



## **The Effectiveness of Alcoholic Beverage Distribution Control Through Buleleng Regency Regulation No. 9 of 2016**

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### **ABSTRACT**

*The circulation and sale of alcoholic beverages in Buleleng Regency remain prone to violations, particularly regarding business licensing and permitted trading locations. Despite existing regulations, supervision is often ineffective, allowing unauthorized sales and non-compliant business operations. Challenges in enforcement contribute to ongoing violations. This study aims to evaluate the effectiveness of supervision over the circulation and sale of alcoholic beverages in Buleleng Regency and identify key obstacles hindering proper enforcement. This research uses an empirical legal method to examine the gap between law and social reality through juridical and sociological approaches, supported by qualitative analysis of observations, interviews, and documentation linked to legal theories and regulations. The supervision of alcoholic beverage sales in Buleleng Regency is carried out through guidance, field inspections, and enforcement by an Integrated Team of various technical agencies. However, this supervision has not been fully effective, as the goals outlined in the regulations have not been achieved. Many businesses still operate without licenses and violate location restrictions. Several factors hinder effective implementation, including weak enforcement, overlapping responsibilities among agencies, low legal awareness among business owners, and limited public understanding of the health and social impacts of alcohol consumption.*

**Keywords:** Alcoholic Beverages, Distribution Control, Effectiveness

## INTRODUCTION

Investment is one of the factors that affect economic growth.<sup>1</sup> One of the social issues is the specialized trade in alcoholic beverages. The existence of alcoholic beverages has always generated pros and cons in society. Behind the positive impact on the investment sector, there are negative impacts that threaten physical and spiritual health, threaten the future life of the nation's generation, and trigger security, peace, and public order disturbances as a result of alcohol consumption.

Through the Regional Regulation of Buleleng Regency No. 9/2016 on the Control of Alcoholic Beverage Distribution, the Buleleng Regency Government has controlled and supervised the circulation of alcoholic beverages in Buleleng Regency. Given the reason for the establishment of this local regulation, it is intended to oversee the circulation and sale of alcoholic beverages so as not to violate the existing provisions. This is directly related to the right to health, which is very important. The government should be implicitly responsible for creating conditions that allow every individual, as the next generation of the nation, to live a healthy life and be free from the adverse effects of alcoholic beverages.<sup>2</sup>

Although the regulation on the supervision of the distribution and sale of alcoholic beverages regulates the location and appropriate place to trade alcoholic beverages, there are still violations in the practice of selling alcoholic beverages that are not by the rules. One example of a violation of the location and/or place of trading of alcoholic beverages in Buleleng Regency is that shops are selling alcoholic beverages whose location or place of business is not by the provisions of Article 12 of Buleleng District Regulation No. 9/2016.<sup>3</sup> By looking at this issue as a city of education and also as a choice of tourism destinations in the North Bali region, the government should pay better attention to violations of the provisions of the location or place of trade of alcoholic beverages so that the area to be visited by tourists becomes a safe destination from the criminalization of the free circulation of alcoholic beverages. Based on the background presented, this paper will discuss the supervision of the circulation and sale of alcoholic beverages in Buleleng Regency, as well as the obstacles faced in its implementation.

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<sup>1</sup> Aleksandr V. Menshikov, Yelena V. Kalabashkina, and Sergey A. Zverev, "Investment as a Factor of Economic Growth," *Mediterranean Journal of Social Sciences* (June 30, 2015), <https://www.richtmann.org/journal/index.php/mjss/article/view/6871>.

<sup>2</sup> Tri Rini Puji Lestari, "Menyoal Pengaturan Konsumsi Minuman Beralkohol Di Indonesia," *Aspirasi: Jurnal Masalah-masalah Sosial* 7, no. 2 (May 6, 2019): 127–141, <https://jurnal.dpr.go.id/index.php/aspirasi/article/view/1285>.

<sup>3</sup> *Peraturan Daerah (Perda) Kabupaten Buleleng Nomor 9 Tahun 2016 Tentang Pengendalian Peredaran Minuman Beralkohol*, 2016, <https://peraturan.bpk.go.id/Details/16894/perda-kab-buleleng-no-9-tahun-2016>.

## RESEARCH METHODOLOGY

The research method used in this research is the empirical legal research method. In this empirical legal research, the law is conceptualized as a social institution in real terms by being linked to other social variables as a legal reality.<sup>4</sup> The data sources used in writing this thesis are data sources derived from primary data and secondary data with data collection techniques carried out by interviews, questionnaires, and observations that can either be carried out simultaneously or separately, which will then be analyzed qualitatively by connecting and examining the gap between the rule of law and the reality that exists in society through a juridical analysis approach and a sociological approach.

## RESULT AND DISCUSSION

### Supervision of the Distribution and Sale of Alcoholic Beverages According to Buleleng District Regulation No. 9/2016

Buleleng Regency Local Regulation No. 9 of 2016 regulates the supervision of the distribution and sale of alcoholic beverages. This regulation aims to maintain order and protect public health because Buleleng Regency, as one of the cities of education and also a choice of tourism destinations in the North Bali region, should pay attention to the circulation of alcoholic beverage sales. Therefore, it is necessary to supervise the circulation and sale of alcoholic beverages to not violate the existing provisions.

