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Reconfiguring rackets

Racket regimes, protection and the state in post-New Order Jakarta

Over and over again, effective nongovernmental specialists in violence have made alliances with governments, become parts of governments, taken over existing governments, or become governments of their own. (Tilly 2003:38.)

In Indonesia the nongovernmental 'specialists in violence' described by Charles Tilly have been a ubiquitous and conspicuous figure throughout both recent and more distant history albeit in a variety of regional variations and manifestations. This chapter will focus upon one particular manifestation, the racketeer, and attempt to chart the shifting nature of protection rackets in post-New Order Jakarta. It will argue that, in the decade since the end of the New Order regime, rackets operating under a variety of guises have reorganized and consolidated themselves in ways that make it increasingly difficult to disentangle the 'legal' from the 'illegal'. Going beyond criminality, these new configurations of rackets have become a fundamental currency of relations through which street-level power is exercised. As perpetual opportunists, predatory interests have sought to adapt rackets to the particular sociopolitical conditions in which they are immersed. These articulate and correlate to some of the defining features of the post-New Order political landscape and are useful in helping to identify the ways in which repressive forms of social order have been produced and reproduced within the constraints of formal institutional democracy and a market-driven economy.

A protection racket is, according to Vadim Volkov (2000a:491), 'an institutionalized relationship whereby tribute is collected on behalf of a criminal group that, in exchange, claims to offer physical protection from other such groups' or, some other form of external threat. Implicit in the relationship is the threat of violence, either from the external threat from which protection

is offered or from the protector directly, both often being one and the same. Whether the protectee considers the ostensive protector either 'legitimate' or a racketeer is largely determined by the extent to which the claim of protection against an external threat is considered real. What sets the racket apart from other forms of organized crime is the particular kind of commodity it deals in. Whereas organized crime seeks to monopolize particular spheres of illegal activity, for example prostitution or drug trafficking, racketeers are concerned with the production, supply and monopolization of one particular commodity: protection (Varese 2001:4). In this respect organized racketeers are similar to another agency dealing in protection, the state.

While making an analogy between the state and a protection racket is simplistic at best, it does pose a number of intriguing questions and, as Gambetta (1996:2) notes, makes us reflect on some disturbing aspects of the state. Tilly (1985:171) provocatively suggested that in so far as the threats against which the state claims to protect its citizens are either imaginary, exaggerated or the product of its own activities, the state itself operates in a manner not dissimilar to that of racketeers. In so far as the state can be defined in Weberian terms, as a monopolistic control over the use of organized coercive force and taxation, what does the existence of non-state providers of protection tell us about the extent of state power and its effective presence at the local level? If both racketeers and the state deal in the same commodity, protection, and have a shared interest in selling its desirability, then what forms has the relationship between them taken? What strategies have racketeers used to try and establish legitimacy, and at what point, if any, is this legitimacy considered a substantive challenge to state authority? In part, racketeers count on the inefficiency of the state in providing protection, imposing their own taxes within the state's 'turf' but without the constraints of at least nominal adherence to rules and laws. This would suggest that from the perspective of the state, non-state providers of protection would at the very least be considered 'criminal', if not dangerous rivals requiring elimination. However, in Indonesia the relationship has been far more complex, in part a product of the ambiguous nature of protection as both a genuine commodity and as a strategy of domination. This chapter will ask, what was the relationship between the state and non-state providers of protection during the New Order, and what can the more recent consolidation of both criminal and non-state rackets tell us about the nature of the post-New Order state?

Racket and regimes in a comparative perspective

The concern with the monopolization of resource extraction, the use of violent coercive force, secretive hierarchical modes of organization and hostility

towards organized labour are all elements that criminal rackets and violent entrepreneurship share with authoritarian regimes and repressive modes of government. In a comparative perspective it is perhaps then unsurprising that organized rackets have with few exceptions aligned themselves with authoritarian governments. In post-WWII Sicily for example, the role of the mafia has been described by Hess (1986:128) as 'a reactionary force [...] employed to resist change, to maintain privilege and to suppress attempts to re-define property relations and rights'. Similarly in Japan the Yakuza has been linked with ultra-nationalists within the military (Kaplan and Dubro 2003). Latin America is also replete with examples of drug lords joining forces with military dictatorships to fight left-wing rebels and suppress pro-democracy movements (Koonings and Kruijt 2004). The globalization of markets and the decline in state power have done little to alter this tendency. Louise Shelley (1999:25) described the resulting growth of transnational organized crime as 'a new form of non-state based authoritarianism'.

The criminologist Schulte-Bockholt has sought to theorize this relationship between regimes, organized crime and non-state providers of protection (Schulte-Bockholt 2006). According to this theory, a strong centralized state will generally endeavour to eliminate or co-opt alternate sources of protection. However during a 'crisis of hegemony', when elites believe their interests to be under threat, such as during a period of rapid sociopolitical upheaval or democratic transition, they will often seek to form alliances with organized criminal gangs in order to suppress counter-hegemonic forces (Schulte-Bockholt 2006:26). In these circumstances the interests of state elites and violent entrepreneurs dovetail. Elites require the localized coercive power and revenue extraction of organized crime, while for the groups themselves alignment with elite interests can further integration within the central structures of domination. Rather than being purely profit-orientated non-ideological groupings, as organized crime is often portrayed, it regularly adopts the ideological preferences of political elites in order to facilitate integration within them. From the perspective of political elites, organized crime, gangs, militias and mafia are all potentially useful partners, particularly when their own interests are contested.

