

Funds Allocation for Implementation of Tobacco Products Excise (DBHCHT) in Central Java

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Abstract. The purpose of this study is to describe and analyze the activities DBHCHT in Central Java province. DBHCHT is a revenue-sharing tobacco excise hereinafter abbreviated DBHCHT is part of the transfer to the regions that are distributed to provincial or provincial-excise and tobacco. DBHCHT used to fund programs or activities: improving the quality of raw materials, industrial development, fostering a social environment, socialization laws on customs and excise or eradication of illegal goods. Programs or activities referred to in prioritized to support national health insurance program at least 50% (fifty percent) of the DBHCHT allocation received by each region. This study uses the theory of implementation by Merilee S. Grindle influenced by two major variables, namely the policy content (content of policy) and the implementation environment (context of implementation). This type of research is descriptive evaluative conducted in 2018. The results of research conducted by the researchers showed that the Content Of Policy, which is used to manage DBHCHT namely the Minister of Finance Republic of Indonesia Number 222 / PMK. 07/2017 About the Use, Monitoring, and Evaluation DBH was appropriate Tobacco Excise appropriate and in accordance with indicators that exist in theory proposed by Grindle (1980).

Keywords: Tobacco, Customs, DBHCHT, Central Java Province.

1 Introduction

Tobacco is one of the important trading commodities in the world. The main products traded tobacco is tobacco leaf and cigarettes. Tobacco and cigarettes are high-value products, so that for some countries, including Indonesia plays a role in the national economy, i.e. as one source of income, sources of government revenue through excise (tax), the source of income of farmers and employment community (farming and processing cigarettes). This is not surprising because Indonesia is a 10 Countries in the world's largest tobacco producer.

Tobacco as one of the products the commodities included in the category of goods subject to excise. This was due to higher consumer spending on tobacco products in Indonesia and their negative impact on the consumption of tobacco on public health. DBH Tobacco Excise stipulated in Minister of Finance Republic of Indonesia Number 222 / PMK. 07/2017 About the Use, Monitoring, and Evaluation DBH Tobacco Excise [1]. DBH allocations Tobacco Excise (DBH-CHT) is used to implement the five programs that have been regulated in PMK No. 222 / PMK.07 / 2017 at which the rule is explained that the DBH-CHT is a pre-arranged DBH use or in other words are specific grant, into five programs that have been prioritized as follows [1]: Improving the quality of raw materials, Industrial Development,

Environmental Development Social, Socializing provisions in the field of excise, and Eradication of goods subject to excise illegal. The amount of DBH-CHT allocation given to the Province of Central Government can be seen in figure 2.

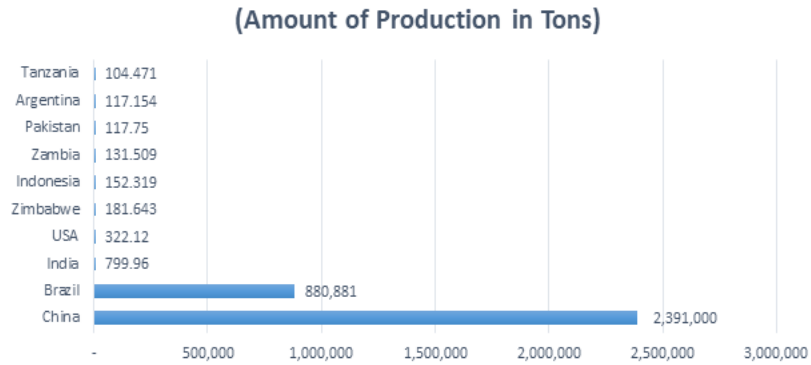


Fig. 1. 10 Largest Tobacco Producing Countries in The World (Source: Food and Agriculture Organization, 2018).

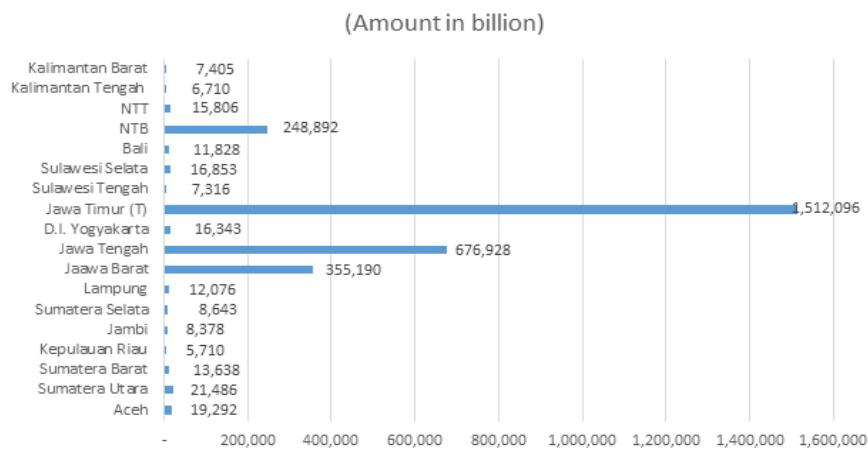


Fig. 2. Total Allocated Budget DBH CHT - All Central Government Province, 2018 (Source: Ministry of Finance, 2018).

