



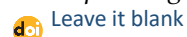
Research Paper

Legal Problems of Cigarette Excise Enforcement In Province East Java

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ABSTRACT

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The high rate of active smoking in Indonesia has serious implications for public health and the country's economy. The Indonesian government has adopted a cigarette excise policy to reduce cigarette consumption and allocate excise revenue for law enforcement, public welfare, and public health through the concept of earmarking tax. This study aims to evaluate the effectiveness of cigarette excise law enforcement implementation in East Java Province, identify challenges faced, and provide recommendations for policy improvement. This research is an empirical juridical research using a descriptive qualitative approach. The primary and secondary data sources in this research are collected through interviews and documentation. The data analysis method used in this research uses the method formulated by Miles and Huberman, namely by reducing data, analyzing data, and drawing conclusions. The results showed that the implementation of regulations on the management of cigarette excise funds for law enforcement in East Java Province has not run optimally because there is a discrepancy between the allocation of funds stipulated in Minister of Finance Regulation Number 215/PMK.07/2021 and practices in the field. Local governments often allocate funds based on regional priorities that prioritize other sectors, resulting in inadequate funds for law enforcement.

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Introduction

The high rate of active smoking in Indonesia has complex implications for public health. Indonesia is one of the countries with the third highest cigarette consumption rate after China and India (Dea Alvi Soraya, 2023). The number of active smokers in Indonesia has now

reached 70.2 million or about 34.5% of the total world population. The problem of smoking in Indonesia has become a serious issue that affects the health and quality of life of the Indonesian people. The negative impact of smoking on health is very clear, with an increased risk of serious diseases such as lung cancer, heart disease, and respiratory disorders. The high rate of cigarette consumption in Indonesia also results in increased health costs due to the treatment of diseases caused by smoking. In addition, passive smokers, especially children and pregnant women, can also be exposed to health risks due to exposure to cigarette smoke (Choirunnisa et al., 2022). In response to this, the Government needs to make policies to reduce the high rate of cigarette consumption.

In response to the negative impact of cigarette consumption on public health, the Indonesian government has adopted policies to reduce cigarette consumption. One approach taken is the imposition of a cigarette tax that can encourage reduced consumption and provide a source of local revenue that can be directed to public health interests. This approach, known as "earmarking tax". Earmarking tax, also known as "earmarked tax" or "specific tax," is a concept in fiscal policy where a certain amount of tax received by the government is specifically allocated for a specific purpose. In the context of the cigarette tax described earlier, earmarking tax refers to allocating some or all of the revenue from cigarette tax for specific purposes, particularly those related to the adverse effects of cigarette consumption. The main purpose of an earmarking tax is to ensure that revenues from a particular tax are used effectively to achieve specific objectives desired by the government (Anggoro, 2017).

As stipulated in Law No. 1 of 2022 in Article 86 paragraph (1) explains that the proceeds of cigarette tax revenues, both the provincial and district/city portions, can be allocated to fund activities that have been determined for use. In this case, the activities that have been determined for use are for Public Health services and for Law Enforcement. (Chairil Anwar Pohan, 2021). This action not only reflects the government's responsibility towards the welfare of citizens, but also has greater urgency in order to address the health burden caused by cigarette consumption. Taxes imposed on cigarettes are not only aimed at increasing state revenue, but also as a tool to increase the selling price of cigarettes so as to reduce consumer purchasing power and encourage reduced cigarette consumption. The tax-induced increase in cigarette prices is also expected to make smoking less affordable for children and adolescents, who generally have financial limitations.

However, in practice, there are still many cigarette entrepreneurs who are involved in the practice of cheating on cigarette tax payments and the circulation of illegal cigarettes is a serious problem in the tobacco industry. This practice not only harms the country's economy by causing a loss of tax revenue that should have been deposited, but also has a negative impact on public health. (Anggi Duwi Apriliya et al., 2023). Because of the presence of illegal cigarettes, entrepreneurs involved in tax fraud tend to avoid their obligations to contribute to the state, which results in the realization of cigarette tax revenues not in accordance with the predetermined target. So that public health services are disrupted due to the small amount of funds obtained from tax revenues. So, the government needs to increase supervision and law enforcement against the practice of cigarette tax fraud and the circulation of illegal cigarettes.

