

THE CONCEPT OF THE EFFECTIVENESS OF AWARDING WHISTLEBLOWERS AS A PREVENTIVE EFFORT FOR CRIMINAL ACTS NARCOTICS IN THE PERSPECTIVE OF ECONOMIC ANALYSIS OF LAW

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Abstract: *The circulation of illicit narcotics in Indonesia continues to rise despite the existence of comprehensive legal regulations. According to data from the Indonesian National Police (Polri) through the Directorate of Narcotics Crimes (Dittipidnarkoba) and the Regional Police Narcotics Directorates, there were 38,934 cases of illicit narcotics trafficking from January to October 2025. This figure demonstrates that current laws have not been fully effective in suppressing narcotics-related crimes. Therefore, an alternative and more adaptive legal approach is needed, one of which is the Economic Analysis of Law. This study aims to formulate the concept of effectiveness in granting rewards to whistleblowers as a preventive measure in combating narcotics crimes. The research applies a normative juridical method with a legislative approach by examining statutory provisions concerning whistleblower protection and incentives, and evaluating them through an economic perspective to understand how legal rules generate costs, benefits, and behavioral responses within society. The findings indicate an innovative strategy that integrates legal and economic aspects in a balanced manner. Providing financial incentives to whistleblowers is not only a form of recognition for lawful acts but also a rational instrument to encourage greater legal compliance. Such incentives are expected to increase public participation in reporting narcotics crimes, thereby supporting law enforcement efforts. This incentive-based policy has strong potential as an effective preventive measure to promote active community involvement in combating drug trafficking. The study also recommends establishing clear implementation guidelines and periodic evaluation mechanisms to assess the effectiveness of whistleblower incentives in reducing narcotics related offenses.*

Keywords: *Witness Reporter, Prevention, Narcotics, Economics Legal Analysis.*

1. INTRODUCTION

In the current era of globalization, society is experiencing gradual development accompanied by an adjustment process that is not always balanced. As

a result, violations of social norms are becoming more frequent, while the rates and forms of crime are also increasing and becoming more complex. The advancement of science and the continuous evolution of societal thinking have also contributed to increasingly sophisticated crime patterns, including narcotics related offenses. This situation presents a challenge for law enforcement agencies to formulate more effective countermeasures, particularly in addressing narcotics trafficking and drug abuse cases (Yuwannita, 2024, p. 1)

Narcotics crimes are classified as *extraordinary crimes* that require serious handling with an extraordinary destruction impact on the survival of the nation and state. Narcotics abuse directly has a negative impact on users' health, educational achievement and productivity of users and increases crime. The economic impact of narcotics abuse in particular disrupts employment, labor and work productivity (Nainggolan, 2024).

As part of its national strategy to eradicate drug crimes, the National Narcotics Agency (BNN) has consistently strengthened efforts to dismantle drug syndicates. These efforts aim to curb the escalation of illicit drug trafficking that threatens national security and resilience, covering both national-level networks and transnational syndicates (Badan Narkotika Nasional (BNN), 2025).

From June to July 2025, the National Narcotics Agency (BNN), in collaboration with various relevant stakeholders under the coordination of the Narcotics Eradication Desk, uncovered 84 narcotics crime cases and arrested 136 suspects. During these operations, BNN confiscated more than 560 kilograms of narcotics, primarily marijuana and methamphetamine, along with other substances such as ecstasy, cocaine, and synthetic marijuana. BNN also seized hundreds of liquid vape units containing the hard substance Etomidate (Badan Narkotika Nasional (BNN), 2025).

One unusual smuggling method was discovered in a syndicate controlled by a man named Mualim, operating from Aceh to Medan. Unlike the common use of Chinese green tea packaging to disguise methamphetamine, this syndicate hid the drugs inside orange "Cote d'Ivoire" Arabica coffee packages and concealed them among watermelons to evade detection (Badan Narkotika Nasional (BNN), 2025).

Another case that attracted public attention involved an attempt to smuggle cocaine by a Brazilian citizen with the initials YB, arrested on July 13, 2025, at I Gusti Ngurah Rai International Airport, Bali. Officers found several kilograms of cocaine, indicating possible links between drug syndicates operating in Bali and networks in Latin America. This also shows that cocaine has its own market in Bali, particularly among certain targeted communities (Badan Narkotika Nasional (BNN), 2025).