Based on Figure 1.2 above the graph can be seen that the Province of Central Java is a province of two recipients of the Allocation of Tobacco Excise Results after the East Java Province. Thus, making researchers interested in conducting a study that focuses on implementation DBHCHT Budget Usage Policy implemented by the Central Java Province, particularly in the social environmental development program. In this study, researchers will use the theory put forward by Grindle [2], where it is stated that the implementation of the policy two variables big that is content of policy (policy content) associated with regulatory policies, and context of implementation related to the environment in which the policy is implemented by the Government.

2 Methodology

This study used qualitative research methods, where this method is a method of research as opposed to the experimental method, the research methods were used to examine the condition of the object that is natural and researchers have a duty and function as a key instrument in tapping a key issues to be disclosed in a object of investigation will be done.

Phenomenon to be observed in this study is the allocation DBH Tobacco Excise (DBHCHT) in Central Java. Its focus will be viewed from a perspective of public policy studies to look at the analysis and identification of policy implementation Allocation DBH Tobacco Excise (DBHCHT) in Central Java.

Determination of the location of this study were selected, based on the existing data, which currently includes the Province of Central Java province which has the second highest income level DBHCHT in Indonesia, and each year the proceeds experienced a significant increase from previous years.

In this study, informants were used as resources to obtain data and interviews, as well as documents that can support this research is the policy actors (stakeholders) concerning policy Allocation Sharing Fund Tobacco Excise (DBHCHT) In Central Java, covering: Central Java Provincial Government in charge of allocation DBH Tobacco Excise (DBHCHT) and community or tobacco farmers as beneficiaries of the allocation results DBH Tobacco Excise (DBHCHT) is.

This study used a method of determining the informants by using purposive, where the selection of informants selected based on the votes that he is a party researcher who knew a lot about the problems Allocation DBH Tobacco Excise (DBHCHT) in Central Java today.

Data collection techniques in this study conducted in the following manner: Study of documentation, interviews, and observations. With Data Collection Instrument main ones are researchers themselves with the help of tools such as Tape Recorder for recording, digital camera, stationeries, and researchers used interview guides when searching for data and facts while in the field.

To test the validity and authenticity of data in this study researchers used a triangulation technique. Denzim in Lexy J. Moleong [3], distinguishes four kinds triangulation as resource use inspection techniques, methods, investigators, and theory. Triangulation techniques in this study using inspection techniques use data source that is done by comparing the data and check for a good degree of confidence in information obtained through time and in different ways.

Miles and Huberman, and Saldana [4] suggests that activity in the qualitative data analysis performed interactively and runs continuously until complete, so that the data is saturated. The size of the data saturation was marked by not obtaining further data or new information. Activities include a reduction in the analysis (data reduction), presentation of data (data display), as well as the conclusion and verification (conclusion drawing/verification). Where basically includes three stages of the flow of activities after the data collection process, i.e.: condensation, data presentation, and conclusion. However, data analysis is not done partially and stand-alone but is done continuously and integrated during and after the process of data collection is done at the study site.

3 Discussion

This study uses the theory advanced by Grindle [2], which in theory is mentioned that the implementation level is influenced by two major variables that affect the content of policy (content policy) and context of implementation (policy environment). Mentioned by Grindle [2] Variable policy content (content of policy) include the extent to which the interests of the target group contained in the policy content, the type of benefits received by the target groups, the extent of the desired change of policy, whether the location of a program is correct, whether a policy has been mentioned the implementation in detail, and whether a program is supported by adequate resources. While variable to two, namely the policy environment includes how much power, interests.

3.1 Content of Policy in Allocation Policy Implementation DBH Tobacco Excise (DBHCHT) in Central Java

The results of research conducted by researchers while in the field by using Grindle theory [2] related to Content of Policy (policy content), namely Regulation of the Minister of Finance of the Republic of Indonesia Number 222/PMK. 07/2017 Concerning the Use, Monitoring and Evaluation of Revenue Sharing Excise for Tobacco Products is in accordance with the theory put forward by Grindle [2][1]. The contents of the Policy containing articles of interest of the target group contained in the policy are regulated in Article two which reads:

- a) DBH CHT is used to fund programs/activities:
 - Improving the quality of raw materials;
 - Industrial development;
 - Fostering social environment;
 - Dissemination provisions in the field of excise; and/or
 - Eradication of illegal goods subject to excise.
- b) Programs/activities referred to in paragraph (1) prioritized to support the National Health Insurance program at least 50% (fifty percent) of the DBH allocation received by each Regional CHT.
- c) The program/activity referred to in paragraph (1) is synchronized with the program/activities funded from the budget.