This results in what Schulte-Bockholt (2006:35) refers to as 'protection racket regimes' which are 'formed by state and/or non-state elites in order to preserve their domination through the violent exclusion of large groups in society that experience conditions of substantial social disparities'. In these racket regimes, coercion replaces hegemony as the primary means to maintain political and social control, and is used to extract wealth from society irrespective of the opposition it creates (Schulte-Bockholt 2006:27). In order to consolidate power, elites incorporate potentially disruptive sub-hegemonic groups such as gangs within their networks of economic advantage. In doing so the dominant class is expanded across conventional class lines, becoming a

'structure of rackets rooted in a specific mode of production' (Schulte-Bockholt 2006:27). The degree to which organized crime and gangs are integrated into elite structures is determined by the needs of elites, who can always use state power whenever the services of organized crime are considered a threat or simply no longer needed (Schulte-Bockholt 2006:36). Non-state entrepreneurs in violence are rarely allowed to share political power as equal partners. There are however exceptions such as post-Soviet Russia or Bulgaria, where organized crime has successfully integrated itself within state institutions to the extent that it is almost impossible to disentangle 'criminal' and 'state' interests (Volkov 2000b:709). In the case of Indonesia, the New Order regime managed a complex network of rackets and institutionalized patterns of state-sanctioned illegality. Its unravelling after 1998 has resulted in a proliferation of what could be described as 'mini-racket regimes', territorially based forms of repressive socioeconomic order in which local entrepreneurs in violence, to varying degrees, 'corner the market' in protection.

The New Order racket state

During the New Order the institutionalization of local gangs, a process which had begun in the 1950s, was further intensified. Many gangs were at the forefront of the anti-communist pogroms that brought General Suharto to power in 1965. They were co-opted by arms of state, most significantly the military, and allowed to operate their own localized rackets largely undisturbed on the condition that most of the proceeds made their way into formal government structures. As Barker states, *preman*, a colloquial term for a thug or gangster, became a 'necessary component in the maintenance of state power and the collection of taxes'.¹ Lindsey (2001:291) proposes that in the low-wage economy of the New Order, where access to wealth by the urban poor was so tightly restricted, racketeering was for some a rational livelihood strategy for gaining access to wealth through illegal rents. In this respect the New Order manufactured the conditions that resulted after its demise in the reproduction of its own predatory racketeering, albeit on a more localized scale.

For these layers of rackets to function, *preman* also needed to be amenable to performing 'regime maintenance chores', including terrorizing dissidents and others who held the potential to disrupt established power relationships, and paying lip service to state ideology. To this end, *preman* groups often took

¹ Barker 1999b:122. *Preman* is originally derived from the Dutch word *vrijman*, meaning 'free man', and was used during the colonial period to describe those who were exempt from forced labour. During the 1950s up until the early 1980s *preman* was used to refer to a military officer or soldier wearing civilian clothes. It was not until the late 1980s that it started to take on its current meaning of a thug or gangster. For a detailed genealogy of the term, see Ryter 1998.

on the appearance of nationalist and youth associations devoted to state-designated goals, or affiliated with state-created ones.² They acted as sub-franchises of state power, adopting nationwide organizational structures that mirrored those of the state. Ryter (1998:66) has described their structures as a system of local strongmen or *jago* 'where local bosses would be formally subordinate to the higher level 'manager' of the branch or sub-district but expect to retain significant local autonomy over revenues'. While the state could not completely co-opt *preman*, it did create the conditions whereby a *preman*'s strength was ultimately dependent upon their networks of political patronage: a metaphorical 'leash' that could be pulled when necessary. Without this patronage they were vulnerable to state sanction, but also to the wrath of the communities upon which they preyed. Organizations provided a necessary 'cover'. This also allowed the state to divide economic spoils, whilst still appearing to at least partially fulfil some of the demands placed upon the modern state, such as providing the conditions for economic prosperity and at least mediating problems of poverty and distress among the larger population.

The possibility that the cultivation of criminal networks by political elites and the military could result in the development of rival power bases as much as it could bolster state power was managed by Suharto by encouraging rivalries and power struggles between groups. In this way he avoided the kind of warlordism and 'bossism' found in the Philippines and Thailand (Sidel 1999:153). It was a recurrent but unrealized fear of the New Order that *preman* could form broader structural networks similar to the Yakuza or Sicilian mafia, which could coalesce into a significant challenge to its monopolization of resource extraction. Whenever such networks appeared possible the state intervened dramatically and brutally to reassert its power. This happened during the so-called 'mysterious shootings' (*penembakan misterius* or *petrus*) of the early 1980s, when the New Order state summarily executed around 10,000 alleged thugs, petty criminals and recidivists (Van der Kroef 1985). Hence the *preman* gangs served a dual political purpose that reflected the 'double-edged' nature of protection, as described by Charles Tilly (1985:170):

The word 'protection' sounds two contrasting tones. One is comforting, the other ominous. With one tone 'protection' calls up images of the shelter against danger provided by a powerful friend, a large insurance company, or a sturdy roof. With the other, it evokes the racket in which a local strong man forces merchants to pay tribute in order to avoid damage – damage the strong man himself threatens to deliver. The difference, to be sure, is a matter of degree. [...] Which image the word 'protection' brings to mind depends mainly upon our assessment of the reality and externality of the threat.

² The most prominent of these groups during the New Order were the nationalist youth organization Pemuda Pancasila and Pemuda Panca Marga, a paramilitary type organization for the children of army veterans. For a detailed account of Pemuda Pancasila see Ryter 1998.

Informally these networks were an integral part of the mechanisms of power, while formally they could be invoked as a threat from which society needed to be protected. As long as groups remained relatively atomized or firmly under the reign of military loyal to Suharto they were left for the most part undisturbed. But the relationship implied an inherently unstable balancing act that brought with it the danger that the state could itself be revealed as criminal and 'criminalized'.

The New Order's 'crisis of hegemony' seemed to be unending. For most of its 32 years of rule, the crisis was manufactured deliberately, a quintessential racket. As Tim Lindsey has argued, in order to justify its extra-legal 'order' the regime invoked a protracted state of 'imminent crisis', initially from the threat of communism and later from gangsters and thugs before finally it became almost spectral, such as in so-called 'organizations without form' (Organisasi Tanpa Bentuk, or OTB) (Lindsey 2001:296). The result was that the state became in this sense 'an enterprise that operated on the same basis as criminals' (Lindsey 2001:289). The state was criminal also in functional terms, as it used the same methods of extortion, racketeering, violence and secrecy as the *preman* gangs that it employed. Via state-backed subterfuge, including the use of *preman* as agents provocateurs to discredit opposition movements, the New Order sought to give the impression that without strict controls society would descend into chaos. The New Order's racket system was multi-layered and the relationship between its component parts complex. By the late 1980s this state-gang relationship has often been categorized as one of *beking* or 'backing', described by Lindsey (2006:32) as a 'delicate mechanism' whereby *preman* gangs became part of the grassroots structure of state power. It was in practice a privatization or franchising of state power, which allowed the state to distance itself from excesses conducted on its behalf, whilst making use of gangs as a mode of social control and rent extraction. For the gangs themselves, such arrangements were ultimately pragmatic. They opened up the opportunity for economic advantage and political advancement, and reduced the risk of becoming a target of state pogroms.

