

## COLLECTIVE ACTION IN CORRUPTION: ANALYZING SAIFUL ILAH'S 2020 KPK OPERATION OTT IN SIDOARJO THROUGH A PRINCIPAL-AGENT AND CRITICAL JUNCTURE LENS

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### **Abstrak**

Penelitian ini membahas partisipasi masyarakat dan respons DPRD Surabaya dalam penanganan banjir di Kota Surabaya. Permasalahan muncul karena partisipasi warga seringkali tidak diimbangi dengan respons kelembagaan yang cepat dan tepat. Kegelisahan akademik dalam penelitian ini berangkat dari kesenjangan antara aspirasi warga yang disampaikan melalui forum formal dan efektivitas tindakan yang diambil oleh DPRD sebagai representasi politik lokal. Penelitian menggunakan pendekatan kualitatif deskriptif dengan teknik pengumpulan data berupa studi pustaka dan analisis dokumen, serta dianalisis melalui model interaktif Miles dan Huberman. Temuan menunjukkan bahwa warga terlibat aktif dalam kerja bakti, pelaporan banjir, dan Musrenbang, namun DPRD belum sepenuhnya responsif dalam menindaklanjuti aspirasi tersebut. Dengan menggunakan teori partisipasi masyarakat dan responsivitas pemerintah, studi ini menekankan pentingnya sinergi antara warga dan DPRD untuk menciptakan tata kelola lingkungan yang inklusif dan berkeadilan.

**Kata Kunci** Partisipasi, Responsivitas, DPRD Surabaya, Banjir

### **Abstract**

This research aims to describe the corruption mechanism in Sidoarjo that led to Saiful Ilah's 2020 KPK Operation OTT. The authors argue that this case exemplifies how systemic corruption functions as a collective action problem, rooted in principal-agent dynamics, and its persistence reveals insights into the critical juncture following the 2019 KPK Law revision. This study utilizes a descriptive qualitative method, with secondary data sources from judicial records and public reports, and data analysis using established framework of collective action, principal-agent relationships, and critical junctures. The results show that the “*fee proyek*” system made illegal payments normal and involved many coordinated actors. This shows that corruption continued and adapted

even after the legal changes, highlighting how such problems are difficult to stop despite efforts to strengthen anti-corruption measures.

**Keywords:** Saiful Ilah, KPK Operation OTT, Collective Action, Critical Juncture, Corruption, Principal-agent

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## INTRODUCTION

Local government corruption in Indonesia has proven to be a persistent governance challenge, with countless cases of district heads (bupati) and mayors implicated in bribery, kickbacks, and fraud.<sup>1</sup> Sidoarjo Regency in East Java is a telling example: as of 2023, three consecutive Sidoarjo regents (bupati) have been embroiled in corruption cases, reflecting an “endemic” pattern.<sup>2</sup> Saiful Ilah, twice elected as Regent of Sidoarjo (2010–2015 and 2016–2021) became the central figure in a high-profile corruption case following an *Operasi Tangkap Tangan* (OTT), or hand-arrest, on 7 January 2020, when the national Corruption Eradication Commission (Komisi Pemberantasan Korupsi, or KPK) caught him and several associates red-handed in a bribery scheme involving infrastructure projects.<sup>3</sup>

The timing of the January 2020 OTT invites analysis as a critical juncture. Just months prior (October 2019), Indonesia enacted a controversial revision of the KPK Law (Law No. 19/2019) that many

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<sup>1</sup> Komisi Pemberantasan Korupsi. “Alasan Dan Potensi-Potensi Korupsi Kepala Daerah.” Pusat Edukasi Antikorupsi, April 28, 2022. <https://aclc.kpk.go.id/aksi-informasi/Eksplorasi/20220428-alasan-dan-potensi-potensi-korupsi-kepala-daerah>.

<sup>2</sup> Wahyu, Yohan. “Rekor Tiga Bupati Sidoarjo Terjerat Korupsi.” *Kompas.id*. *Harian Kompas*, April 20, 2024. <https://www.kompas.id/baca/riset/2024/04/19/rekor-tiga-bupati-sidoarjo-terjerat-korupsi>.

