

Resistance To Cigarette Tax Increase Among University Students in Jember District

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Abstract. Indonesia is the country with the third largest cigarette consumption in the world. Referring to Minister of Finance Regulations 191/2022 and 192/2022 concerning Excise Tariffs on Tobacco Products in the Form of Electronic Cigarettes and Tobacco Processing Products. BPS 2023 data, the number of smokers in Indonesia over the age of 15 is 28.62%. Students aged 18-25 years are active cigarette users. This study aims to determine the resistance to cigarette excise tax increases among students in Jember Regency. The analysis uses Collaborative Governance according to Ansell & Gash (2008) with four indicators, namely initial conditions, institutional design, facilitative leadership, and collaboration processes. The method used is descriptive qualitative method with observation and interviews and documents. Stakeholder collaboration, especially students, in evaluating the cigarette excise tax increase policy in Jember Regency. Some students who use cigarettes in Jember Regency resist the policy of increasing cigarette excise.

Keywords: Students, Cigarette Excise, Collaborative Governance

1. Introduction

Jember Regency is one of the largest tobacco production centers in Indonesia. The increasing demand for Jember tobacco in the domestic and European markets was the beginning of the development of the national kretek industry in the 1960s to 1980s. During this time, the tobacco industry played an important role in the community's economy, from tobacco farmers to tobacco entrepreneurs. However, after the 1980s, market demand for Jember tobacco decreased due to the anti-smoking movement (including cigars) led by the World Health Organization (WHO). This movement was campaigned through various means, including the anti-smoking campaign and the establishment of tobacco control regulations at the global, national, and regional levels. At the global scale, tobacco control policies are regulated by the Framework Convention on Tobacco Control (FCTC), while at the national scale, it is regulated in Government Regulation Number 109 of 2012 concerning the Safety of Materials Containing Addictive Substances in the Form of Tobacco Products for Health and at the regional scale of Jember Regency it is contained in the Regent's Regulation. Another policy that has become the government's effort to overcome the increase in the number of smokers in Indonesia is to increase the excise tax on tobacco products (CHT). In November 2022, the government officially increased the tobacco products tariff (CHT) for cigarettes or cigarette excise by 10% in 2023 and 2024. The increase in cigarette excise rates results in an increase in cigarette prices, resulting in a decrease in the quantity of cigarettes consumed. The Central Statistics Agency (BPS) observed that the proportion of the Indonesian population aged 15 years and over who smoked was 28.62% in 2023. Concurrently, the decline in cigarette production resulting from the increase in cigarette excise tax rates was estimated to be 1.3% until November 2023. In an effort to deal with excessive cigarette consumption, cooperation or collaboration between stakeholders in the Jember Regency is necessary. There are shortcomings in the process of cooperation between local government and stakeholders in Jember District, so collaborative governance needs to be implemented optimally. Communication between Jember District and stakeholders will have an impact on the implementation of cigarette consumption control regulations.

The focus of governance theory is partnerships and interactive networks developed in line with planning and organization theory that focuses on different stakeholders and then collaborates to achieve

success (Innes & Booher, 2010). Smith and Osborn (2007) asserted that the concept of governance is concerned with the participation of organizations outside the government (NGOs), businesses, and society in formulating and implementing policies for the public interest collectively. Collaborative governance brings together strategies and activities in the public sphere that are designed and implemented by stakeholders. Collaborative governance is a method of formulating public policies whose processes involve external government actors such as community leaders, business people, campus intellectuals, NGOs, and external government institutions to achieve common interests (Emerson & Nabatchi, 2015).

Ansell and Gash (2008) define collaborative governance as a form of government that involves non-state stakeholders in collective decision-making processes, emphasizing consensus and deliberation. Building upon the conceptual framework developed by Ansell and Gash (2008), there is a framework model in the process consisting of four stages, namely Starting conditions, which explain the stages of imbalance in the resources owned by each stakeholder and incentives to participate. Facilitative leadership explains the stages of the need for leadership functions to maintain interaction stability, trust of stakeholders, and facilities in the discussion forum. Institutional design explains the stages of the nature of institutions that must be open and fundamental in the collaborative process. The collaborative process explains the stages of the forum carried through face-to-face dialogue in consensus, we aim to reach a common understanding. Based on the background description above, the author is encouraged to conduct research with the title "Resistance to the Increase in Cigarette Excise among Students in Jember Regency," which is analyzed using the collaborative governance theory approach of Ansell & Gash 2008 by focusing on four indicators, namely initial conditions, institutional design, leadership facilities, and collaboration processes.