In the general provisions, Article 1 point 7 of Buleleng District Regulation No. 9/2016 defines alcoholic beverages as drinks containing ethyl alcohol or ethanol (C<sub>2</sub>H<sub>5</sub>OH) processed from agricultural products containing carbohydrates by fermentation and distillation or fermentation without distillation.<sup>5</sup> Alcoholic beverages are a group of beverages whose production and sale are designated as goods under supervision. For the supervision of alcoholic beverages in Buleleng Regency, it is implicitly explained in the provisions of Article 3, namely:

1. In distributing class B and/or class C alcoholic beverages, producers may appoint distributors, sub-distributors, direct sellers, and/or retailers based on a written agreement.
2. As referred to in Paragraph (1), the distributor may only obtain a maximum of 5 (five) appointments from producers.
3. Distributors, as referred to in Paragraph (1), must be:
  - a. Own and/or control a warehouse where alcoholic beverages are stored separately and apart from other goods;

<sup>4</sup> Rio Saputra and Mokhammad Najih, "Bantuan Hukum Cuma-Cuma Bagi Tersangka Yang Tidak Mampu Pada Tingkat Penyidikan," *Pena Justisia: Media Komunikasi dan Kajian Hukum* 19, no. 2 (September 4, 2020), <http://jurnal.unikal.ac.id/index.php/hk/article/view/1119>.

<sup>5</sup> Peraturan Daerah (Perda) Kabupaten Buleleng Nomor 9 Tahun 2016 Tentang Pengendalian Peredaran Minuman Beralkohol.

- b. Own and/or control adequate conveyance; and
- c. Has an alcoholic beverage distribution network up to the level of sub-distributors, direct sellers, or retailers in its working area, as evidenced by a list of designated sub-distributors, direct sellers, or retailers.
4. Distributors can only distribute class B and/or class C alcoholic beverages from producers and/or IT-MBs that appoint them.
5. As referred to in Paragraph (1), the distributor in distributing class B and/or class C alcoholic beverages may appoint sub-distributors, direct sellers, or retailers based on a written agreement.

Alcoholic beverage sales businesses in Buleleng Regency are dominated by alcoholic beverage retailers (diluents). As of December 2024, there are 21 alcoholic beverage sales businesses spread across several sub-districts in Buleleng Regency that have been registered in OSS-RBA, consisting of 9 alcoholic beverage wholesale trade businesses (distributors) and 12 alcoholic beverage retail trade businesses (diluents). The fluctuation in the number of businesses reflects the dynamics in the alcoholic beverage sales business sector that various internal and external factors can influence. Fluctuations in the number of businesses reflect responses to changes in business terms and conditions regulation. Factors that have the potential to influence these fluctuations include government policies, economic conditions, and factors related to the market and available resources.

Based on data from the Investment and One-Stop Integrated Service Office of Buleleng Regency, alcoholic beverage businesses that registered in the OSS-RBA system to obtain business legality in the form of NIB amounted to only 21 businesses until December 2024. Although this number indicates compliance with licensing, the effectiveness of business licensing implementation still needs to be improved so that more business actors are encouraged to register their business legality.

In practice, the business of selling alcoholic beverages is often not included in the top priority category of supervision activities. This is due to the relatively small investment value and the fact that it does not directly impact environmental sustainability compared to other businesses. Therefore, supervision is more focused on businesses with a high investment scale or that have a greater potential risk to the environment and society. However, since 2024, supervision of selling alcoholic beverages in Buleleng Regency has begun. This step was taken in response to public complaints about social impacts, especially regarding public order.

The results of interviews conducted by researchers show that when supervision is carried out, there are differences for each business actor; some aim to check NIB, capital value, employment, and even product labeling and expiration. In addition, there are also business actors who do not know the sales location provisions that are allowed according to the provisions. This shows the lack of

optimal socialization of business actors regarding the provisions of their business location, which can impact the level of compliance of business actors in fulfilling their business obligations.

For alcoholic beverage businesses, it is stipulated that retailers or direct sellers are prohibited from trading alcoholic beverages in locations or places adjacent to:

1. Youth centers, street vendors, terminals, stations, small kiosks, youth lodges, and campgrounds;
2. Prayer centers, schools, hospitals;
3. Other specific places are stipulated in the Regent Regulation.

In addition to the provisions on the location/place to sell alcoholic beverages, several other restrictions are regulated and must be considered by business actors, among others:

1. Types of alcoholic beverages outside of class A, class B, and class C, as listed in the provisions of Article 2 paragraph (3), are prohibited from being circulated or sold in Buleleng Regency except for traditional ceremonies. Therefore, alcoholic beverages allowed to circulate in Buleleng Regency must be by the provisions listed on the license granted to license holders who have fulfilled all their obligations.
2. Retailers and/or direct sellers are prohibited from selling alcoholic beverages to children under 21, as evidenced by an ID card, and foreign nationals who are adults.
3. Individuals and/or business entities are prohibited from producing alcoholic beverages within Buleleng Regency.
4. Direct sellers of alcoholic beverages for drinking are only permitted to sell alcoholic beverages for drinking at the point of sale.
5. Users/consumers of alcoholic beverages must not disturb the peace and order of the neighborhood.