The cigarette tax is one type of tax levied by the provincial government, therefore cigarette tax is included in provincial taxes (*UU No. 1 Tahun 2022*, n.d.). While provincial taxes are included in local taxes which are an element of local revenue (PAD). (Tangkilisan, 2005). Part of the proceeds from provincial tax revenues are earmarked for Regency / City regions in the province concerned and used for activities that have been determined as previously explained. In an effort to increase the effectiveness of the allocation of tobacco excise proceeds,

Minister of Finance Regulation Number 215/PMK.07/2021 clearly regulates the percentage of use of the Tobacco Excise Revenue Sharing Fund (DBH CHT). One important aspect that is regulated is the allocation of funds for law enforcement in the field of cigarette excise. In accordance with Article 11 in first paragraph of the regulation, 10% of the total ceiling of DBH CHT allocation in the current fiscal year, plus the remaining DBH CHT from the previous year, must be allocated for law enforcement. This arrangement aims to ensure that the allocated funds can be used effectively for law enforcement activities related to cigarette excise, so as to support the government's efforts to monitor and control the circulation of illegal cigarettes and ensure compliance with applicable regulations.

In the Minister of Finance Regulation Number 215/PMK.07/2021, the law enforcement referred to is law enforcement in the field of excise, specifically related to cigarette excise. In this case, the Satuan Polisi Pamong Praja (Satpol PP) plays a role in assisting the Directorate General of Customs and Excise in disciplining and supervising law enforcement in the excise sector. Satpol PP is tasked with supporting enforcement and supervision operations to ensure compliance with applicable excise regulations. However, the authority to sanction violations of excise regulations rests entirely with the Directorate General of Customs and Excise. This is in accordance with the mandate of Law Number 39 Year 2007 on Excise, which states that the Directorate General of Customs and Excise has the authority to carry out law enforcement actions including the provision of administrative and criminal sanctions related to violations in the excise sector.

The researcher chose East Java Province in this study to identify the effectiveness of the implementation of Law No. 1 of 2022 Article 86 paragraph (1) at the regional level. East Java, as one of the provinces with a large population and high trade activity, including cigarette distribution, provides a relevant context for evaluating the implementation and enforcement of excise laws. This research will examine how applicable regulations, including the allocation of the Revenue Sharing Fund for Tobacco Excise (DBH CHT) as stipulated in Minister of Finance Regulation No. 215/PMK.07/2021, are implemented in East Java. In addition, this research will also assess the role of the Civil Service Police Unit in supporting the Directorate General of Customs and Excise in enforcement operations. Thus, this research is expected to provide a comprehensive picture of the challenges and successes of excise law implementation in East Java as well as recommendations for the improvement of future policies and practices.

Research methods

Study This use approach is legally empirical for analyzing the allocation of proceeds tax cigarettes with fact field, especially in field enforcement law in East Java Province. Type of research This is descriptive qualitative purposeful for describing and analyzing phenomena, events, and activity social related to use of the funds. Primary data was obtained through a semi-structured interview with three informants mainly from the Civil Service Police Unit Praja (Satpol PP) of East Java Province, namely the Head of Field Enforcement Regional Regulations, Head of Guidance and Counseling Section, and Head of Investigation and Investigation Section. Secondary data was obtained from the study library which includes books, documents written, legislation, and reports activity yearly. Data analysis techniques follow Miles and Huberman's method which includes data reduction, data presentation, and drawing conclusions.

Role and Authority Satpol PP in Cigarette Law Enforcement Illegal

The Satuan Polisi Pamong Praja (Satpol PP) has an important role and authority in law enforcement related to illegal cigarettes in Indonesia. As part of the local government, Satpol PP is responsible for helping to create public order and tranquility, including in enforcing local regulations related to cigarette excise. In the context of illegal cigarette law enforcement, the role and authority of Satpol PP covers various aspects ranging from monitoring, policing, to reporting violations to the authorities. Based on existing regulations, the main authority to handle excise-related violations, including illegal cigarettes, falls under the Directorate General of Customs (Bea Cukai) (UU Nomor 39 Tahun 2007, n.d). Satpol PP is tasked with assisting in the enforcement of local regulations that support the government's programme to eradicate the circulation of illegal cigarettes. They perform tasks such as socialising to the public about the prohibition and negative impacts of illegal cigarettes, as well as supporting operations led by Customs by providing manpower and logistical assistance.