Unravelling rackets

Now facing a real rather than a manufactured crisis of hegemony due to the unpredictability of political fortunes in the post-New Order environment, political elites have increasingly turned to *preman* groups and other violent entrepreneurs to defend their economic and political interests. This has been exacerbated by the morphing of struggles for social power into more diffuse forms, such as party politics. The New Order normalized patterns of state-sanctioned illegality which have continued into the present. But a crucial

difference is that elites and state agents no longer possess the same coercive means they once did. Even military figures infamous for their patronage of particular gangs have conceded that in the current political environment they are not capable of controlling them as they did previously.³ The unravelling of central state power together with the fracturing of social power and the rise of new social forces has created an open, dynamic and unstable market in violent entrepreneurship and its central commodity of protection. As a result, *preman* and other violent entrepreneurs have increasingly been able to negotiate on their own terms, transforming from sub-hegemonic groups, rent-a-thugs and middle-men to significant political and social actors in their own right. Elite patronage, while 'useful', is no longer a necessity for survival.⁴ The relationship of inter-dependence has in this respect tilted in favour of the *preman*, a process of 'inverse racketeering' whereby political elites have increasingly become clients rather than providers of protection.

By the same token however, the very nature of what is now a highly competitive unregulated market has meant that groups have been forced to take various measures to seek a competitive advantage. This has taken two general directions. The first has been the development of 'legitimations' for rackets. 'Protection' as an imposed form of exchange continues to exist in criminal rackets, informal security groups and localized territorial monopolies over violence, but has also surfaced on a variety of new 'frontiers of legitimacy' that reflect the decentralized environment, the emergence of identity politics and opening of markets. It is found in the exclusivist rights claims of ethnic groups and local communities, political constituencies and alliances in the context of electoral politics and regional autonomy, turf wars between state agencies and political parties and 'morality rackets' in the form of religious and 'law and order' vigilantism.

The other has been a product of the demands of the market for 'security' in lieu of an adequate degree of provision by the state. Gambetta (1996:3) has argued in his study of the Sicilian mafia that consumers of private protection do not necessarily consider themselves to be better off if protection is supplied by the 'legitimate' state. The corruption and inefficiency of the police is one of many factors making non-state sources of protection appear an effective and economic option. As one Jakarta saying goes, 'you lose a chicken and report it to the police, you end up losing a goat'. The economist Frederic Lane (1979:2) has proposed that on the 'frontiers of the state', where no one possesses an enduring monopoly over protection, merchants and other consumers of protection would avoid over-priced providers when they could obtain protection more cheaply elsewhere. When the state is ineffective or inefficient in sup-

³ Confidential interview with former TNI general, Jakarta, August 2006.

⁴ Interview with Jakarta gang leader, Jakarta, December 2007.

plying a sufficient degree of protection for business transactions, property rights and land tenure and so on, an opening emerges for other actors to fill the demand. In Indonesia, in so far as the market can be considered 'rational', it has shown that it has tended to favour those groups that are predictable, well-organized and 'reasonable' in the costs imposed. This has resulted in a fundamental shift in the protection relationship towards a contract between a 'provider' and their 'customer'.

These new providers supply protection both as an illegal service demanded by the illicit economy, as an imposed relationship of exchange (extortion), but also as a 'public good', one that is either 'necessary' or claimed as such.

Post-New Order Jakarta

As Robison and Hadiz (2004:31) have detailed, the fall of Suharto, while resulting in a collapse of centralized state power, did not result in its complete demise. Rather it 'open[ed] the door to a fresh round of struggles to reshape and redefine economics and politics'. The end of the New Order in 1998 was heralded as the beginning of a new more democratic and open phase in Indonesia's political history. Institutional reforms took place, most crucially the implementation of political decentralization and regional autonomy laws plus the hosting of multi-party elections. However the weak governments that followed Suharto's departure, the intensification of political rivalries coupled with the chaotic manner in which administrative decentralization measures have been implemented, all contributed to the disruption of patron-client linkages and established rackets but without the necessary strengthening of state institutions required to prevent their reconfiguration into new forms of rackets. Elements of the old regime have been able to successfully reinvent themselves and re-establish economic and political power relationships within the new formally democratic institutional arrangements and market economies (Robison and Hadiz 2004:10).

This has also applied to the lower levels of the New Order's structure of rackets, including its *preman* and political gangsters, who have emerged as major beneficiaries of reforms introduced to decentralize power in Indonesia, taking advantage of the inability of the post-New Order state to ensure security and the opportunities presented by electoral politics (Hadiz 2003a). This new system, which has given greater autonomy and power to regional and local government, has led to gangsters and violent entrepreneurs becoming a valuable form of political capital and influential power brokers, similar to their ancestors, the *jago* charismatic martial-arts strongmen of the colonial

period.⁵ In instances where the functional role of the state has been weak and the position of elites fragile, the local territorial power and coercive capacity of violent entrepreneurs has meant that elites themselves have become at times the object of rackets, forced to make political and economic concessions in order to secure the backing and muscle needed for consolidating power. The implications of this for understanding *preman* rackets are that rather than operating solely as the appendages or foot soldiers of elites, or as a criminal sub-class, they have in some instances successfully reconfigured themselves in line with the changed political format in ways that have seen them emerge as increasingly important and even 'legitimate' political actors.

We can loosely categorize *preman* and violent entrepreneurs and the modes of legitimation for rackets they employ into three types, namely: 1) vigilantism, the offering of 'protection' against crime and a variety of detrimental effects of rapid social change; 2) new forms of identity politics in localized territorial struggles over power and resources; and 3) a product and cause of the emergent market in security, protection and coercive force. As Schulte-Bockholt (2006:35) has argued, the specific composition and strength of groups which come to dominate a particular racket will determine both its nature and the way it conducts itself. While the categories presented for classifying rackets and their modes of legitimation have general applicability for the whole of Indonesia, the specifics of the examples given below remain of course most applicable to their geographic setting, Jakarta.

