

The Political Battles of Tobacco Control and NCDs in Indonesia

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Introduction

Indonesia is the only country in Asia that has not signed or accessed Frame Work Convention on Tobacco Control (FCTC).⁴ In contrast, Indonesia was one member country in drafting the FCTC.⁵ The question is why the Indonesian government until now hesitates to sign FCTC? The FCTC basically provides guidance for parties, countries that signed FCTC, to control tobacco consumption by the country population. The World Health Organization (WHO) provides guidelines in tobacco control by actions define as MPOWER which stands for 1. Monitor tobacco use and prevention policies, 2. Protect people from tobacco smoke, 3. Offer help to quit tobacco use, 4. Warn about the dangers of tobacco, 5. Enforce bans on tobacco advertising, promotion and sponsorship, and 6. Raise taxes on tobacco. Does Indonesia apply one or more of those actions to control tobacco consumption? How the prevalence of tobacco uses and what are the main tobacco uses currently occur in Indonesia? How big are the tobacco industries in Indonesia?

All of those issues will be discussed in this paper.

Smoking Prevalence and Hoax of FCTC

It is estimated that tobacco has been used by the Indonesian population by two modes of consumption. Traditionally Indonesian people use chewing tobacco (sirih) with betel leaves, areca nut (pinang), and calcium ground. In

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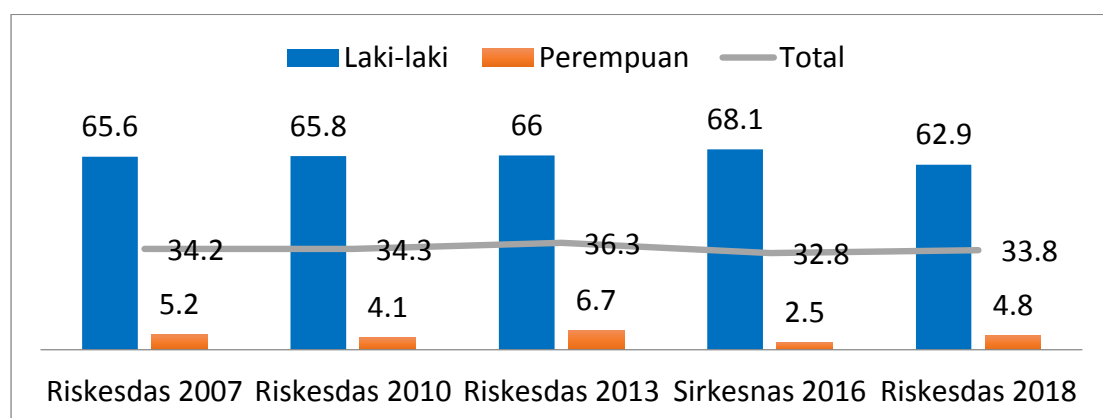
⁴ *WHO 2015, Tobacco Atlas. Geneva 2015*

⁵ *Achadi, A. Former Senior Adviser to the Minister of Health, 2002-2004*

some villages, this tradition is still practiced by old generation. But, in the cities, this chewing practices have been abandoned. In contrast, the tobacco use in the form of smoking (cigarettes) has been increasing alarmingly. During the second President Suharto was in Power (1966-1998), cigarette was promoted in the Palace. It was common at the time, every guest or meeting attendant in the Palace was given a gift of two boxes of cigarettes. Suharto himself used cigar openly in many national events. In 1970, Indonesia produced 33 billion sticks of cigarettes and consumed by the Indonesian people. In 2017, the total production was 341 billion sticks⁶ or increased more than 1.000% while population increased only three times.

