

## Privatizing State Universities: Capitalism and Commercialization in Indonesia's Legal Entity State Universities (PTN-BH) Policy

Ashri Rahmatia<sup>1</sup>, Ahmad Fauzan<sup>2</sup>, Tutik Sulistyowati<sup>1</sup>

<sup>1</sup>Universitas Muhammadiyah Malang, Malang, Indonesia

<sup>2</sup>Universitas Pendidikan Ganesha, Singaraja, Indonesia

### ABSTRACT

This research aims to explore the policy of Legal Entity State Universities (PTN-BH) in Indonesia using a descriptive qualitative approach and data collection techniques through literature studies. The results show that the PTN-BH policy indicates the process of privatization of state universities where the granting of autonomy to state universities leads to privatization of higher education, state universities get the opportunity to freely develop businesses to meet their needs which can be achieved through many things, one of which is that state universities have full control to regulate policies including one of which is increasing STF fees, as a result there is segmentation of accessibility of higher education in this case PTN-BH which leads to capitalization and commercialization in the university environment.

**Keywords:** PTN-BH, Capitalism, Commercialization.

**Corresponding author**

**Name:** Ashri Rahmatia

**Email:** [itsashriiii@gmail.com](mailto:itsashriiii@gmail.com)

## INTRODUCTION

Accessibility to higher education for Indonesia's youth is an irony that seems to be increasingly difficult to reach easily by all circles where economic limitations are a key aspect that has a major influence on this phenomenon. In 2021, the Deputy Minister for Coordination of Education Quality Improvement and Religious Moderation (Kemenko PMK) pointed out that of the 3.7 million students who graduate from high school each year, only 1.8 million (Fadhol, 2021), while the Population and Civil Registration Office in 2022 reported that the number of Indonesians pursuing higher education amounted to only 6% of the country's total population going to college. This should be one of the government's main concerns as it shows the low probability of Indonesia realizing the ideals of human resource development and higher education (Saputra, 2023).

The majority of the Indonesian population who have difficulty accessing higher education are motivated by poverty, in addition to other factors that also become the main obstacle and exacerbate the difficulty of accessing higher education for the Indonesian population, namely the cost of the Single Tuition Fee (STF) of higher education which is increasingly unreasonable because it has experienced a very drastic surge, making most

Indonesians have to bury their dreams of continuing their education to the realm of higher education (Setiawati, 2024). The government's policy of increasing STF fees is very far from embodying the spirit of educational inclusiveness, higher education which should be a means of realizing social and economic progress for all the nation's next generation with easy and affordable access.

For most Indonesians, education is likened to a luxury item that is difficult to reach easily in the midst of a limited economic situation, exacerbated by the increase in STF in higher education, which is intended to improve the quality of education and educational facilities in higher education, but on the other hand it can be considered as an excuse by policy makers to make higher education a commodity that brings profit to certain parties, thus triggering segmentation in the world of education where higher education is no longer easily accessible to all levels of society. Capitalism has penetrated into the realm of education where universities are often used as business objects, expensive, elitist, discriminatory. Furthermore, criticism of the capitalization of education has been put forward by Ivan Illich in his work entitled *Deschooling Society* which states that capitalist schools are cunning, opium schools, and systematic student dumbing down.

Some previous studies that were used as references in writing this article are as follows, first, a study entitled "Dampak Komersialisasi Pendidikan Tinggi di Masyarakat Lombok Timur" by Habibirrahman, et al. which states that education today has been trapped in the middle of the web of capitalism where education tends to be commercialized (Habibirrahman et al., 2024). This research uses a descriptive qualitative method with a phenomenological approach where data is collected through several stages such as observation, interviews, and documentation. The aim is to examine how the commercialization of education in Indonesia, especially East Lombok, and how it affects the people of East Lombok itself. The findings show that the commercialization of higher education in Indonesia can be seen from the high cost of education not only in the form of STF, but also in the form of other levies. Higher education is used as a business field that provides the needs of students so that it encourages increased discrimination and stigmatization which makes the chain of poverty difficult to break through education.

