



Optimizing the role of cooperatives, gusjigang working principles, and penta helix strategies in supporting the management of tobacco excise revenue sharing funds in the Kudus tobacco industry zone

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ABSTRACT

Background: The management of the Tobacco Excise Revenue Sharing Fund (DBHCHT) in the Kudus Tobacco Industry Zone (KIHT) is an important aspect in supporting the sustainability of the tobacco industry in Indonesia. The challenge faced is how to optimize the role of cooperatives and effective management strategies so that the Kudus tobacco industry can develop sustainably and be globally competitive. Local values such as the Gusjigang principle and the Penta Helix collaborative approach are key elements to consider in this management. **Methods:** This research used a literature study method by reviewing various sources from academic journals, government regulations, and official reports relevant to DBHCHT management, the role of cooperatives, the Gusjigang principle, and the Penta Helix strategy in the context of KIHT. Analysis was conducted through a thematic approach to the relevant literature, which was then synthesized to develop a comprehensive view of the optimization of KIHT management in Kudus. **Findings:** The results of the literature review show that cooperatives in KIHT Kudus have great potential if transformed into centers of innovation and business development. In addition, a modern reinterpretation of the Gusjigang principle could be a differentiator in the global market, while the Penta Helix (ABCGM) strategy provides a strong collaborative framework to support KIHT's development. Product diversification and the development of globally oriented Human Resources (HR) are also important factors in improving the competitiveness of the industry. **Conclusion:** Optimizing DBHCHT management in KIHT Kudus requires a multidimensional approach that includes the role of cooperatives, the application of local values, and a collaborative Penta Helix strategy. Cooperative transformation, human resource strengthening, and multi-stakeholder synergy through collaborative forums are key in creating a globally competitive tobacco industry. **Novelty/Originality of This Study:** This study offers a holistic approach to DBHCHT management in KIHT Kudus by combining traditional Gusjigang principles, Penta Helix strategy, and product diversification as a strategy for transforming the Kudus tobacco industry towards sustainable global competitiveness.

KEYWORDS: cooperatives; human resource development; penta helix; tobacco industry; tobacco products industrial estate.

1. Introduction

Cigarette producers in Indonesia are very widespread, including illegal cigarette producers. Regulation of the Minister of Finance Number 200/PMK.04/2008 on the

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Procedure for Granting, Freezing, and Revoking Excisable Goods Entrepreneur Principal Numbers for Manufacturers and Importers of Tobacco Products imposes a burden on cigarette manufacturers. The regulation requires a minimum area of 200 square meters for tobacco production. This is certainly burdensome for small-medium scale cigarette manufacturers and makes the circulation of illegal cigarettes more widespread.

The government has intervened to support small- to medium-scale cigarette manufacturers through the Tobacco Product Industry (IHT) program, which is aimed at helping these businesses operate legally. This initiative provides a significant opportunity for illegal cigarette manufacturers to transition to a legal framework, thereby reducing the need for clandestine marketing of their products. By working with the Directorate General of Customs and Excise (DGCE), the government offers support through the establishment of industrial areas where legal cigarette manufacturers can operate collectively. This shared industrial space aims to streamline the production process, reduce costs for smaller manufacturers, and create a more transparent environment for cigarette production. Ultimately, the IHT program not only encourages the formalization of the cigarette industry but also contributes to economic stability by promoting lawful business practices, reducing illegal trade, and ensuring proper regulatory oversight.

Kudus Regency is one of the dominating tobacco product industries. Kudus is the largest recipient of the Tobacco Excise Revenue Sharing Fund (DBHCHT). DBHCHT is given by the central government to local governments as a result of tax payments in the form of tobacco excise. One of the uses of DBHCHT in Kudus Regency is allocated to finance the guidance and development of IHT. In its implementation, a cooperative houses cigarette entrepreneurs in IHT in Kudus District. Therefore, good fund management is needed by optimizing the role of cooperatives, implementing work principles, and determining the direction of the IHT development strategy so that the DBHCHT allocation can be optimal.

In optimizing the management of the Tobacco Excise Revenue Sharing Fund (DBHCHT) within the Kudus Tobacco Product Industry Area (IHT), the role of cooperatives is paramount. These cooperatives serve not only as a platform for cigarette entrepreneurs but also as essential instruments for managing and distributing funds in an effective and transparent manner. To enhance their impact, cooperatives can focus on increasing their management capacity, strengthening their financial systems, and developing programs that directly benefit their members. By doing so, cooperatives can catalyze local economic growth and foster the sustainability of the tobacco industry in Kudus. This holistic approach ensures that all stakeholders involved in the tobacco industry can thrive together, leading to a more resilient economic landscape.