One of the main roles of Satpol PP in enforcing the illegal cigarette law is to conduct supervision and prevention. Satpol PP is tasked with monitoring the circulation of cigarettes in markets, shops, and other places to ensure that all cigarettes sold have valid licences and excise tax. This supervision is important to prevent the circulation of illegal cigarettes which are not only detrimental to state revenue but also potentially harmful to public health because the quality is not guaranteed. In carrying out its supervisory duties, Satpol PP collaborates with various parties such as the Directorate General of Customs and Excise, the police, and the health department. This collaboration is important to ensure that the supervision efforts are effective and comprehensive. For example, joint operations involving Satpol PP and Customs are often conducted to inspect shops suspected of selling illegal cigarettes. Such operations not only aim to find and confiscate illegal cigarettes but also to provide a deterrent effect to businesses that violate the rules.

In addition to monitoring, Satpol PP also plays a role in controlling and enforcing the law on illegal cigarettes. Enforcement is conducted through field operations where Satpol PP officers visit locations suspected of being places of sale or distribution of illegal cigarettes. In these operations, Satpol PP officers may confiscate evidence in the form of cigarettes without excise tax or with fake excise tax and follow up on such violations in accordance with applicable legal procedures. Satpol PP has the authority to impose administrative sanctions on violators, such as fines or temporary closure of business premises. However, for further legal action, such as investigation and prosecution, Satpol PP must cooperate with agencies that have higher authority, namely Customs and Police (Tana et al., 2024). In this case, the role of Satpol PP is to collect preliminary evidence and report their findings to the relevant agencies for further investigation.

Another important role is to educate and socialise the public on the dangers of illegal cigarettes and the importance of complying with excise regulations. Satpol PP often conducts campaigns and socialisation in various places such as schools, markets, and communities to raise public awareness about the negative impact of illegal cigarettes. This education includes information on how to recognise illegal cigarettes, the legal consequences for businesses that sell illegal cigarettes, and the health impacts caused by the consumption of cigarettes that do not meet health standards. Through socialisation activities, Satpol PP hopes to reduce the demand for illegal cigarettes in the community. Public awareness and active participation in reporting the circulation of illegal cigarettes is also one of the keys to successful law

enforcement. With the support from the community, Satpol PP's enforcement and monitoring efforts can be more effective.

Despite having a clear role, Satpol PP faces various challenges in enforcing the law against illegal cigarettes. One of the biggest challenges is limited resources, both in terms of personnel and equipment. Enforcement and monitoring operations require adequate numbers of personnel and logistical support, but in many cases, Satpol PP has to work with these limitations. In addition, the complexity of the illicit cigarette distribution network is also a challenge. Illegal cigarettes are often produced and distributed through hidden and well-organised networks, making it difficult to trace. The perpetrators of the illegal cigarette business usually have ways to avoid detection, such as utilising informal distribution channels and conducting transactions clandestinely. To overcome this challenge, Satpol PP needs to increase its capacity and capability through training and technology upgrades. In addition, increased cooperation with other agencies and the use of more sophisticated intelligence can help in tracking and cracking down on illegal cigarette networks more effectively.

The effectiveness of law enforcement against illegal cigarettes is also highly dependent on inter-agency collaboration. Satpol PP cannot work alone in dealing with the complex problem of illegal cigarettes. Therefore, good coordination with Customs, police, health department, and other agencies is essential. This collaboration is not only in the form of joint operations in the field but also in sharing information and strategies. Customs, as the main authority in excise control, has an important role in providing data and intelligence to Satpol PP (Anggi Duwi Apriliya et al., 2023) Similarly, the police have capabilities in criminal investigation and criminal law enforcement. Through close cooperation, Satpol PP can strengthen its ability to crack down on illegal cigarettes and reduce their circulation in the market.