Vigilantism

If we accept Ray Abraham's proposition that vigilantism exists on the frontiers of state power, we can demarcate such frontiers in conventional terms along geographical fringes and peripheral zones, but also in more abstract 'frontiers of legitimacy' where the state is judged not only in technocratic terms of functioning institutions but by its ability to articulate and enforce a moral and social order and ideas of normative justice that are accepted by significant sections of society (Abrahams 1998:9).

Community Vigilance

A case of the opening up of such a 'frontier' can be found in the *preman* politics in the Central Jakarta district of Tanah Abang. Throughout the 1990s

5 The *jago* has been a reoccurring figure in popular culture and legend, often portrayed as a kind of Robin Hood. For the role of *jago* during the colonial period, see Schulte Nordholt 1991.

Tanah Abang's streets and markets were controlled by a gang of largely East Timorese youths led by a wiry *preman* known as Hercules. Brutal in its extraction of protection dues from vendors and local business, Hercules's gang was able to withstand the enmity of the local community and rival gangs due to the patronage of military figures such as Special Forces commander Prabowo Subianto and General Zaki Anwar, whom Hercules had befriended during his time as a military operations assistant in East Timor. However by late 1997 and early 1998 Hercules's difficulties in mobilizing support for the pro-integration cause and the subsequent withdrawal of his patrons' backing left his gang exposed.⁶ It didn't take long before an alliance of rival gangs formed, named Family of Tanah Abang Association (Ikatan Keluarga Tanah Abang, IKBT), to challenge his protection regime.

Within a few weeks of the emergence of the IKBT, Hercules's gang was violently expelled from Tanah Abang.⁷ The district was no stranger to *preman* gang wars. However, this new crop of gangsters packaged themselves not as rivals but as representatives of the 'community' determined to rid the area of the '*preman* problem'.⁸ Straddling the end of the New Order regime in May 1998, the takeover signalled a shift towards a new mode of organization for *preman* in Tanah Abang, the community vigilante, who invoked images of the charismatic and honour-bound *jago* martial-arts strongman of popular legend. With its own rich folklore of *jago* strongmen and *silat* martial arts masters, this means of representation for the new *preman* regime struck a cord with many long-term Tanah Abang residents, as did the IKBT's strong stance against gambling, drugs and prostitution.⁹ Local government was happy to portray the formation of a local community vigilance group as the empowerment of local communities to self-police in lieu of the under-resourced and discredited police.¹⁰ The mayor of Central Jakarta, Abdul Kahfi, made the

⁶ The gang had regularly held pro-government rallies and harassed pro-independence East Timorese activists. However, tensions emerged in 1996 after Tanah Abang police shot dead Manuel Soares, a member of Hercules's gang, ostensibly after he resisted arrest over a minor criminal offence. Convinced this was due to his reluctance to take part in pro-integration activities, Hercules's second-in-command Duarte Freitas issued a press release stating it was a politically motivated killing. Freitas then joined with left-wing activists from the student-based Peoples Democratic Party (Partai Rakyat Demokratik, or PRD) in a demonstration protesting Soares's death at the national parliament.

⁷ An anecdotal account of the expulsion written by a member of Hercules' gang can be found at: Indonesia-L mailing list, MateBean, 'Tergusurnya eksistensi orang Timtim dari Jakarta', <http://www.library.ohiou.edu/indopubs/1997/12/16/0036.html> (accessed 10-3-2009). After his expulsion Hercules continued to operate both legitimate and illegal businesses in Jakarta as well as Indramayu. More recently he returned to his native East Timor, where he signed an agreement with the government to build a hotel and swimming pool in Dili.

⁸ Interview with Bang Ucu, IKBT chairman, Jakarta, 15-6-2005.

⁹ This stance is rumoured to have brought the IKBT into conflict with the police, some of whom profited from the lucrative drug trade operating in Kampung Bali, a neighbourhood of Tanah Abang. The IKBT only succeeded in removing the drug dealers after gaining the support of marines affiliated to the New Order period nationalist youth organization the Pemuda Panca Marga. Confidential interview, Jakarta, December 2007.

¹⁰ Interview with Tanah Abang government official, Jakarta, June 2006.

takeover official when he recruited 48 *preman* drawn from each of the two main gangs comprising the IGBT into a 'District Civil Defence Unit' (*keamanan distrik*, or *matrik*) that was authorized to patrol the Tanah Abang markets and extract regular 'official' protection fees from vendors.¹¹

Tensions within the IGBT over distribution of turf as well as resistance from transport workers to the new fees led to the alliance fracturing after several months, leading to ongoing rounds of gang conflict.¹² However, the paradigm of gang-state relations had shifted to one in which gangs, in the guise of community organizations, were recognized by government, and by significant sections of the community, as legitimate 'community partners'. Despite the failure of the IGBT to consolidate control over Tanah Abang, Jakarta Governor Sutiyoso heralded the organization as a success story, a community-driven initiative to deal with the problem of *preman* that should be emulated throughout the capital. He invited IGBT's chairman Bang Ucu and other IGBT leaders to advise him on how to best tackle the problem of *preman* in Jakarta.¹³ The New Order logic of fighting 'crime' with criminals continued, but this time the initiative came from *preman* themselves. *Preman* no longer required state backing to survive, whereas the weakened post-New Order state needed the territorial power of the *preman* if it was to regain a modicum of control over Jakarta's streets.

Identity rackets

As in the case of Hercules, the withdrawal of patronage left many previously 'invulnerable' gangs open to challenges from rivals. Post-1998, close association with the discredited regime had become a political and operational liability. The Pemuda Pancasila for example, a New Order period nationalist youth organization who enjoyed significant patronage from the military and political elites and dominated protection rackets and illegal rents throughout the 1980s and early 1990s, found themselves in direct competition with new formations of *preman* who gradually began to gain ascendancy in Jakarta's streets. In contrast to their predecessors who had pledged undying loyalty to nation, state and Golkar, the new guard of *preman*, such as the IGBT, took on distinctly 'local' identities, developing territorial power framed in terms of local cultural idioms and ethnicized identities. Faced with the fragmentation of *beking* arrangements, many *preman* networks started to reconfigure themselves away from dependency upon vertical patronage patterns linked

¹¹ 'Preman Tanah Abang aktif lagi', *Kompas* 28-8-2000.