Based on the provisions of laws and regulations, especially Law No. 23 of 2014 jo. The Job Creation Law provides attribution of authority to local governments in the field of business licensing. Furthermore, Article 33 of MOT Regulation No. 20/M-DAG/PER/4/2014 on the Control and Supervision of the Procurement, Distribution, and Sale of Alcoholic Beverages confirms that the authority to supervise business licensing in the regions is delegated by the regent/mayor through the establishment of an Integrated Team consisting of elements of the Department whose duties and responsibilities are in the field of trade. In this case, the Head of the Department of Trade, Industry, Cooperatives and SMEs. This aims to make supervision more effective and efficient. Therefore, the Department of Trade, Industry, Cooperatives, and SMEs has the leading role in ensuring compliance of business actors with applicable regulations.

Planning is a key factor in supporting supervisory effectiveness. In alcohol licensing supervision, planning is needed to optimize resources and ensure supervision is conducted systematically.

The main functions of planning in supervision are, among others, to guide activities that ensure the direction and focus of supervision, to provide legitimacy for the supervisory institution to obtain resource support, and to set standards for evaluation and motivation for supervisors.<sup>6</sup>

### **Implementation of Buleleng Regency Regulation No. 9/2016 on the Control of Alcoholic Beverage Distribution**

Problems related to the circulation of alcoholic beverages in Buleleng Regency still occur; it is not uncommon for alcoholic beverage sellers not to have a business license to the location of the selling place that does not comply with the regulated provisions. The increasingly widespread circulation and sale of alcoholic beverages will have an impact on the high crime rate in the community because many people who consume large amounts of alcoholic beverages can do things that can harm others, such as fights, murders, traffic accidents, fooling, beatings, and damage.

Buleleng District Regulation No. 9 of 2016 on the Control of Alcoholic Beverage Distribution states that in order to supervise the circulation and sale of alcoholic beverages, the Regent forms an Integrated Team consisting of the Technical SKPD for issuing business licenses, in this case, the Trade, Industry, Cooperatives, and SMEs Office in coordination with the Investment and One Stop Integrated Service Office and the Pamong Praja Police Unit by including the police as a supporting element. All SKPDs involved in carrying out their duties have a working relationship with each other.

The Buleleng District Office of Trade, Industry, Cooperatives, and SMEs does not act alone in supervising the sale of alcoholic beverages but cooperates with various regional apparatuses by their respective authorities. This is in line with the Whole of Government (WoG) concept, which develops a solid and integrated government by improving coordination and consolidating it.<sup>7</sup> Through coordination and collaboration between government agencies, policy effectiveness will be achieved.

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<sup>6</sup> Amruddin et al., *Pengantar Manajemen (Konsep Dan Pendekatan Teoretis)* (Bandung: CV Media Sains Indonesia, 2020), [https://repository.umi.ac.id/1582/5/Buku\\_Digital\\_-Pengantar\\_Manajemen\\_%28Konsep\\_dan\\_Pendekatan\\_Teoretis%29.pdf](https://repository.umi.ac.id/1582/5/Buku_Digital_-Pengantar_Manajemen_%28Konsep_dan_Pendekatan_Teoretis%29.pdf).

<sup>7</sup> A Dwiyanto and U G M Press, *Teori Administrasi Publik Dan Penerapannya Di Indonesia* (Gadjah Mada University Press, 2022), <https://books.google.co.id/books?id=AvB4EAAAQBAJ>.

Whole of Government (WoG) concept, which develops a solid and integrated government by improving coordination and consolidating it.<sup>8</sup>

The principle of Weberian bureaucracy can be seen in implementing OSS-RBA regulations that regulate the division of roles and authorities between agencies in supervising the licensing of alcoholic beverage sales. However, to avoid bureaucratic rigidity that can hinder the effectiveness of supervision, the WoG approach is a solution to make the bureaucracy more flexible and responsive to conditions in the field.

Supervision is carried out to ensure the compliance of business actors. In the context of licensing for the sale of alcoholic beverages, the Office of Trade, Industry, Cooperatives and SMEs, as the coordinator, plays a pivotal role in planning and executing this supervision. Other tasks, such as monitoring the realization of investment, incentives, and facilities, are proactively carried out by the Investment and One-Stop Integrated Service Office, instilling confidence in the monitoring process.

When fulfilling business activity standards and/or product/service standards, the Office of Trade, Industry, Cooperatives, and SMEs plays an important role as a technical coordinator in issuing a Trade Recommendation Letter for each application for a business license in the alcoholic beverage trade. The Office of Trade, Industry, Cooperatives, and SMEs also provides guidance to business actors to provide education when providing technical recommendations to business actors to increase productivity and comply with good trade standards.