To support the role of Satpol PP in enforcing illegal cigarette laws, local governments need to develop supportive policies and regulations. Clear and firm regulations will provide a strong legal foundation for Satpol PP to carry out its duties. In addition, policies that support adequate budget allocation for Satpol PP are also important so that they have sufficient resources to conduct supervision and enforcement. Regulatory development also needs to include aspects that strengthen inter-agency coordination and encourage community participation. Policies that support training and capacity building of Satpol PP officers will also be very beneficial in improving the effectiveness of law enforcement. The role and authority of Satpol PP in enforcing the illegal cigarette law is crucial to ensure compliance with excise regulations and protect the public from the dangers of illegal cigarettes. Through supervision, enforcement, education, and socialisation, Satpol PP seeks to reduce the circulation of illegal cigarettes. However, to achieve optimal success, support in the form of adequate resources, inter-agency collaboration, and supportive policy development are required. With a comprehensive approach and strong support from all parties, Satpol PP can perform its role more effectively and efficiently (Ardianto, 2023).

From the analysis, it was found that the use of cigarette tax not only increased local revenue, but also contributed to the provision of better resources for law enforcement. This includes the procurement of tools to support enforcement operations and capacity building of Satpol PP personnel through more intensive training and socialisation. This effectiveness is reflected in a decrease in the number of cigarette tax-related offences and increased public awareness of the importance of complying with regulations. Theoretically, this finding

supports the concept that well-targeted fiscal allocations can strengthen the capacity of law enforcement institutions in carrying out their duties.

This theory is reinforced by references from various studies that show that an increase in operational budgets related to law enforcement can directly improve the performance and effectiveness of these institutions. This finding is in line with previous research by Abdulloh Aziz Mustaqoh and M. Yasir which showed low enforcement of sanctions in Bojonegoro due to lack of evidence and preference for settlement through restorative justice. However, this study places more emphasis on the impact of cigarette tax optimisation as an instrument to improve the effectiveness of law enforcement, which was previously less discussed in research by Heny Prasetyo Yuhelson and Dedy Ardian Prasetyo which focused on the cooperation mechanism between Customs and BAHARKAM Polri.

Coordination between Satpol PP and Customs is crucial in joint operations to ensure effective law enforcement. Although Satpol PP does not have the authority to conduct direct investigation and prosecution of excise violations, their role in supporting Customs operations, through activities such as patrols and counselling, greatly contributes to the overall effort to reduce the circulation of illegal cigarettes in East Java. The coordination process involves the exchange of information and reports regarding suspicious activities, as well as the scheduling of joint operations to ensure enforcement actions can be carried out efficiently. Through coordination forums and regular communication, the two agencies are able to strategise together and overcome obstacles that arise in the execution of their duties. Good coordination helps ensure that excise offences are dealt with quickly and appropriately, increasing the effectiveness of law enforcement in the field. In this context, this study emphasises the importance of oversight and management of the use of cigarette tax funds to ensure that the allocation provides maximum benefits in improving law enforcement effectiveness and public welfare. The findings are expected to serve as a basis for further policies in optimising the use of cigarette tax at the provincial and national levels.

The Influence of Economic Factors on effort control Cigarette Illegal

Controlling illegal cigarettes is a major challenge facing many countries, including Indonesia. Economic factors play a very significant role in this endeavour, affecting both producers, distributors and consumers of illegal cigarettes. Economic instability, the stark price difference between legal and illegal cigarettes, as well as fiscal policies such as cigarette excise tax increases are some of the economic factors that have a direct impact on the success of illegal cigarette control. Understanding these influences is key to formulating an effective strategy to combat the circulation of illegal cigarettes. Economic instability, often characterised by high inflation, unemployment, and decreased purchasing power, can increase the demand for illegal cigarettes (Kusuma Wardani & Khoirunurrofik, 2022). In difficult economic conditions, consumers tend to look for cheaper products, including illegal cigarettes which are sold at much lower prices than legal cigarettes. These lower prices are a major attraction for consumers with low incomes or those directly affected by economic instability. As a result, the market for illicit cigarettes has become larger and more difficult to control. Furthermore, manufacturers and distributors of illicit cigarettes may also see economic instability as an opportunity. In a situation where many people lose their jobs or their income is reduced, the illegal cigarette business can offer lucrative profits with relatively little risk. They can produce and distribute illegal cigarettes at a lower cost without having to pay excise and taxes, and

avoid strict regulations. This makes illegal cigarettes a very attractive business amidst economic uncertainty (Budi Ispriyarso, 2018).