¹² 'Minivan drivers go on strike over illegal levy', *The Jakarta Post* 27-6-2000.

¹³ 'IGBT tangani program percontohan pembinaan preman', *Kompas* 11-5-2001. Consultation with IGBT affiliates has been continued by Sutiyoso's replacement as governor, former vice-governor Fauzi Bowo.

to national elites, and towards embeddedness in the domain over which they ruled, the *kampung*. With the weakening of centralized power, assertions of place-based distinctiveness became the new grounds for 'securing rights to territories and resources' (Elmhirst 2001:292).

Abidin Kusno (2004:2384) has described how in post-1998 Jakarta the 'loosening' of power at the centre has resulted in a proliferation of civil groups formed around identities that 'are all linked by a sense that the nation-state no longer commands any power to protect and rule, or, at best, the political elites only safeguard their own interests'. This sense that political elites had little concern with improving the conditions of the general populace has, according to Kusno, encouraged these citizens groups, often violently, 'to act on their own, creating a condition in which everyone safeguards his or her own space, often without regard for the public'. The streets of the capital became a zone of contestation between a complex mix of interests: the poor and middle-classes, the city administration, developers and business. The Indonesian NGO Yappika documented the spread of this 'us vs. them' mentality, identifying 135 instances of communal and inter-neighbourhood violence in Jakarta from March 2001 to March 2002 alone (Fitri 2004:10). While the high level of conflict of this particular period has not extended into the present, it nonetheless set in motion dynamics that contributed to the emergence of a new crop of local gangs and rackets. Localism has become a new pole for contesting the territorial boundaries of these aggressive forms of 'spatial power'.

The rise of the Betawi

From mid-2000 till early 2001, inter-gang rivalries intensified in East Jakarta between largely ethnic Madurese and Betawi-based gangs.¹⁴ These tensions came to a head in the semi-industrial district of Cakung in 2001, resulting in several days of intermittent street fighting and the torching of several houses of Madurese. The incident became the catalyst for a new 'ethnic' *preman* organization.¹⁵ On 29 July 2001 the Betawi Brotherhood Forum (Forum Betawi Rempug, FBR) declared itself at a ceremony at the group's headquarters in a religious school in Penggilingan, Cakung. The FBR was led by Fadloli el-Muhir, a religious scholar with long-standing links to elements of the former New Order regime, such as the former Jakarta military commander and later governor of the Indonesian capital, Lieutenant General Sutiyoso. A leaflet distributed by the FBR in Cakung at the time further incited hostility towards Madurese and other 'outsiders'.

¹⁴ 'Murder suspects gang members', *The Jakarta Post* 29-3-2001.

¹⁵ For more on the construction of ethnicity within the FBR see Brown and Wilson 2007.

Oh children of Betawi, it is the responsibility of all sons of the land to create peace, tranquillity and beauty in the Betawi land which has become the capital of Indonesia. Forgiving, compromising, not vengeful and always seeking consensus, this is the character of the Betawi. But starting from now, let us rise up and unite as Betawi to oppose the migrants who are arrogant, conceited, selfish, vengeful and disrespectful of the indigenous Betawi. We are sick of cruelty and barbarity, one drop of Betawi blood must be answered with an ocean of blood. Starting from now, let us make the Betawi champions (*jawara*) and respected ones (*juragan*) in Betawi land.¹⁶

The battle was no longer one between warring gangs, but between self-proclaimed representatives of the disenfranchized indigenous community of the nation's capital, who sought to reclaim the rights, land and jobs 'stolen' from them by migrants such as the Madurese. In the space of six months over a dozen new 'Betawi' groups emerged, each claiming exclusive rights for control over the informal economy in the neighbourhoods in which they were based, as well as jobs and 'taxes' from local business on the pretext of 'empowering' the Betawi.¹⁷ Publicly endorsing the FBR's identification of '*preman*' and other 'troublemakers' as migrant outsiders, Governor Sutiyoso, by then a tough retired major-general, sought to establish alliances with Jakarta's Betawi *preman* and to harness them to the task of reconsolidating his security-orientated approach to governing the city. Sutiyoso was quick to recognize the utilitarian value of gangs citing an 'indigenous' Jakarta identity. Enamoured by this initial support, the FBR, Forkabi and others enthusiastically and independently harassed and assaulted critics of the governor, including NGOs such as the Urban Poor Consortium.¹⁸

The FBR's appeals to 'the oppressed' struck a cord not just with local *preman* looking for a new organizational cover for their racketeering, but a broader spectrum of the unemployed and those scraping a living in the informal street economy, in particular *ojek* motorcycle taxi drivers. With this membership base, the FBR rapidly expanded to become by far the largest Betawi organization in Jakarta.¹⁹ According to chairman Fadlioli Muhiir, Jakarta's rapid development had left the Betawi dispossessed and marginalized. Unlike other regions where local autonomy and decentralization has

¹⁶ Extract from a reproduction of a leaflet distributed by the FBR in Cakung in 2001.

¹⁷ These included Forkabi, Forum Betawi Rempug, Gerakan Ketahanan Betawi and Ikatan Keluarga Betawi.

¹⁸ 'NGOs accuse Sutiyoso of rent-a-thug-methods', *The Jakarta Post* 23-3-2002. Sutiyoso was later to withdraw this support due to the FBR's 'unruly' nature. Vice-governor Fauzi Bowo was later to do the same prior to the elections for governor in 2007, which he won. Up until this time the FBR had been enthusiastic supporters of Bowo due to his Betawi heritage. Bowo was advised that public hostility towards the FBR could result in a voter backlash if he was seen as courting the group. The FBR subsequently switched their support to rival candidate Adang Daradjatun.