These two cases illustrate that drug syndicates will continue to adapt, find loopholes and modify their modus operandi to avoid detection and facilitate drug smuggling and circulation in Indonesia. This phenomenon is a reminder that the drug threat is dynamic and transnational, so it requires high vigilance, solid

coordination, and continuous law enforcement from all elements of law enforcement officials (Badan Narkotika Nasional (BNN), 2025).

By 2024, the number of drug users in Indonesia was estimated at 3.3 million people, most of whom were young adults. In the last two years, money laundering linked to narcotics crimes reached approximately IDR 99 trillion. This situation indicates that Indonesia is not only a primary target of drug trafficking but is also increasingly becoming a major drug-producing country, placing the nation in a state of drug emergency (Pusat Pelapuran Dan Analisis Transaksi Keuangan, 2024).

The eradication of narcotics crimes in Indonesia is comprehensively regulated by various laws and regulations, with Law Number 35 of 2009 concerning Narcotics as the main legal basis. Article 4 emphasizes that the purpose of narcotics regulation is to ensure its availability for health services and scientific development, as well as to prevent, protect, and save the Indonesian people from narcotics abuse. Furthermore, Article 54 requires addicts and victims of narcotics abuse to undergo medical and social rehabilitation, while Articles 70–73 authorize the National Narcotics Agency (BNN) to prevent and eradicate the abuse and illicit circulation of narcotics. Articles 111–148 detail the criminal provisions for drug abusers, traffickers, and manufacturers, including the threat of the death penalty in certain cases.

Furthermore, Law Number 5 of 1997 concerning Psychotropics is also the legal basis for dealing with the abuse of psychotropic substances that have similar effects to narcotics. By

Article 59

Anyone who abuses psychotropics without a permit can be sentenced to a maximum of 15 years in prison and a maximum fine of IDR 200 million. This provision strengthens the government's efforts to control dangerous substances other than narcotics, which also have the potential to cause dependency and health problems.

The technical implementation of the Narcotics Law is further described in Government Regulation Number 40 of 2013, which affirms the government's responsibility for the prevention, eradication, and rehabilitation of narcotics abusers. Article 3 of this regulation emphasizes the importance of cross agency coordination including the Ministry of Health, the National Police of the Republic of Indonesia, and the National Narcotics Agency (BNN) in implementing an integrated national narcotics policy.

The role and authority of BNN are also reinforced by Presidential Regulation Number 23 of 2010, which states that its main duty is to implement government policies related to preventing and eradicating the abuse and illicit trafficking of narcotics, psychotropics, and precursors at both central and regional levels.

On the other hand, the Supreme Court Circular Letter (SEMA) Number 4 of 2010 reinforces the humanist approach to drug prevention, by emphasizing that addicts and victims of drug abuse who are caught should be placed in medical or social rehabilitation institutions, not in correctional institutions. This provision is an implementation of Article 127 paragraph (3) of Law Number 35 of 2009, which gives flexibility to judges to carry out rehabilitation as a form of non-criminal handling.

Furthermore, several provisions of the Criminal Code (KUHP), such as Article 53 on probation, Articles 55 and 56 on assistance, as well as provisions on increasing sentences for recidivists, can also be applied to drug cases. This provides a broader legal basis for law enforcement officials to crack down on drug offenders effectively and proportionately.

Thus, the entire legal basis shows that the system of countering narcotics crimes in Indonesia is comprehensive, integrated, and balanced between repressive (*law enforcement*) and preventive and rehabilitative (*healing and prevention*) approaches, in order to protect the nation's generation from the dangers of narcotics but there are still many illicit narcotics circulation in reality that does not match the completeness of a rule and the components that support it, while it is different from the the reality that exists.

The laws and legal framework in Indonesia are indeed very complete. Law Number 35 of 2009 which is the main reference. But in reality, many regulations have not been able to prevent the widespread supply and consumption of narcotics. Recent data and events show this contradiction: BNN and national reports note that the national prevalence remains high—around 1.73% or about 3.33 million people in the last survey published for 2023 (a figure officially used in the 2024–2025 report), so that despite the reduction target (the government's target of 1.7% for 2025 and the medium-term target of 1.6% in 2029), The absolute number of users is still large (Badan Narkotika Nasional (BNN), 2024). High-intensity enforcement is reflected in the increasing number of cases and arrests (the National Police/BNN reports tens of thousands of cases per year, with an increase in cases from 44,983 in 2022 to more than 50 thousand in 2023 and further into 2024 (Collaboration Between BNN, 2025).