<sup>3</sup> Erdianto, Kristian. “Kronologi OTT Bupati Sidoarjo Dan Penyitaan Uang Rp 1,8 Miliar.” *KOMPAS.com*. *Kompas.com*, January 8, 2020. <https://nasional.kompas.com/read/2020/01/09/05525811/kronologi-ott-bupati-sidoarjo-dan-penyitaan-uang-rp-18-miliar?page=all>.

observers warned would weaken the agency's powers and independence.<sup>4</sup> A new slate of KPK leaders, led by Commissioner Firli Bahuri, assumed office in late December 2019 amid public concern that enforcement might slow. The Saiful Ilah case was the first arrest of a regional leader under the new law and leadership, and thus it occurred during a period of uncertainty about Indonesia's anti-corruption trajectory.<sup>5</sup> Decisions made and actions taken at that moment could have lasting impacts on how corruption is (or isn't) pursued thereafter. In other words, early 2020 was a potential critical juncture for anti-corruption efforts: the outcomes of cases like Saiful Ilah's could either reinforce a path of vigorous enforcement or signal a pivot toward impunity.

While numerous studies have explored the prevalence and impact of corruption in Indonesian local governance, for instance, the 2020 study by Hadi, Sadhono, Achmad Nurmandi, Trisno Rahardjo, and Ulung Pribadi on various forms of bribery involving regents and mayors in Bangkalan, Karawang, Tegal, and Madiun, as well as empirical analyses of procurement-related corruption in Lampung—these works tend to focus on categorizing types of abuse (e.g., extortion, tribute, direct bribery), rather than examining how corrupt networks operate through administrative and political discretion.<sup>6</sup>

In the context of road reconstruction corruption, Sya'bania, Dewi Nabila, Nafisa Auliany, Hafizh Abdul Aziz, Raincalosta Neodhy Chardena, and Andi Sangkut (2023) identify evidence of illicit activities in Lampung's projects. Nevertheless, their analysis does not undertake a detailed process-tracing of the bureaucratic procedures and networked negotiations that underpin such corrupt practices. Although judicial documents have been

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<sup>4</sup> Putriyana, Ayu, and Nur Rochaeti. "The impact of enforcement of corruption law by the corruption eradication commission after the ratification of the latest KPK law." *Jurnal Penelitian Hukum De Jure* 21, no. 3 (2021): 299.

<sup>5</sup> Kompas. "KPK Makes First Arrests under New Law." *kompas.id*. Harian Kompas, January 9, 2020. <https://www.kompas.id/baca/english/2020/01/09/kpk-makes-first-arrests-under-new-law>.

<sup>6</sup> Hadi, Sadhono, Achmad Nurmandi, Trisno Rahardjo, and Ulung Pribadi. "Corruption of the Local Leaders in Indonesia: An Expository Study." *Jurnal Media Hukum* 27, no. 2 (2020): 252-266.

employed in comparative legal research, particularly in studies contrasting corruption adjudication frameworks in Indonesia and Singapore, these investigations predominantly operate at a macro-legal level and lack granular, micro-level reconstructions of corruption dynamics within local government contexts. Therefore, this study aims to examine the interactions among political discretion, institutional practices, and informal networks that shaped the corruption mechanism in Sidoarjo, leading to Saiful Ilah's 2020 OTT.

## RESEARCH METHODS

This study employs descriptive qualitative research to describe the process, stages, and key components of the corruption case involving Saiful Ilah, the Regent of Sidoarjo, who was caught in an Operasi Tangkap Tangan (OTT) by the KPK in January 2020. This approach examines the phenomenon of corruption carried out by Saiful Ilah, focusing on the meanings, patterns, and power relations embedded within local governance practices that enabled bribery and abuse of authority.<sup>7</sup> The research aims to analyze how these dynamics unfolded throughout the bribery scheme related to infrastructure projects, revealing the mechanisms of power abuse in regional leadership during his second term (2016–2021).

The data used in this study were obtained from secondary sources through documentation techniques, including books, journal articles, and news websites. Key data were derived from court verdicts and legal documents, such as the Surabaya Corruption Court's first-instance decision (No. 35/Pid.Sus-TPK/2020/PN Sby, dated 5 October 2020) and the High Court's appeal ruling (No. 40/Pid.Sus-TPK/2020/PT SBY, dated 30 November 2020), which provided details on the charges, bribery schemes, and judicial reasoning.<sup>8</sup> KPK press releases and official statements, particularly the 8 January 2020 press conference where Vice Chairman

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<sup>7</sup> Sugiyono, 'Metode Penelitian Pendidikan: Pendekatan Kuantitatif, Kualitatif, dan R&D', Bandung: *Alfabeta*, (2015).

