

# Formulation of Allocation Policy on Twenty Percent of Education Budget

Andhyka Muttaqin Taxation Department, Faculty of Administrative Science University Brawijaya Malang, Indonesia andhyka21@gmail.com

Abstract—This research discusses issues regarding the formulation of 20 percent budget for education that followed by the Amandement of Constitutional Court No. 026 / PUU-III / 2005 on March 22, 2006 that stated if the education budget has not reached 20 percent, the State Budget will always contradict the Constitution of 1945. The researcher tries to bring up the actual usage of 20 percent of the state budget for education and political dynamics. As a basis for policy is the fourth amendment to Constitution of 1945 article 31 paragraph (4) which states "The state prioritizes at least an inch of education budget from the budget and education from the national budget" into Law Number 20 of 2003 concerning the act of National Education System 49 paragraph (1), namely "Education funds in addition to educators' salaries and at least 20 percent for administrative service education costs from the education sector and at least 20 percent from the Regional Budget (APBD)".

Keywords—policy formulation; 20 percent of education budget; allocation

#### I. INTRODUCTION

The budget issue, especially the education budget seems becomes hot topic since the Constitutional Court (MK) through its regulation No. 026 / PUU-III / 2005 on March 22, 2006 that states as long as the education budget has not reached 20 percent as stipulated in the Constitution of 1945, the State Budget (APBN) will always contradict the Constitution of 1945 [1]. This situation certainly created a complicated situation, moreover it seems that the State Budget incapable to fulfill the mandate of the constitution. The problem becomes more complicated when the National Education System Law Article 49 paragraph 1 that also mention the mandate of where 20 percent of the state budget does not include teacher salaries and official education fees [2]. As a demand to reform, the Constitution of 1945 has changed four times. Lastly on the People's Consultative Assembly (MPR) annual court on August 1-11, 2002 where one of the topic is the issue of the 20 percent education budget from APBN, it was a constructive reformation where we hope that the Indonesian nation would have global competitiveness. Based on the explanation, this research question "How is the implementation of 20 percent education budget of APBN formulation? These main question can be classified into various questions, such as "how is the political dynamic that occur in the formulation policy of allocating 20 percent education budget of APBN and "why do

multiple interpretations occur in the policy formulation of allocating 20 percent of the education budget?

## II. RESEARCH METHODS

The research method used is descriptive research with a qualitative approach, by describe the facts obtained when the research is implemented. The researcher used interview and observation technique to government. The focus in this research is the formulation of the policy to allocate 20 percent of the state budget for education, since this research is about policy formulation, therefore it is carried out from various actors involved in policy to formulate allocation of 20 percent of the state budget for education one of them is the Primary data. The primary data in this study were obtained through various sources, such as: Statement of various factions, board members and expert policy of in the Commission X of DPR-RI, Statement of education experts, IBC (Indonesia Budget Center) Director, 7 Ministers who agreed to allocate 20 percent of the state budget for education.

Secondary data that obtained in this research such as: a meeting treatise of People's Consultative Assembly in 2002, Minutes of the Law No.20 of 2003 concerning the National Education System [2], Republic of Indonesia Committee Meeting Document in 2003, Directorate of General Management of Primary and Secondary Education Work Programs in 2007, Ministry of National Education Strategic Plan on 2005-2009, Republic of Indonesia State Financial Note 1998-2007, Law Number 20 of 2003 concerning National Education System of the Republic of Indonesia National Education [2], Final Opinion of MPR RI Faction Against the Draft MPR Decision Results of the Commissions at the 2002 MPR Annual Session, the Constitutional Court decision No. 011 / PUU-III / 2005 related to trial of Act No. 20 of 2003 about the National Education System [3], Constitutional Court Decision No. 026 / PUU-III / 2005 concerning Trial of Act No. 13 of 2005 concerning State Budget for Budget Year 2006 [4], Constitutional Court Decision No. 12 / PUU-III / 2005 concerning Trial of Act No. 26 of 2004 concerning States Budget Year 2005 [5], Decision of the Constitutional Court No. 24 / PUU-V / 2007 concerning Trial of Law No. 20 of 2003 about the National Education System, Treatise of the 18th plenary meeting of the MPR Ad Hoc Committee on March 25, 2002 [6].