Second, Diyanto et al's research with the title "Kebijakan Otonomi Perguruan Tinggi Indonesia: Antara Privatisasi dan Komersialisasi" which dissects the implementation of bureaucratic administration that has led to the privatization of higher education through PTN BH and BLU as autonomous higher education institutions (Diyanto, Putranti, Yuwono, Yuniningsih, et al., 2021). This research found that there has been a shift in meaning from privatization of higher education towards commercialization, which if left unchecked will foster capitalism in the world of education so that higher education will be discriminatory and limited to the segmentation of social classes that can access it. Third, Nurqadriani's research entitled "Kapitalisme Pendidikan: Melawan Kapitalisasi dalam Dunia Pendidikan" explores how capitalism grows at dawn in the realm of higher education by using a literature study research model and data analysis using content analysis techniques (Nur Jurnal Pendidikan et al., 2022). The results of the study suggest that educational capitalism in Indonesia is marked by the presence of international standard schools, privatization of

educational institutions, commercialization of education provision, and additional tutoring. The author also explains that the growth factor of education capitalization in Indonesia is motivated by several technical factors such as the quality of teachers, the low relevance of education to needs, and the lack of equal educational opportunities.

Fourth, Mukti and Sundari's research entitled "Melawan Kapitalisme Pendidikan" discusses contemporary Islamic education that intersects with the capitalization of education using qualitative methods and normative analytical descriptive approaches where data is collected through literature studies sourced from secondary data (Mukti, n.d.). The results show that the practice of capitalism in education produces a generation with a mentality that is far from the basic expectations of education which was originally intended for liberation and civilization. The existence of capitalization in the world of education makes it a commodity as well as a means to achieve as much capital as possible.

Fifth, research from Nur Askar with the title "Kapitalisme Pendidikan dan Reinventing Paradigma Pendidikan Indonesia: Sebuah Tinjauan Antropologi Pendidikan" which aims to describe the series of processes and variations of the existing education capitalism model in Indonesia and describe how the education paradigm is in line with Indonesia's national education goals based on the 1945 Constitution (Nur, 2022). This research is a descriptive qualitative research which in its implementation, this research uses an anthropological approach and data collection methods through literature studies. The results of the study suggest that the capitalization of education in Indonesia occurs through the education system applied by the educational institutions themselves, where the education system follows the flow and dynamics of the market system and the state command system, thus denying one system that also has an important role in realizing a pro-people education model, namely a populist-based education system.

## **METHOD**

This research examines how the dilemma of higher education capitalization affects the development of education in Indonesia. The basic purpose of education, which is expected to be able to make a major contribution to human resource development as an effort to break the chain of poverty, seems to have begun to shift because it is influenced by the interest factors of the rulers and policy makers in this case the system in educational institutions to obtain large profits by utilizing education as a commodity. This type of research is qualitative research with a descriptive approach. Data were collected through literature study techniques from secondary data sources derived from previous studies and news articles from official websites that can be accounted for. The data obtained then goes through a data reduction stage where the data is filtered according to the research theme in order to create continuity, the data is then dissected using critical analysis techniques so that it can be poured in the form of discussions with narratives that can also be accounted for.

## **FINDING AND DISCUSSION**

### **RESEARCH RESULT**

#### **The Reality of Access to Higher Education**

The discussion on higher education in Indonesia is a dichotomous one, where higher education is expected to improve the standard of living and a weapon to break the chain of poverty in society. The high expectations and increasing public awareness of the importance of higher education encourage people's desire to continue their education to the tertiary level, but on the other hand, economic problems are a big wall that hinders this step, making many of them have to bury this dream. From the data released by the World Population Review in 2021, Indonesian education is ranked 54th out of 78 countries surveyed, this shows that the quality of Indonesian education is still far from expectations, in its development, universities in Indonesia are still unable to create a good educational environment as a whole (Widodo, 2023). Some other factors that influence the quality of higher education in Indonesia are the system in it, curriculum issues, and educators.