<sup>8</sup> Mahkamah Agung. "Putusan PN SURABAYA 35/Pid.Sus-TPK/2020/PN Sby." <https://putusan3.mahkamahagung.go.id/direktori/putusan/zaeb39d2422e899e8ab3313035343338.html?>

Alexander Marwata presented the chronology and evidence of the bribery case offered authoritative accounts of the OTT. Additionally, media coverage from national outlets (e.g., *Kompas*, *Tempo*, *The Jakarta Post*) and regional platforms (*detik.com*, *SurabayaNet*) enriched the contextual understanding with real-time reporting on the arrest, investigation, court proceedings, and public reactions.

## **ANALYTICAL FRAMEWORK**

To comprehensively understand the complex corruption mechanisms underlying Saiful Ilah's 2020 Operasi Tangkap Tangan (OTT) in Sidoarjo, this study utilizes a blended analytical framework. While the single-case study design offers detailed empirical insights, the intricate interaction of political discretion, institutional practices, and informal networks requires the integration of multiple theoretical perspectives for a thorough explanation. Accordingly, this framework synthesizes Principal-Agent Theory, Collective Action Theory, and Critical Juncture Theory to provide an analysis that captures individual decision-making, the collective rationalization and perpetuation of corrupt norms, and the impact of broader institutional transformations.

### **1. Principal-Agent**

Principal-Agent (P-A) is a widely used framework in corruption studies, explaining how corruption arises from the relationship between principals—those who delegate authority, and agents those entrusted to perform delegated tasks.<sup>9</sup> Ugur and Dasgupta's meta-analysis underscores the near-hegemonic status of the P-A framework, particularly within economics-oriented corruption research.<sup>10</sup> The term is grounded in two core concepts: divergent interests and informational asymmetry. Principals (e.g., citizens or political leaders) seek to ensure that agents (e.g., bureaucrats, officials, contractors) act in their interest, but agents often have private

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<sup>9</sup> Ross, Stephen A. "The economic theory of agency: The principal's problem." *The American economic review* 63, no. 2 (1973): 134-139.

<sup>10</sup> Ugur, Mehmet, and Nandini Dasgupta. "Evidence on the economic growth impacts of corruption in low-income countries and beyond: a systematic review." *EPPI-Centre Social Science Research Unit, Institute of Education, University of London* (2011): 1-134.

incentives to pursue personal gain.<sup>11</sup> In the public sector, this translates into agents using their positions and discretionary powers to extract rents, such as bribes or kickbacks from public resources, undermining the principals' expectations of transparent, efficient governance. The framework's explanatory power rests on the assumption that corruption is primarily a result of individual self-interest and imperfect monitoring within hierarchical relationships.

In the case of Sidoarjo's "*fee proyek*" system under Saiful Ilah's leadership, the P-A framework helps illuminate how corruption was sustained through multiple layers of delegation and discretion. Political leaders and the public function as principals, entrusting local officials and contractors, the agents with the management of public infrastructure projects. These agents, exploiting informational asymmetries and the complexity of monitoring, engaged in systematic bribery and rent extraction to secure personal and political advantages. This situation is a clear manifestation of the moral hazard problem, where agents prioritize private benefits at the expense of public goods.

Moreover, the corruption in Sidoarjo exemplifies what is known as the "double principal-agent problem." Not only do elected officials delegate tasks to bureaucrats and contractors (agents), but the public also acts as principals to these officials, creating layered relationships characterized by multiple, overlapping principal-agent interactions. This multiplicity complicates accountability because informational gaps and conflicting incentives exist at several governance levels, making corruption harder to detect and punish.

