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FROM SUBORDINATION TO ACCUMULATION: THE POST-REFORM TRAJECTORY OF POLRI'S ECONOMIC-POLITICAL CAPITAL IN INDONESIA

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Abstract
The 1998 Reform and the separation of the Indonesian National Police (*Kepolisian Negara Republik Indonesia*, Polri) from the Armed Forces of the Republic of Indonesia (*Tentara Nasional Indonesia/Angkatan Bersenjata Republik Indonesia,* TNI/ABRI) are widely understood as a milestone in Indonesia's democratic transition in the security sector. However, this article argues that this institutional separation constituted a critical juncture that paradoxically expanded rather than curtailed Polri's economic-political capital accumulation. Drawing on Chambers & Waitoolkiat's (2017) khaki capital framework and historical institutionalism, the article demonstrates that the institutional autonomy Polri gained was not matched by commensurate accountability mechanisms—transforming the institution from one that was structurally constrained under ABRI's military dominance into one that enjoyed far greater capacity to accumulate economic-political capital independently. This transformation operated through three mutually reinforcing mechanisms: institutional separation placing Polri directly under the President; intense TNI-Polri competition over khaki capital domains that evolved into a rent-sharing ecosystem; and regulatory asymmetry that left Polri without effective business prohibitions, while simultaneously leaving both internal and external oversight mechanisms—including the Inspectorate General (*Inspektorat Pengawasan Umum*, Itwasum) Polri and the National Police Commission (*Komisi Kepolisian Nasional,* Kompolnas) too weak to constrain informal economic accumulation.

Keywords: Khaki Capital, Polri, Critical Juncture, Historical Institutionalism, TNI-Polri, Economic-Political Capital

INTRODUCTION

The 1998 Reform represented a fundamental turning point in Indonesia's political order, including in its security sector architecture. Among the most ambitious reform agendas was the separation of the Indonesian National Police (*Kepolisian Negara Republik Indonesia*, Polri) from the Indonesian National Armed Forces (*Tentara Nasional Indonesia*, TNI), which had previously been unified under the Armed Forces of the Republic of Indonesia (*Angkatan Bersenjata Republik Indonesia*, ABRI). This separation was designed to promote the professionalization of the police as a civilian, accountable institution and to end the informal economic practices embedded in ABRI's militaristic culture. More than two decades after the reform, however, a fundamental question remains: did this institutional separation genuinely end the rent-seeking practices institutionalized during the New Order, or did it produce an entirely different outcome?

This article argues that the 1998 Reform and the separation of Polri from TNI/ABRI constituted a critical juncture that paradoxically expanded rather than curtailed Polri's economic-political capital accumulation. Using Chambers & Waitoolkiat's (2017) khaki capital framework, the article shows that the institutional autonomy Polri gained was not matched by commensurate accountability—transforming the institution from one that was structurally constrained under ABRI's military dominance into one that acquired far greater capacity to accumulate economic-political resources independently. Central to this expanded capacity is the weakness of oversight mechanisms at both internal and external levels. Internally, the Inspectorate General (*Inspektorat Pengawasan Umum*, Itwasum) Polri lacks genuine independence as it operates within Polri's own command structure, limiting its ability to hold senior officers accountable. Externally, the National Police Commission (*Komisi Kepolisian Nasional*, Kompolnas), as a body regulated only by Presidential Regulation rather than a dedicated law, holds authority vastly inferior to Polri's own powers. This dual weakness in the oversight architecture—combined with Polri's direct placement under the President without the intermediary of a technical ministry—creates a paradox in the outcomes of post-Reformasi reforms. Rather than fully strengthening accountability as intended by the reform agenda, this condition instead provides Polri with broader institutional discretion in managing its internal affairs.

A preliminary conceptual note is necessary regarding the application of the khaki capital framework—originally developed to explain military economic accumulation—to the police in this article. In most comparative literature, this framework is applied to the military. However, in the Indonesian context, such analytical equating is historically justified: for over five decades under the New Order, Polri was formally part of ABRI and operated within the same organizational, budgetary, and political structure as TNI. Both institutions shared training systems, internal socialization processes, and patronage-based political-economic networks. Polri therefore did not merely inherit formal military structures but also the informal financing practices and economic logics embedded within the broader ABRI system. The institutional separation of 1999-2002 did not eliminate these legacies; rather, as this article demonstrates, it transformed the institutional context through which they continued—and expanded—to operate.