2. Methods

According to Miles and Huberman (2014), there are three analytical techniques, namely data reduction, data presentation, and conclusion. In this research, primary data in the form of observations and interviews, and secondary data in the form of documents were used as descriptive qualitative methods. The interview stage was conducted with students who use cigarettes at the University of Jember. Meanwhile, document data was collected through various sources such as government regulations, books, journals, and mass media. This study aims to determine the resistance to cigarette excise tax increases among students in Jember Regency.

3. Results and Discussion

In response to the increasing number of cigarette users, the government has made regulations to protect the public from excessive cigarette consumption by increasing cigarette excise rates. Average increase in excise tax on tobacco products in 2020 of 21.56 percent. The increase in tobacco taxes has proven effective in reducing the amount of tobacco consumption in the form of cigarettes. The World Health Organization (WHO) calculates that if a country were to increase the excise tax on cigarettes by 50 percent on a pack of cigarettes in 2013, it would result in a reduction of 49 million cigarette users. In addition, this would reduce at least 11 million deaths caused by smoking (World Health, 2021). According to the WHO, a simultaneous increase in tobacco taxes would lead to a 10% increase in cigarette prices and a 4% decrease in the number of smokers in high-income countries and 5% in low-income countries. In Indonesia, the policy of increasing Tobacco Excise Tax (CHT) rates contributes 97% of total excise revenue. This is because an increase in cigarette prices results in an increase in state revenue in the customs and excise sector so that the government can make tobacco excise tax (CHT) a mainstay.

The local government of Jember Regency has established several policies to reduce the prevalence of cigarette consumption in the community. These policies are contained in Jember Regent Regulation No. 54 of 2023 on Technical Guidelines for the Implementation of Direct Cash Subsidies from the Tobacco Excise Revenue Sharing Fund, Jember Regent Regulation No. 27 of 2021 on Non-Smoking Zone, and Jember Regency Regional Regulation No. 7 of 2003 on Tobacco or Tobacco Shop. In their implementation, these policies involve various stakeholders to collaborate. The Collaborative concept leads to collaboration between parties or stakeholders, which is then mapped in indicators of the collaboration process, such as face-to-face dialog, actor trust, mutual commitment, and a shared understanding. (Ansell & Gash, 2008). Furthermore, Ansell and Gash (2008) also explained that the

actors involved in the collaborative governance process are the government, the community, the private sector, non-governmental organizations, and campus intellectuals. To achieve common goals, collaborative governance involves companies, the state, and civil society organizations (Aoyama, 2016).

The increase in cigarette excise rates affects the price of cigarettes sold in the market; this has an impact on the community, especially students who use cigarettes. If tobacco taxes increase, some student smokers will consider their cigarette consumption behavior (Visscher et al., 2023). Increasing cigarette prices reduces the purchasing power of cigarettes, especially in the population aged 10-18 years. Meanwhile, the purchasing power of smokers in the population aged 18- 25 years did not decrease significantly. However, the higher price of cigarettes affects the behavior of student smokers to reduce cigarette consumption, quit smoking, and approve the policy of increasing cigarette excise to reduce the number of smokers (Visscher et al., 2023). In this study, student smokers at the University of Jember consumed an average of one pack of cigarettes within two to three days. The price of cigarettes in Jember Regency, since the implementation of the excise tax increase policy by the government, has increased from year to year, with the lowest increase of 500 rupiah to the highest increase of 3000 rupiah. The increase in cigarette prices caused by the increase in excise tax makes students who are already addicted to smoking look for other alternatives, such as switching to consuming e-cigarettes. However, some students also choose to buy cigarettes with the consequence of reducing the amount of consumption per day. These alternatives are carried out by student smokers because there are addictive substances in cigarettes that cause the feeling of wanting to consume cigarettes continuously. Resistance to the increase in cigarette excise tax for student smokers in Jember Regency in the perspective of collaborative governance can be seen through four indicators of Ansell & Gash's (2008) theoretical approach, namely as follows.