The stark price difference between legal and illegal cigarettes is one of the main economic factors driving demand for illegal cigarettes. Legal cigarettes that are subject to excise and taxes have a higher price, while illegal cigarettes that are not burdened with these costs can be sold at a lower price. This price difference is significant and a deciding factor for consumers in choosing between legal and illegal cigarettes. Fiscal policies that focus on cigarette excise tax increases with the aim of reducing tobacco consumption and increasing state revenue can have the opposite effect if not balanced with adequate monitoring and enforcement measures. Too high an increase in cigarette excise may encourage more consumers to switch to cheaper illegal cigarettes, thus expanding the market for such illegal products. Therefore, price and excise policies should be carefully designed, taking into account their impact on the illicit cigarette market.

Fiscal policies that include an increase in cigarette excise tax aim to reduce cigarette consumption and increase state revenue. However, this policy also has unintended consequences if not implemented properly. A significant increase in cigarette excise tax without strict monitoring and law enforcement can lead to an increase in the production and consumption of illegal cigarettes. This happens because consumers seek cheaper alternatives, while illegal producers see an opportunity to make huge profits by avoiding excise payments. In addition, inconsistent or frequently changing fiscal policies can create uncertainty in the market. Manufacturers and distributors may try to capitalise on transitional periods or regulatory gaps to produce and distribute illicit cigarettes. Therefore, it is important for the government to formulate stable and consistent fiscal policies, as well as ensure that there are effective monitoring and enforcement mechanisms in place to crack down on violations.

Controlling illegal cigarettes also impacts the local and national economy. Illegal cigarettes not only cost the state excise and tax revenues, but also disrupt the market for legal cigarettes. The circulation of illegal cigarettes results in unfair competition and harms legal cigarette manufacturers who comply with regulations and pay excise taxes. In addition, illicit cigarettes are often produced under uncontrolled conditions, threatening the health of consumers and incurring additional costs to the national health system. At the local level, the circulation of illicit cigarettes can destabilise the economies of communities that depend on the legal cigarette industry for jobs and income. A decline in sales of legal cigarettes due to competition from illicit products can result in factory closures and job losses, worsening local economic conditions. Therefore, efforts to control illegal cigarettes must consider the wider economic impact and seek to protect the legal cigarette industry as well as state revenues (Juli Anglaina, 2019).

This study found that economic factors have a significant impact in hindering efforts to control illegal cigarettes in East Java. Increases in cigarette excise rates aimed at reducing consumption and increasing state revenue often cause the price of legal cigarettes to rise. As a result, people with low purchasing power tend to look for cheaper alternatives, namely illegal cigarettes. Illegal cigarettes, which are not subject to excise taxes and are produced without adequate quality standards, are sold at a much lower price than legal cigarettes, so they remain in demand despite strict law enforcement efforts. People's consumption behaviour of illegal cigarettes is driven by economic necessity and a smoking habit that is difficult to abandon. Many smokers consider cigarettes a basic necessity, so when the price of legal cigarettes rises,

they opt for cheaper illegal products. This is exacerbated by a lack of awareness about the health hazards and legal consequences of consuming illegal cigarettes. The wide distribution and easy access to illegal cigarettes in the market also reinforces this habit. Previous research by Johnson et al. (2019) also noted that the wide distribution of illicit cigarettes makes these products easily accessible to people with low income.

Relevant economic theory suggests that demand for substitute goods increases when the price of the original good rises, especially if the substitute good is available at a much lower price. This concept supports the finding that despite intensive law enforcement efforts, demand for illicit cigarettes remains high due to economic pressures. Overall, this study confirms that economic factors play a critical role in efforts to control illicit cigarettes. The policy of increasing cigarette excise tax needs to be balanced with measures to increase public awareness about the dangers of illegal cigarettes and tighten supervision of the distribution of illegal products. Through a comprehensive strategy, it is hoped that the control of illicit cigarettes can be more effective and have a positive impact on public health in East Java.