Academically, this article contributes to three bodies of literature. First, it enriches the comparative literature on khaki capital in Southeast Asia by examining the Indonesian post-reform police institution as a distinct case of security-sector economic entrenchment. Second, it offers a new perspective on security sector reform studies by demonstrating that insufficiently designed reforms can generate paradoxical outcomes. Third, it contributes to the literature on police institutions as economic actors by showing how inter-institutional competition can evolve into a rent-sharing ecosystem that expands, rather than constrains, informal capital accumulation.

LITERATURE REVIEW

The Formation of Security Institutions' Economic-Political Capital

The literature on the formation of security institutions' economic-political capital has primarily developed through a historical-institutional perspective that explains how security institutions accumulate economic resources through long-term processes of state formation, power configuration, and political economy dynamics. Rather than viewing security institutions as economically neutral actors, this body of scholarship demonstrates that their economic involvement is structurally embedded in broader political processes. Daleiden (2006) traces the historical roots of policing through classical, Marxist, and neoclassical political economy traditions, ultimately distinguishing between public and private policing. He demonstrates that from the outset, policing was never economically neutral: the structural power advantages enjoyed by state-supported police over private security providers formed an early basis for institutional capital formation, which can subsequently develop into economic capital.

Siddiqa (2007) deepens this analysis through her concept of military business (Milbus), criticizing earlier assumptions that security institutions in developing countries merely functioned as developmental modernizers. She argues that once security institutions accumulate economic assets, institutional corporate interests emerge and begin influencing state policy while simultaneously reinforcing political position—economic capital transforming into political capital. Her comparative analysis across Pakistan, Turkey, and Indonesia illuminates variation in how security institutions institutionalize economic accumulation. This discussion was further developed by Chambers & Waitoolkiat (2017) through the concept of khaki capital. Situating their analysis within historical institutionalism, they argue that the greater the control security institutions possess over economic resources, the greater their autonomy from civilian political authority—a trajectory shaped by historical legacies, path-dependent institutional choices, and critical junctures that periodically transform the conditions of accumulation. Economic assets generate political leverage, while patronage relations between civilians and security institutions create mutually dependent networks of power. Khaki capital, therefore, becomes central to understanding how authority is distributed within the state across historical time.

Several Southeast Asian studies illustrate these dynamics. Chambers & Waitoolkiat (2017) show how Thailand's military accumulated economic power through its long-standing alliance with the monarchy. In Myanmar, Bünte (2017) demonstrates how military dominance over political and economic resources created a system effectively insulated from civilian oversight. Thayer (2017) shows that post-reform Vietnam transformed military institutions into market-competing corporations. Chambers (2017) on Cambodia shows that collusion between political elites and security forces under Hun Sen enabled the concentration of economic capital within enduring power networks. In Indonesia, Honna (2017) demonstrates that the military retained economic influence even after democratization, while increasingly competing with the police in the domestic security domain. Scarpello (2017) further shows that in Indonesia's oligarchic political-economic context, the plurality of security actors — including Polri, TNI, and various non-state groups—frequently functions as a rent distribution mechanism.

Taken together, this literature demonstrates that the economic involvement of security institutions is not incidental, but structurally embedded within broader political and historical processes. Security institutions frequently develop economic resources as part of state formation, institutional survival, and patronage-building strategies. Over time, these resources can evolve into economic-political capital that shapes state power configurations and institutional autonomy.

Despite these important contributions, most existing studies focus predominantly on the military. Comparatively limited attention has been given to the police as a domestic security institution, especially within political economy studies. This gap is particularly evident in the Indonesian context. Accordingly, this study applies the khaki capital framework to examine how economic-political capital forms within Polri—an application justified by Indonesia's specific historical trajectory, as detailed in the Introduction, in which both Polri and TNI operated within the same ABRI institutional structure for more than five decades.

The Police as an Economic Actor: Commercialization of Security Services versus Rent Accumulation

Having established how security institutions' economic-political capital is formed, a further body of literature addresses how police institutions convert their coercive authority into economic resources. A tension exists between those who view police economic involvement as commercialization of security services developing through public-private cooperation, and those who argue that such relations must be situated within broader political-economic configurations where state coercive authority creates opportunities for economic accumulation and rent distribution.