The awarding of awards to law enforcement officials and the community in the field of Prevention and Eradication of Narcotics Abuse and Illicit Circulation (P4GN) is regulated in Article 109 of Law Number 35 of 2009 concerning Narcotics, which is further described in the Regulation of the National Narcotics Agency of the Republic of Indonesia Number 1 of 2023 concerning the Awarding in the context of the Prevention and Eradication of Abuse and Illicit Circulation of Narcotics and Narcotics Precursors. This award is an official recognition of the concrete contribution of an individual or institution, such as reporting or intelligence services that help uncover networks, the success of prevention programs that reduce the rate of abuse in a particular area, or the effective performance of rehabilitation institutions. From an administrative perspective, these awards serve to provide

legitimacy, enhance the reputation of their recipients, and in some cases are accompanied by administrative and non-financial incentives.

In this context, the author proposes a new approach in eradicating narcotics crimes through an award mechanism for whistleblowers, as stipulated in the Supreme Court Circular Letter Number 4 of 2011. In contrast to the previous provision, this concept emphasizes synergy between law enforcement officials and whistleblowers who work together to uncover narcotics networks or syndicates. By giving awards or awards to parties who are willing to provide important information, it is hoped that there will be a positive incentive for the public to actively participate in narcotics eradication efforts. This approach is based on Legal Economic Analysis, a theory that combines economic and legal principles to assess the effectiveness of a legal policy based on its rationality of benefits and efficiency (Pratama, 2022). where narcotics crimes are seen as suppressed by utilizing the concept of *Economic rationality*, i.e. the consideration between profit and loss (*cost and benefit*) of these actions. Thus, potential perpetrators are expected to prefer to cooperate for legal and economic benefits, rather than further involvement in narcotics crimes.

Alternative concepts in countering narcotics crimes in Indonesia through a strategic and incentive-based award mechanism. This approach is intended not only as a form of appreciation for the community or officials who have succeeded in uncovering narcotics crimes, but also as a means of encouraging cooperation from parties involved or potential perpetrators of narcotics crimes. This concept departs from the idea that law enforcement efforts are not always effective if they only emphasize the repressive aspect, so it needs to be combined with an instrument of reward (*reward system*) that can have an economic preventive effect, Through the provision of rewards or legal protection for whistleblowers and parties who are willing to cooperate in exposing narcotics syndicate networks, it is hoped that a social mechanism can be formed that suppresses illicit circulation narcotics in a more efficient and sustainable manner.

The legal basis for this award mechanism can be found in Article 109 of Law Number 35 of 2009 concerning Narcotics, which states that

"The government can give awards to individuals or institutions that have contributed to efforts to prevent and eradicate the abuse and illicit circulation of narcotics and narcotic precursors."

Through this analysis, the research seeks to show that an economic approach to narcotics criminal law by weighing between incentives and disincentives can provide a more adaptive and productive policy alternative. In addition to providing space for participation for the community, this concept can also be an innovative preventive model in the national legal system, which is still based on the values of justice, efficiency, and protection of the public interest as mandated in Article 4 and Article 109 of Law Number 35 of 2009.

Fortunately, there is no explicit and systematic concept in Indonesia *of awarding awards to whistleblowers in narcotics crimes* based on the economic theory of legal analysis (*Economic Analysis Of Law*) as an official legal framework. And it is hoped that it can reduce the growth rate of narcotics crimes in Indonesia. Then from the comprehensive description of the background, it became the forerunner in formulating, *What is the Concept of the Effectiveness of Awarding Whistleblowers as an Effort to Prevent Narcotics Crimes in the Perspective of Economic Analysis of Law?*

2. METHODS

This research uses normative legal research methods that focus on the analysis of laws and regulations, legal principles, and relevant legal concepts. This study employs a prescriptive and descriptive-analytical orientation, aiming both to describe existing legal norms and to provide recommendations for improving the effectiveness of whistleblower incentive mechanisms. The approach used includes a legislative and conceptual approach, with an emphasis on assessing the effectiveness of awarding whistleblower incentives as a preventive measure in the eradication of narcotics crimes through the perspective of Legal Economic Analysis. The conceptual approach specifically examines concepts such as legal incentives, rational choice theory, cost benefit considerations, and economic deterrence, which are used to evaluate how whistleblower rewards influence individual decision-making and reporting behavior.

The research data were obtained through a literature review, which includes primary legal materials such as Law Number 35 of 2009 concerning Narcotics and Regulation of the National Narcotics Agency of the Republic of Indonesia Number 1 of 2023 concerning Awards in the Context of the Prevention and Eradication of Abuse and Illicit Circulation of Narcotics and Narcotics Precursors. In addition, this research also utilizes secondary legal materials, namely books, scientific articles, and official reports from the National Narcotics Agency (BNN), such as the 2025 Indonesian Narcotics Report and the 2024 P4GN Index Report. The analysis is conducted qualitatively through legal interpretation techniques, including grammatical, systematic, and teleological interpretation, to ensure a comprehensive and coherent assessment of the legal framework and its economic implications.

