 2005-2007 budget. KPK investigators took over the case from local police
20	SO, former Governor of South Sumatra	participated on the provision of funds to the civil servants or state officials associated with the application process over the function of protected forest in South Sumatra Pantai Air Telang
21	JFW, (former) Regent Supiori	Supiori Central Market Development, the parent terminal Supiori district, Home Office Echelon Supiori district and the central market renovation Supiori for the branch office of Bank Papua dg use budget funds FY 2006-2008 Supiori
22	HDR, (former) Regent Natuna	Natuna abuse FY 2004 budget that is not its designation and cash expenditure is not accompanied by proof of a complete and valid
23	HR, (former) Regent Natuna	Abuse Natuna district budget in 2004, paddling its designation n cash expenses morbidly complete with evidence that n valid.
24	AAS, (former) Regent Siak	Issuance of business permits timber forest product utilization in plantation forests in 2001-2003 in the district of Siak to a number of companies that do not comply with the applicable provisions. Of the case, he was sentenced to 5 years in prison.
25	IA, the former Governor of Riau Islands	Car procurement Firefighters brands Morita Fiscal Year 2004 and 2005 in the Industrial Development Authority Batam Island
26	IK, (former) Regent Brebes	Land acquisition for the market in Brebes district government FY 2003.
27	YY, (former) Regent Digoel	misuse of budget funds and local government OTSUS Digoel Regency Papua Province FY 2006-2007
28	SA, the former governor of North Sumatra	abuse of authority and corruption Langkat the cash management area and the abuse of the use of Langkat district budget in year 2000-2007
29	JSMR, former Mayor of Tomohon	use of Tomohon City Government Budgets FY 2006-2008
30	MM, former Mayor of Bekasi	Financial management and accountability Bekasi government budget.
31	BBB, (former) Regent of Nias	Natural disaster relief funds management Nias in 2007.
32	RES, a former mayor of Siantar	sekda bansos fund management and fund rehabilitation and maintenance of the Public Works Department or the City budget Siantar FY 2007
33	FL, (former) South Nias Regent	Bribe to an official or state officials with the intention that the civil servant or the state officials do or not do something in a position that is contrary to its obligations.
34	ME, (former) Regent Seluma	misuse of funds and bribes to legislators
35	SH, former Mayor of Semarang	giving something to the servants or State Officers together with Secretary of Semarang
36	AB, (former) Regent Buol	Receiving bribes related to the maintenance process Hak Guna Usaha (HGU) Plantation on behalf of PT CCHM and or PT Inti Plantation is located in District Buol, Central Sulawesi. The case also ensnared prominent businessman, HM
37	MHB, (former) Regent Mandailing Natal	bribe Regional Assistance Fund allocation (DHF) in 2013
38	DR, the former mayor of Bandung	Bribery case handling Corruption of the misappropriation of social assistance Bandung City Government and the High Court of West Java.