Early contributions from Grabosky and Ayling highlighted various forms of public police participation in security markets (Grabosky, 2004; Ayling & Grabosky, 2006). Grabosky (2007) further developed this analysis using Bayley and Shearing's (2001) concept of the multilateralization of policing — the growing involvement of non-state actors in security provision. He showed that police-private sector cooperation often serves three simultaneous interests: institutional, private, and public. Drawing on Mauss's (1969) social exchange theory, Grabosky noted that sponsorship and 'gifts' to police create reciprocal obligations even when apparently voluntary—a dynamic Derrida (1991) suggests makes truly 'pure' gifts impossible, as all gifts carry relational dimensions. In the policing context, such relationships risk producing policy distortions and capture by particular interests.

Stenning and Shearing (1979) observed that when police services are funded by non-state entities, officers retain their legal status and state coercive authority, including the right to use legitimate physical force—making police uniquely positioned in security markets compared to private security providers. Ayling and Shearing (2008) further challenged the assumption that policing is always a pure public good, demonstrating historically that police services can be public, club, or private goods. More recently, Vargas, Hagani, and Rojas (2025) applied a Gramscian framework to view policing as an inter-institutional structure shaped by economic and political forces.

Contemporary literature has also examined the growing entanglement of policing with security technology sectors. Brayne (2020) documented increasing police dependence on big data and algorithmic systems developed by private technology companies. This trend has been critically examined by Ferguson (2017) on 'black data' and constitutional concerns. Connections between military technology and domestic policing have been traced by Schrader (2019). Taken together, this literature shows that police involvement in economic activities cannot be understood solely as the commercialization of security services within market mechanisms. Rather, the police institution occupies a unique position as a state actor possessing coercive authority, enabling economic relations that are deeply embedded in broader political-economic structures, patronage networks, and processes of rent accumulation.

METHODS

This article employs a qualitative approach using systematic literature review and historical-institutional document analysis (Collier & Collier, 1991; Pierson, 2004). The analysis draws on three categories of sources: (1) academic literature on khaki capital, civil-military relations, police as economic actors, and Indonesian security sector reform; (2) regulatory documents including Presidential Instruction No. 2/1999, People's Consultative Assembly (*Majelis Permusyawaratan Rakyat,* MPR) Decree No. VI/2000 and Decree No. VII/2000, Law No. 2/2002 on Polri, and Law No. 23/2004 on the TNI; and (3) state budget data covering the period 2014-2026.

The analytical framework is provided by the khaki capital concept of Chambers & Waitoolkiat (2017), which identifies three historical-institutional dimensions: historical-cultural legacies, path dependence, and critical junctures. This article focuses specifically on the critical juncture dimension because it is most analytically appropriate for the argument advanced here. The article does not argue that Polri's economic-political capital emerged anew after 1998—the historical legacies and path-dependent mechanisms are acknowledged as the foundation.

Rather, the article argues that the reform period constituted a transformative moment that fundamentally altered the conditions under which pre-existing practices operated, shifting Polri from structural constraint to expanded capital accumulation capacity. This transformation cannot be explained by historical legacies alone, which were largely continuous across the reform period, nor by path dependence alone, which by definition describes continuity rather than change. It is precisely the critical juncture dimension—the contingent institutional choices made in 1999-2002 and their lasting consequences—that explains both the change and the paradox this article analyzes.

RESULTS AND DISCUSSION

The Separation Process: TNI-Polri as an Institutional Turning Point

The separation of Polri from TNI proceeded through a series of policies in the context of post-1998 democratic reform. The process began with Presidential Instruction No. 2/1999 on Policy Steps for the Separation of Polri and ABRI, followed by Presidential Decree No. 89/2000 placing Polri directly under the President, and culminating in MPR Decrees No. VI/2000 on the Separation of TNI-Polri and No. VII/2000 on the Roles of TNI and Polri. This legislative sequence ended more than five decades of Polri's subordination within the military structure.

From a *khaki capital* perspective, this separation constituted a *critical juncture* because it fundamentally altered Polri's position in the architecture of state power. Previously, Polri was required to share and compete with TNI for access to resources and domains of authority. With separation, Polri gained a monopoly over the domestic security domain—an expansive domain encompassing nearly all aspects of local social, economic, and political life. Chambers & Waitoolkiat (2017) emphasize that this is precisely the capacity that enables security institutions to extract and distribute financial resources and create financial and career opportunities at every administrative level.