3. RESULTS AND DISCUSSION

The current laws and regulations are still not able to effectively reduce the rate of drug trafficking in Indonesia. This situation is reflected in the rising trend of narcotics cases over the past five years, where national data consistently shows annual increases in both the number of cases and the volume of confiscated narcotics. Based on data from the National Police of the Republic of Indonesia (Polri) through the Directorate of Drug Crimes (Dittipidnarkoba) of the Criminal Investigation Branch of the National Police and the Directorate of Drug Investigation

of the National Police, there were 38,934 cases of drug trafficking recorded from January to October 2025. Of the total suspects, 48,692 are Indonesian citizens (WNI) and 130 are foreign nationals (WNA). Meanwhile, as many as 1,072 people who were indicated as victims of drug abuse have undergone rehabilitation through the restorative justice mechanism. This number represents a small percentage compared to the total number of cases, illustrating the still-limited reach of rehabilitation programs relative to the magnitude of the problem. The confiscated evidence amounted to 197.71 tons, consisting of 184.64 tons of marijuana, 6.95 tons of methamphetamine, 1.87 tons of gorilla tobacco, 6.83 kilograms of heroin, 1.46 million grains of ecstasy, as well as a number of cocaine and ketamine.re

Actually, regulations related to narcotics crimes in Indonesia are quite comprehensive, including:

1. Law Number 35 of 2009 concerning Narcotics;
2. Government Regulation Number 25 of 2011 concerning the Implementation of Mandatory Reporting for Narcotics Addicts;
3. Presidential Instruction Number 2 of 2020 concerning the National Action Plan for the Prevention and Eradication of Narcotics Abuse and Illicit Circulation (P4GN);
4. Regulation of the Head of the National Narcotics Agency Number 2 of 2020 concerning Guidelines for the Implementation of the P4GN Program in Government and Private Agencies.

Although various local governments have issued Regional Regulations (Perda) and Circular Letters (SE) to implement the P4GN program at the regional level, these efforts have not shown significant results in suppressing drug trafficking. This shows that the existing regulations are still normative and formalistic, and lack of understanding of the sociological and economic factors behind the rampant drug crime in Indonesia.

Most P4GN policies at the central and regional levels only focus on ceremonial prevention aspects, such as socialization, legal counseling, seminars, and technical guidance. The ineffectiveness of these programs can be illustrated by comparing the frequency and scale of such preventive activities with the simultaneous increase in drug cases, showing that high activity does not correspond with reduced crime rates. These activities do have educational value, but they are not effective enough in reducing the number of narcotics crimes if they are not accompanied by a structural and economic approach that touches the basic needs of the community. In fact, in many empirical cases, economic factors are the main determinants of a person falling into narcotics crimes, both as users and dealers.

Law enforcement officials have made various efforts to crack down and eradicate narcotics crimes. Institutions that are legally authorized to prevent and eradicate illicit narcotics trafficking include the National Police of the Republic of Indonesia, the National Narcotics Agency (BNN), and the Attorney General's Office.

It is hoped that through the active role of these three institutions, the number of narcotics circulation and illicit trafficking can be suppressed. However, the reality shows a paradoxical phenomenon: the more intensive law enforcement, the higher the activity of narcotics trafficking and illicit trafficking (Maspriadi et al., 2024).

This phenomenon shows that poverty, unemployment, and economic uncertainty create social conditions encouraging individuals to take shortcuts. Those who fail to adapt to modern socio-economic pressures often feel structurally marginalized, making narcotics-related activities appear as pragmatic choices despite contradicting moral and legal values.

One of the preventive measures taken by the police, especially the Dharmasraya Police, is to provide warnings and socialization to the community, place personnel in areas prone to drug crimes, and conduct monitoring and supervision in their duty areas. In addition, officers also play a role in conveying information to the Dharmasraya Police Drug Investigation Unit if indications of drug crimes are found. However, these preventive measures are still not effective enough in tackling drug trafficking and abuse. (Nopra Mulya et al., 2023)

Thus, it can be concluded that regulations for the prevention of narcotics crimes in Indonesia need to undergo a paradigm shift. The focus of policy should not only be directed to repressive and ceremonial aspects, but should touch the economic dimension behind the occurrence of crime. In this context, this research seeks to present a new perspective through the *Economic Analysis of Law* approach, which is a theory that assesses law as an instrument to create social efficiency and economic welfare.