39	HB, (former) Regent of Gunung Mas	bribing of judges handling cases related to the election dispute Gunung Mas district of Central Kalimantan
40	RZ, former Governor of Riau	corruption on granting ratification Work Chart Forest Timber Utilization Plant Forest (BKUPHHKHT) on natural forest area in the region Utilization License Timber Forest Products Forest Plantation (IUPHHKHT) in Pelalawan and Siak Regency in 2004.
41	RAC, the former Governor of Banten	Bribery of judges handling cases of disputes over the elections of Lebak, Banten 2013. Go Party politician was re-charged the Commission in 2014 for the procurement of Medical Devices in Banten, as well as the cases of bribery and extortion.
42	IJ, a former mayor of Tegal	corruption related to the implementation of the land swap between the City Government of Tegal and private sector in 2012
43	IAS, former Mayor of Makassar	corruption cooperation rehabilitation work, manage and transfer to the water treatment plant between PDAM Makassar with the private sector, the period of 2006 -2011
44	RY, (former) Regent Bogor	Exchange bribes on forest land in Bogor regency on behalf of PT. BJA.
45	RH, former Mayor of Palembang	Bribery of judges handling cases related to disputes city of Palembang election 2013. In this case, the Commission also ensnare wife RH ?, and former Chief Justice AM.
46	YS, (former) Regent of Biak Noemfoor	Bribery disaster prevention projects at the Ministry of Rural Development.
47	US, (former) Regent Falkirk	Abusing his power to force people to give something related SPPR permit on behalf of PT. TK in Karawang regency.
48	RBS, (former) Regent of Central Tapanuli	Allegations of bribery against the former Chairman of the Constitutional Court (MK) AM. Bribery was related to the disputed elections of Central Tapanuli, North Sumatra
49	AH, (former) Vice Regent of Lebak	Bribery against former Chief Justice AM. bribery related to the election dispute Lebak
50	ZA, (former) West Lombok regent	Regional development permits process in West Lombok Tourism Year 2010-2012.
51	FA, (former) Regent Bangkalan	Bribes and selling natural gas for power generation in Gresik, East Gili Bangkalan, Madura, East Java and other receipts deeds. In addition, FA also charged a money laundering case.
52	AM, former Governor of Riau	KPK arrested 25 September 2014, related to bribery over the function of forests in Riau province.
53	BS, former Governor of Papua	Corruption activities of the detailed engineering design of the river hydropower Memberamo and Urumuka River in 2009 and 2010 in the province of Papua.
54	MDT, (former) Regent Abu Raijua	abuse of authority in using the Fund of School Education in Sub Department of Education and Culture of the Province of NTT FY 2007
55	BAA, the former) Regent Empat Lawang	bribe the judge AM related disputes county local elections four gates at the Constitutional Court in 2013
56	RS, (former) Regent Morotai Island	bribery dispute the elections of the island of Morotai in the Constitutional Court in 2011
57	GPN, a former governor of North Sumatra	Bribes to the judges and the clerk of the Administrative Court of Medan, North Sumatra. In such case, the KPK also arrested lawyer OCK
58	OS, (former) Regent Subang	KPK arrested, on Tuesday, April 12, 2016. He stipulated KPK charged for bribing Prosecutors handling corruption cases BPJS budget Subang district in 2014. He was charged under the case of graft and money laundering.
59	Su, (former), Regent of Rokan Hulu	KPK detained on June 7, 2016 related to the bribery case R-budget discussions in 2014 and 2015
60	NA, Former Governor of Southeast Sulawesi	Misuse of authority in granting a nickel mine in two districts in Southeast Sulawesi, during 2009 to 2014
61	YES, (former) Regent Banyuasin	KPK arrested, Sunday, September 4, 2016. YA arrested after allegedly receiving bribes related to bonded labor projects in the Department of Education and other agencies in Banyuasin
62	BI, (former) Mayor of the City of Madison	Gratuities while serving as mayor in 2009-2014.
63	BK, (former) Regent Tanggamus	Bribery Tanggamus number of legislators on budget endorsement, 2016.
64	Suas, former regent of Buton	kickbacks to former Chief Justice AMon handling disputes Tajun Buton Election 2011
65	USA, Former Mayor of Cimahi	KPK arrested along with her husband M IT, and determined suspected cases of bribery development phase two New Upper Market Cimahi
66	Ta, Former Regent Nganjuk	Corruption five infrastructure development projects in Nganjuk in 2009. In addition, he is also suspected of receiving gratuities since 2008. However, the allegation Commission Pretrial broken in South Jakarta District Court,

		and now his case file was returned to the Attorney General as a law enforcement agency which first investigated this case.
67	RM, Former Governor of Bengkulu	Was seized by officers namely the Commission after securing his wife, LMM, on June 20, 2017. Ri allegedly involved bribery road construction project in the province of Bengkulu year 2017 budget.
68	US, former Regent of Pamekasan	KPK officer arrested on bribery case the District Attorney RIP Pamekasan, misappropriation cases related smoothing fund management Dasok village. The amount of USD 250 million
69	SMS, Former Mayor of Tegal	Captured the Commission on August 29, 2017, Tegal. Besides SMS, KPK arrest Hutagalung businessman Amir Mirza and Deputy Director of Hospital Tegal KSF. They were arrested on corruption-related financial services management in hospitals Kardinah
70	OAZ, former Regent Coal	KPK arrested OAZ and determined suspects 14 September 2017. He was charged in a bribery workmanship Coal year district infrastructure development in 2017.
71	ER, Former Mayor of Batu Malang	He was seized on Sunday, September 18, 2017, related to the bribery case of the Dutch capital projects and machines in municipal government procurement Stone appliances
72	<b>TIA, former mayor of Cilegon</b>	Cilegon Mayor, TIA arrested along with nine others in the OTT in Banten, Friday, September 22, 2017 until midnight last. KPK confiscated evidence alleged bribes worth hundreds of millions of rupiah. Bribes were allegedly related to the licensing process in Cilegon industrial area
73	RW, regent of Kutai Karta Country	The Corruption Eradication Commission (KPK) set Kutai Regent RW as suspects alleged gratification, Tuesday (26/09/2017). He became the seventh specified KDH KPK as suspects alleged corruption throughout 2017
74	Ta, Regent Nganjuk	Allegedly accepting a bribe of 298 million Rupiahs related to the sale and purchase of office in the District Nganjuk environment.