The budgetary transformation that followed was substantial. From approximately Rp 44 trillion in 2014, Polri's budget grew consistently: Rp 62 trillion (2015), Rp 78 trillion (2016), Rp 94 trillion (2017), Rp 98.1 trillion (2018), Rp 94.3 trillion (2019), Rp 104.7 trillion (2020), Rp 102.2 trillion (2021), Rp 114.2 trillion (2022), Rp 119.8 trillion (2023), Rp 136.5 trillion (2024), approximately Rp 138.5 trillion (2025), with a projected Rp 145.6 trillion in the 2026 draft state budget—representing an increase of approximately 3,000 percent since the Megawati era (Estherina & Shaidra, 2025; Movanita, 2017). Under ABRI, Polri received only a quarter of the combined military budget; now it commands a unified institutional budget that in many periods rivals or exceeds the per-capita allocation of TNI's three services combined.

Within the *khaki capital* framework, this increase in formal budgetary resources strengthened Polri's institutional bargaining position and provided a formal foundation upon which informal capital accumulation could be constructed. The formal and informal dimensions of *khaki capital* are not separate but mutually reinforcing: greater formal resources increase institutional legitimacy, which in turn provides greater cover for informal economic activities. The reform's aspiration to reorient Polri toward a civilian 'serve and protect' ethos was real—and in some respects partially achieved—but without strong accountability mechanisms, the expansion of formal resources created space for new forms of economic extraction rather than eliminating older ones.

TNI-Polri Competition: The Contest for Economic Capital After Separation

The institutional separation that appeared clean on paper was far more complex in practice. Honna (2017) documents that despite formal separation, TNI was unwilling to surrender the domestic security domain because what was at stake was not merely institutional function but the continuation of its khaki capital. In Chambers & Waitoolkiat's (2017) terms, TNI faced a direct threat to its coercive oligopoly, which had served as the basis for extracting rents from domestic economic sectors.

Before separation, it was widely known that the military derived revenue from offering 'security services' to private enterprises, including those operating brothels, gambling establishments, and nightclubs (Honna, 2017). The transfer of domestic security responsibilities to Polri directly reduced these opportunities as the newly independent police institution took over these services. The impact on TNI was severe, particularly for local military commands highly dependent on unofficial business income — a vulnerability exacerbated by the 1997-1998 Asian economic crisis, which brought many military-owned enterprises close to bankruptcy (Honna, 2017).

This frustration generated open conflict. Honna (2017) documents a series of violent clashes between military and police units reflecting territorial wars over illegal business profits across the archipelago. The most illustrative case occurred in Madiun, East Java, in 2001, where TNI-Polri tensions escalated into intense armed clashes and the Army Chief of Staff acknowledged that the soldiers involved had been engaged in illegal business activities including gambling and narcotics trading. Similar eruptions occurred in 2002, 2007, and as late as 2014 across multiple cities (Honna, 2017).

In Chambers & Waitoolkiat's (2017) khaki capital framework, these confrontations represent two security institutions competing for oligopoly over violence as a private commodity—the capacity to sell 'protection services' to formal and informal economic actors. TNI's response combined direct confrontation with political strategy: developing the 'grey zone' concept to blur boundaries between external defense and domestic security, and working to preserve its territorial command structure as a vital fortification for capital accumulation activities (Honna, 2017).

Over time, the intense competition created incentives for both institutions to seek compromise. The outcome was a pattern of rent-sharing: rather than one institution monopolizing rent extraction from a given sector, both came to share in the same ecosystem—with the paradoxical result that total khaki capital extraction capacity increased rather than contracted (Baker, 2015). This reflects Chambers & Waitoolkiat's (2017) characterization of how security institutions use their coercive oligopoly to extract benefits, including from fellow institutions sharing the same arena.

Expanded Capital: Regulatory Gaps, Weak Oversight, and the Paradox of Post-Reform Accumulation

In the longer run, Polri came to occupy a structurally more advantageous position than TNI in accumulating khaki capital—not through active manipulation alone, but through a combination of regulatory asymmetry and systemic oversight weakness that together created conditions for expanded economic-political capital accumulation.