Through this theory, the prevention of narcotics crimes can be analyzed by focusing on the costs and benefits faced by potential perpetrators. By providing economic incentives for law-abiding people and disincentives (economic sanctions) for criminals, it is hoped that a rational mechanism will be created that encourages individuals to avoid narcotics crimes. This approach not only broadens the horizons of law enforcement, but also strengthens the position of the law as a means of equitable social and economic development.

The strong pressure of globalization has made trade activities closely related to the law, given the crucial role of law in regulating human behavior as economic actors in carrying out various legal actions. As subjects of the law, economic actors are expected to obey the law, even though their actions are often driven by economic considerations and motives (Sugianto, 2013).

In reality, balancing legal and economic aspects is not easy. In practice, there is often a view that the existence of the law can actually hinder business activities, thus causing the neglect of legal aspects. On the other hand, when the legal aspect is over-prioritized, various activities become less efficient and lose their economic value. In fact, these two aspects are closely and inseparably intertwined in building a just economic system (Sugianto, 2013).

Many legal experts believe that the law is dynamic and constantly evolving to remain relevant to contemporary situations. To examine the law's adaptability and its ability to convey values effectively, this study analyzes it from an economic perspective. This approach employs fundamental economic concepts, such as efficiency, to provide a broader explanation than a purely normative legal approach. For example, in law, efficiency often refers to procedural clarity or consistency in the application of legal rules, whereas in economics, efficiency encompasses resource allocation, cost-benefit analysis, and maximizing societal welfare (Sugianto, 2013).

In principle, positive law is a closed logical system, so its structure is normatively closed. Positive law consists of a series of statements or sentences that form legal norms. However, due to the limitations of language and its normative nature, positive law often fails to explain its concepts comprehensively. Therefore, input from other disciplines such as economics, medicine, and other sciences is necessary to expand and deepen the understanding of law (Sugianto, 2013).

The concept of legal economic analysis is rooted in utilitarianism developed by Jeremy Bentham, who emphasized the principle of utility as the foundation of legal science. This idea emerged as a compromise between two often conflicting values: justice and legal certainty. Through Bentham's theory of felicific calculus, law is seen as an instrument for predicting the extent to which a provision of law can provide pleasure or suffering to society. For example, in the context of Indonesian narcotics law, the principle of utility can be observed in the application of Law Number 35 of 2009, where strict sanctions against traffickers aim to reduce societal harm (*suffering*) caused by drug abuse, while rehabilitation programs for addicts aim to increase societal welfare (*pleasure*) by restoring health and social productivity. This demonstrates how the felicific calculus can guide both punitive and preventive measures to maximize overall social benefit (Sugianto, 2013).

The approach to eradicating drug crime through legal economic analysis is based on the concept of rational choice theory. This concept serves as the basic assumption and the main framework for the application of legal economic analysis. Rational choice theory is based on the view that humans are essentially rational beings, who always consider various alternatives before making a decision. With the rationality inherent in each individual, humans will choose the actions that they believe will provide the most optimal benefits or results, namely obtaining greater benefits or satisfaction compared to other options (Sugianto, 2013).

As a rational being, each individual makes decisions based on considerations of strengths and weaknesses, strengths and weaknesses, and abilities and limitations, according to their respective levels of rationality. In this decision-making process, humans tend to compare the costs incurred with the benefits or results to be achieved. Furthermore, humans also have the ability to look for the next best alternative, albeit within certain limitations, according to the capacity and resources they have. This effort to find the best alternative can be seen as a form of increasing rationality and efficiency in decision-making (Sugianto, 2013).

Then by using the concept of award or respect which is currently regulated in the provisions of Article 109 which reads:

The government gives awards to law enforcement officials and the community who have contributed to efforts to prevent and eradicate the abuse and illicit circulation of narcotics and narcotic precursors. This provision is technically regulated through the Regulation of the National Narcotics Agency of the Republic of Indonesia Number 1 of 2023 concerning Awards in the context of the Prevention and Eradication of Abuse and Illicit Circulation of Narcotics and Narcotic Precursors.

Article 2 of this regulation explains that:

The National Narcotics Agency (BNN) can give the P4GN Award to law enforcement officials and the public who have contributed to the prevention and eradication of the abuse and illicit circulation of narcotics and narcotic precursors.