East Java Satpol PP's curative and educative programmes to improve its image in the eyes of the public

This study found that the curative and educative programmes implemented by the East Java Province Satpol PP, such as KAKANDA, socialisation of excise regulations, and Sigap Tata Praja in education, have shown significant effectiveness in building a positive image in the eyes of the community. These programmes not only target the reduction of violations of local regulations and excise, but also focus on educating and developing the legal awareness of the community. The KAKANDA programme, which involves the formation of youth groups as agents of change, has been successful in creating a sense of ownership among youth towards local regulations. Through training and socialisation, these youths are able to become an extension of Satpol PP in their communities, helping to report violations and educate the public (Direktorat Jenderal Bea Dan Cukai, n.d.). This research is in line with the findings of Anderson and Newman (2019) which show that local community involvement in law enforcement can increase compliance with regulations.

The socialisation programme of excise regulations, which involves various parties such as bhabinkamtibmas, babinsa, scouts, press, and community leaders, has successfully reached various levels of society. The programme has increased the public's understanding of excise laws and regulations and the dangers of illegal cigarettes. This finding confirms the results of research by Johnson et al. (2020), which showed that legal socialisation involving community leaders can be effective in disseminating information and raising awareness. Sigap Tata Praja in the education sector involves joint patrols between Satpol PP, the education office, and the school to monitor and discipline students. The programme aims to instil discipline and legal awareness early on, and has received positive support from parents and educators. The study by Brown et al. (2018) also emphasises the importance of legal education programmes in schools in shaping students' law-abiding behaviour.

Overall, the community has responded positively to these programmes. The involvement of youth in KAKANDA is considered innovative and effective as youth are agents of change that can bring long-term impact. The socialisation programme of excise regulations was appreciated as it provided a deeper understanding of rules that may have been previously unknown. Sigap Tata Praja's initiative in the education sector was supported as it helped shape

students' characters to become more disciplined and law-aware. This research confirms that Satpol PP's curative and educative programmes are not only successful in their short-term objectives but also have the potential to create sustainable positive changes in East Java society. The support and positive responses from the community indicate that the approach taken by Satpol PP is effective in increasing compliance with regulations and improving the institution's image in the eyes of the public.

Implementation of the Management of Law Enforcement Fund Allocation from Cigarette Excise in East Java

The implementation of law enforcement fund allocation management from cigarette excise in East Java is one of the strategic efforts to ensure that the revenue obtained from cigarette excise is used optimally for the public interest. Based on the Minister of Finance Regulation Number 215/PMK.07/2021, it is stated that 10% of the Tobacco Excise Revenue Sharing Fund (DBH CHT) must be allocated for law enforcement. In East Java, the implementation of this fund management involves several important stages ranging from planning, budgeting, to implementation and supervision. The planning and budgeting stage is the first step in implementing the management of this fund allocation. The East Java Provincial Government, through the Regional Financial and Asset Management Agency (BPKAD), coordinates with relevant agencies such as the Civil Service Police Unit (Satpol PP), the Directorate General of Customs and Excise, and other law enforcement officials to develop a plan for the use of funds. In this plan, the main focus is on identifying needs and priorities in law enforcement related to illegal cigarettes, including procurement of facilities and infrastructure, personnel training, and operational activities. Budgeting is done by allocating 10% of the total DBH CHT received by the province to the law enforcement post. This amount is then distributed to agencies responsible for the implementation of law enforcement tasks. This budgeting process must be transparent and accountable to ensure that the funds are used in accordance with their allocation and no misuse occurs.

