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Funding Higher Education in Indonesia

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Research Domain: Higher education policy (HEP)

Abstract: Indonesia in 2013 created an innovate funding policy for public HEI called UKT. In this policy, student pay tuition fee based on their socio-economic status. The difference between the tuition fee and the standard cost paid by government. The policy have goal for providing sufficient funding to public HEI and promote equity of participation. The aim of this research is to evaluate the implementation of this policy on funding and equity. I do interview to 32 participants from 3 sample of public HEI. My finding suggested that the government do not have financial resources to finances this policy. Thus, public HEI must do efficiency and focus more on activity that help their recognition instead instil competency to their students. Besides that, my finding also suggested that equity is only agenda on paper as it is harm the recognition activity.

Paper:

Introduction

Uang Kuliah Tunggal (UKT) is a funding policy used by Indonesian Government to finance its higher education system by using scheme of tuition fee based on socio-economic status of students. It aims to eliminate financial barrier, standardize cost for maintain the quality of instruction and grants that covered the difference between the standardized cost and the tuition fee paid by students. Contextually, there are many reasons why this financing innovation implemented by Indonesian Government. The reasons are including the influence of the critics from many scholars for equitable participation and policies suggestion from donor organization to promote human capital production. This study presents an investigation of the implementation of UKT policy and its impact for funding human capital production and equity policy adoption in public higher education institution (HEI) based on perception of students, administrators and faculty.

Literature Review

Higher education has increasingly reported as an important policy for countries and become more prominence in economic development theory (Barr and Crawford, 2005; Marginson, 2016a). Along with this, fast technological progresses, cultural changes and fast growth of second education

graduate have pushed the need for more access (Marginson, 2016a). Expansion of higher education participation coupled with political competition for funds with more popular policy like healthcare, economic crises and dwindling government income have contributed to the need to increase the source of funding for higher education (Johnstone and Marcucci, 2010).

There has been an increase in the use of cost-sharing as the preferred policy for both developed and developing countries (Johnstone, 2006). In some countries such as the US, Australia and New Zealand, cost-sharing policies have been long adopted to decrease the dependence of funding higher education from government source (Johnstone, 2006). Many countries in Europe as the last bastion of welfare states have chosen to try these policies and shown sign for inability to maintain free tuition fee policy (Kwiek, 2015).

Research Design

This study used semi –structured interview for collecting the data. The interview was aimed at getting perspective of stakeholder in public HEI on dilemma faced by administrators and rhetoric for the decision. The interview lasted between 20 to 60 minutes. Participants were selected by using purposive and snowball samples from three public higher education institutions. Five students, six lecturers, six senior administrators and fifteen administrators from the selected institutions participated in the individual interview that was audio-recorded. The interview transcripts were then analysed thematically using inductive and deductive methods.

Finding

The analysis of the interviews showed that the participants' experiences portrayed the need for public HEI to put human capital policy as the mainstay. Human capital production appeared to be clearly marked by guidelines that require higher participation rate, building good supporting facility, and research productivity. The participants believed that huge capital was needed to cover the requirements mentioned.

The participants in this study perceived that the enacted social change vision was hardly to be implemented due to the institutions' lack of funding. The funding was limited since it solely came from the parents and or guardians from middle class who did not have sufficient financial capability or unwilling to pay the higher level of fee. Meanwhile, the government was not able to cover the expenses needed by the institutions.

The participants suggested the HEI in Indonesia must cut a lot of cost including reduction in education services because lack of fund but also focusing on funding activities to get recognition in the term of rank and or accreditation for international recognition. Besides that, participants also believe participating in a higher education was considered as part of identity for gaining successful career future. In the end, instead participation in higher education for instilling competency on policy

paper, the policy was become more related to 'signalling' on the potential for competency on practice.

Conclusion

The argument for implementation higher education as human capital production policy in Indonesia has two fatal flaws that interlock to destroy its viability. In brief, these weaknesses are as follows:

1. The policy that put higher education vision as human capital production historically created by economist (Friedman, 1955) with view of limited government intervention on higher education management in the nation with highly mature financial institution infrastructure that able to support loan system for private funding to participate in higher education
2. The focus of participation higher education is not on the knowledge acquisition but on the degree for successful in career future.

The combination of these flaws, moreover, enables the human capital production argument on the policy translated to create higher education to function as a signal for job market instead to increase the productivity of participants. Like all nations on the south, Indonesia envisioned getting more and better human capital production on limited funding both from public and private section is still far from being perfect. In the end, the policy that looked beneficial for human capital production but in reality, it only acts as signalling for recruitment in job market. To facilitate equity, the government needs to disturb the need of middle class expectations, which is not political wise. In this case, equity policy only act as slogan on paper especially when the policy affects the need of social class reproduction attached to participation in higher education.

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