Act number 31 year 1999, rules that corruption is an extraordinary crime (extraordinary crime) together with terrorist crime and drugs. In the Law Commission stated: ". Corruption is widespread and systematic violation of the rights of social and economic rights of the people, and because of it all, then corruption can no longer be classified as an ordinary crime but has become a crime extraordinary". Corruption disturb the national achievement of prosperous society. Translated from the wishes of the people in the law which states that corruption is an extraordinary crime, should have implications for the handling of corruption by extraordinary way as well. From an economic standpoint, an adverse impact of corruption include: First, the emergence of organizational inefficiency and inefficiency leads to decreasing economic competitiveness. Secondly, the ineffectiveness of the distribution of national resources in all its forms which resulted in the striking social inequalities. Third, the absence of incentives for berproduktivita for higher returns daiperoleh through a shortcut. And fourth, it will reduce the credibility of the authorities and get lack of public support for each government program. ineffectiveness of the national resources distribution resulted in the striking social inequalities..

## 2.3 ASEAN Commitments

### 2.3.1 Managing Disruptions

Disruption era cause perceived impact to various industry, business, and society. At this

time no longer large party prey the small one, but the faster will grind the slower. Throughout the world, including the ASEAN region, many incumbents collapsed due to unable to deal with the small and aggressive new comers that competence and able to think and act exponentially. With the passing of the industry 4.0 has been given a huge boost (moderation) for the implementation of exponential growth, one of which is the disruption. The impact of disruptive not only felt by business and industry but also by others such as higher education. The industry 4.0 creates some inventions in the industry and the growing business functions such as Internet of Things (IOT) as well as the increasing use of robots and sensors to accelerate industrial and production. However, the disruption era are not just a nightmare for industry and business, but also provide a good opportunity for parties who are able to manage it well through thinking and acting exponentially.

Growing technology and economic, will be more and more alternative approach every individual and organization. This is certainly creates the gap of information (information asymmetry) inthe abundance of information. Information asymmetry will cause two things namely the problems o adverse selection problems and moral hazards. In order to exist and be a leader, organization should minimize the information asymmetry. By establishing and managing quality of information (relevant, reliable, and valid), organization will dominate the competition and become a trendsetter. By

dominating information and technology, organization can operating daily activities using robot and super computers. They will operate daily activities by automation, fast, accurate and certainly without complaint. Machines become a colleague in the work, rather than as tools. Many opportunities in disruption era will encourage some businesses that utilize information technology, innovative, and adaptive. Implementation of industry 4.0 daily operations become more efficient, effective, economical, and of course excellence. Industry and businesses will increase the volume and quality of production, trade, and the expansion of employment. Related to this, on 4 April 2018 Indonesia has issued the industry 4.0 roadmap in Jakarta. Industry 4.0 Roadmap is a guideline for the implementation of the digital economy in order to achieve a progressive economy.

Likewise, the ASEAN members will improve collaboration among the members. The agreement related to the cooperation in economics progressive and comprehensive. Economic cooperation will utilize the computer technology and robotics to encourage manufacturing sectors as the flagship for the progress of countries in the ASEAN region. That sector include, among others, the automotive industry, electronics, food and beverage, textile clothes and footwear (TCF). In order to achieve the goals, the ASEAN countries require adequate competitive advantages such as large domestic market and production base of several automotive companies of the world. Both competitive advantages are already owned by Indonesia. Indonesia's readiness to excel in an era of disruption is indicated by the goals of automotive production target of 2.5 million units in 2020. Meanwhile the Central Statistics Agency has released data that the growth of the transportation equipment industry reached 5.63 percent or above economic growth national average of 5.06 percent in the third quarter 2017. ([kemenperin.go.id](http://kemenperin.go.id))

One of the problems still facing Indonesia today is related to the quality of human resources. In accordance with the agreement among the South East Asia countries, in 2015, Indonesia enter the era of the ASEAN Community which means that the era of free-level trafficking of Southeast Asia began also applied in Indonesia. Thereby among the countries of Southeast Asia are no longer a limit and the distance (borderless countries), all the closer, more open, and all the free in perfect competition without a hitch (barriers). In this stance Indonesia will be attacked by foreign products and services.