The regulatory asymmetry is stark. When parliament passed Law No. 23/2004 on the TNI, Article 76 explicitly prohibited military commercialism and mandated government takeover of military-owned business activities within five years. Although implementation proved incomplete—Mietzner & Misol (2013) note that the 2009 action plan left extensive non-formal fundraising untouched—this prohibition at minimum created normative and legal pressure constraining TNI's khaki capital space. The situation for Polri is more ambiguous. While Polri Chief Regulation No. 9/2017 on Business Activities for Members of the Indonesian National Police formally allows police personnel to engage in business activities, it prohibits involvement in businesses that create conflicts of interest with their official duties. However, the regulation remains merely an internal Polri directive rather than a statutory law, leaving its enforcement largely dependent on Polri’s own institutional discretion and without meaningful external legal sanction. This stands in direct contrast to the statutory prohibition in Law No. 23/2004 on TNI, which carries legislative force and at least nominal external accountability. The result is a regulatory asymmetry that structurally advantaged Polri: TNI is constrained by law while Polri's constraint remains a self-regulated internal directive.

The expansion of authority in Law No. 2/2002 on Polri—including the incorporation of intelligence powers into Polri's mandate—further reinforced this structural advantage. Combined with Polri's territorial structure reaching down to the sub-district level across all of Indonesia, this creates what Chambers & Waitoolkiat (2017) describe as a comprehensive khaki capital capacity: the ability to influence budgets, extract and distribute financial resources, and create financially rewarding career opportunities at every administrative level. While TNI faced pressure to reform its territorial command structure, Polri was legitimated to build a functionally analogous—indeed broader—structure without equivalent regulatory constraints.

This expanded institutional reach was by widening access to informal and off-budget economic resources. In the Indonesian security sector context, off-budget resources refer to sources of funding and financial gain obtained outside official state budgeting mechanisms, often through informal patronage networks, protection arrangements, or illicit economic activities. Baker (2012) demonstrates that Polri’s enhanced role in security and law enforcement following its separation from the TNI opened new opportunities for off-budget accumulation, particularly through the “gift economy” cultivated by business patrons (cukong) and through illegal gambling networks in Jakarta. Over time, Polri’s post-separation institutional expansion became increasingly intertwined with a variety of illicit economic sectors.

The emergence of what became known as the “Konsorsium 303” scandal illustrated the depth of this entanglement. The term referred to a viral diagram circulating during the 2022 Ferdy Sambo case— involving Inspector General Ferdy Sambo, former Head of Internal Affairs of Polri, who was later convicted for the premeditated murder of Brigadier Nofriansyah Yosua Hutabarat—depicting alleged networks of online gambling and illegal business activities involving members of Polri. Similar patterns have also been documented in illegal mining operations (Antara, 2022). Former Bareskrim Chief Komjen (Purn.) Ito Sumardi acknowledged that police involvement in illegal mining operated in a structured manner extending from lower-ranking personnel to commissioned officers, involving not only institutional protection but also direct investment (Saptohutomo, 2022). The Solok Selatan case in 2024 further revealed the embedded nature of these informal networks: AKP Dadang Iskandar fatally shot AKP Riyanto Ulil Anshar after the latter exposed monthly payments amounting to hundreds of millions of rupiah from illegal mining operations to police personnel (Wismabrata, 2024).

A similar pattern appeared in East Kalimantan, where former Samarinda Police Intelligence officer Ismail Bolong admitted transferring Rp 6 billion to Bareskrim Chief Komjen Agus Andrianto between September and October 2021, with the funds allegedly originating from illegal coal mining operations (Saptohutomo, 2022). Beyond mining, narcotics-related cases have also reflected the breadth of Polri's informal economic involvement, including the 2026 case of former Bima City Police Chief AKBP Didik Putra Kuncoro, who was arrested on narcotics charges and found to have received Rp 2.8 billion in proceeds from drug-related crimes through a subordinate officer (Rahmani, 2026). Collectively, these cases suggest that Polri's expanded post-reform authority generated not only greater formal institutional capacity, but also broader opportunities for informal capital accumulation across multiple illicit sectors.