## 2. Collective-Action

**Collective Action**, as articulated by Mancur Olson in *The Logic of Collective Action* (1965), provides a foundational framework for understanding why individuals often fail to collaborate in pursuit of common goals, even when such cooperation would yield collective

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<sup>11</sup> Ross, Stephen A. "The economic theory of agency: The principal's problem." *The American economic review* 63, no. 2 (1973): 134-139.

benefits.<sup>12</sup> Olson emphasized the challenges inherent in producing public goods defined by their non-excludability (no one can be prevented from benefiting) and non-rivalry (one person's consumption does not reduce availability for others) within large groups of rational, self-interested actors.<sup>13</sup> Since no individual can be excluded from enjoying these goods regardless of their contribution, there is a pervasive incentive to free-ride, relying on others to bear the costs. This "free-rider problem" results in under-provision or complete failure to produce the collective good. Similar dynamics apply to common-pool resources, which, while non-excludable, are rivalrous, leading to over-exploitation and depletion a phenomenon known as the "tragedy of the commons."

Applied to corruption, this lens elucidates how systemic graft can emerge as a dominant behavioral norm within public institutions. Corruption operates as a form of collective free-riding, wherein individuals prioritize personal gain over the collective interest in transparent and effective governance. The abstract public good—such as a government that upholds impartiality and the rule of law is eroded when officials engage in corrupt behavior.<sup>14</sup> In practical terms, corruption diminishes state capacity and distorts the equitable provision of public services, effectively transforming state resources into common-pool assets that are exploited for private benefit.

This study applies Collective Action to interpret the entrenched "fee proyek" (project fee) system in Sidoarjo under Saiful Ilah's leadership, culminating in his arrest during the 2020 KPK sting operation (OTT). The "fee proyek" system functioned not as isolated acts of bribery, but as a routinized practice sustained by shared understandings among officials and contractors. Participation in this informal network yielded selective incentives such as contracts, promotions, and political protection, while refusal to participate risked exclusion, lost opportunities, or retaliation. These dynamics effectively coordinated actors and mitigated defection,

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<sup>12</sup> Olson, Mancur. "The logic of collective action [1965]." *Contemporary sociological theory* 124 (2012): 62-63.

<sup>13</sup> *Ibid.*

<sup>14</sup> Rothstein, Bo. "Anti-corruption: the indirect 'big bang' approach." *Review of International Political Economy* 18, no. 2 (2011): 228-250.

thereby reversing the classic free-rider problem, where individuals were incentivized to join the corrupt system rather than abstain.

Through this theoretical lens, the corruption observed in Sidoarjo reflects not merely individual moral failings but a collective rationality shaped by a permissive institutional environment. Collective Action Theory helps explain how corrupt norms become self-reinforcing and resistant to reform, particularly in contexts lacking credible enforcement and robust institutional deterrents. Thus, the theory complements the broader analysis by highlighting the embeddedness of corruption within local governance structures and underscoring the necessity for anti-corruption strategies that address collective incentives alongside individual behavior.

### 3. Critical Juncture

Critical Juncture Theory, as developed by Ruth Berins Collier and David Collier in *Shaping the Political Arena* (1991), provides a lens to examine how moments of institutional disruption or political volatility can lead to long-term path dependencies.<sup>15</sup> A critical juncture is understood as a relatively brief period in which existing institutional arrangements are significantly challenged, opening space for contingent choices by key actors. These choices, once made, set in motion enduring institutional patterns that become increasingly difficult to reverse due to mechanisms of reinforcement and path dependence.

The Colliers outline a five-phase template to analyze such transformations:<sup>16</sup> (1) antecedent conditions, (2) a triggering cleavage or crisis, (3) the critical juncture itself (a phase of institutional fluidity), (4) an immediate aftermath of consolidation, and (5) a longer-term legacy characterized by self-reinforcing institutional practices. These moments do not simply reflect structural causes but hinge on agency—what decisions are made, by whom, and under what pressures.

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<sup>15</sup> Ruth Berins Collier and David Collier, *Shaping the Political Arena: Critical Junctures, the Labor Movement, and the Regime Dynamics in Latin America*. Princeton, NJ: Princeton University Press, 1991, Ch. 1.

<sup>16</sup> Ruth Berins Collier and David Collier, *Shaping the Political Arena: Critical Junctures, the Labor Movement, and the Regime Dynamics in Latin America*. Princeton, NJ: Princeton University Press, 1991, Ch. 1.