The Ministry of Education, Culture, Research and Technology (Kemendikbudristek) as an institution that handles higher education affairs directly reveals three major problems affecting Indonesian higher education, including inequality of access, inequality of quality, and lack of relevance of higher education, which are internal and external scopes that should be considered in order to realize development in the field of higher education in this country. Not only focusing on the 12-year compulsory education program, the government must also pay attention to the level of higher education so that the nation's ideals in realizing empowered and competitive human resources can be sustainable with development efforts in other fields (Karimah, 2024).

The number of community participation in higher education in Indonesia is still around 30-40% which reveals the problem of accessibility of higher education for the community, when compared to several neighboring ASEAN countries, this figure is still far below Singapore, Thailand, and Vietnam (Karimah, 2024). The number of state and private universities has mushroomed throughout the country, but if you focus on how the quality is owned, you will see gaps in it, where there is intense competition and differences in development aspects make not all universities able to improve their quality due to the influence of learning aspects and the quality of their lecturers so that this is also a matter of public consideration to choose the intended university according to its accreditation and reputation, especially in the midst of the era of globalization as it is today, it adds to the burden of consideration for prospective new students to choose universities that are progressive and in accordance with international standards. Based on data from Kemdiktisaintek in 2020, the number of registrants at public university (PTN) tends to be more than registrants at privat university, prospective students' decision making in choosing this university is based on various factors such as accreditation, prestige, entry method, stigma, also reinforced by the STF cost factor of PTN which tends to be lower when compared to privat university (PTS) (Pramudiyanto et al., 2024).

### **Policy on Legal Entity Universities (PTN-BH)**

In total, there have been 21 universities in Indonesia that have officially transitioned into PTN-BH, various efforts to increase the autonomy and flexibility of higher education management are reflected through the making of the PTN-BH policy stipulated in Law No. 12 of 2012 concerning Higher Education and its implementation is carried out through the Minister of Education and Culture Regulation (Permendikbud) No. 4 of 2020 related to changes to Permendikbud No. 88 of 2014 which is intended to provide a large portion of autonomy to PTN themselves in managing higher education in Indonesia. The granting of this autonomy is carried out selectively because it is based on performance evaluation by the minister to PTNs based on the application of the public service agency financial management pattern through PTN-BH, (Kemdikbud, 2020) the aim of which is to improve the quality of education in the PTN environment.

In order to fulfill the PTN-BH claim, there are five main requirements regulated in Permendikbud No. 4 of 2020, namely first, the quality of the Tridharma of higher education where PTNs must have study programs with good accreditation. Second, the principle of good governance. Third, financial viability, where state universities must meet the minimum standards of financial viability that have been regulated. Fourth, social responsibility for the admission of students from underdeveloped areas. Fifth, playing a role in local economic development. The transition of PTN status to PTN-BH is stipulated through a Government Regulation that will provide flexibility to PTNs regarding autonomy in various aspects including setting STF fees with consideration of technical guidelines set by the minister.

The origin of the PTN-BH policy discourse can be seen from Law No. 20 of 2003 concerning the National Education System, article 19 paragraph (1) which states that higher education is the level of education after secondary education which includes diploma, bachelor, master, specialist, and doctoral education organized by higher education. Article 50 paragraph (6) which states that universities determine policies and have autonomy in managing the education of their institutions, and article 53 paragraph (3) which states that educational legal entities hold non-profit principles in order to manage funds independently in order to encourage the advancement of national education (Karimah, 2024).