As the government closest to the community, village governments have a strategic role in supervising the licensing of alcoholic beverage sales. In supervising the licensing of alcoholic beverage sales, the village government functions as the spearhead that collects data, facilitates communication between business actors and authorized agencies, and mediates complaints from aggrieved communities. If, after supervision, a violation is found that the business does not have a business license for the sale of alcoholic beverages, the recommendation of the supervision results will be submitted to the Pamong Praja Police Unit. The Pamong Praja Police Unit can conduct non-justicial enforcement against unlicensed businesses. Non-judicial enforcement is carried out by administrative law enforcement in the form of written warnings, temporary suspension of business and/or activities, temporary suspension of public services, and/or location closure; this is as regulated in Article 22 and Article 23 of Buleleng Regency Regional Regulation No. 9 of 2016 concerning Control of Alcoholic Beverage Distribution.

Therefore, the supervision of the licensing of alcoholic beverage sales involves various agencies working in a coordinated manner by their respective authorities. This aligns with the WoG concept, which emphasizes integrating and connecting agencies to improve policy effectiveness. With the WoG approach,

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<sup>8</sup> Ibid.

coordination in public administration harmonizes tasks and ensures that each agency contributes optimally to licensing supervision to achieve more effective and efficient goals.

Nyoman Juni Wardhana, S.Sos, Head of the Regional Law Enforcement Division at the Buleleng Regency Pamong Praja Police Unit, said that the supervision of the circulation and sale of alcoholic beverages in the Buleleng Regency Government was carried out through:

1. The technical regional apparatus organization responsible for administering trade licensing and public peace and order provides guidance.
2. Municipal Police, together with other related technical elements, supervises the implementation of Buleleng Regency Regional Regulation No. 9/2016.
3. Municipal Police enforces violations of Buleleng Regency Regional Regulation No. 9/2016 provisions after a follow-up proposal from technical agencies and in coordination with other related elements.

The form of guidance, supervision, and enforcement of public order on the supervision of the circulation and sale of alcoholic beverages in question is in the form of:

1. **Coaching of Business Actors**

Guidance efforts by technical agencies on places of sale and parties who consume alcoholic beverages are only allowed in certain places and must have SKP and/or SKPL B and C permits. The application for SKP and/or SKPL B and C is required for direct sellers, TBB (Duty-Free Shop) dilutors, and direct sellers and/or dilutors of Class A, Class B, and Class C alcoholic beverages.

Sellers of alcoholic beverages can obtain business licenses by attaching technical requirements issued by the Buleleng District Office of Trade, Industry, and SME Cooperatives. The trade office coaches businesses during the technical recommendation verification process to improve compliance with regulated requirements.

Therefore, government guidance in the form of mentoring or counseling plays an important role. Researchers argue that this is in line with the principles of progressive law, which emphasize the importance of a proactive and preventive approach. According to Rahardjo, the law must be able to anticipate potential problems and take preventive measures before negative impacts occur. Therefore, coaching measures for business actors can be categorized as preventive protection efforts to ensure that alcoholic beverage businesses meet the set standards.

2. **Internal and external supervision**

The purpose of this internal supervision activity is carried out through raids (community diseases) carried out by Municipal Police of Buleleng Regency on a scheduled or unscheduled basis. The external supervision is carried out if the Municipal Police of Buleleng Regency gets a complaint report from the general public about an indication of a violation of the place of sale of alcoholic beverages that is not by the provisions of the act of consuming alcoholic beverages that violates and disturbs public order and will then be followed up to internal supervision such as conducting direct raids on the place of sale of alcoholic beverages reported by the public.

Alcoholic beverages can be one of the community diseases that are very difficult to overcome properly due to the high network of alcoholic beverage sellers. This has resulted in the Buleleng District Office of Trade, Industry and SME Cooperatives and the Buleleng District Office of Investment and PTSP, which are technically directly related to alcohol licenses, having difficulty reaching out to unlicensed alcoholic beverage businesses and thus missing out on the list of supervised businesses.

Putu Gitarani Cahaya Putri Wijaya, S.T., JF Muda Licensing Arranger of Licensing and Non-Licensing Service Substance B at the Buleleng Regency Investment and One-Stop Integrated Service Office said that the supervisory authority here is only carried out on businesses that already have NIB. Even if supervision is carried out, the things that are checked are only in the form of various business fields by the directions of the Investment Coordinating Board (BKPM), such as the realization of business capital, the number of workers absorbed, the impact on the environment and the Business Identification Number (NIB).

In risk-based business licensing, as stipulated in Article 218 of Government Regulation No. 5/2021, risk-based business licensing supervision consists of routine and incidental supervision. Routine supervision is carried out periodically by authorized agencies based on the level of risk of business activities and considering the level of compliance of business actors. This preventive supervision aims to detect potential irregularities early on and ensure that the business continues to operate in accordance with regulations. Meanwhile, incidental supervision is conducted based on suspected violations or reports from the public regarding discrepancies in the implementation of business activities. In contrast to preventive routine supervision, incidental supervision is more repressive, as it aims to investigate violations and determine the necessary corrective actions. This is in line with Article 217 Letter C of Government Regulation No. 5/2021, which confirms that

supervision is the basis for guidance or imposition of administrative sanctions for violations of business licensing.