Furthermore, the application of Gusjigang working principles, deeply rooted in Kudus's local values, can provide an ethical and philosophical foundation for DBHCHT management. Gusjigang, an acronym representing "good," "ngaji," and "dagang," encapsulates the integration of personal qualities, spirituality, and entrepreneurship. Implementing these principles across various aspects of fund management—from planning to program evaluation—can enhance the effectiveness and integrity of the management process. By prioritizing these values, the management of DBHCHT is expected to shift from being solely profit-oriented to encompassing social, cultural, and environmental considerations as well. This comprehensive perspective not only enriches the tobacco industry's sustainability but also strengthens community ties and promotes responsible entrepreneurship within Kudus.

To strengthen DBHCHT management and IHT development in Kudus, the Penta Helix strategy can be applied as a collaborative approach involving five main elements: government, private sector, academia, community and media. Through this approach, inter-stakeholder synergies can be more closely established, enabling the exchange of knowledge, resources and innovations. The government can act as a regulator and facilitator, the private sector as a business actor and investor, academia as a source of research and development, the community as a user and supporter, and the media as a means of socialization and public control. The implementation of this Penta Helix strategy is expected to create an ecosystem

that supports the sustainable growth of the tobacco products industry in Kudus, while ensuring that the benefits of DBHCHT can be widely felt by the community.

2. Methods

This research employed the literature study method, focusing on relevant and credible sources from various journals, books, and government regulations related to Tobacco Excise Revenue Sharing Funds (DBHCHT) and Tobacco Industry Areas (KIHT). The first stage involved identifying the research topic, specifically the optimization of DBHCHT management in Kudus Regency within the context of KIHT development. Following this, a comprehensive literature search was conducted using academic databases as well as official sources from the Indonesian government and relevant agencies. The criteria for selecting literature included relevance to the topic, journal quality, and the recency of information, ensuring that only sources from the last decade were considered. This systematic approach helped establish a strong foundation for the research, allowing for a thorough exploration of the topic.

In the second phase of the research, the focus shifted to the collection and analysis of secondary data, which encompassed laws and regulations, scientific articles, and reports from authoritative institutions like the Directorate General of Customs and Excise (DGCE). The data gathered were then classified according to key themes, including DBHCHT management, the role of cooperatives in developing the tobacco industry, and the implementation of the Gusjigang principle along with the Penta Helix strategy in KIHT. A rigorous examination of the selected literature was conducted to assess the relevance and validity of the arguments, methods, and results presented in relation to the research focus. This analytical process aimed to identify gaps and opportunities within existing studies, paving the way for a more nuanced understanding of the issues at hand.

Finally, the synthesized data were used to draw conclusions regarding the optimization of DBHCHT management in the context of KIHT in Kudus. This analytical approach was comprehensive, taking into account various perspectives from the literature and linking them to the practical realities of policy implementation in the field. The results of this analysis were organized into a narrative format that effectively combined theoretical insights, empirical data, and best practices. Ultimately, the research aimed to provide actionable recommendations tailored to the needs of the tobacco products industry in Kudus, contributing to its sustainable development. By emphasizing both the theoretical frameworks and real-world applications, the study seeks to inform policymakers and stakeholders about effective strategies for enhancing DBHCHT management and fostering industry growth.

3. Results and Discussion

Kudus Regency is recognized as the largest kretek (cigarette) city in Central Java, boasting a diverse array of small, medium, and large-scale cigarette industries. The kretek cigarette factories in Kudus serve as vital contributors to the local economy, generating substantial tax revenue for the government. The excise tax collected from these industries is not only significant but also beneficial for national and state finances. According to Suprihanti et al. (2019), the imposition of excise tariffs leads to the establishment of the Revenue Sharing Fund for Tobacco Excise (DBHCHT), which is a key mechanism for distributing the generated revenue. The regulations governing DBHCHT are outlined in the Minister of Finance Regulation No. 84/PMK.07/2008, which sets the framework for the allocation of these funds.