This study treats the **2019 revision of the KPK Law (Law No. 19/2019)** as a critical juncture in Indonesia's anti-corruption trajectory. The antecedent conditions include a decade of growing institutional strength within the KPK, as well as intensifying political pushback from parties and officials threatened by its investigations. The triggering cleavage came in the form of political and legislative pressure to "tame" the KPK, culminating in rapid parliamentary approval of the law amid widespread protests. The law's passage marked the critical juncture—transforming the KPK into a government agency, introducing an oversight body, and curtailing key investigative tools such as independent wiretapping. The subsequent period saw efforts to consolidate these changes, while critics feared the onset of a longer-term decline in Indonesia's corruption enforcement regime.

Against to this, the 2020 Operasi Tangkap Tangan (OTT) in Sidoarjo resulting in the arrest of Regent Saiful Ilah presents an instructive case. Rather than signaling a break from entrenched corruption, the OTT suggests continuity and adaptation within a weakened enforcement environment. This study examines whether the legal revision shifted perceived risk among corrupt actors, altered institutional behavior within the KPK, or enabled the persistence and possible intensification of informal political-economic practices at the local level.

## **RESULTS AND DISCUSSION**

### **Saiful Ilah and the Principal–Agent Political Context in Sidoarjo**

Saiful Ilah served as Regent of Sidoarjo for two terms from 2010 to 2015 and again from 2016 until his arrest in early 2020. A prominent figure in the National Awakening Party (Partai Kebangkitan Bangsa, PKB), he also chaired the PKB branch in Sidoarjo and maintained strong ties to national and regional party leadership.<sup>17</sup> Nicknamed "Abah Ipul," he built

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<sup>17</sup> Faizal , Achmad. "Ini Profil Bupati Sidoarjo Saiful Ilah Yang Ditangkap KPK." KOMPAS.com. Kompas.com, January 8, 2020.

significant political capital through local enterprise and civic engagement, leveraging his background as an entrepreneur—holding leadership positions in several regional companies (such as PT Mitralam Kalimantan Persada and PT Hexamitra Charcoalindo) and through active participation in community and sports organizations.<sup>18</sup> These overlapping roles, party leader, businessperson, and civic figure provided both legitimacy and leverage, enabling him to cultivate informal networks that permeated public administration. These networks facilitated coordinated rent-seeking behavior that later formed the backbone of episodic corruption uncovered in the KPK's 2020 Operasi Tangkap Tangan (OTT).

The 2020 OTT implicated Saiful Ilah alongside a network of political and bureaucratic figures at the Sidoarjo Public Works, Highways, and Water Resources Agency (DPUBMSDA) and its Procurement Services Division (ULP). Key officials included Sunarti Setyaningsih (Head of DPUBMSDA), Judi Tetrahastoto (Commitment-Making Officer within DPUBMSDA), and Sanadjihitu Sangadji (Head of the Procurement Services Division), all of whom were charged alongside two private-sector contractors, Ibnu Ghopur and Totok Sumedi.<sup>19</sup> According to KPK allegations, Ghopur and Sumedi paid approximately Rp 1.8 billion in illicit payments to secure and expedite multiple infrastructure contracts. Of this amount, Sunarti received about Rp 225 million, Judi around Rp 240 million, Sanadjihitu approximately Rp 300 million, and Saiful Ilah himself received sums either directly or via intermediaries totaling Rp 600 million.<sup>20</sup> Together, these individuals formed the core of the “*fee proyek*” system, coordinating illicit transactions at every stage of the

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<https://regional.kompas.com/read/2020/01/08/12353091/ini-profil-bupati-sidoarjo-saiful-ilah-yang-ditangkap-kpk?>

<sup>18</sup> Putri, Larasati. “Saiful Ilah, Pengusaha Yang Menjabat Selama 4 Periode Di Sidoarjo.” *Suarasurabaya.net*. Suara Surabaya, January 8, 2020.

<https://www.suarasurabaya.net/kelanakota/2020/Saiful-Ilah-Pengusaha-yang-Menjabat-Selama-4-Periode-di-Sidoarjo/>

<sup>19</sup> Abdi, Alfian Putra, and Zakki Amali. “OTT Bupati Sidoarjo: KPK Paparkan Kronologi Penyitaan Rp1,8 Miliar.” *tirto.id*. Tirto.id, January 8, 2020.

<https://tirto.id/ott-bupati-sidoarjo-kpk-paparkan-kronologi-penyitaan-rp18-miliar-erpu?>

<sup>20</sup> *Ibid.*

project lifecycle, from procurement to execution thus institutionalizing corrupt practices within the regional governance apparatus.