Based on Article 220 of Government Regulation No. 5/2021, routine supervision is carried out through reports from business actors and field inspections. Business actors submit the report to the ministry/agency, provincial, regional government, regency/city regional government, SEZ Administrator, and/or KPBPB Concession Agency by their authority. This report includes compliance with business standards and the development of business activities as stipulated in Article 221 Paragraph (1).

This is in line with the obligation to submit a report on the progress of business activities as referred to in Article 17, Paragraphs (1) and (2) of Buleleng District Regulation No. 9/2016, which contains:

- a. Direct sellers and retailers must submit a report on the realization of alcohol sales to the Regent with a copy to the Governor.
- b. Direct sellers and/or retailers of class B alcoholic beverages containing spices, herbs, and the like must report the realization of sales of class B alcoholic beverages to the Regent with a copy sent to the Governor.

### 3. Enforcement of Violations

Control of violations of the distribution and sale of alcoholic beverages will be carried out through the provision of sanctions that have been determined. The sanctions range from warning letters for minor violations to license revocation for serious violations. For violations of the consumption of alcoholic beverages in inappropriate places, sanctions can also be imposed in the form of community disease guidance. The provision of community policing is considered to impact public awareness of the adverse effects of alcoholic beverages.

The aspect of order and tranquility in the community is one of the indicators in supervision for which business actors are responsible for preserving the social environment in the community. Suppose the business actor does not fulfill the responsibility to maintain the location provisions stated in the technical recommendation document. In that case, the Buleleng Regency Trade, Industry, Cooperatives, and SMEs Service Office, by its authority, impose administrative sanctions on business actors, as stipulated in the provisions of Article 22 Paragraph (1) and Article 23 Paragraph (2) of Buleleng Regency Regional Regulation No. 9/2016, confirming that administrative sanctions imposed can be in the form of 3 consecutive written warnings; temporary suspension of business activities; revocation of business licenses; or revocation of business licenses to support business activities.

Administrative sanctions are imposed based on the violation level, including minor, moderate, and severe violations.

Sanctions must be imposed carefully and cautiously, especially for micro businesses where supervision is provided through coaching, mentoring, or counseling. Researchers argue that coaching, mentoring, or counseling conducted by the government has an important role in ensuring that business actors selling alcoholic beverages do not commit violations.

The legal protection carried out consists of preventive and repressive protection. Repressive legal protection aims to resolve disputes. Researchers argue that these three stages of sanctioning have a strategic role in realizing supervision that is not only preventive but also repressive and corrective and/or appropriate sanctions. Repressive supervision is carried out after a job has been completed, which aims to ensure that the results achieved follow the predetermined plan. On the other hand, repressive protection from public complaints and administrative sanctions is needed to overcome the impacts and provide a deterrent effect to business actors.

For example, in observations made in the Buleleng Sub-district area, two business actors were found who did not have NIBs because the respondents thought that small businesses such as Madura stalls did not need licenses and were constrained by the capital value, which was determined to be at least 5 billion, so the respondents did not continue the process because they thought they did not meet the requirements.

According to George C. Edwards III, who put forward a policy implementation model, there are four critical factors or variables in policy implementation: communication, resources, attitudes or dispositions, and bureaucratic structure.<sup>9</sup>

In practice, the Investment and One-Stop Integrated Service Office of Buleleng Regency has made various efforts to improve the effectiveness of this policy implementation. These efforts include assistance with permit processing, socialization with businesses, and coordination with village governments in collecting business data. However, the effectiveness of the implementation is still influenced by various factors, including the local government's readiness to ensure micro-businesses have adequate information on licensing procedures. Implementing licensing for the sale of alcoholic beverages in Buleleng Regency can be more effective if there are improvements in policy communication, optimization of socialization, and strengthening

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<sup>9</sup> Firmansyah, *Evaluasi Dan Efektivitas Implementasi Kebijakan Tata Ruang* (Bandung: Indonesia Emas Group, 2023).

coordination between agencies to encourage all business actors to take care of their business legality.

### **Constraints in the Implementation of Supervision of the Distribution and Sale of Alcoholic Beverages in Buleleng Regency**

#### **1. Legal Substance**

The legal substance can influence the supervision of the distribution and sale of alcoholic beverages. The obstacle is the unavailability of new provisions in the local regulation itself. The Regional Regulation of Buleleng Regency Number 9 of 2016 has not regulated the latest problems in society, and the sanctions and scope in the provisions of the Regional Regulation have not accommodated every violation.

During this time, if a raid operation is carried out, the primary focus is only supervising the ownership of the business license (NIB) and the suitability of alcohol content for the products sold. However, the provision of sales locations per Article 12 of Buleleng District Regulation No. 9/2016 has never been discussed. When there is a violation of the specified alcohol content, only confiscation is carried out, while the seller is only given guidance so that administrative fulfillment is carried out without any follow-up.

A reporting obligation on the follow-up to the fulfillment of administrative implementation commitments is deemed necessary. This can facilitate the supervisory apparatus in knowing that the follow-up has been carried out, making the supervision process more efficient. Potential violations can be known early before the negative impact on the business arises.