These types of benefits received by the target groups and the extent of the desired change from a policy of each program activity set forth in Article 6-10.

Meanwhile, to see the accuracy of the program is already in line with the Regulation of the Minister of Finance of the Republic of Indonesia Number 222/PMK. 07/2017 About the Use, Monitoring, and Evaluation DBH Tobacco Excise precise location of a program already known from the Article 11-20 of the Monitoring and Evaluation of the use of DBH-CHT. And whether a policy has been mentioned and supported by the implementor and adequate resources set out in Article five which stated that:

- a) Head of drafting the program/activity and the use of DBH CHT budgeting for programs/activities referred to in Article 2 (1);
- b) The Regent/Mayor submits the program/activity design and budgeting for the use of the DBH CHT as referred to in paragraph (1) to the governor before the fiscal year begins;
- c) The Governor can facilitate the preparation of program/activity designs and budgeting for the CHT DBH as referred to in paragraph (1) carried out by the regents/mayors, and coordinate with the Minister of Finance c.q. Director General of Fiscal Balance;

- d) The design of the program/activity referred to in paragraph (1) are presented in RPJMD;
- e) The amount of budgeting for the use of DBHCHT as referred to in paragraph (1) is stipulated in the APBD.

There is violence between the theories used with the contents of the policy in the form of Regulation of the Minister of Finance of the Republic of Indonesia Number 222/PMK. 07/2017 Regarding the Use, Monitoring and Evaluation of Revenue Sharing Funds for Tobacco Products makes the implementation of the variable content of policy not contradictory to its policy regulations [1]. Because the indicators in the Variable Content of Policy are already contained in the regulation.

3.2 Context of Implementation in Allocation Policy DBH Tobacco Excise (DBHCHT) in Central Java

Results of research conducted by researchers in the field while it is known that DBH management of CHT area is more directed its use to control/overcome the effects due to the consumption/circulation of excise taxable goods. This is due in particular the use of the health sector which is determined to be at least 50% of the national allocation of the provision has been met with a share of 58.97%. In more detail, the use of the health sector by the Local Government highly prioritized for the provision/improvement/maintenance of infrastructure of health facilities in the area. More than half the use of DBHCHT for the Health Sector is intended to support better health service facilities for the community. However, even though it is the most dominant program in the use of the 2018 DBHCHT by local governments, in terms of the level of achievement the output is relatively lowest compared to the output achievements of other programs.

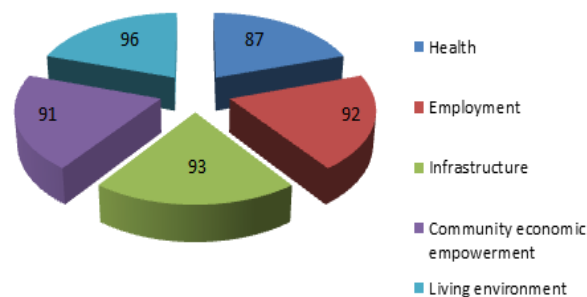


Fig. 3. Percentage of Budget Absorption of Development of Social Environment Central Java Province 2018 (Source: Bureau of Economic Central Java Province, 2019).

Based on Figure 3 above can be seen that for infrastructure also remains a concern. This is indicated by the value of the percentage of its use on the health sector in order to meet the mandatory provision of infrastructure spending in the Budget Law 2018. For the realization of the health sector, the Budget usage preferences DBHCHT by local governments are as follows:

- a) Provision/improvement/maintenance of Health Facilities infrastructure in collaboration with the Health Social Security Administration Agency with the use realization of Rp 225,269,907,127.00 or equivalent to 68.65% of the total realization in the health sector.

- b) Better health services promotional activities/preventive and curative/rehabilitative, with the realization of Rp 90,844,173,890.00, equivalent to 20.85% of the total realization of the health sector.
- c) Health Insurance dues for residents who registered by local government and/or payment of health insurance contributions for workers affected by layoffs, with the realization of Rp 67,970,015,779.00, equivalent to 9.92% of the actual use of the health sector.
- d) Health Workers Training and/or administrative personnel in health facilities in collaboration with the Social Security Agency of Health, with the realization of Rp. 2,607,443,363.00, equivalent to 0.58% of the total realization of the health sector.