¹⁹ Its current membership is estimated to be around 60,000.

seen indigenous populations gain seats in power and an improved standard of living, this had not been the case in the nation's capital.²⁰ FBR's answer to this, has been an aggressive form of ethnic chauvinism, holding to the belief that it is only through predatory behaviour that one will get ahead in society. In order to achieve their vision of a Jakarta dominated by Betawi strongmen, the FBR has used a number of tactics and strategies. These traverse the line between legal and illegal, ranging from classic extortion and stand-over tactics, to political lobbying, legitimate business ventures and entrepreneurial initiatives.²¹

As one member argued, 'If the government fulfilled its obligations and provided us with work, and satisfied our basic needs then there would be no reason for FBR to exist. As it stands, if we don't stand up and fight for what is rightfully ours, we will end up with nothing.'²² In the context of a myriad of gangs contesting territory, the reinvention of Jakarta as an ethnic homeland for the Betawi has served an important function in legitimating localized rackets, thus cementing a role for themselves as political brokers.

Morality racketeering

In his examination of the market in private protection in post-Soviet Russia, Federico Varese (2001:7) has stated that the greater the realm of activities defined as illegal by the state, the higher the demand will be for mafia services. If for example alcohol or pornographic materials are outlawed, this will create a demand for the protection offered by organized crime. This has to an extent also been the case in post-New Order Jakarta. For example, public order laws outlawing street-side vending have opened opportunities for street gangs, who operate in this domain as a form of informal 'governance', to cooperate with the authorities in forced evictions, but also in some instances to protect communities from over-zealous public order officials.²³ A far more pervasive phenomenon however, has been the proliferation of groups offering protection from more abstract 'moral threats' identified generally as vice (*maksiat*). Rather than seeking to fill the illegal demand for protection created by government prohibitions, these 'morality racketeers' play a kind of wedge politics, on the one hand publicly denouncing the dangers believed to be posed to society by bars, clubs, gambling dens and prostitution, while privately benefiting materially from their existence. In the past protec-

²⁰ Interview with Fadloli el-Muhir, Jakarta, 3-8-2005.

²¹ For more detail on the FBR's activities, see Wilson 2006, and Brown and Wilson 2007.

²² Interview with FBR member, Jakarta, 14-6-2006.

²³ Public order laws such as Jakarta Regional Law no. 11/1988, recently revised in Law no. 8/2007, allows for the arrest and removal of those considered to be creating a public disturbance.

tion of these kinds of illicit activities was the exclusive domain of *preman*. Structurally the relationship remains the same; however the dynamics have been inverted. Instead of profiting from protecting 'vice', *preman* now profit from ostensibly combating it.

Defenders of the Faith

The best-publicized of these morality racketeers has been the Defenders of Islam Front (Front Pembela Islam, FPI).²⁴ The FPI was established in 1998, as part of the Pam Swakarsa civil defence force. Consisting of a rag-tag collection of thugs, unemployed youth and Islamic militants supportive of Suharto's presidential replacement, B.J Habibie, the Pam Swakarsa were the brainchild of military chief General Wiranto and General Kivlan Zein. Intended to bolster the over-stretched police force and help counter widespread opposition to the Habibie presidency, as a political strategy the Pam Swakarsa was a failure and it was disbanded in late 1998.²⁵ The FPI outlasted the Pam Swakarsa, and has over the past ten years made a name for itself as a self-proclaimed defender of public morality from a variety of social ills. It has focused its activities on night venues that it accuses of breaching operating hours during the fasting month of Ramadan. By the end of 2001 the FPI found that many of its more generous financial backers were no longer prepared to subsidize its activities, due to what one former patron described as its increasing 'recalcitrance' as well as the perceived political liability of its well-publicized links to radical Islam.²⁶ This increased pressure upon members to find other sources of income, most commonly in the form of pay-offs and protection fees from the targets of its anti-vice raids.²⁷ While not openly condoned by the group's leadership, such practices are recognized as common-place. For many *preman* seeking new organizational affiliations, the FPI offers not only rent-seeking opportunities but also the possibility of personal redemption, making it an attractive option.

The FPI uses a particular 'procedural method' for choosing the targets of its anti-vice raids.²⁸ Once a potential target has been identified, the FPI investigates the strength of the interests attached to it, that is, military, rival *preman* groups and so on. If they consider these interests to be politically weak, they then register a formal complaint with the police requesting that the venue

²⁴ For more on the FPI's background see Wilson 2008.

²⁵ The street presence of the Pam Swakarsa further provoked an already tense political situation, resulting in violent clashes with student demonstrators and locals that left fatalities on both sides. 'Jika preman dan bambu rucing ikut bermain', *Gatra* 21-11-1998, p.73.

²⁶ Confidential interview, Jakarta, August 2005.

²⁷ Interview with senior FPI member, Jakarta, 16-8-2005.

²⁸ Interview with Alawi Usman, head of the FPI's 'investigations division', Jakarta, 15-8-2005.

or activity be shut down on the grounds that it threatens public morality, or that is in breach of government regulations. Police almost never act on these complaints, but it gives them the opportunity to forewarn businesses on the FPI's list, which can then pay for police protection, find an alternate source of protection from the market of suppliers, or make the FPI an offer.²⁹ This police complicity in the racket may also explain the frequent absence or late arrival of the police at FPI raids despite prior warning.

The vocal support of the FPI, FBR and similar groups for increased state regulation of morality issues, such as through the controversial anti-pornography bill, has often been portrayed as an ideological battle between militant Islam and liberal social forces.³⁰ However advocates of religious conservatism such as the FPI are well aware of the tangible opportunities these campaigns can create for them. Increased levels of regulation over behaviour require increased policing in order to enforce the regulations. Violations of these regulations generate income for those enforcing them as those who seek to avoid them pay up. With the authorities lacking the human resources, and in some instances the political will, to police such laws, increased opportunities arise for 'civil' morality vigilantes to extract rent and protection dues, while at the same achieving a degree of 'legitimacy'.

As in the classic protection racket, Islamic and ethnic *preman* first create a threat, for example a 'moral crisis' or 'heresy', which they are themselves strategically placed to resolve. By eschewing the staples of organized crime and *preman* such as protecting prostitution, gambling and drug trafficking, the new breed of 'moral' gangsters strategically position themselves as a moral vanguard, a 'defender' of the community and the faith from a variety of threats. No longer are they seen as the source of trouble but as its solution.