In addition, awards can also be given to government agencies or officials who play an active role in P4GN activities. Furthermore, Article 3 confirms that awards in the field of prevention are given to parties who actively, consistently and sustainably:

- a. Managing information and education about P4GN through electronic and non-electronic media;
- b. Carrying out P4GN advocacy activities; and
- c. Carry out other activities that support prevention efforts.

Paragraph (5) states that awards in the field of community empowerment are given to parties who actively and continuously play a role in:

- a. Develop participation in the educational, work, and community environment in P4GN;
- b. Implementing alternative empowerment programs in urban and rural areas; and
- c. Carry out other activities that are relevant to community empowerment.

However, the focus of the award policy as stipulated in this regulation is still limited to formal and structured activities, such as the implementation of community programs, community empowerment, and the actions of law enforcement officials. For instance, data from the National Police (Polri) shows that from January to October 2025, 38,934 cases of drug trafficking were recorded, involving over 48,000 Indonesian citizens and 130 foreigners, with confiscated evidence totaling 197.71 tons of various narcotics (Rahmani, 2025). This highlights the scale of the problem and supports the argument that the current formal approach alone is insufficient.

In the future, this policy direction needs to be expanded with a Legal Economic Analysis (EAH) approach through the application of the whistleblower concept as stipulated in the Supreme Court Circular Letter Number 04 of 2011. This approach emphasizes the importance of providing economic incentives for whistleblowers who help uncover drug crime networks, so that crime prevention rests not only on criminal sanctions, but also on the rational motivation of the public to actively participate in law enforcement.

Furthermore, crime prevention through criminal law needs to be integrated with comprehensive social and economic policies to address the underlying factors that drive individuals to engage in narcotics crimes. From a criminal policy perspective, an effective strategy includes not only suppressing crime rates through law enforcement, but also addressing the root causes of socio-economic problems that trigger crime. This is important because:

- a. Crime is an obstacle to improving the quality of life;
- b. Prevention strategies should focus on addressing the factors that cause crime; and
- c. The main causes of crime in various countries are often related to social inequality, discrimination, poverty, unemployment, and low levels of education.

Therefore, awarding awards based on economic incentives to whistleblowers can be a more effective prevention strategy, as it touches on the rational and social aspects of society in supporting sustainable drug crime prevention (Budiarsih, 2021).

In the context of this study, the concept was further developed by applying awards as an early prevention instrument, which is not only given after the successful disclosure of the case, but also as an incentive for potential perpetrators to turn into state whistleblowers or informants.

This approach is studied through legal economic analysis introduced by Richard A. Posner. Posner's theory, which emphasizes an economic approach to law, provides a new perspective by viewing law not only as a binding collection of norms, but also as an analytical tool for assessing economic efficiency and effectiveness in its application (I wayan Sudira, Hasannudin Hidayat, 2024). In this framework, crime is understood as the result of profit and loss considerations (*cost and benefit*) that the individual does before acting. Therefore, crime control—including narcotics crimes—can be done by changing the incentive structure so that unlawful acts become economically unprofitable. Thus, the awarding of awards or rewards to the complainant and parties who cooperate with the law enforcement becomes a mechanism to shift the balance of the perpetrator's rationality, so that the cost of committing the crime is much greater than the benefits obtained.

Practically, this concept is in line with the *justice collaborator policy* that has been recognized in the Indonesian legal system, as stipulated in the Joint Regulation between the Supreme Court, the Attorney General's Office, the KPK, and LPSK of

2011 concerning Protection for Complainants and Witnesses of *Collaborators (justice collaborators)*. This policy provides protection and juridical rewards for perpetrators who help uncover major crimes, including narcotics cases. By extending these principles into the form of economic and social-based rewards, the state can create a more realistic and efficient countermeasures approach, without relying solely on criminal threats that have been proven to not have completely reduced the number of narcotics trafficking in Indonesia.

Efforts to prevent narcotics crimes are not solely carried out through a repressive approach that focuses on legal action against perpetrators, but can also be considered through a rational approach based on Economic Analysis of Law. This approach assumes that individuals whether prospective perpetrators or witnesses act based on a rational calculation of the costs and benefits of each choice. In the context of narcotics crime prevention, a reward mechanism can serve as an incentive for individuals who actively cooperate with the state in detecting and preventing drug networks.