The latest 2018 Basic Health Survey (Riskesdas)⁷ indicating overall prevalence of smoking among people age 15+ years in 2018 at 33.8%, the highest in the World. Smoking prevalence among male was 62.9% and among females was 4.8% (See figure 1). The most alarming smoking prevalence occurred among children age 10-18 that increased from 7.2% in 2013 to 9.1% in 2018. Tobacco control activists have been fighting to curb smoking prevalence among children. However, the tobacco industry intensify the smoking campaign and marketing strategies to influence youth to smoke using various images and illusions of smokers as heroes or champions of outdoor events that young generation dream of.

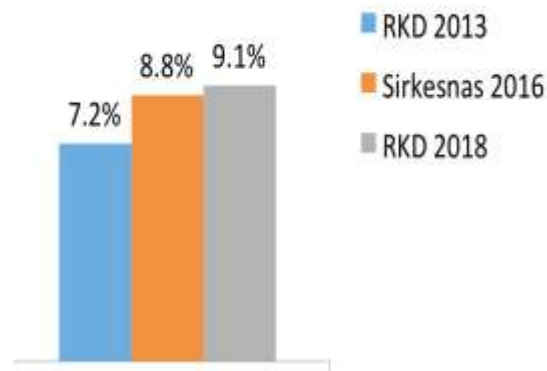
Figure 1. Trend of Smoking Prevalences from Various Population Surveys 2007-2018.



⁶ Ministry of Finance Presentation, APACPT Bali, September 2018

⁷ Ministry of Health, Presentation of Riskesdas 2018, Jakarta, November 2018

Figure 2. Smoking Prevalences by Children Age 10-18 years, 2013-2018



Studies reported that the impact of high prevalence of smoking in Indonesia will jeopardize the future generations. The Ministry of Health (MoH) study reported that the economic losses amounting about 3-4 times higher than the government revenues from tobacco excises. The total costs of medical expenditures due to tobacco attributable diseases and loss of productivity in 2015 totaling of IDR 596.56 Trillion (or 45.9 Billion US Dollars).⁸ The total excise revenue from excise tax in 2015 was only IDR 140 Trillion (about US\$ 10 Billion).⁹ The total revenue of Phillip Morris Indonesia in 2017 was IDR 99 Trillion (US\$ 7.4 billion)¹⁰ and the total budget of the Ministry of Health in 2017 was only IDR 54 Trillion (US\$ 3.9 billion). The WHO estimated that annually about 217,000 Indonesians died from tobacco related diseases. The WHO estimated that economic losses in the World amounting about US\$ 1.4 Trillion annually.¹¹

The question is then, what the government does to protect its people from the disaster and epidemic of smoking in Indonesia? Are there tobacco control actions in Indonesia?

The answer certainly simple, “yes, there are”. The Health Law of 2009 required the government to warn the people of the danger of smoking as an addictive behavior. Further government regulation also put picture warning at

⁸ Kosen S; Thabrany H; Kusumawardanai N & Martini S. *Health and Economic Costs of Tobacco in Indonesia*. Ministry of Health, Jakarta. 2017

⁹ DG of Excise, Ministry of Finance. *Presentation on Resource Mobilisation for JKN, CHEPS UI, May 2018*

¹⁰ Sampoerna (Phillip Morris Indonesia) 2017 Annual Report

¹¹ WHO. *Economic losses of tobacco in the World*. 2017

40% of the surface of cigarette packs.¹² The Ministry of Finance manages excise and increasing excise rates annually. The controversies are the balance between the government revenues from tobacco excise, estimated about 10-11%¹³ of the total government revenues, and stronger control using price instrument. Currently, the price of cigarettes in Indonesia have been very affordable, ranging from US\$ 1.1-1.4 per pack, depending on brands.¹⁴

The pro smoking industries and government officials keep using government revenues, labors in cigarette industries, income of farmers, and many other economic issues to counter any tobacco control measures. In addition, several high rank officials spread hoax saying that FCTC is a conspiracy of pharmaceutical industries and the WHO. It is not health issues, but it is an economic proxy war. Some other high rank officials say that FCTC is violating our sovereign nation and FCTC is dictating or undermining our national policies. Others say that FCTC will kill our tobacco farming and making high unemployment. It was shocking for many to know that when all country leaders signed FCTC, the Indonesian president demonstratively visiting a cigarette industry in April 2006. The photo of this visit was posted in the website of the State Secretary.¹⁵ This effort correlate with 9 & 12 % increase cigarette production in 2007 and 2008 as shown in Figure 3.