As a key institution that can encourage the creation of superior human resources, universities are used as the tip of the struggle in realizing this so that universities are expected to be able to run dynamically to improve the quality of their education in order to increase the accessibility of graduates in the world of work later (Alfian, 2019). With international standardization, PTN-BH graduates not only take part in the national realm, but are also expected to be able to penetrate the international arena as well. Normatively, there are no rules that explicitly mention the reduction of government funding for universities with PTN-BH status, but there is a strong tendency for this, for example in Law No. 12/2012 article 5 paragraph (3) which outlines the separation of PTN-BH assets from the state and its authority to open businesses and manage endowment funds, where government funding for PTN-BH is disbursed in the form of subsidies. The financial capability that is a prerequisite determined in the transition of PTN status to PTH-BH also

hints at the tendency to reduce funding from the government, including the separation of PTN-BH assets from the state, as well as the ability to raise funds through efforts made by the institution of PTN-BH itself (Diyanto, Putranti, Yuwono, & Yuniningsih, 2021).

## **DISCUSSION**

### **Jurgen Habermas' Theory of Critical Analysis**

The basic assumptions of critical theory are based on first, human freedom over themselves, the freedom they have will then form knowledge that can be used as capital in realizing social change. Second, neutrality in the traditional conception of science - positivism as a pseudo and utopian scientific view where reality and value are two elements that cannot be separated but intersect with each other. Third, the rejection of social reality that occurs naturally or 'as is' but it is based on dialectical conditions as a result of the complexity of the construction of various aspects of life that intersect with each other. Fourth, criticism of the view of positivism which is irrational because it tends to be pro to a system that is also irrational where the system is considered to encourage the creation of social inequality and dehumanization due to capitalistic modernization.

In looking at the reality of society in social structure, critical analysis theory develops Marx's thinking which overemphasizes economic determination, but must also consider broader factors such as political factors, social factors, cultural factors, and so on. Looking back at its history, critical theory was born due to the impetus of structural inequality in society caused by the capitalist system and the development of Western positivism-modernism which is seen as fertilizer that fertilizes contradictions, domination, and oppression that occurs systematically so that this theory is used as a tool to challenge unjust practices in a highly capitalistic industrial society by presenting alternative critical views that are transformative and emancipatory.

The main goal and ideal of critical theory is to free society from the bondage of one-sided structural hegemony through the deconstruction of the social order controlled by capitalism in order to change people's views that have been shackled by traditional ideologies that developed at that time. Critical discourses continue to be developed in order to encourage critical awareness that is emancipatory in nature in society to realize social change by involving a comprehensive historical review of society so that people are invited to look at the causal aspects of a social reality. Some general characteristics of critical theory include:

1. Contrary to traditional theories and the status quo, it is common knowledge that critical theory emerged as a form of resistance to the hegemony of the views of traditional theories that developed rapidly in society, one of which is the theory of positivism which is seen as too focused on empirical facts, thus alienating other important factors that are more complex as elements that also build and influence social reality in society, such as social, political and cultural factors.
2. It emphasizes the importance of critical reflection on existing knowledge and reality by questioning the validity, objectivity, and neutrality of knowledge that has been influenced by social and historical contexts.

3. Humanistic in nature, this theory is based on human values that focus on historical experience that refutes the mechanical view that considers humans as an object in a social system where humans have the capability to think rationally and are able to act to realize social change.
4. Using a dialectic approach where conflicts between various elements in society are seen as driving factors for change influenced by the complexity of interactions between values and social practices.
5. The view of domination and hegemony is believed to be structural, where people's social life is influenced by complex institutions or institutions such as politics, economics, law, and even culture. This complexity is not only seen as something that regulates simply but is also very attached to elements of oppression that cause inequality in society. The dominance and hegemony of this structure is also seen as the result of the false consciousness of society due to the influence of the ideology of positivism, not to mention the rigid laws that apply.

Thus, this theory can be used as a knife to dissect and analyze how the influence of capitalism in the higher education system and its implications for the development of Indonesian education. The accessibility of higher education which is increasingly difficult to reach by all levels of Indonesian society as a result of the increase in STF and other costs in the process of pursuing higher education seems to limit the majority of people who have dreams of continuing their education to the tertiary level, this raises concerns about the future of human resources in Indonesia which will then have a wider negative impact, not only on the development of education, but also all aspects of national development.