Moreover, alcoholic beverage businesses need to provide incentives and disincentives to encourage compliance with applicable regulations. Incentives can encourage voluntary compliance and reduce the need for strict supervision. Disincentives aim to create a deterrence effect and ensure that businesses comply with applicable regulations. With incentives and disincentives in place, supervisory resources can be allocated more efficiently, focusing on businesses that are high-risk or have a track record of violations.

#### **2. Legal Structure**

Legal structure refers to the institutions and mechanisms that enforce the law, including supervisory institutions, supervisory procedures, and enforcement systems. Regarding the supervision of licensing of alcoholic beverage sales, the legal structure is run by an integrated team consisting of the Department of Trade, Industry,

Cooperatives, and SMEs as the coordinators and other technical offices as members.

Researchers argue that in implementing supervision of the distribution and sale of alcoholic beverages carried out by the relevant agencies as described above, there are obstacles, namely coordination, that have not been well established and optimized, resulting in overlapping supervisory responsibilities. The limited facilities and inefficient budget allocated for implementing supervision activities in the field are also obstacles to implementing supervision. The limited budget for supervision activities means that supervision cannot be done optimally. Technical agencies find it difficult to supervise all business actors without an adequate budget. In addition, the limited number of supervisory personnel is also a serious problem. This has an impact on supervisory planning that prioritizes large-scale businesses over small-scale businesses.

The availability of human resources, budget support, and information technology largely determine the effectiveness of this structure. In addition, the effectiveness of supervision also depends on the synergy between team members in carrying out their duties transparently, accountably, and consistently so that the supervision process can take place fairly and reliably. Without adequate capacity, supervision will not be effective. On the other hand, the availability of access to information for business actors and the public is also an important element in forming a legal structure responsive to the dynamics and needs in the field.

### 3. Legal Culture

Legal culture refers to people's attitudes, beliefs, and values towards the law, including legal awareness and trust in the legal system. A positive legal culture will encourage voluntary compliance, while a negative legal culture can hinder the effectiveness of supervision. Business actors with high legal awareness will comply more with regulations, even without strict supervision. Education and socialization about the importance of compliance and its negative impact on the social environment in the community can increase the legal awareness of business actors. If businesses believe that the legal system is fair and non-discriminatory, they will be more likely to comply with regulations. This trust can be built through transparency and consistency in law enforcement.

As part of legal culture, legal awareness manifests how individuals or groups understand, feel, and behave towards the law. In this context, legal culture serves as a normative and psychological foundation that shapes people's perceptions of the law, which is then internalized into

legal awareness. In other words, legal culture is an important starting point and bridge for the growth of legal awareness. Therefore, legal awareness cannot be separated from the legal culture surrounding it because the two interact closely. B. Kutschincky in Soerjono Soekanto states that the indicators of the problem of legal awareness are:

- a. Legal Regulations Knowledge (law awareness)
- b. Legal Regulations Content Knowledge (law acquaintance)
- c. Attitude towards legal regulations (legal attitude)
- d. Legal behavior patterns (legal behavior).<sup>10</sup>

These indicators show the stages of legal awareness, from the most basic (knowledge) to the most complex (legal behaviour per the norms). Therefore, legal awareness reflects the success or failure of the legal system, especially the legal culture element.

In this research context, the crucial community involvement is inversely proportional to what should be done. The community plays a significant role in business legality obligations, and their tendency to focus on big sales profits alone can sometimes lead to a lack of attention. The misunderstanding from the community regarding the assessment of Municipal Police's performance, which is considered an arrogant action, and the lack of information on the provisions of supervisory regulations also add to the real conditions in the field, underscoring the need for their involvement.

The implementation of this local regulation faces obstacles in its implementation, which tend to be due to elements of the community itself that still do not support the supervision of the circulation and sale of alcoholic beverages because the reason is:

- a. An element of profit/significant profit favourable to the business actor.
- b. An element of profit/significance of high consumer demand for alcoholic beverages is that they have become part of the culture and tradition in Bali. The profit is favourable to the business actor.
- c. The affordable price of alcoholic beverages.
- d. Punishment for violations has not yet had a deterrent effect.

Understanding the causal and reciprocal relationship between legal culture and legal awareness is crucial. A robust legal culture fosters a high level of legal awareness in society, while a low legal awareness can indicate a weak legal culture. The societal implications of a weak legal culture are significant, underscoring the urgency of addressing this issue.

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<sup>10</sup> Soerjono Soekanto, "KESADARAN HUKUM DAN KEPATUHAN HUKUM," *Jurnal Hukum & Pembangunan* 7, no. 6 (December 31, 1977): 462,  
<http://jhp.ui.ac.id/index.php/home/article/view/742>.

To effectively supervise the distribution and sale of alcoholic beverages in society, a deep understanding of legal culture and legal awareness is indispensable.