First, the initial conditions. Communities with a population aged 10-18 years cannot afford the high price of cigarettes, so the government's target of reducing cigarette consumption can be realized. This is also supported by the creation of smoke-free areas and restrictions on cigarette advertising, promotion, and sponsorship, which are being carried out in a comprehensive manner by the government in Jember County. Another supporting factor is socialization as a form of preventive action to reduce cigarette users by providing knowledge of the negative effects of smoking. This socialization was conducted in the Jember District by involving the Regional Government Coordination Forum (Forkopimda), the Civil Service Police Unit (Satpol PP), and the community in several villages. However, the collaboration process in the initial condition stage also had inhibiting factors in its implementation. Smoking behavior has become a habit in the community, so an increase in cigarette excise tax will make it difficult to change the habits of cigarette users. Cigarette advertisements and promotions are still widely displayed as a spectacle in the community without any age limit. Not only that but the process of buying and selling cigarettes is found in every shop, ranging from small to large. The increase in cigarette excise has led to other phenomena, such as illegal cigarettes, that are rampant and increasing.

Second, institutional design. The ground rules set by institutional design are important in the collaboration process as procedural legitimacy. Ground rules and transparency in the collaboration process are important design features (Ansell & Gash, 2008). Institutional structures are designed to control relationships and influence stakeholder actions. Institutional commitments will take into account the interests of stakeholders (Gelauff & Broeder, 1997). Openness and inclusiveness in collaboration governance provide legitimate opportunities for each actor to be involved and participate in the collaboration, enabling the development of the collaboration process. Openness in the collaborative governance process is the basis for the government to make decisions so that public trust can be built (Krlsson, 2012). The specific rules underlying the collaborative implementation of the cigarette excise tax increase policy are contained in the Regulation of the Minister of Finance of the Republic of Indonesia Number 215/PMK.07/2021 concerning the Use, Monitoring, and Evaluation of Tobacco Excise Revenue Sharing Funds, which was followed by the Jember Regent Regulation No. 54 of 2023 on Technical Guidelines for the Implementation of Direct Cash Assistance from the Tobacco Excise Revenue Sharing Fund. The collaboration which occurred was in the form of BLT-DBHCT from regional apparatus to tobacco farm workers and cigarette factory workers. Meanwhile, students in this aspect play a role as stakeholders who contribute greatly to cigarette sales, so if student cigarette consumption decreases when cigarette prices are getting more expensive, it will have an impact on regional income, especially excise proceeds.

Third, the role of facility leadership. As elucidated by Ansell and Gash (2008), it is of the utmost importance for those in leadership positions within a facility to establish and maintain clear ground rules, foster trust, facilitate dialogue, and explore benefits. Leadership is an important aspect of the collaborative process to achieve its goals (Ulibarri et al., 2020). Collaborative leadership and management influence the success or failure of the collaborative process. Problem-solving with collaborative processes requires organizational-facilitated direction and organization before reaching an agreement (Agranoff & Kolpakov, 2023). Organized incentive direction with institutional design takes the form of facilitating the participation process so that interactive collaboration governance occurs (Ansell & Torfing, 2018). Mutual engagement between collaboration actors can be described by a participatory leadership style in the collaboration process. Collaborative governance becomes an organizational culture in policy-making through consensus and agreement. Stakeholder engagement can be achieved through participatory dialog (O'Flynn & Wanna, 2008). Facility leadership in the implementation of cigarette excise tax in Jember Regency that has an impact on Jember University students is involvement in the socialization process. The local government, through the Directorate General of Customs and Excise (DGCE) Jember and the Civil Service Police Unit (Satpol PP), have conducted socialization with the community. However, this effort has not been optimal because the reach of socialization is still limited to the local community. Students with a high number of cigarette users should also be involved in socialization and counseling.

Fourth, is the collaboration process. The core of Ansell and Gash's (2008) the concept of collaborative governance is predicated upon the collaboration model or process, which is defined by the following characteristics: face-to-face dialog, the establishment of trust, a commitment to the process, a shared understanding, and intermediate outcomes. The collaboration process occurs vertically from the government level to stakeholders in the community. Public policymaking is implemented to meet the needs of stakeholders (Agranoff & McGuire, 2003). Face-to-face dialog forums take place by consensus with the aim of mutual trust between stakeholders to create a common understanding. In other literature, this is often considered a virtuous circle where collaboration fosters commitment among stakeholders and a shared understanding of the issues at hand to improve policy outcomes (Vangen & Huxham, 2011). A lack of trust can lead to a vicious cycle where stakeholders are unable to develop commitment or shared understanding, which in turn reduces the likelihood of achieving the desired outcome (Bianchi et al., 2020). The face-to-face dialogue between stakeholders in the implementation of cigarette excise policy in Jember Regency involves the Local Government, the Directorate General of Customs and Excise (DGCE) Jember, Satpol PP, and a number of communities. Many students who did not receive socialization or counseling related to cigarette excise switched to using illegal cigarettes without knowing the impact that would be caused. Student resistance should be conveyed in a face-to-face dialog forum so that there is a collaborative process in the implementation of the cigarette excise tax increase policy in the Jember Regency.