#### **Privatization of PTN-BH becomes a Problem of Capitalization and Commercialization**

Changes in higher education policy by forming PTN-BH which has full control under the autonomy of PTN institutions have certainly brought various kinds of responses that cannot be separated from criticism, although it is constructed as an effort to empower PTN independently and encourage improvement in quality and quality, the policy of converting PTN into PTN-BH is considered to open up opportunities for greater capitalization and commercialization of education. If reviewed more deeply, the implementation of PTN-BH adopts the New Public Management (NPM) system which focuses on regulating public services that tend to be similar to the principles of private management, in this case PTNs that switch to PTN-BH are given the freedom to privately manage the households in their institutions (Diyanto, Putranti, Yuwono, & Yuniningsih, 2021).

This privatization gives universities the opportunity to freely develop businesses to meet their needs, which can be achieved in many ways, one of which is that PTN institutions have full control to regulate policies, including one of which is increasing STF fees, as a result there is segmentation in the accessibility of higher education in this case PTN-BH, (Pramana, 2024) where PTNs were initially the first choice of the community due to cost factors gradually shifted along with the roots of capitalism that began to take over higher education institutions in Indonesia . The absorption of NPM into the implementation of government public policies in education further not only perpetuates capitalism in education, but also

begins to shift the implementation of the basic values of privatization into commercialization.

In a developing country like Indonesia, education is a crucial aspect that can help the country in encouraging the improvement of the quality of human resources, which will later become the nation's capital in other crucial aspects of development. Fundamentally, education should be a platform for humans to get to know themselves better and explore the values associated with them. Obtaining education is one of the basic human things that should be far from the domination and structural hegemony of related government agencies and other external institutions as stipulated in the fourth paragraph of the 1945 Constitution which discusses that educating the nation's life is an obligation of the Government of Indonesia as well as article 23 paragraph (1) which states that every Indonesian citizen has the right to receive teaching (Savitri, 2021)

The development of structural hegemony in the world of education is difficult to escape, one of which is political influence which is the most important aspect in the implementation of educational institutions. Political influence is very complex because it involves various ideologies and practices that will have an impact on policy making and the academic environment. From a legal perspective, when an institution is identified as a legal entity, it becomes an independent legal subject that must still fulfill its rights and obligations. In this case, when a PTN converts to a PTN-BH, the rights and obligations that were initially controlled by the government must be transferred to the PTN that holds the title of legal entity.

The implementation of PTN-BH signifies a very clear educational capitalism in which it is now an open secret that education is projected on how universities seek to make profits through various means in various opportunities, including from students and the provision of an attractive curriculum so as to attract prospective students. This can be seen as an effort to make access to higher education not only to target its original purpose as an education sector but also to make it an opportunity for business expansion or profit. As a result, the basic or philosophical values of education and the main ideals of national education that expect the formation of human beings who understand their potential as subjects who understand the existing reality, are independent and have the right to be empowered are slowly fading.

## **CONCLUSION**

The most significant impact caused by the transition of PTN to PTN-BH is the soaring cost of STF education taken by students, so that the overall and general impact is seen is the accessibility of education, the quality of education, the commercialization of education. The change in the management pattern of educational institutions to become more private through PTN-BH has led to the privatization of public services that lead to profit interests and independent budget fulfillment where it is realized through capitalistic and commercial methods. This raises a problem where PTN as an educational institution under the auspices of the state and tasked with educating the nation's life indiscriminately shifts to create a segmentation that higher education can only be accessed by the upper



middle class due to the issue of increasingly soaring costs so that it indirectly cuts off the rights of citizens to pursue education due to complex influences outside of the visible reality, one of which is politics and interests.