However, current BNN reward policies do not fully reflect a “whistleblower economic” model. For example, BNN Regulation No. 4 of 2023 governs awards for *District/City Responsive to Drug Threat (KOTAN)*, not for individual informants. The KOTAN award is given to local governments that excel in responding to drug threats, based on criteria such as community resilience, institutional capacity, legal framework, and regional stability. The implementation of the KOTAN award demonstrates that it is institutional/appreciative rather than a direct financial reward for individual whistleblowers. Its purpose is to motivate local governments to improve P4GN (drug prevention) capacity. Additionally, BNN has conducted KOTAN assistance programs in various districts and cities, such as in East Java, as part of a community empowerment strategy (Dayamas, 2023).

Therefore, if the Economic Analysis of Law theory is to be applied ideally (*rational economic incentives*), it should be recognized that current policies have not fully adopted individual economic incentive mechanisms. Consequently, this study can recommend that BNN consider developing a more rational-economic reward scheme for individual informants (whistleblowers), for example, through non-monetary incentives such as access to public services, social assistance, or legal protection this combination could encourage broader public participation more effectively from a legal economic perspective.

The amount of awards or compensation given to witnesses and complainants can be analyzed by taking into account the economic value of narcotic evidence that has been successfully disclosed, for example based on the amount, type, or level of psychotropic substances found. For example, reporting narcotics cases with more than 5 grams of evidence can be given greater awards than reporting cases with less evidence. This determination mechanism aims to ensure that there is proportionality

between the contribution of the community in preventing narcotics crimes and the form of appreciation received.

In addition, the benefits received by the complainant or witness are not solely financial, but can also be in the form of assistance in solving primary problems in their lives. For example, the government can provide convenience in paying taxes, resolving debt-receivables problems, access to public services, or other social assistance programs that are tailored to the conditions and needs of the service party. These rewards should be regulated through a clear and transparent legal mechanism so as not to cause abuse of authority or negative perceptions in the community.

Economically, the implementation of this award mechanism also provides benefits for the state. The cost of dealing with narcotics crimes through the process of rehabilitation, investigation, trial, and correctional facilities requires a very large budget allocation. By giving awards to individuals who play an active role in prevention, the state can reduce the burden of these expenses because potential criminal acts are successfully prevented before entering the law enforcement stage. Public funds that were originally allocated to finance legal processes can be diverted to support productive social programs, such as community economic empowerment, education, and health.

From the perspective of legal economic analysis, the policy of awarding awards to whistleblowers or witnesses in the prevention of narcotics crimes also functions as a form of state social investment. The more people feel that the act of reporting is a rationally profitable choice, the higher the level of public participation in helping law enforcement officials. In the end, a participatory and proactive legal culture is formed in society, where citizens are not only the object of the law, but also active subjects in maintaining social order and security.

Thus, it can be concluded that the prevention of narcotics crimes through the Legal Economic Analysis approach represents an innovative strategy that balances moral, legal, and economic considerations. Providing awards to individuals with the potential to commit narcotics crimes who choose to act as whistleblowers or to witnesses with relevant information is not only a form of recognition for correct legal action, but also an effective rational instrument for fostering law-abiding social behavior. When the community realizes that reporting narcotics crimes brings tangible benefits, a social phenomenon can emerge in which people voluntarily compete to participate actively in preventing these crimes. The greater the amount of narcotics or psychotropic substances successfully disclosed, the higher the reward provided by the state, thereby creating a balance between legal objectives and economic incentives for all parties.

The prevention of narcotics crimes through the *Economic Analysis of Law* approach essentially relies on the principle of human rationality in making decisions.

Individuals will tend to choose the actions that provide the greatest benefits with the least risk. In this context, the provision of awards or incentives for people who report narcotics crimes is expected to create a strong economic and social incentive for people to prefer to play an active role in assisting law enforcement rather than engaging in abuse.

To illustrate the concept more clearly, an analogy can be used based on people's rational behavior when they recognize a high economic value in an action. For example, if people know that geckos have a high selling price in the market, they will compete to find and catch them in various places, including trees, because they rationally perceive that this action offers the highest economic benefit. This analogy demonstrates that when a particular action is associated with tangible economic rewards, community participation tends to increase significantly, even without the need for legal coercion. The key point is that individuals make choices based on the expected net benefits, reflecting the core principle of rational decision-making in the Economic Analysis of Law.

The same is the case with the mechanism of awarding awards in the prevention of narcotics crimes. When people know that reporting narcotics abuse can provide concrete benefits in the form of financial rewards, social recognition, and assistance in solving personal problems, they will rationally choose to report. The greater the value or amount of narcotics that are successfully revealed, the greater the incentives or awards given by the state. Thus, reporting narcotics crimes becomes a legally and economically *"profitable"* act, while strengthening the moral values and nationalism of citizens.