Furthermore, strong legal awareness will result in voluntary legal compliance, not solely due to supervision or the threat of sanctions. H.C Kelman in Soerjono Soekanto, provides an in-depth perspective on legal compliance through three main processes, namely: compliance, defined as compliance based on expectations of rewards or efforts to avoid punishment. This compliance is not based on belief in the law's purpose but on power holders' control. As a result, compliance only exists if strict supervision of the law's implementation exists. It's important to note that rewards play a significant role in compliance, as individuals often adhere to the law based on expectations of rewards. Identification occurs when compliance with the law is driven by a desire to maintain membership in a group or good relations with the authorities. This compliance is not based on the intrinsic value of the law but on the benefits gained from the relationship. Moreover, internalization is the highest form of compliance, where individuals obey the law because they believe in the values contained in the law. This compliance is voluntary and does not require strict supervision, as it has become part of the individual's beliefs and values.

Stressing the complexity of forming legal awareness without a conducive legal culture, it is evident that this is a significant challenge in the process. Legal culture, as the foundation, shapes legal awareness, which in turn influences the level of legal compliance. These three elements are intricately linked, forming a complex web that cannot be isolated when evaluating the effectiveness of law in society. Legal compliance is often only superficial or coerced when legal awareness is not correctly formed due to the absence of a supportive legal culture.

In practice, the Technical Recommendation is an instrument of supervision from the local government. The technical recommendation will explain the business's activities in real terms. Technical Recommendations contain the suitability of alcoholic beverage sales activities and the obligation to fulfil the standards of sales location and type of beverage classification. With the implementation of risk-based business licensing, the number of Technical Recommendations issued has increased significantly. It is important to note that the mechanism for issuing Technical Recommendations is not automatic through the OSS-RBA system. Instead, it requires direct field verification, ensuring the accuracy and reliability of the data used.

The growing number of Technical Recommendations is not matched by adequate supervisory capacity, given that there are only three

(3) trade supervisors in Buleleng Regency. The massive imbalance between the number of supervisors and the number of Technical Recommendations that must be verified causes the effectiveness of supervision to be very limited. Under these conditions, field inspections of the compliance of business actors in carrying out the commitment to the terms of sale are not optimal. This opens up opportunities for business actors not to fulfil their obligations as stated in the Technical Recommendations, posing significant risks of non-compliance and potential harm to the community because there is no strict supervision mechanism.

Moreover, the absence of data synchronization between Technical Recommendations issued at the Trade, Industry, Cooperatives and SMEs Office of Buleleng Regency has resulted in the Investment and PTSP Office of Buleleng Regency having difficulties in identifying and monitoring the existence of businesses that already have Technical Recommendations. This underscores the need for a collaborative effort to improve data integration. Without good data integration, supervision of businesses with Technical Recommendations becomes increasingly complex and prone to undetected violations.

This risks making the Technical Recommendation merely an administrative requirement without any real impact on protecting the social environment in the community. To overcome this problem, a more solid data synchronization on the sustainability of Technical Recommendations for businesses is needed to ensure that commitments to supervise the distribution of alcoholic beverages are implemented. In addition, it is crucial to increase the number of trade inspectors and utilize technology-based monitoring systems to support more proactive and adequate supervision. Without these measures, the current supervisory system cannot provide optimal protection for public order and health.

### **Actions Taken to Overcome Obstacles in the Implementation of Supervision of the Distribution and Sale of Alcoholic Beverages in Buleleng Regency**

Supervision of the distribution and sale of alcoholic beverages faces various obstacles, such as limited budgets, the number of supervisors, business actors who tend to avoid supervision and lack of political will. However, with the implementation of systematic and sustainable solutions, we can overcome these obstacles and bring about positive change. Some of the strategic measures used to overcome these obstacles include:

1. Maximizing available facilities and infrastructure. This includes routine maintenance of operational vehicles such as patrol cars, minibuses, and motorcycles. Maintaining the condition and functioning of the vehicle can support the smooth running of patrol operations. In addition,

preparing a regular supervision schedule should be considered to optimize the use of facilities and infrastructure without overlapping with other supervision activities.

2. Our main goal is to boost community participation. This can be accomplished through a range of methods, from intensive socialization and social media use to direct information dissemination in schools or other public spaces. The focus of our efforts to overcome obstacles is to ensure the community comprehends the negative effects of alcohol on health and social life. The forms of community participation can be:
  - a. Providing information on activities prohibited in this regulation;
  - b. Strengthening local culture to prevent alcohol abuse;
  - c. Guarding the law enforcement process of this regulation;
  - d. Provide counselling on the negative impact of alcoholic beverages.

Increasing public awareness of the dangers of alcoholic beverages is hoped to lead to more proactive public participation. This participation, particularly in reporting illegal activities related to the distribution and sale of alcoholic beverages, is crucial. It is a step towards building a strong synergy between law enforcement and community participation. This collaboration is vital, as maintaining order and security in society is not only the government's responsibility but also the responsibility of the entire Indonesian nation.<sup>11</sup>

3. There is a need for a new, more relevant, and comprehensive local regulation on supervising the distribution and sale of alcoholic beverages. The current local regulations are no longer effective, given the development of new types of alcoholic beverages that have not been regulated in the old regulations.