DBHCHT is specifically designated by the Indonesian Ministry of Finance for provinces involved in the production of excise goods and tobacco. In Central Java Province, the distribution of DBHCHT allocations is established through agreements with various districts and cities. As reported by humas.jatengprov (2020), the allocation provisions

stipulate that 30 percent of DBHCHT funds are reserved for the Central Java Provincial Government, 40 percent for excise and tobacco-producing regencies and cities, and 30 percent for non-producing areas. In 2020, the Central Java Provincial Government received a DBHCHT allocation totaling Rp 224.506 billion, with Kudus Regency being the primary beneficiary, receiving the highest allocation of Rp 158.113 billion. This financial support underscores the significance of the kretek industry in Kudus and its role in bolstering both local and provincial economies.

The government, through the Directorate General of Customs and Excise (DJBC) in Kudus, is actively managing the Revenue Sharing Fund for Tobacco Excise (DBHCHT) to transform the tobacco products industry in Kudus into a designated Tobacco Products Industrial Estate (KIHT). This initiative has been positively received by the Kudus Regency Government, leading to the establishment of KIHT as a strategic development effort. One of the primary objectives of KIHT is to combat the distribution of illegal cigarettes in the region, thereby promoting a more regulated market. As stated on Beacukai.go.id (2020), the establishment and management of KIHT are governed by Minister of Finance Regulation number 21/PMK.04/2020, which specifically addresses the framework for Tobacco Products Industrial Estates. Conceptually, KIHT serves as a significant focus for DBHCHT funding, aimed at enhancing industrial development within the excise sector.

Successful operations within KIHT necessitate a well-rounded approach to resource management, which encompasses three critical components: facilities, budget, and personnel. These resources are integral to achieving the goals set for businesses operating within the industrial estate (Hikmawati, 2017). The Kudus Regent Regulation No. 7/2018 outlines the allocation of DBHCHT funds specifically for improving facilities within the Tobacco Products Industrial Estate (Suteki and Putri, 2020). Since Kudus was officially designated as a KIHT in October (Beacukai.go.id, 2020), there has been a concerted effort to direct DBHCHT resources towards enhancing facilities and infrastructure within this industrial estate. This focus not only supports the growth of the tobacco industry but also reinforces the local economy through improved operational capabilities and compliance with regulatory standards.

The KIHT in Kudus Regency has a cooperative, Sigaret Langgeng Sejahtera Services, which houses cigarette entrepreneurs in the industrial area (bckudus.beacukai.go.id, 2020). This cooperative handles the procurement of cigarette-making machinery and the production-operational management of tobacco products at KIHT. Development of this cooperative is necessary to support KIHT to become more advanced. Development can focus on facilitating MSME capital and expanding the marketing of tobacco products. Moreover, cigarette entrepreneurs need capital with small interest costs so that entrepreneurs are not overburdened and can expand their business. By using DBHCHT funds, it is possible that cooperatives can manage these funds and support capital for cigarette entrepreneurs.

In the face of intense competition within the tobacco products industry, the role of human resources (HR) becomes increasingly vital. Effective HR management is a key factor influencing production efficiency and overall business success. Therefore, it is crucial to prioritize human resource development to enhance the skills and performance of employees. Utilizing the Revenue Sharing Fund for Tobacco Excise (DBHCHT) can facilitate various training programs aimed at improving essential skills such as time management, leadership, and technical expertise. These training initiatives should not only focus on professional competencies but also incorporate the local wisdom of Kudus City, particularly the principles embodied in the Gusjigang philosophy.

The Gusjigang ethos, which promotes values such as goodness, spirituality, and entrepreneurship, serves as a foundational guide for developing superior human resources in Kudus. This cultural motto reflects the resilient spirit and entrepreneurial drive of the local community, as highlighted by Purbasari (2017). By embracing the Gusjigang principles, HR development can cultivate a workforce that integrates economic acumen with religious and ethical considerations. This dual focus ensures that business practices in the tobacco sector are not only profitable but also aligned with the cultural values of the

community. Consequently, any planning for human resource development must incorporate these local wisdom values, fostering a harmonious balance between economic objectives and cultural integrity.

Optimizing the role of cooperatives in managing DBHCHT in KIHT Kudus is not only limited to administrative functions and fund distribution. The cooperative must transform into a center of innovation and business development for its members. This can be realized through the establishment of an internal business incubator, which focuses on the development of high value-added tobacco products. By utilizing local expertise and modern technology, cooperatives can encourage product diversification, such as the development of herbal cigarettes or non-consumption tobacco-derived products. This step will not only increase the competitiveness of the industry, but also open up new market opportunities that can absorb more labor.