While pro-tobacco control with very little money mobilize citizens' movements to save children, prevent impoverishment, prevent stunting, and prevent deaths. Although the battles for tobacco control have been undertaken since about 20 years ago, evidences show that the TC activities have not been successful as proven by the increasing prevalence of smoking among youths and increasing production of tobacco. In addition, the TC activities keep pushing to increase cigarettes prices through reforming excise regulations. However, the efforts have been only partially success.

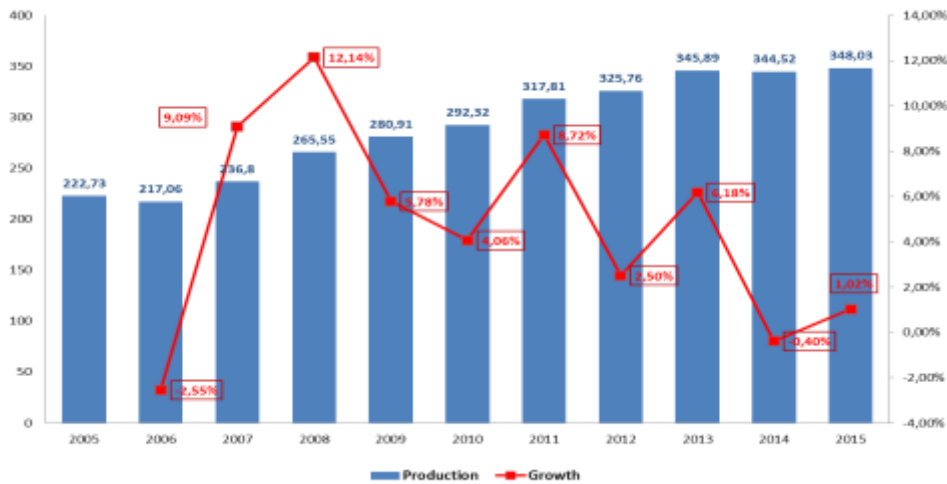
¹² *Government Regulation (PP) no 109 2012 on Tobacco.*

¹³ *Calculated from various documents of the National Budget (APBN) of 2014-2018*

¹⁴ *Authors observations in various retail shops, 2018*

¹⁵ *State Secretary, News, Web. Accessed March 2012.*

Figure 3. Trend of Cigarette Production (Billion of Sticks) and Growth, % 2005-2015.



Legal Battles on Tobacco Control

The first legal battle was in the law of excise of 2007. The pro-industries managed to limit the excise rates to maximum of 57% of retail prices and the clause requiring consultation with industries in setting the excise. The Ministry of Finance always argues that they already increased excise rates annually on average more than 10% a year.¹⁶ The pro-TC always argue that the excise increases have not been effective to control consumption and prevalence of smoking among males and low prices of cigarettes in the countries resulting in higher prevalence of smoking among the youth.

The second battle was the Health Law number 36/2009 which regulates that the government could control addictive substances and to require provision of smoking areas in the work places to prevent health hazard to the people surrounding it. At the time the Law was to be signed by the President, the clause was suddenly disappeared.¹⁷ Some body deleted the clause. Fortunately the pro-TC group managed to detect the missing and successfully returned the clause. But, the pro-industries reviewed the clause to the Constitutional Court arguing that such regulation limits the right of the people to do business and to choose

¹⁶ DG Excise, *Op Cit*

¹⁷ <https://nasional.kompas.com/read/2009/10/14/04594644/ayat.tembakau.hilang.di.dpr>.