At the implementation stage, the allocated funds are used to support various law enforcement activities. Satpol PP as one of the main agencies involved in cigarette excise law enforcement utilised the funds to conduct routine and incidental operations in various locations suspected of being places where illegal cigarettes are distributed. These activities include raids in markets, shops, as well as cigarette storage and distribution centres. In addition, funds are also used to increase the capacity and capability of law enforcement personnel through training and debriefing. Well-trained personnel are better able to recognise, address and report violations related to illegal cigarettes. This training includes an understanding of excise regulations, investigation techniques, as well as the use of modern surveillance equipment. Adequate facilities and infrastructure are essential to support effective law enforcement. Allocation of funds from cigarette excise is used to procure equipment such as detection devices, operational vehicles, as well as sophisticated communication devices. This equipment helps officers in the field to work more effectively and efficiently. For example, modern detection devices can help identify concealed or counterfeited illegal cigarettes more accurately and quickly. In addition, supporting facilities such as field operations offices and coordination centres were also upgraded. These facilities allow for better coordination between the various agencies involved in law enforcement, so that curbing operations can be conducted in a more coordinated and targeted manner.

The monitoring and evaluation stage is an equally important part of the implementation of law enforcement fund allocation management. Supervision is carried out to ensure that funds are used in accordance with the plans and objectives that have been set. The East Java Provincial Government, through the inspectorate and other supervisory bodies, conducts regular audits of the use of DBH CHT funds for law enforcement. These audits include checking financial reports, verifying activities that have been carried out, and evaluating the effectiveness of the programmes implemented. Evaluation is conducted to measure the impact and results of law enforcement activities funded by DBH CHT. This evaluation includes an analysis of the reduction in the level of illegal cigarette distribution, increased public awareness of the dangers of illegal cigarettes, and increased capacity of law enforcement. The results of this evaluation are used to improve and refine law enforcement programmes in the future, so that the funds allocated can provide maximum benefits.

Despite careful planning, the implementation of the allocation of law enforcement funds from cigarette excise in East Java still faces several challenges. One of the main challenges is the mismatch between the allocation of available funds and the needs in the field. In some cases, the funds allocated have not been sufficient to cover all operational needs and the procurement of necessary equipment. In addition, coordination between agencies involved in law enforcement is often sub-optimal. Differences in priorities and interests between agencies can hamper the effectiveness of programme implementation. Therefore, there is a need for better coordination mechanisms and improved communication between agencies to ensure that all parties are working towards the same goal (Budiman, 2024).

The management of the allocation of funds for law enforcement from cigarette excise in East Java is based on a policy regulated by Minister of Finance Regulation Number 215/PMK.07/2021 Article 11 paragraph (1). The article mandates that the use of Revenue Sharing Fund for Tobacco Excise (DBH CHT) must be budgeted based on the ceiling of DBH CHT allocation in the current fiscal year. In this context, the allocation of funds for the field of law enforcement is set at 10%, in accordance with existing provisions (215 /PMK.07/ 2021, n.d.). Based on data obtained from the allocation of DBHCHT for the East Java Provincial Government and Districts/Municipalities in East Java in 2023, there were only 10 regions that received DBHCHT revenue sharing allocations that were in accordance with the normative percentage of PMK Number 215/PMK.07/2021 Article 11 paragraph (1), namely 10% for law enforcement. These regions include Gresik Regency, Jombang Regency, Lumajang Regency, Ngawi Regency, Pacitan Regency, Probolinggo Regency, Sumenep Regency, Tuban Regency, Batu City, and Surabaya City. However, there are 2 regions that received more than 10%, namely Mojokerto District with a percentage of 10.58% and Madiun City with a percentage of 12%. Meanwhile, 27 other districts/cities received less than 10%.

There is a disparity between the law and the practice in the field in managing the allocation of funds. However, Minister of Finance Regulation No. 215/PMK.07/2021 Article 11 Paragraph (4) provides leeway for local governments to divert excess budget from law enforcement to other areas, such as public welfare and health, if necessary. This shows that the allocation of funds for law enforcement does not always have to fulfil the 10% percentage, but can be adjusted to the needs of the region after consulting with relevant parties (Ibid, n.d.).

The influence of fund management by the Governor on cigarette excise law enforcement in East Java is crucial in determining the effectiveness of law enforcement. As the main control holder of fund allocation from DBH CHT, the Governor has the power to allocate funds in accordance with regional priorities and needs. However, the allocation of funds that are not appropriate or not in accordance with the provisions of the law can hamper law

enforcement efforts, especially in combating the circulation of illegal cigarettes. Therefore, transparency, accountability and the involvement of relevant stakeholders in the decision-making process are essential to ensure that the optimal allocation of funds can support effective and efficient law enforcement.