The market in protection

Increasing crime rates, rampant unemployment, poorly enforced government regulations and the inefficiency and continued corruption of the police have all been factors increasing the demand for non-state forms of protection. While vigilantism surfaced as a 'community'-based response to this demand, a thriving and highly competitive market in private protection services has also emerged. This ranges from local level gangs, private security companies, off-duty police and military to international security firms with branches in Jakarta. Former and serving members of the police or military run many of

²⁹ This information derived from confidential interviews with several bar owners in Jakarta who have been the object of FPI raids.

³⁰ Despite threats of non-compliance from provincial governments such as Bali and West Papua, a modified version of the bill was passed into law on 31-10-2008.

these smaller local companies, such as the marines-operated company PT. Bass (Masaaki 2006). Aside from protecting client's assets, these security agencies also offer services such as personal bodyguards, debt collection and asset repossession, land acquisition brokering, 'community mediation', and the intimidation of a client's business rivals. Several security industry associations have been established, the largest of which is the Indonesian Security Manager Association (AMSI) which currently has 300 affiliate companies. However, it accounts for only a small percentage of the overall number of security providers, the majority of whom operate almost entirely outside any regulatory framework (Robison, Wilson and Meliala 2008). Formally, regulation of this sector is the responsibility of the police, who issue licences for registered companies and are required to monitor their activities and personnel. In practice however the actual level of police supervision is at best minimal. The prevailing shaping force has been the demands of the market itself.

The inevitability that a business will be approached by a protection agency of some description has resulted in many entrepreneurs pre-emptively seeking out those with a reputation for being reliable and efficient.³¹ This has impacted upon the way in which protection groups market themselves. They recognize the importance of 'professionalizing' their services in order to attract clients. Some groups have made a transition from street gang and racketeer to more tightly organized protection organization, in order to carve a niche in this growing protection 'industry'. This has entailed a range of organizational strategies: tightening membership criteria, more rigorous physical and mental training regimes, and the introduction of 'procedural guidelines' and 'rules of engagement' for 'conflict resolution', alongside regularized fees for the services offered to clients. In a competitive but unregulated market, groups need to justify their coercive presence at the local level, and also 'deliver' on promises to reduce petty crime, lest clients seek protection elsewhere. In simple economic terms, there has been recognition that extortion and crude racketeering is not a viable long-term strategy in the face of a myriad of rival providers. At the same time, territorialism still dominates the industry, defined either geographically or via sectors, and groups often negotiate agreements regarding the demarcation of boundaries.

³¹ An unpublished survey of small businesses conducted by the author in Tanah Abang in 2007 suggested that protection can cost anywhere between 5% and 20% of total profits. As a general rule, the bigger the business the fewer problems they have with protection groups. Big business, including the corporate sector, is better able to protect itself and many have created their own security services.

Protection franchises

One example of a successful security company is Putra Perkasa, run by Abraham Lunggana. A former Tanah Abang gang leader, Lunggana was deputy of the IKBT and head of the Jakarta branch of the Pemuda Panca Marga. In recent years he has become chairman of the Central Jakarta branch of the Islamic United Development Party (Partai Persatuan Pembangunan, PPP), and in 2008 he secured the deputy leadership of an umbrella organization for Betawi social and cultural associations known as the Badan Musyawarah Betawi (Bamus).³² Much of the conflict that occurs between rival providers of protection emerges due to perceived breaches of territorial domains. For example, the presence of a security company in an area dominated by a gang that has no stake in that company is often considered a provocation warranting reprisal. In order to negotiate this territorialism, Lunggana has developed a franchise-like system he refers to as 'environmental investment'.³³ A potential client for his security services, such as a department store, is asked to identify (in consultation with community leaders) who are the local youths or *preman* they consider to be reliable. Putra Perkasa then approaches these youths, offering them formal employment, training and a uniform. The promise of a regular fixed income is usually enough to convince them to join.³⁴ In this way the company integrates local gangs within its business franchise, increasing its ability to secure contracts whilst maintaining community and client confidence and a 'professional' standard of service. This technique neutralizes the threats of local gangs while expanding the sphere of influence of the business. This franchising system has proven highly successful for Lunggana. His company has secured contracts in major shopping malls in Central Jakarta, as well as control of lucrative parking areas in and around southern Jakarta as well as the Taman Ismail Marzuki arts centre.

The police

If the fragmented state is no longer the racket regime it was during the New Order, then what has been its relationship with racketeers' post-1998? At the street level, the main interface between state power and the informal power of *preman* racketeers has been the police. Individual and territorial relationships

³² Lunggana was also a campaign manager in the successful 2007 bid for the governorship of Jakarta by former vice-governor and head of Bamus, Fauzi Bowo. He has since been appointed the deputy head of Bamus.

³³ Interview with Abraham Lunggana, Jakarta, 6-12-2007.

³⁴ Recruits undergo intensive training and are supervised for several months. Breaches of company policy result in immediate expulsion, and franchise branches are required to regularly submit detailed activity reports and audits.

between police and *preman* racketeers range from collusion, cooperation and mutual expediency to, in some instances, overtly hostile competition. The form the relationship takes is highly dependent upon local conditions such as the relative size, strength and political connections of local groups and the immediate resources available to the police. In one district of South Jakarta for example, the local branch of the FBR is a major financial contributor to the upkeep of the under-resourced local police station, providing drinking water and even stationery. According to FBR members, in return the police turn a blind eye to occasional 'excesses' on the part of the group and allow them to manage many day-to-day policing tasks such as the apprehension of petty criminals.³⁵ While this example is in some respects an extreme one, it does nonetheless point to the extent to which racketeers and the police establish 'pragmatic' working relationships, in which *preman* can hold the upper hand. As one police officer explained, 'as there are no clear rules for engagement we have to adopt an informal and conciliatory approach. The reality in the field is that these groups exist and exercise authority, so the police, like it or not, need to engage with them.'³⁶