The implementation of the Gusjigang principle in a modern context requires a more dynamic reinterpretation. "Bagus" can be interpreted as a commitment to the highest quality standards in production and management. "Ngaji" can be expanded to mean continuous learning and innovative research, including studies on health impacts and safer alternatives to tobacco products. While "dagang" can be interpreted as socially responsible entrepreneurship, with attention to worker welfare and environmental sustainability. This principle, if applied holistically, can be a unique differentiation for the Kudus tobacco products industry in the global market.

The Penta Helix strategy in the development of KIHT Kudus should be strengthened by the establishment of a regular and structured collaborative forum. This forum serves as a forum for brainstorming, strategic planning, and periodic evaluation involving all ABCGM elements. Academics can lead market research sessions and global consumer trends, while businesses provide insight into operational challenges. Communities can voice the aspirations and concerns of local communities, the government plays a role in regulatory harmonization, and the media assists in shaping the industry's positive narrative. This synergy will result in a comprehensive KIHT development roadmap that is adaptive to market changes.

Human resource development in KIHT Kudus needs to be geared towards building a workforce that is not only technically skilled, but also globally aware. Training programs should cover aspects such as international safety standards, import-export regulations, and global consumption trends. In addition, it is necessary to build partnerships with higher education institutions to open special study programs related to tobacco processing technology and tobacco products industry management. This step will create a human resource ecosystem that is not only able to maintain tradition, but also encourage innovation in the industry.

Finally, in the digital era and industry 4.0, KIHT Kudus must adapt by integrating the latest technology in the production process and supply chain management. The implementation of Internet of Things (IoT) systems for production monitoring, the use of big data analytics for market analysis, and blockchain for supply chain transparency can be game-changers. DBHCHT can be allocated for investment in this digital infrastructure, which in turn will increase efficiency, reduce waste, and improve the competitiveness of Kudus products in the international market. This digital transformation will also open up new opportunities in terms of product traceability, which is increasingly demanded by global consumers who are aware of the origin and production process of the goods they consume.

After considering the 3 aspects of business resources in KIHT, it is necessary to determine the development strategy of KIHT in Kudus with a collaboration model using Penta Helix, namely ABCGM (Academics, Businessman, Community, Government, Media). Academics play a role as conceptors who channel innovative ideas or ideas in the form of research results such as tar and nicotine content, renewable technology in the development of tobacco products, and efforts to research the content of tobacco products to penetrate the international market. Businessman has a role as a producer of tobacco products. Community as an accelerator to facilitate business adoption. In addition, the community

also acts as a liaison between the government and stakeholders. Government through DGCE has a role to coordinate all stakeholders such as policies and control the implementation of KIHT in Kudus. Finally, the media acts as an expander or supporter to promote tobacco products. With collaboration between ABCGM parties, tobacco products can have high economic value and contribute within and outside the country.

4. Conclusions

Optimizing DBHCHT management in KIHT Kudus requires a multidimensional approach involving the role of cooperatives, the application of Gusjigang working principles, and the implementation of the Penta Helix strategy. Sigaret Langgeng Sejahtera Service Cooperative needs to transform into a center of innovation and business development, not just an administrative manager. The establishment of internal business incubators and encouragement of product diversification can increase industry competitiveness and open up new market opportunities. The Gusjigang principle should be reinterpreted in a modern context, combining traditional values with contemporary industry demands, which can be a unique differentiation for the Kudus tobacco products industry in the global market. The Penta Helix (ABCGM) strategy should be strengthened through a structured collaborative forum, involving academics, businesses, communities, government and media to produce a comprehensive and adaptive roadmap for KIHT development.

In addition, human resource development in KIHT Kudus should be geared towards building a technically skilled and globally aware workforce. With effective and targeted DBHCHT management, as well as attention to these aspects, the Kudus tobacco industry has the potential to become an example of the successful transformation of a traditional industry into a globally competitive modern industry, while maintaining local wisdom values. Hence, the importance of a holistic approach in the development of KIHT Kudus, which combines technological innovation, human resource strengthening, multi-stakeholder collaboration, and preservation of local values to achieve sustainable economic growth and global competitiveness.

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