When Indonesia reached the age of 100 years, Indonesia will face the Golden Generation 2045. The term was echoed called the

demographic bonus. In 2045, Indonesia will get a demographic bonus because Indonesia's population reached 70% in reproductive age (15-64 years), while the remaining 30% is non-productive population (under 14 and over 65 years) in the period 2020 -2045. Golden Generation 2045 is a noble vision that must be carried by all elements of society. Then this is particularly the education agency role to prepare the transition of young generation in the future. Besides, the next generation of Indonesia will be productive, innovative, peace in their social interactions, healthy, healthy in a natural interaction, and superior civilization.

To that end, the preparation of human resources becomes a necessity and is built with the highest priority for Indonesia and all the ASEAN member countries. In the development, human resource development follows the pattern where there is alignment QUINTIFULL HELIX (harmonious, and balanced) between the elements of the human resources development. These elements include:

**a. Campus.**

Education should be able to produce graduates who have the explicit competence (knowing) that consists of the knowledge, skills and attitude. In addition, the campus also must be able to prepare graduates who have the tacit competence as a core competence for individuals to be able to interact well and do not conflict with individuals, groups, social organizations, as well as the environment. Tacit competence is a measure of integrity, honesty, motivation, and enthusiasm supported the noble values of the nation.

**b. Business.**

The business world must continue to innovate, but also have to maintain the values and systems in line with the stakeholders' expectations. If it is able to be applied properly, it will wake up a strong legitimacy in the business. Thus business profiles need to be synchronized in order to build strong human resources. Facts indicated that there are some corporations become suspects of crimes because they do not run a business with proper and against the law.

**c. Government**

Government of Indonesia is already aware that human resources are a critical success factor for sustainability of a nation. Therefore, the government has stated in the constitution that the educational budget not less than 20% of the revenue and expenditure budget (APBN). But unfortunately, management of the state budget is still encountered many cases of corruption so that the budget is not fully consumed for education.



#### d. Social

People are very big influence on human development. Support and social behavior will determine the direction of human resource development in order to be competitive in regional and global competition. Work hard, smart, and sincere should be implemented by anyone. Education needs to help build a culture in society in order to align nation development.

#### e. Environment

ASEAN countries are known as the surge of other regions. In this area, the season never extreme, fertile land, abundant natural resources, as well as the relative security is much better than the rest of the world. However, it should be remembered that the ASEAN region also has the potential for major disasters are highly detrimental to the nation and the State. Experience in 2004 tsunami disaster that struck the ASEAN region caused enormous damage and the world's attention. Therefore, ASEAN must keep this neighborhood with friendly and green environment.

Readiness of the most must be owned by each ASEAN Member State is the ability in research and development primarily related to an increase in the nation's independence. With progressive research will certainly make the country capable of being a trendsetter in progress. All of these things will give a major contribution for achieving the national goal of a prosperous society, fair and happiness.

Care should be taken not to place the midst of growing de-industrialization industry implementation 4.0. Research budget is still relatively small compared with other regional countries (South Korea 4%) becomes difficult for ASEAN to move forward to compete with the developed countries that already. Likewise, the quality of human resources is still low (average Junior High School) instead will burden the industry so the opportunity will be taken by other countries which have better quality of human resources.

#### 2.3.2 The Corruption Eradication

Given the corruption in Indonesia occurred rampant then required to eradicating corruption effectively and efficiently (Act No. 30 of 2002). Eradication of corruption that had been done aggressively did not raise the deterrent effect for corruptors. Therefore, more efforts should be made more comprehensive and effective way to prevent the recurrence of any practical acts of corruption is dirty.

With the growing global relationship among ASEAN countries, corruption will be spread out cross-country called trans-national

crimes (TNC). ASEAN member countries have been very clear in the handling of this TNC. In industry 4.0 moderated by information technology and super computers pushed corruption become TNC. Supported by the increasingly sophisticated technology, corruption mutated to be an international network. So that corruption not only categorized as a TNC but also mutated into transnational organized crime (TOC). Stealing money they got from corruption is hidden in a Contracting State other country by money laundering infrastructure.