The persistence of these informal economic networks cannot be separated from the weakness of oversight mechanisms, which constitutes the third—and arguably most consequential—factor. Chambers & Waitoolkiat (2017) emphasize that the degree of insulation of security institutions from civilian oversight is the key variable determining how freely they can accumulate khaki capital. In Indonesia's case, oversight of Polri is structurally weak at both internal and external levels. Internally, the Itwasum Polri functions as an in-house supervisory body but operates within Polri's own command hierarchy, which fundamentally compromises its independence: cases involving senior officer—precisely those most likely to benefit from informal economic networks—are subject to review by the same institutional authority to which those officers are embedded. The high-profile Ferdy Sambo case in 2022, in which internal oversight mechanisms failed spectacularly to contain or expose the scale of misconduct, illustrated the structural limits of internal policing accountability. Externally, Kompolnas—as a body regulated only by Presidential Regulation rather than a dedicated law—holds authority vastly inferior to Polri's own powers, lacks sanctioning capacity, and has no direct investigative mandate over informal economic activities. This dual weakness means that the expanded institutional autonomy and budget Polri acquired post-separation operated in an accountability vacuum, creating the conditions for informal capital accumulation to flourish without effective constraint.

The combination of regulatory gaps, expanded authority, direct presidential placement, increased state budget, and a weak dual-oversight architecture renders the 1998-2002 reform critical juncture a turning point that paradoxically expanded rather than contracted Polri's khaki capital space. The outcome was not the elimination of informal practices but their dispersion and growth: from practices concentrated within the ABRI hierarchy to practices distributed across a more diffuse, decentralized network—the 'rhizome state' condition identified by Baker (2015), in which democratic fragmentation encourages security apparatuses to develop broader and more autonomous extraction networks operating within the same underlying logic as pre-reform accumulation structures.

Structural Factors in the Reproduction of Polri's Economic-Political Capital

Beyond the three primary mechanisms analyzed above, several structural factors further reproduce Polri's economic-political capital. First, Polri's self-identification as a coercive elite institution requires ongoing status reproduction (Baker, 2015). Chambers & Waitoolkiat (2017) define *khaki capital* as a mode of production enabling security institutions to build financial opportunities that increase dividends at both institutional and individual levels—a logic that in Polri operates through institutional identity. Second, the mechanism of coercive compulsion in the aparat-capital relationship: the state's monopoly on legitimate violence is converted into the capacity to levy 'taxes' on economic activities (Chambers & Waitoolkiat, 2017, pp. 4-5). Third, the reciprocal patronage relationship between security apparatus and business actors, inherited from the ABRI ecosystem (Crouch, 1978; Robison & Hadiz, 2004).

These dimensions of capital accumulation—economic, political, social, and symbolic—are mutually convertible: social capital enables economic capital accumulation, which strengthens political capital, which reproduces social capital (Bourdieu, 1986; Chambers & Waitoolkiat, 2017). The result is a self-reinforcing ecosystem in which Polri's economic-political capital is not simply accumulated but continuously expanded and reproduced.

CONCLUSION

This article has demonstrated that the 1998 Reform and the separation of Polri from the TNI/ABRI constituted a critical juncture with paradoxical consequences: rather than constraining khaki capital, the reform ultimately expanded Polri's capacity to accumulate economic-political capital. This transformation occurred through three mutually reinforcing mechanisms: first, institutional separation placed Polri directly under the President while granting it a monopoly over domestic security alongside dramatically increased state budget allocations; second, competition between the TNI and Polri gradually evolved into a rent-sharing ecosystem; and third, regulatory asymmetry combined with weak oversight mechanisms—both internally through Itwasum Polri and externally through Kompolnas—created substantial institutional autonomy with limited accountability constraints.

Several broader implications emerge from these findings. For the comparative literature on khaki capital, the Indonesian case demonstrates that security sector reform as a critical juncture does not automatically diminish khaki capital; its outcomes depend on whether institutional expansion is matched by proportional strengthening of accountability mechanisms. For security sector reform studies, the case illustrates how incomplete or uneven reform design can generate unintended consequences, enabling reformed institutions to develop new capacities for informal economic accumulation. More broadly, this article contributes to the literature on police institutions as economic actors by showing that the khaki capital framework can also be applied to police institutions when their historical trajectory and institutional configuration resemble those traditionally associated with military economic power.

Ultimately, the Indonesian case suggests that security sector reform focused primarily on formal institutional separation—without equivalent reform of oversight structures and regulation of informal economic practices—risks reproducing the very conditions that enable the expansion of khaki capital. The post-1998 trajectory of Polri illustrates precisely this paradox.

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