#### III. RESULTS AND DISCUSSION

## A. Analysis of Political Dynamics in Formulation of 20 Percent Allocation Policy of Education Budget

The results of the fourth amendment of Constitution of 1945, especially article 31 paragraph (4) [7] and the ratification of Act Number 20 of 2003 related to the National Education System [2] have implications for the implementation of education in Indonesia, both the government and the public, especially the education budget problem. Action-plan to achieve 20 percent of the education budget from the APBN whose allocation is beyond the salary of lecturers and teachers, as the consequences the 9-year compulsory education policy to make it cheaper can be realizing in the future. The MPR Decree in August 2002 has a national commitment to allocate 20 percent of the state budget for education and this commitment must also be carried out in district, which is why there must be a change in perspective and how to calculate the

education budget that excludes educator and official education salaries from the national education budget.

Determining the of 20 percent allocation of the education budget is inseparable from the role of actors in it. The Commission  $\hat{X}$  meeting with 7 Ministers (Coordinating Minister for People's Welfare, Minister of National Education, Minister of Religion, Minister of Finance, Minister of PPN / Head of Beppenas, Minister of Home Affairs and Minister of state utilization apparatus) can be seen as a continuation of the Commission VI Meeting on 19 May 2004. The aim of this meeting is to request the Government Commitment under President Susilo Bambang Yudhoyono as efforts to achieve an education budget of 20 percent allocation of the State Budget that already agreed by the of House of Representative (DPR) and the President Megawati. The commitment will be a public record, so that all citizens can oversee its implementation. In summary, the actors and perceptions in 20 percent allocation of the budget for education are stated as follows:

TABLE 1. ACTOR AND PERCEPTION

ACTOR	PERCEPTION
Goverment→President and	a. Education budgets that exist throughout the Department have the goal to educate the life of the country
Vice President	b. The government cannot implement it because there has been an agreement with the DPR
	c. The government cannot realize it yet since other sectors are no less important
Ministry of Finance $\rightarrow$	a. The government does not violate the constitution because it has only realized 9.1% in the 2006 State Budget
Bappenas	b. In order to stabilize the fiscal and basic electricity tariffs subsidy, the government cannot yet realize 20% of the
	education budget
	c. The government cannot fulfill the percentage of the education budget however the authorities are from the DPR
Ministry of National	a. Low bargaining position with other sectors in terms of education budget
Education $\rightarrow$ Ministry of	b. There is the education budget discrimination by 84% of the national education department while the Ministry of
Religion	Religion is around 16%
	c. The allocation of 20% of the education budget that will be targeted
Other Ministries /	a. The allocations and programs improvement is seen as a big agenda
Agencies	
DPR Commission X	a. The allocation of 20% of the education budget outside of regional expenditure, employees or official schools
	b. The allocation of 20% of the education budget depends on the political will of the government
	c. Competition between commissions in for the sake of their partners
	<ul> <li>DPR Commission X does not play a role in the APBN, the most authorized government in submitting the State Budget Bill</li> </ul>
Fraction	a. The government postpone the allocation of 20% of the education budget, with an agreement of all factions as soon as
	possible the government allocates 20% of the education budget in 2008
Parliamentary Education	a. With 200 members from the DPR, the caucus seeks to realize 20% of the education budget.
Caucus	
Education Actor	a. The allocation of 20% of the education budget is very important in improving the quality of education in Indonesia
Civil society organizations	a. The allocation of 20% of the education budget is only a label for government image and in reality is not as expected.

Source: Various source

## B. Analysis of Political Economy in Formulation Policy of 20 Percent of Education Budget

The research of political economy aims to develop propositions (hypotheses) about the final results (outcomes) of the process of exchanging resources, both non-economic (socio-economic) and economic [8]. Therefore, it can be explained rationally about things not only about a politicaleconomic system that works, but also about how the system should work and how the system can be improved on its performance to achieve far-reaching policy goals better. The balance of perspective on the issue of formulating an allocation policy of 20 percent must be done, borrowing the term Staniland to see the policy phenomenon "both process and impact" interactively [9].