Collaboration governance begins with building trust between stakeholders. At this stage, it takes a long time and long-term commitment to achieve collaborative results (Ansell & Gash, 2008). The results show that this sub-aspect is done by convincing stakeholders in the collaboration process. The Jember District Government provides BLT-DBHCHT to tobacco farm workers and cigarette factory workers, cigarette factory workers who have been laid off, and other community members. Openness to give full trust in sharing ideas and information is one of the things that must be considered to build trust. As a reinforcement in building trust, students can be given education related to preventive measures to reduce cigarette consumption, the circulation of illegal cigarettes, and the adverse effects of excessive cigarette consumption.

Furthermore, commitment is closely related to the initial motivation of participants in the collaboration process (Ansell & Gash, 2008). Commitment to the process has a major influence on the success or failure of the collaboration process. The results show that the stakeholders involved in the collaboration have understood their respective roles and have carried out their duties and functions. Jember Customs takes a role in preventing the circulation of illegal cigarettes in Jember and Banyuwangi. This effort is realized through several strategic steps, such as socialization to the community, synergy with law enforcement officials, and Operation Gempur Illegal Cigarettes. Customs and Excise Jember, together with Forkopimda Jember Regency, held a socialization of combating illegal cigarettes to the general public in Arjasa District. This activity was attended by hundreds of village officials, RT and RW heads, and local tobacco farmers. Socialization is carried out to form an attitude

of compliance and public awareness of excise provisions. In the collaboration process, each stakeholder must have a shared understanding of what a common goal is (Ansell & Gash, 2008). Shared understanding is a relevant collaborative indicator that encourages collaborative governance to continue to develop and get agreed outcomes so as to get collective results (Agbodzakey, 2024). A shared understanding of a policy can be achieved through a face-to-face dialog between stakeholders so that each stakeholder knows the government's objectives through the policies made. Student smokers have understood some of the objectives of the cigarette excise tax increase. They get this understanding through news spread on the internet and government social media. The process of mutual understanding is indirectly carried out by the government through online media to disseminate information.

The results showed that the collaborative governance process in the cigarette excise tax increase policy in Jember Regency caused resistance among students. The increasingly high price of cigarettes, along with the increase in excise tax, makes student smokers consider cigarette consumption behavior. They do this by reducing cigarette consumption, quitting smoking, consuming illegal cigarettes, or agreeing to the cigarette increase policy if it is related to the health goals of smokers. Nevertheless, the collaboration process in Jember Regency in the context of implementing the cigarette excise tax increase policy has not been sufficiently inclusive of students.

4. Conclusions

Resistance to cigarette excise tax increases among student smokers in Jember Regency can be measured by the four indicators of the collaborative governance process according to Ansell & Gash (2008).

First, the initial condition indicator is that the policy objectives and resources are still not running optimally in building understanding and cooperation towards the goals to be achieved in the implementation of the cigarette excise tax increase policy in Jember Regency.

Secondly, the institutional design as the basic rule of the collaboration process is already well underway with the enactment of Regent Regulation Number 54 Year 2023 on Technical Guidelines for the Implementation of Direct Cash Assistance sourced from Tobacco Excise Revenue Sharing Funds.

Third, facilitative leadership can be seen in the local government's response to the excise tax increase policy at the central level by providing socialization, counseling, and supervision programs.

Fourth, this collaborative process can be seen through face-to-face dialog, commitment to the process, shared understanding and the temporary impact produced after involving several parties. Meanwhile, the inhibiting factors found by researchers occur in the government's strategy of involving stakeholders in the collaboration process. Student participation and involvement have not been optimized so that the resistance to the cigarette excise tax increase policy among students is mostly rejection. The policy of increasing cigarette excise has an impact on increasing the expenditure of student smokers in the Jember Regency

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