The analogy also explains how the theory of legal economic analysis can be applied in public policy. Just like people who are eager to look for geckos because of their high economic value, people will also be eager to report narcotics crimes if the action provides beneficial results for their lives. When people realize that "reporting" is more profitable than *"silent"* or *"engaged"*, the legal system becomes more efficient because the law runs not only with the threat of sanctions, but also through positive incentives.

Furthermore, this policy can change the paradigm of society from just a legal object to an active subject of law enforcement. The community is no longer just a spectator in the eradication of narcotics, but a strategic partner of the state that plays a direct role in maintaining social order. Economically, the state also benefits because spending on law enforcement and rehabilitation processes can be reduced. Public funds that were originally used for court and correctional costs can be diverted to other social programs, such as community economic empowerment or improving welfare for poor families.

Thus, the *"looking for geckos"* analogy reflects the rational logic of the economic analysis's approach to law: that society's legal behavior can be shaped

through the provision of incentives that are balanced with the benefits received. The greater the potential benefits obtained from the correct legal action, the stronger the public's motivation to participate in law enforcement. This approach is not only effective in terms of crime prevention, but also efficient in creating a balance between legal, economic, and social interests.

Therefore, by conducting research on the prevention of narcotics crimes through the *Economic Analysis of Law approach* with the mechanism of awarding awards to prospective perpetrators and witnesses, it is an interesting and relevant conceptual innovation in the context of modern law. This idea presents a new paradigm in the criminal law system, where crime prevention does not depend solely on the deterrent effect of criminal sanctions, but also on rational encouragement through the provision of economic incentives.

Theoretically, this approach is in line with the thought of Richard A. Posner who asserted that law should be seen as an instrument for creating social efficiency. This means that a good rule of law is a rule that is able to direct individuals to act in accordance with the law because these actions provide greater benefits than breaking the law. In this context, the research succeeded in applying Posner's theory in the issue of narcotics in a practical and contextual way for the Indonesian people.

This approach also makes a positive contribution to national law enforcement strategies. So far, the narcotics eradication policy has focused more on the repressive aspect, namely the arrest, prosecution, and criminalization of perpetrators. However, such policies often impose a large economic burden on the state, especially for the financing of legal processes and rehabilitation. Through the concept of rewards for whistleblowers or witnesses, the state can reduce these costs because criminal acts can be prevented before entering the judicial process and reduce the number of abusers to be rehabilitated. Thus, this approach is in line with the principles of efficiency and distributive justice in economic law.

3. CONCLUSION

The *Economic Analysis of Law approach* offers a logical and efficient basis for thinking in strengthening policies to prevent narcotics crimes in Indonesia. Through the application of the concept of awarding awards in the form of economic assistance from the government in accordance with the needs of the *whistleblower*, there are rational many reports from witnesses that can help overcome narcotics crimes because rationally there are economic benefits obtained, which means that here the law no longer only plays a role as a repressive tool or just a preventive effort that is limited to counseling, socialization, and technical guidance, but transformed into a prevention instrument based on economic incentives that are able to encourage active participation of the community in law enforcement in the concept of rational economy. The provision of these incentives can motivate prospective perpetrators and witnesses to change passive behavior such as allowing

or potentially being involved in narcotics abuse to become active reporters because there are more rational economic benefits than the risk of violating the law or allowing the criminal act of illicit circulation of narcotics in the surrounding environment. The amount of the award can be adjusted to the level of contribution of the reporter, for example based on the amount or weight of narcotics evidence that has been successfully uncovered from the illicit circulation network. Thus, there is a change in the mindset of individuals who consider costs and benefits (*cost-benefit analysis*) in each action. This approach is in line with the thinking of Richard A. Posner, who placed law as an instrument for achieving social and economic efficiency. Therefore, the incentive-based reward mechanism is seen as able to reduce the number of narcotics trafficking, reduce the state's financial burden in the implementation of the P4GN program and rehabilitation, as well as foster a participatory legal culture, strengthen public moral awareness, and create a balance between legal, economic, and social justice aspects in the national criminal law system.

This analysis recommends that the amount of reward for witnesses or whistleblowers can be determined based on the economic value of the narcotics evidence disclosed, such as the amount, type, or level of the substance. For example, a report with evidence of more than 5 grams can earn greater social or economic rewards. This policy aims to create a balance between community contributions and appreciation received. Therefore, a clear legal basis and derivative regulations are needed to regulate the form, mechanism, and limits of incentive provision.

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