## REFERENCES

- Alfian, A. (2019, March 13). *EM UB Tanggapi BEM FIA: Kami Juga Menolak PTN-BH*. Display.Ub.Ac.Id.
- Diyanto, C., Putranti, I. R., Yuwono, T., & Yuniningsih, T. (2021). *KEBIJAKAN OTONOMI PERGURUAN TINGGI INDONESIA: ANTARA PRIVATISASI DAN KOMERSIALISASI*. <http://ejournal.radenintan.ac.id/index.php/ijtimaiyya/index>
- Diyanto, C., Putranti, I. R., Yuwono, T., Yuniningsih, T., Pengembangan, J., & Islam, M. (2021). *KEBIJAKAN OTONOMI PERGURUAN TINGGI INDONESIA: ANTARA PRIVATISASI DAN KOMERSIALISASI*. 14(1). <http://ejournal.radenintan.ac.id/index.php/ijtimaiyya/index>
- Fadhol. (2021, June 29). *Tiap Tahun 1,9 Juta Anak SMA Tidak Bisa Kuliah*. Harianmerapi.Com.
- Habibirrahman, M., Fattah, A., Risalah, M., Pendidikan dan Studi Islam, J., Komersialisasi Pendidikan Tinggi Di Masyarakat Lombok Timur, D., & Pendidikan Dan Studi, J. (2024). *Dampak Komersialisasi Pendidikan Tinggi di Masyarakat Lombok Timur Dampak Komersialisasi Pendidikan Tinggi di Masyarakat Lombok Timur How to Cite*. 10(3).
- Karimah, L. L. (2024, May 4). *Dirjen Diktiristek Bicara Kesenjangan Pendidikan Tinggi dan Beri Penguatan UNESA Menuju PTNBH Berkelas Dunia*. Unesa.Ac.Id.
- Kemdikbud. (2020, February 3). *Berbadan Hukum, PTN Lebih Mandiri dan Dinamis*. Kemdikbud.Go.Id.
- Mukti, M. A. (n.d.). *MELAWAN KAPITALISME PENDIDIKAN Sundari* (Vol. 4, Issue 2).
- Nur, A. (2022). Kapitalisme Pendidikan dan Reinventing Paradigma Pendidikan Indonesia: Sebuah Tinjauan Antropologi Pendidikan. *Al-Ubudiyah: Jurnal Pendidikan Dan Studi Islam*, 3(1), 69–84.
- Nur Jurnal Pendidikan, D., dan Kemasyarakatan, K., & STAI YAPIS Takalar, N. (2022). KAPITALISME PENDIDIKAN Melawan Kapitalisasi dalam Dunia Pendidikan. 56 / *Dahzain Nur*, 12(1).
- Pramana, J. (2024, May 19). PTN-BH Jadi Petaka di Dunia Akademik? *Bidikutama.Com*.
- Pramudiyanto, A., Kurniawan, R., & Jamal, A. (2024). Pengambilan Keputusan Mahasiswa dalam Memilih Perguruan Tinggi di Kota Surabaya. *Indonesian Journal of Public Administration Review*, 1(3), 10. <https://doi.org/10.47134/par.v1i3.2461>
- Saputra, M. G. (2023, May 26). *Dari 275 Juta Penduduk Indonesia, Hanya 6 Persen yang Menempuh Pendidikan Tinggi*. Liputan6.Com.
- Savitri, D. (2021, January 21). 21 PTN-BH Siap Lakukan Riset Kolaborasi Indonesia 2024, Ada Kampusmu? . *Detik.Com*.

- Setiawati, S. (2024, May 17). *Pantas Gen Z Nganggur & Tak Kuliah: UKT Mahal! Gimana Nih Pak Jokowi?* CNBCIndonesia.Com.
- Widodo. (2023, September 9). *Ketua MPR RI Bamsoet katakan peringkat pendidikan Indonesia, ke-54 dari 78 negara di dunia.* Elshinta.Com.