The corruption scheme revealed in the 2020 OTT centered on several major road infrastructure and construction projects in Sidoarjo. Prominent among these were *Jalan Candi–Prasung* (Rp 21.5 billion), the *Wisma Atlet* (athlete’s dormitory), *Pasar Porong* (Porong Market), and *Peningkatan Afvoer Kali Pucang di Pagerwojo* (drainage improvement of the Pucang River in Pagerwojo). According to the appellate court decision (High Court of Surabaya, No. 40/Pid.Sus-TPK/2020/PT SBY), these projects were procured through the “*fee proyek*” system, which facilitated illicit payments tied to each contracting phase.<sup>21</sup> These projects served as conduits for the illicit “*fee proyek*” system, wherein contractors would pay a percentage to secure project wins and facilitate payments,

The corruption scheme in the Sidoarjo Regency government involved four phases. It began with "Project Identification, Budgeting, and Initial Influence" where contractor Ibnu Ghopur, a close associate of Regent Saiful Ilah, directly sought to secure lucrative infrastructure projects, and Saiful Ilah signaled his willingness to intervene, thereby subverting formal processes from the outset. In one instance, in July 2019, Ghopur directly approached Saiful Ilah to express his desire to win specific projects.<sup>22</sup>

The second phase, "Tender and Bidding Process Manipulation," involved systematically rigging the formal tender process. Ghopur, using his companies like CV Diajeng, would appeal to Saiful Ilah when facing challenges. For example, regarding the *Jalan Candi-Prasung* project, Ghopur asked Saiful Ilah to disregard objections and ensure his company's victory. Saiful Ilah, in turn, instructed officials like Sanadjihitu Sangadji to favor Ghopur’s companies, making competitive bidding a mere formality.<sup>23</sup>

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<sup>21</sup> Mahkamah Agung. “Putusan PN SURABAYA 35/Pid.Sus-TPK/2020/PN Sby.” Mahkamahagung.go.id, October 5, 2020. <https://putusan3.mahkamahagung.go.id/direktori/putusan/zaeb39d2422e899e8ab3313035343338.html?>

<sup>22</sup> *Ibid.*, 6.

<sup>23</sup> Mahkamah Agung. “Putusan PN SURABAYA 35/Pid.Sus-TPK/2020/PN Sby.” Mahkamahagung.go.id, October 5, 2020.

The third phase, "The 'Fee Proyek' Negotiation and Collection," centered on illicit payments. In mid-September 2019, after being informed of Ghopur's interest in the "*Peningkatan Afv. K. Pucang Ds. Pagerwojo Kec. Buduran (sheetpile)*" project, Saiful Ilah indicated his financial needs, to which Ghopur agreed to provide approximately Rp150,000,000 to "Sidoarjo Satu" (Saiful Ilah). Funds were collected through intermediaries, such as on December 28, 2019, when Sanadjihitu Sangadji received Rp200,000,000 from Ibnu Ghopur related to various projects. The scheme culminated in a KPK sting operation on January 7, 2020, where Rp350,000,000 was seized from Saiful Ilah's aide, Budiman, and significant amounts from other officials and Ghopur's associates, totaling Rp1,813,300,000.00 in seized funds.<sup>24</sup>

Coordination among corrupt actors in Sidoarjo was achieved through direct communication, informal agreements, and a shared understanding of the "*fee proyek*" system. This top-down directive from Regent Saiful Ilah, coupled with the use of intermediaries like Sanadjihitu Sangadji for fund collection, created a formalized, albeit illicit, channel for transactions. The widespread acceptance that "*fee proyek*" was necessary to secure projects fostered a collective action problem, where participation in the corrupt scheme became a rational choice for contractors, enabling the system to sustain itself until the KPK intervened. This also highlights aspects of the principal-agent dynamic, as the "agents" (officials and contractors) colluded against the "principals" (the public) for mutual illicit gain.<sup>25</sup>

Formal political and bureaucratic discretion was consistently abused throughout this period. Saiful Ilah leveraged his authority to oversee and approve projects for personal gain, rather than for the public interest. The "*fee proyek*" culture became an informal norm, normalizing illicit payments as an expected part of conducting business with the Sidoarjo government. The failure of existing institutional controls, including the tender process and oversight mechanisms, allowed this informal system to

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<https://putusan3.mahkamahagung.go.id/direktori/putusan/zaeb39d2422e899e8ab3313035343338.html>?. P. 9-12.