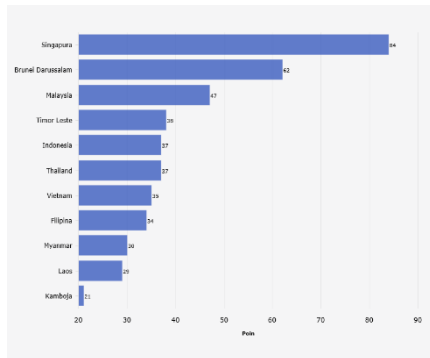
One effort of cooperation among countries to deal with criminal cases TNC or TOC is the application of Mutual Legal Assistance (MLA). This pattern is an agreement between two or more countries to collaborate through exchange information and knowledge in handling TNC or TOC cases. MLA application must be determined by agreement between the countries that will mutual benefit to each party. In addition, each country can take advantage of the MLA to perform law enforcement began an investigation, investigation and prosecution of cases of TNC and the TOC. Mutual Legal Assistance (MLA) is basically a form of reciprocal agreements in criminal matters (Dan E. Stigall, 2013).

The forms of cooperation which are widely applied MLA is no extradition treaty, agreement on mutual legal assistance in criminal matters (mutual assistance in criminal matters), the agreement on the transfer of the proceedings, and so on. Extradition and mutual agreement all assistance in criminal matters was instrumental in the disclosure of transnational organized crime. With the agreement, the law enforcement can be more effective in preventing, arresting, and sentencing criminal offenders against transnational/ international dimension. The KPK has made several MLA against corruption cases in which the perpetrators escape out of the country.

Indonesia has signed extradition treaties and agreements on mutual legal assistance in criminal matters, among others: the extradition agreement with the Government of Malaysia ruled by Law No. 9 In 1974, an extradition agreement with the Philippine government through Law No. 10 In 1976, an extradition agreement with the Royal Thai Government through Law No. 2 In 1978, as well as mutual assistance agreements in criminal matters by the Australian government in 1995.

To further cooperation both bilaterally and multilateral should be strengthened among ASEAN member countries. Especially if you see there are still many cases of corruption in the Southeast Asian region's potential for economic growth to improve industry management

strategies 4.0. Development of the corruption perception index ASEAN countries depicted in the chart below.



Source: Data word, News and Research

The graph shows that Indonesia continued to its Corruption Perception Index by aggressive combating corruption and escaped from the stigma of corrupt country. With mutual cooperation, each country may be more effective in eradicating corruption through good MLA agreement with the extradition treaty and the exchange of knowledge and information.

### 3. CONCLUSIONS

Era disruption is one of the stages in the 6 D's of Exponential Growth as stated by Peter Diamandis. Disruption driven by the industrial revolution 4.0 is a condition that must be accepted and responded wisely by all parties, both globally, regionally and nationally. Organization that ignorant about this great threat soon will be collapse. In such conditions it is no longer large (size, age, reputation, and experience) that will make survive and exist, but the more rapid, accurate, precise and innovate to be able to dominate the industry and business competition. According empirical data, some corporation that didn't pay attention to this change such as public transport will be erased by wave of online transportation. By adapting the exponential growth, organization can improve its competitive capability because it will operate daily activities easily, fast, securely and certainly less expensive than the conventional transport. Likewise, the business department stores and retailers that fall with their new competitor that is cheaper and easier which is e-commerce.

Disruption era indeed is scary for incumbents who cannot afford to be adaptive to the changes driven by industry 4.0. Various parties said that in the next few years there are 52.6 million kinds of work that will be done by machines that many people are not able to compete. Indonesia, which will meet future demographic dividend or Golden Indonesia 2045 pay much attention and truly anticipatory. If take

wrong policy, then there is not a demographic bonus, but the demographics destruction instead.

It turned out that the era of disruption has affected not only the business and industry but also some forms of crime. One of the crimes that defined as an extraordinary crime is corruption. Corruption can be found in various sectors such as executives, bureaucracy, business, legislative, judicial, and inspectors. With the industry 4.0, corruption will become increasingly sophisticated due to increasingly supported by the development of technology, information, Robotic and super computers. In addition, the use of an international network of corruption makes it easier to be disguised through money laundering.

Related to this effort of cooperation among ASEAN member countries should be further enhanced by Leverage various instruments, one of which is a mutual legal assistance. MLA forms can be done with agreements on extradition, mutual exchange of information and knowledge, mutual legal assistance treaty in criminal matters, the agreement on the transfer of the proceedings, and others.

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