The concept of Staniland is an interactive perspective that implies that we should treat politics and economics as being functionally distinguishable but involved in exchange and reciprocal influences [9]. Similar to the concept that introduced by Staniland, Zald simply defined political economy as the study of the interplay of power, the goals of power-wielders and a productive exchange system [10]. Thus, in highlighting the particular impact of phenomena such as the allocation 20 percent policy of the education budget, it not only treats it as an issue rooted in economic factors because it involves the budget and then seeks efforts to resolve it only from an economic technical perspective, for example when used for education budget allocation then the State budget deficit will be more visible every year, but placing it in a broader context by allocating 20 percent of the education budget will result in quality education characterized by quality human resources and



in the end the country education quality rating will be improved.

## C. Implications of Constitutional Court Decision Number 24 / PUU-V / 2007 Toward Policy Formulation of 20 Percent Allocation of Education Budget

The Constitutional Court Decision related to Teacher / Lecturer Salaries as stated in Article 49 Paragraph (1) of the Republic of Indonesia constitution Number 20 of 2003 about the National Education System, the problem can be seen from various aspects [2]. First, from a formal juridical aspect as decided by the Constitutional Court No. 24 / PUU-V / 2007 which decides that the salary of teachers / lecturers is included in the allocation of education funds. Second, the problem can be seen from the point of view of budget (APBN / APBD) which is a political decision. The two points of view stated before are seen in terms of formal juridical and government budget. The Constitutional Court's decision to include teacher / lecturer salaries in education funding certainly has a major influence on overall education funding. The teacher's profession will be faced with two equally important problems. First, the teaching profession retains the essence of Act No. 14 of 2005 which is still demanding an equal award from the teaching profession with human remuneration. The second option is that the teaching profession is sacrificed and education funds are depleted to improve things that are very important today such as damaged school building facilities and educational facilities to improve the education process which is very minimal. These two choices were very difficult choices that resulted in the impossible achievement of the ideals in Constitution of 1945 to produce good Indonesian. The Constitutional Court's decision has formally approached the formal demands of the fourth Constitution Amendment related to education fund.

Through the Constitutional Court Decision toward the trial of Law Number 20 of 2003 concerning the National Education System, especially article 49 paragraph 1, the Constitutional Court argued that with the inclusion of educator salary components, it would be easier for the Government and Parliament to carry out education budget obligations of at least 20 the percent in the APBN and allocation is easier with the allocation of employee salaries administered by the Minister of Empowerment and State Apparatus (Menpan) to the allocation of 20 percent of the education budget. Even though what is desired by the plaintiffs is that they get an additional salary from the allocation of 20 percent of the state budget in addition to what has been set for those who have been managed by the Menpan [2].

## IV. CONCLUSION

The inconsistencies of the determination and meaning of the 20 percent of the education budget formulation indicates the strong political atmospheres and the influence of policy makers and their other underlying interests. The allocation policy of 20 percent of the education budget has major implications for the emergence of Act Number 14 of 2005 related to teachers and lecturers, the act on Educational Legal Entities and Government Regulations which has a positive impact on improving the quality of Indonesian human resources through education.

The educator salaries are included as stated in decision of the Constitutional Court Number 24/PUU-V/2007 has very large implications, including no more encouragement for the Government to meet budgetary needs for the implementation of relevant and quality education. Because with the continuous increase in teacher income that must be borne by the government in accordance with the provisions of Law No.20 of 2003 concerning the National Education System and Act No. 14 of 2005 concerning Teachers and Lecturers, most of the budget provided for education will be sucked into educators' salaries. So forever it can be interpreted that this still violates the constitution [Article 31 paragraph (2), paragraph (3), and paragraph (4) of the 1945 Constitution, as well as Article 5 paragraph (1) and Article 12 paragraph (1) b] because of the budget purely for education has not reached 20 percent.

#### V. RECOMMENDATION

- Policy makers both government and the legislative should be consistent with the policies that they have been made. Moreover, in formulating policies it not only considering aspects of interests at the level of the political elite, but also looking at the condition of people's needs related to education and its impact on the progress of Indonesia.
- The education budget that continues to increase from year to year needs to be balanced with good and optimal management, on target, based on justice and transparency. To anticipate the country's financial readiness, it is necessary to save and avoid budget leakage through a system of state financial supervision to the fullest.

The sectoral ego between ministries and institutions needs to be minimized because in the division of their respective tasks it is clear, meaning that both are aware that the entire distribution of funding from the APBN is to serve and prosper the people.

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