consumptions. They requested to dismiss the clause of delegating the government (Ministry of Health) to further control addictive substances. Fortunately the Court decision was to maintain the clause arguing that such regulation does not violate the Constitution.¹⁸

The pro-industry is still trying to influence the government in making the market for cigarettes bigger since more than 10 years ago by proposing special health insurance specifically for smokers.¹⁹ The pro-industries approached former high rank officials in the Ministry of Health and the Coordinating Ministry of People's Welfare to draft a Presidential regulation in establishing such health insurance. The hidden agenda was signaling the message "please smoke; if you are sick we will cover the costs. Don't worry". Fortunately, these moves—they did it several times, were detected and the pro-TC successfully prevent the regulation from being issued. They are still trying to issue this law when the National Health Insurance (JKN) is suffering from five years deficits early 2018 amounting of IDR IDR 3.3 Trillion in 2014 to IDR 16.5 Trillion in 2018.²⁰

Since five years ago, the pro-industries influenced 9 out of 10 party fractions in the Congress to approve a bill (draft law) of Tobacco Bill.²¹ In contrast to the common tobacco bill in many countries—that control smoking, this Bill is to "protect tobacco farmers" and even maintain what they called "to preserve our inheritance of kreteks (the spiced cigarettes)". The government positions splitted with pro-this bill by the Ministry of Industries and the Ministry of Agriculture and against this bill by the Ministry of Health and the Ministry of Women and Children. Although, finally the Government agreed to process the bill early 2017, until today, the bill has not been processed to be a law. The battle is still on going.²²

¹⁸ <https://nasional.tempco.co/read/403828/ada-putusan-mk-kawasan-bebas-rokok-tetap-wajib>

¹⁹ <https://www.merdeka.com/khas/asuransi-perokok-keluar-masuk-ruu-tembakau.html>

²⁰ Ministry of Health. *Presentation on Health Care Policy and Development in Indonesia*, FKUI, December 20, 2018

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<https://nasional.kompas.com/read/2016/07/28/06541331/9.fraksi.setujui.ruu.pertembakauan.jadi.inisia.tif.dpr>

²²

<https://nasional.kompas.com/read/2017/03/22/11150321/keluarkan.surpres.ruu.pertembakauan.jokowi.dinilai.tak.konsisten>

National Health Insurance (JKN) – the New Entry for the Battles

The introduction of the JKN, integrating all social health insurance and social assistance program for medicaid into a single payer scheme—the JKN, attract national attentions by almost all groups. The JKN is now covering more than 210 million people (almost 80% of the total 266 million Indonesians) but the scheme is suffering from five years consecutive deficits. The advantage of the single scheme is that all aspects of the coverage gat national attention. To overcome the deficits, increasing cigarette excises and to enact a sin-tax regulation becomes hot national debate. The major public supported the move to increase cigarette prices up to IDR 50,000 per pack²³ had not been picked up by the government, arguing that such move may trigger high inflation—the monster for the government policy. Although the public keep supporting to increase excise to collect more money for the JKN, the government decided not to raise excise in 2019. The pro-TC deeply disappointed and the JKN is suffering from large deficits and fails to improve quality of care.

Conclusions and recommendations

Cigarettes kill on average 600 people in Indonesia but at the same time cigarettes are seen as the potential source of income for the government with contribute more than 10% of the government revenue annually. The battles yield to the spreads of hoax about FCTC. Until now, Indonesia is the only country in Asia and one of few countries that have not signed or accessed FCTC. As the results, tobacco control in Indonesia has not been successful. Instead, smoking prevalence remains the highest in the World and increased among youth. Certainly, the smoking behaviors contribute to the 66% deaths from NCDs in Indonesia. The battles to control cigarette consumption via excise and legal/regulation remain intense. The introduction of the JKN is expected to provide lessons for the people to support the tobacco control for the future of sustained JKN.

²³ *Thabrany H and Rahima Z. Public support to increase Excise for the JKN, JEKI no 1/2017:1-16.*