Not all police however are comfortable with this kind of mutual co-existence. Junior police officers at the Indonesian Institute of Police Science (Perguruan Tinggi Ilmu Kepolisian, PTIK) for example, expressed frustration at what they perceived as the 'double-bind' in which they were caught in relation to *preman* racketeers. On the one hand they experience immense pressure from the public to uphold the law and tackle crime, while on the other they are constrained politically by their own links with certain groups and elites, by the ambiguity of the law and by limited resources.³⁷ As one officer quipped, 'Our job (of tackling *preman* groups) would be far easier if parliament didn't keep interfering. On the one hand politicians will condemn these groups, but then use them or give them overt support.'³⁸

At a governmental level, the primary response from the Jakarta administration to public concern over the prevalence of racketeering, extortion and street crime has been a series of high-profile 'anti-*preman*' campaigns. The first of these campaigns was held in 2001, and they have been subsequently repeated in 2004, 2005 and 2008. The initiative of former governor Sutiyoso, the campaigns were initially limited to Jakarta but by 2004 were national in scope and coordinated directly by the National Chief of Police. As with the *petrus* pogroms of the 1980s, the campaigns have largely avoided targeting established organizations, instead focusing upon mass arrests of those identi-

³⁵ Interview with FBR member, Jakarta, August 2007. These excesses have included hospitalizing burglary suspects and truck drivers who refused to pay parking fees imposed by the group.

³⁶ Interview, Jakarta, 3-9-2007.

³⁷ Interview, Jakarta, 12-11-2007.

³⁸ Interview, Jakarta, 12-11-2007.

fied as '*preman*'.³⁹ Ambiguity in the operational definition of who constitutes a '*preman*', which in itself is not a criminal offence, has allowed the authorities to be highly discretionary in whom they have targeted. Identifiable patterns have emerged. *Preman* and racketeers with links to established organizations and political parties, including the FBR, have been largely left untouched, whilst illegal traffic wardens (*pak ogah*), small street gangs along with others identified as 'undesirables' such as beggars, street kids, buskers and sex workers have been arrested en masse.⁴⁰

Subsequently many street *preman* joined groups such as the FBR in order to gain what is perceived to be 'invulnerability' from the law. During the 2005 campaign for example, membership of the FBR increased by 200%.⁴¹ Hence one effect of the campaigns has been to aid in the consolidation of territorial control of established groups by, temporarily at least, rounding up small fry competitors for protection dues and creating the imperative for them to amalgamate with larger groups, many of whom already have some kind of negotiated established working relationship with the police.⁴² Whether this has been a deliberate strategy on the part of the authorities is debatable. Regardless of intent, it does indicate the limits of the power of the state and also shows the extent to which the 'legitimations' used by protection groups have been successful. During the most recent campaign, at a meeting with the vice governor, the head of the FBR, Fadloli Muhi, offered to 'take in' arrested *preman* in order to 'empower' them, in effect expanding the membership and territorial reach of his own group.⁴³ It is also notable that throughout these campaigns public complaints of extortion and corruption on the part of the police have increased threefold, suggesting that some police at least have used the campaigns as an opportunity to reclaim sources of illegal rent extraction taken from them by street level racketeers.⁴⁴ While the fragmented state and its agents appear not to possess the capacity or political will to curtail racketeer groups or comprehensively to regulate the market in protection, the anti-*preman* campaigns have shown that some of the more unruly players can be absorbed into more 'stable' formations.

³⁹ In the most recent campaign, begun in November 2008, police attempted to answer criticisms that the campaign only targeted 'small fry' *preman* by arresting Hercules on assault charges. As a gangster with a high media profile but whose actual power and influence is now limited, Hercules was the perfect scapegoat for the police.

⁴⁰ 'Puluhan preman di kawasan Jakpus digaruk', *Liputan6.com*, 1-12-2008, <http://www.liputan6.com/hukrim/?id=169065> (accessed 24-10-2008).

⁴¹ Interview with Nahrowi, FBR public relations official, December 2005, Jakarta.

⁴² One *preman* interviewed was arrested in both the 2001 and 2005 campaigns. In each case he was released with a warning to 'watch his step' after being detained for 48 hours.

⁴³ 'Tokoh Betawi minta pemerintah Jakarta bina preman', *Tempo Interaktif*, 13-11-2008, <http://www.tempo-interaktif.com/hg/jakarta/2008/11/13/brk,20081113-145730.id.html> (accessed 10-3-2009).

⁴⁴ 'Number of thugs down, number of bad cops up', *The Jakarta Post* 19-9-2005.

Conclusion: The consolidation of rackets

In modern democratic states formal legitimacy is ostensibly established via consensual democratic processes such as elections, and the provision of basic services such as health, education and the maintenance of law and order. However, it is a particular heritage of the New Order that 'legitimacy' in the use of force has been produced as a 'racket effect'. The state has presented itself as the lesser of evils in relation to imminent, imaginary or actual threats posed by 'others': rival gangs, crime, ethnic and religious minorities, corrupt authorities, or more abstract 'spectral' threats such as 'moral decay' and 'sin'. The examples described previously point to an expansion, consolidation and diversification of racket relationships, with the state operating as, at best, a kind of 'meta-manager'.

The logic of power articulated during the New Order, of consolidating repressive forms of social order through the invocation of threats, has been retranslated in the context of a decentralized political environment and shaped by the market economy. In the perspective of post-colonial Southeast Asian states, Carl Trocki (1998), John Sidel (1999) and others have identified a correlation between the consolidation of gangsters and post-authoritarian transitions towards institutional democracy. As Volkov (2002) has shown in his study of violent entrepreneurs in post-Soviet Russia, in an under-regulated informal market economy organized crime groups, vigilantes and those trading in protection thrive and can become a significant shaping force. In the case of Russia, these forces have become increasingly domesticated under President Putin as he reconsolidated centralized state power. The possibility of a similar domestication or co-option in Indonesia appears unlikely due to the continued fragmentation and disorganization of post-New Order elites. What seems more likely for the foreseeable future is a continuation of current patterns, whereby state agents such as the police engage in largely symbolic campaigns aimed at containment of unruly groups in order to appease public concerns, whilst informally cooperating with larger and better organized groups. The double-edged sword of protection, as a public good and a public nuisance, will continue for some time.