### **Legal Consequences of Violations of the Distribution and Sale of Alcoholic Beverages in Buleleng Regency**

The circulation of alcoholic beverages is an ongoing and complex issue. Despite the local government's persistent efforts, it has proven challenging to regulate effectively. Soerjono Soekanto's opinion suggests that the effectiveness of the law is influenced by several factors, including:

1. Under the law, there are likely inconsistencies in legislation regarding specific areas of life;
2. Law enforcement, namely the parties who form and apply the law;
3. Supportive infrastructure for law enforcement;
4. Society, is where the law is enacted and applied;

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<sup>11</sup> I Nengah Suardana, Ni Luh Mahendrawati, and Ni Gusti Ketut Sri Astiti, "Perlindungan Hukum Terhadap Investor Berdasarkan Prinsip Keterbukaan Oleh Emiten Di Pasar Modal," *Jurnal Analogi Hukum* 2, no. 2 (July 20, 2020): 182–186,  
<https://www.ejournal.warmadewa.ac.id/index.php/analogihukum/article/view/1918>.

5. Culture results from work, creation, and taste based on the human spirit in the association of life.<sup>12</sup>

The law is a tool of social engineering. It can change behaviour and maintain order in society. If the community has done what is regulated by law, there is legal compliance. Law also functions as a means of social control.

From the researcher's perspective, the theory underscores the use of law to maintain society's expected order and state, providing security and protection. In the theory of law as social control, the law is not just a set of rules but a reflection of our shared values and beliefs. This mutual agreement ensures that the community operates within the social system, thereby avoiding the consequences of the agreed law.

The legal consequences of violations of the distribution and sale of alcoholic beverages in Buleleng Regency can result in criminal and administrative sanctions. The violation can be subject to criminal sanctions in the form of imprisonment and/or fines and administrative sanctions such as revocation of business licenses.

1. Criminal Consequences

- a. From a legal standpoint, violations of the distribution and sale of alcoholic beverages can lead to imprisonment. The penal provisions of this Perda stipulate that any person or company found in violation of the provisions may be subject to a maximum imprisonment of 3 months.
- b. In addition to the Confinement Penalty, violators can also be subject to fines adjusted to the violation level, which can vary up to a maximum fine of IDR 50,000,000 (fifty million rupiah).
- c. Additional Criminal Sanctions In addition to imprisonment and fines as mentioned above, violators may also be subject to additional criminal sanctions, such as cancellation of business licenses and/or prohibition of conducting business activities.

2. Administrative Consequences

- a. Revocation of Business License: If a business has a business license to sell alcoholic beverages, the license can be revoked;
- b. Business Closure: As a consequence of the revocation of a business license, the business may be closed;
- c. Other Administrative Sanctions: In addition to revocation of business license and business closure, violators may also be subject to other administrative sanctions, such as guidance, reprimand, warning, and temporary suspension of business license.

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<sup>12</sup> Soerjono Soekanto, *Faktor-Faktor Yang Mempengaruhi Penegakan Hukum* (Jakarta: Raja Grafindo Persada, 2008).

The Buleleng District's regulation on controlling the circulation of alcoholic beverages has not been able to provide a deterrent effect and has not succeeded in reducing the level of illegal sales violations. This is a matter of urgency. When sanctions are imposed on a regulation, it should be able to provide a deterrent effect for anyone who is considered to have violated or disobeyed the law. The imposition of sanctions aims to measure whether or not a regulation is effective in fulfilling and realizing the existence of legal benefits and justice in society. The need for effective regulation is pressing, and our collective responsibility is to ensure its success.

The community's compliance and obedience largely determine the effectiveness of laws in society. If these are lacking, it raises questions about the laws' ability to cover all societal behaviours and problems or the public's understanding of the law.

## **CONCLUSION**

Supervising the distribution of alcoholic beverages in Buleleng Regency according to Buleleng Regional Regulation No. 9/2016 is conducted through guidance, field supervision, and enforcement. The local government implements supervision through an integrated team of several related technical agencies. Supervision of the distribution and sale of alcoholic beverages in Buleleng Regency has not been maximized since the purpose of supervision based on Buleleng District Regulation No. 9/2016 has not been accomplished. This circumstance is evident from the fact that violations in terms of the responsibility of business actors to the provisions of business administration still remains, such as the location and/or place selling alcoholic beverages adjacent to schools, places of worship, and hospitals; not to mention that numerous business actors do not hold any business licenses. This portrays that business actors have not fully complied with the provisions of business requirements.

The obstacles faced in the implementation of supervision of the alcoholic beverages distribution in Buleleng Regency have not been effective due to: Restrictions pertaining to the law's fundamental content; the local regulation itself contains no additional provisions. Since Buleleng District Regulation No. 9/2016 has not addressed the most recent social issues, only certain violations have been covered by the penalties and extent of the regulation's provisions. In order to solve the current problems, it is imperative to amend these regulations. Overlapping supervisory responsibilities are the outcome of coordination constraints that have not been well defined and executed. The implementation of supervision is further hampered by the inadequate facilities and ineffectiveness of the funding granted for field supervision activities. Additionally, it is limited by the community's legal culture, which frequently disregards business legal responsibilities in favor of enormous profits. The lack of comprehending the terms of supervisory legislation

and public misconceptions about the Municipal Police's performance evaluation, which are perceived as haughty actions, further exacerbate the actual circumstances in the field.

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