<sup>24</sup> *Ibid.*, 11-23.

<sup>25</sup> Ross, Stephen A. "The economic theory of agency: The principal's problem." *The American economic review* 63, no. 2 (1973): 134-139.

thrive, revealing significant vulnerabilities in the formal governance structure. This demonstrates a systemic breakdown of the principal-agent relationship, where the agents actively worked against the interests of their principals without effective oversight.

The Saiful Ilah case vividly demonstrates the application of the Principal-Agent Theory, as Regent Saiful Ilah, acting as an agent for the citizens and state, systematically exploited his discretionary power for personal gain. His directives to officials to favor specific contractors, such as Ibnu Ghopur, in tender processes, clearly illustrate this abuse of authority. The significant sums of money discovered during the KPK's Operasi Tangkap Tangan underscore how Saiful Ilah prioritized self-enrichment over public welfare, a profound betrayal of the principal-agent relationship.

### **Collective Action and Critical Juncture in Understanding Systemic Corruption in Sidoarjo**

The “*fee proyek*” system in Sidoarjo functions as a profound collective action problem, explaining its systemic nature and resilience.<sup>26</sup> The normalization of these payments means that participation in the corrupt scheme becomes a seemingly rational choice for multiple actors. For contractors like Ibnu Ghopur, paying the “*fee proyek*” is not merely a cost of doing business but a necessary condition for securing projects and receiving timely payments. The alternative, abstaining from the scheme, likely means exclusion from lucrative contracts, and this situation turns the corrupt practice into a habit that keeps itself going because everyone feels they have to take part. As more people join in, the corrupt system becomes the normal way of doing things, which makes it hard to stop within the local government.

The coordination of these activities, from the collection of funds by Sanadjihitu Sangadji on behalf of the "Pokja" to the distribution among various officials, points to an embedded informal norm. The various amounts of money collected and distributed among different actors, as

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<sup>26</sup> Olson, Mancur. "The logic of collective action [1965]." *Contemporary sociological theory* 124 (2012): 62-63.

detailed in the OTT chronology, reflect a collective understanding and participation in this norm. In essence, the “*fee proyek*” transcends individual acts of bribery to become an institutionalized practice within the local political economy of Sidoarjo's infrastructure development, demonstrating a significant collective action problem. Corruption, in this context, operates as a form of collective free-riding, where individuals prioritize personal gain over the collective interest in transparent and effective governance.<sup>27</sup>

A fair and impartial government is a public good that benefits everyone in society.<sup>28</sup> However, when officials engage in corrupt behavior, this ideal is undermined. Corruption weakens the government's capacity to serve its people effectively and fairly. Instead of using public resources to provide services for all, these resources are diverted and exploited for private gain. As a result, the overall quality and fairness of public services suffer, harming the community as a whole.

The Saiful Ilah OTT in January 2020 marked one of the first significant operations by the KPK following the controversial 2019 revision of the KPK Law.<sup>29</sup> This legislative change can be viewed as a critical juncture, fundamentally altering the institutional landscape and raising questions about the KPK's independence and effectiveness. The 2019 Law introduced several key changes, including the KPK's repositioning within the executive branch, the transformation of its employees into State Civil Apparatus (ASN), and the establishment of a Supervisory Board with the power to approve wiretapping, searches, and seizures. These changes were widely perceived as weakening the KPK's autonomy and its ability to conduct unhindered investigations.<sup>30</sup>

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<sup>27</sup> Olson, Mancur. "The logic of collective action [1965]." *Contemporary sociological theory* 124 (2012): 62-63.

<sup>28</sup> *Ibid.*

<sup>29</sup> Primayogha, Egi . “Destroying the KPK, Consolidating Oligarchic Power.” The Jakarta Post, June 11, 2021. <https://www.thejakartapost.com/paper/2021/06/11/destroying-the-kpk-consolidating-oligarchic-power.html>.