Obstacles in the implementation of Law Enforcement in East Java Province

The implementation of law enforcement in East Java Province faces various complex obstacles. Based on data obtained through interviews, an obstacle in the implementation of law enforcement in East Java Province is the number of local regulations that stipulate criminal sanctions with a maximum confinement of six months. This means that offences cannot be dealt with through minor criminal offences (*tipiring*) and must go through a more complex and time-consuming investigation process. This lengthy process not only burdens law enforcement officials with complicated administrative procedures, but also slows down the resolution of offence cases, hampering the effectiveness of law enforcement. In addition, limited human resources and facilities to support the investigation and enquiry process exacerbate the situation, resulting in a backlog of unresolved cases. These constraints require revisions or adjustments to local regulations to enable faster and more efficient handling, such as the determination of sanctions that can be handled through *tipiring* mechanisms, so that law enforcement can run more optimally and be responsive to the dynamics in the field (Syahputra et al., 2016).

The size of the working area also causes many differences in regulations in each district/city. East Java Province has a variety of geographical, demographic, and socio-economic characteristics in each of its regions, resulting in different needs and priorities in the creation of local regulations. As a result, each district or city tends to have unique regulations that differ from one another, both in terms of scope and severity of sanctions. This is confusing for the public and also poses challenges for law enforcement officials in carrying out their duties consistently throughout the province. In addition, these differences in regulations can also allow loopholes for criminals to evade law enforcement by utilising differences in regulations between regions.

Another obstacle in law enforcement in East Java Province is the increase in cigarette excise rates, which has resulted in small communities switching to illegal cigarettes. A significant increase in cigarette excise rates can cause the price of legal cigarettes to rise, making it difficult for people with low purchasing power to afford them. As a result, many of them turn to illegal cigarettes, which are more affordable. In addition, this also has the potential to harm state revenue from the cigarette excise sector, which is important for funding various public health and welfare programmes. Therefore, a holistic approach is needed in addressing this issue, including efforts to raise public awareness of the dangers and consequences of consuming illegal cigarettes, as well as stricter law enforcement against the perpetrators of the illegal trade. Another obstacle presented by the Head of the Investigation Section is that, in curbing illegal cigarettes, Satpol PP has limited authority in carrying out law enforcement actions. Satpol PP is usually tasked with enforcing local regulations and supporting law enforcement within a certain scope, while the authority to deal with excise violations, including the illegal cigarette trade, falls under the authority of Customs.

This results in Satpol PP having to wait for information or coordination from Customs before it can act. This process can be time-consuming and hamper a quick response to illegal

cigarette cases that may occur. In addition, sometimes coordination between Satpol PP and Customs can also be an obstacle, especially if there are communication barriers or lack of cooperation between agencies. To overcome these obstacles, it is important for Satpol PP and Customs to improve coordination and cooperation in handling illegal cigarette cases.

Conclusion

The implementation of regulations on the management of cigarette excise funds for law enforcement in East Java Province is not running optimally due to a mismatch between the allocation of funds stipulated in Minister of Finance Regulation Number 215/PMK.07/2021 and practices in the field. Local governments often allocate funds based on local priorities that prioritise other sectors, resulting in inadequate funds for law enforcement. Based on Soerjono Soekanto's theory of law enforcement, this lack of funding support has a negative impact on the effectiveness of law enforcement, indicating the need for synchronisation between central and local policies as well as greater commitment in allocating funds proportionally to support the enforcement of cigarette excise laws. This study also identified several inhibiting factors in optimising law enforcement in East Java. Differences in regulations in each district/municipality pose challenges in implementing a uniform policy. In addition, many local regulations (perda) only provide criminal sanctions for 6 months, so they cannot be implemented through minor criminal offences (tipiring). Rising cigarette excise rates have also caused low-income people to turn to illegal cigarettes, exacerbating the problem. Lastly, the limited authority of Satpol PP in curbing illegal cigarettes, which has to wait for information from Customs, is also a significant obstacle.

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