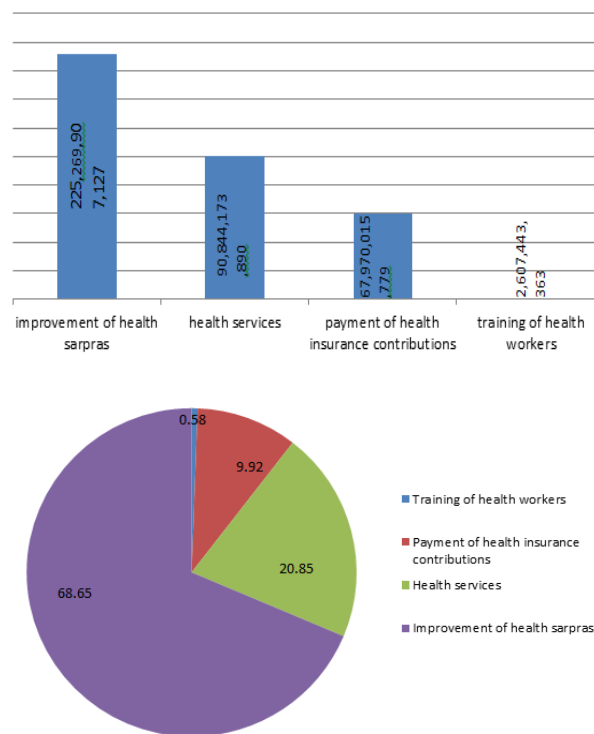


Fig. 4. Realization Activities in the Field of Health Fiscal Year 2018 (Source: Bureau of Economic Central Java Province, 2019).

Based on the use of budget allocations DBHCHT report showed that local governments still have the attention to the promotion and sustainability of tobacco production as raw material production of goods subject to excise indicated by the realizable second only to Programs/Social Environmental Development. Instead the local government does not have the attention to efforts to help/sustain tax revenues in particular through dissemination activities and the provision of excise goods subject to excise eradication of illegal realization of the budget ceiling is still relatively very small.

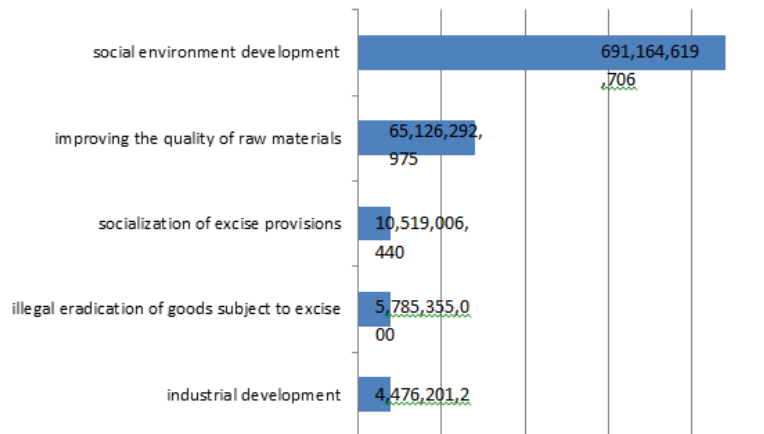


Fig. 5. Five Sector Activity Use of DBHCHT 2018 (Source: Bureau of Economic Central Java Province, 2019).

The results of the above study indicates that based on the theory Grindle [2] used by the researchers of the power, interests, and the strategy that is owned by the actors involved, and the characteristics of the institution and the incumbent regime of five fields of use Allocation DBHCHT have not been able to be maximized, especially in field eradication excisable goods Illegal exist in the community, the level of compliance and responsiveness of the target group is people in shopping banderole to yield cigarettes are not too high because the informant who succeeded interviewed by researchers that to deal with the purchase of excise bands cigarette manufacturers to use way to buyers that by buying 10 packs of cigarettes without damaging the tape will be provided free of excise cigarette pack. So, manufacture no longer need to buy a tax stamp has been used to wrap the cigarette.

4 Conclusion

Results of research conducted by the researchers above can be seen that given the policy of the state budget in 2019 related to DBHCHT still the same with the state budget in 2018, then in addition to efforts to fulfill the conditions of use of the support program the National Health Insurance, it is necessary to do to improve policies that could affect the preferences of local government in the use DBHCHT to helping the central government to increase tax revenues.

The improvement of the policy can be carried out among others by increasing the synergy of activities between the regional government and the vertical office of the Directorate General of Customs and Excise in the regions and considering efforts to increase excise revenue in calculating the DBHCHT allocation. In addition, also be carried out continuously giving understanding to the regional government of the importance of participation in the effort to increase tax revenues that would have an impact on the increasing acceptance of DBH for the region itself. On the other hand, it is necessary to optimize the use of DBHCHT through assistance/assistance/monitoring evaluation from the provincial or central government to local governments in carrying out activities using DBHCHT to

produce/realize output in accordance with the predetermined volume and target units so that the results from DBHCHT can be useful and used optimally for the benefit of the community.

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