<sup>30</sup> Indoleft. “KPK's Independence, Integrity and Performance Plummet after 2019 KPK Law Revisions.” Indoleft.org, 2019. <https://www.indoleft.org/news/2023->

The January 2020 arrest of Saiful Ilah by the Corruption Eradication Commission (KPK) took place shortly after the controversial 2019 revision of the KPK Law, which represents a critical juncture that significantly altered the KPK's institutional framework and raised concerns about its independence and effectiveness. Despite these changes, the Saiful Ilah case demonstrated the KPK's continued capacity to carry out investigations and operations.<sup>31</sup> This suggests that either corrupt actors underestimated the KPK's ability to enforce anti-corruption laws or that the deeply rooted corruption in Sidoarjo caused complacency toward potential oversight. In either case, this critical juncture reveals the complexities and challenges of sustaining anti-corruption efforts amid shifting institutional landscapes.<sup>32</sup>

Conversely, the very success of this OTT, leading to the apprehension and conviction of a sitting regent,<sup>33</sup> demonstrates that despite the legislative changes, the KPK maintained some operational capacity to conduct high-stakes investigations. This indicates an immediate aftermath of consolidation where, despite the new constraints, the KPK continued to assert its capabilities. It signifies that while the institutional environment shifted during the critical juncture (the period of institutional fluidity after the law revision), the fundamental mandate to eradicate corruption remained, and the KPK could still leverage its intelligence and operational capabilities.

This case shows how corruption can remain strong even when laws and institutions are changed to fight it. The 2019 revision of the KPK Law created new challenges for anti-corruption efforts, but corruption in Sidoarjo continued to operate deeply within the system. At the same time, the KPK adapted its approach and still managed to carry out a major investigation. This situation highlights an important balance, while the

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<sup>31</sup> Ruth Berins Collier and David Collier, *Shaping the Political Arena: Critical Junctures, the Labor Movement, and the Regime Dynamics in Latin America*. Princeton, NJ: Princeton University Press, 1991, Ch. 1.

<sup>32</sup> *Ibid.*

<sup>33</sup> *Ibid.*

2019 law created obstacles for the KPK, the ongoing power of corrupt networks and the KPK's persistence together shaped the outcome. The case helps us understand the real effects of the 2019 law—it made fighting corruption harder but didn't stop it completely. Over time, the future of anti-corruption efforts will depend on how institutions change and how the KPK adjusts to those changes.

## CONCLUSION

This study examined how corruption involving political power, institutional habits, and informal networks led to Saiful Ilah's 2020 Operasi Tangkap Tangan (OTT) in Sidoarjo. By closely following the process, we showed how official procedures were systematically undermined by an informal "*fee proyek*" system. This system was maintained through cooperation among corrupt actors and their communication, becoming deeply rooted in the way public projects were managed.

Using detailed court documents and news reports, this approach reveals the step-by-step details of how corruption became part of the system. We traced the process from project planning and manipulated bidding to illegal payments and fund distribution. The Principal-Agent framework helped explain how the Regent abused his power, while the Collective Action approach showed how the "*fee proyek*" system became a normal, shared practice. The Critical Juncture framework added an important perspective by highlighting how this OTT happened after the 2019 revision of the KPK Law, showing that corruption remained strong even when the institutional environment changed.

Based directly on these findings, concrete implications for anti-corruption monitoring and reform emerge. *Firstly*, efforts must target not only individual corrupt actors but also the systemic vulnerabilities at points of political discretion, particularly in procurement and budget allocation. Strengthening digital transparency in procurement processes, coupled with rigorous independent audits, is paramount. *Secondly*, there is a clear need to disrupt the informal networks and norms that sustain "*fee proyek*" systems. This could involve fostering a culture of integrity within the bureaucracy through robust ethics training and whistleblower protection mechanisms, encouraging officials and contractors to break ranks with

corrupt practices. *Thirdly*, external oversight mechanisms, including those involving the prosecutor's office and civil society, must be genuinely empowered and actively engaged to ensure accountability and prevent illicit coordination.

Finally, this study opens several avenues for future research. Comparative studies with other local corruption cases in Indonesia could further validate or refine the identified mechanisms, exploring variations in their operation across different regional contexts. Further investigation into the long-term impact of the 2019 KPK Law revision on the behavior of corrupt actors and the overall trajectory of anti-corruption efforts in Indonesia would also be valuable. Additionally, exploring the role of citizen participation and local civil society organizations in demanding transparency and accountability in local governance could provide new insights into fostering sustainable anti-corruption reforms.

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