

Analysis of the Increase in Education Costs in Indonesia: Socio-Economic Implications

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A B S T R A K

This study examines the increase in education costs in Indonesia and its impact on the social and economic aspects of society through a literature study approach. Over the past few years, the cost of education has been increasing, adding to the financial burden on families, especially for those from the lower middle economic class. The study identified the direct costs (such as tuition and development costs) and indirect costs (such as books, transportation, and digital technology needs) that contribute to the increased burden. This increase exacerbates inequality in access to education and limits opportunities for underprivileged groups. The impact of the COVID-19 pandemic has further exacerbated this problem by widening the digital divide that causes many students to fall behind in the learning process. Government programs, such as PIP, KIP Lectures, and BOS, have provided assistance, but face obstacles in terms of proper and effective distribution. This study recommends sustainable and inclusive education financing reforms, including endowments, results-based financing, and public-private partnerships, as well as strengthening data collection and governance systems. Education should be seen not only as an economic investment, but also as a social investment that plays a role in promoting equality and sustainable development.

Keywords: *Education Costs, Socio-Economic Inequality, Digital Divide, Education Financing Policy.*

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INTRODUCTION

Education is the foundation of a nation's social, cultural, and economic development. In Indonesia, education is guaranteed as the right of every citizen as stated in the 1945 Constitution Article 31 paragraph 1 which reads "*Every citizen has the right to education.*" The government has also stipulated that the education budget is at least 20% of the State Revenue and Expenditure Budget (APBN) as a form of commitment to achieving the Sustainable Development Goals (SDGs), especially in the fourth point, namely quality education for all (United Nations, 2020). However, in the last two decades, Indonesia has faced a serious challenge in the form of an increase in education costs that is not proportional to people's purchasing power, especially at the secondary and tertiary education levels. Data from the Central Statistics Agency (BPS) shows that household spending on education has increased significantly from 1.9% of total spending in 2010 to more than 3.2% in 2022 (BPS, 2023). This figure shows the increasing burden on families in meeting their children's educational needs.

This increase in education costs includes two main aspects, namely direct costs and indirect costs. Direct costs consist of tuition, development fees, practice fees, and exam fees. Meanwhile, indirect costs include the purchase of books, uniforms, transportation, additional tutoring fees, to digital technology needs such as *smartphone* and internet quotas, especially during the COVID-19 pandemic that forced schools to switch to online learning (Gagaramusu et al., 2021). This burden is felt heavier for lower-middle-income families, raising concerns

about the decline in accessibility and equitable distribution of education in Indonesia. This phenomenon not only has an impact on access to education, but also has implications for the broader social and economic dimensions. From the social side, the increase in education costs widens the gap between social classes. Children from poor families are more likely to drop out of school or choose a lower level of education than children from affluent families (Setyadi, 2022). This then reinforces existing social inequalities and hinders intergenerational social mobility.

Economically, the high burden of education costs results in the diversion of the household budget from essential needs (clothing, food, board) such as food, health, and housing. In addition, families who cannot afford higher education are more likely to withdraw their children from school or opt for lower-quality educational alternatives. In the long term, this has an impact on the quality of national human resources (HR), which then affects the nation's labor productivity and competitiveness globally (OECD, 2018).

Investment in education has a direct impact on economic growth. Every additional year of education can increase an individual's income by up to 10%, especially at the higher education level. However, if access to education is only available to certain economic groups, these benefits will not be evenly distributed. On the contrary, exclusive education actually increases the economic gap. According to (UNESCO, 2024), investing in education is the most effective strategy to prepare individuals and societies for the complex challenges of the future, as well as to foster economic growth, social cohesion, and a sustainable future. However, despite its importance, education often faces challenges in terms of investment and unequal access. Governments and global leaders must realize that spending on education is not a cost to be minimized, but rather a strategic investment with great long-term returns. Further, a study by Gethin, (2024) Showing that education explains most of the global economic growth, reduction of extreme poverty, and reduction of gender inequality since 1980. Using the "distributional growth accounting" model, it was found that education accounts for about 70% of the increase in income among the world's poorest 20% of individuals. However, if access to education is limited to certain groups, those economic benefits will not be evenly distributed. On the contrary, exclusive education can exacerbate economic inequality. This is in line with the findings that inequality in access to education can create poverty traps and hinder social mobility.

The government's efforts through the Smart Indonesia Program (PIP), which includes the Smart Indonesia Card (KIP), KIP Lectures, and School Operational Assistance (BOS), are a strategic step to increase access to education for underprivileged families. The program aims to reduce dropout rates and ensure that every child has an equal opportunity to receive a quality education (Rafidah et al., 2025). However, various studies show that the implementation of PIP has not been fully effective in achieving its goals. The main problems identified include uneven distribution of aid, lack of socialization to the community, and delays in disbursing funds. For example, research by Fakhirah & Agustino, (2023) revealed that at SMKN 1 Lembah Melintang, West Pasaman Regency, the distribution and disbursement process of aid funds was not on time, as well as monitoring and socialization that were still not optimal. Furthermore, the COVID-19 pandemic has exacerbated this condition. Prolonged school closures and sudden shifts to online learning have caused many students to lose access to adequate education. According to a survey conducted by Wulansari et al., (2022), more than 38.4 million students in Indonesia are at risk of learning loss due to their inability to participate in online learning effectively. Rising education costs and limited supporting facilities further worsen the quality of education among underprivileged students.

This research is expected to provide a complete and comprehensive understanding of how the high cost of education not only impacts certain individuals or families, but also has systemic consequences on the social structure and economic development of the nation. This research will also serve as a foundation for policymakers in formulating a more inclusive, equitable, and sustainable strategy for the education financing system in Indonesia.

METHOD

This research aims to analyze the increase in education costs in Indonesia and its impact on the social and economic aspects of society. The method used in this study is *Literature Review*, which refers to various previous studies to gain a deeper understanding of the problem being studied. This method was chosen because of its suitability for the purpose of digging and analyzing information from a variety of relevant secondary sources.

This literature study is descriptive analytical, which means that it will analyze the results of previous research on the cost of education in Indonesia and its impact on socio-economy by identifying relevant trends, patterns, and results. In this study, the author will collect data from various literature, such as scientific journals, government reports, and academic books that discuss topics related to education in Indonesia, especially those that include the issue of education costs and their impact on society. According to Fink, (2020), literature study is a form of secondary research that aims to explore and understand problems by analyzing existing sources. This method makes it easier for researchers to look at previous findings and build a strong theoretical foundation for further research.

The main data source in this study is literature published in the period 2013-2024. The data used came from various types of publications, namely, scientific journals that examine the topic of education costs and their impact on the economy and society, as well as from academic books and *Proceeding* conference that discusses education policy and its impact on socio-economy in Indonesia. The literature selection criteria are based on relevance, credibility, and suitability for the research topic. According to (Costal et al., 2021), the criteria for selecting literature should take into account the validity of the source and its contribution to the broader understanding of the topic.

The data collection process in this study was carried out through a literature search using *database* academic and research repositories. *Database* The ones used include Google Scholar and Scopus. The search was conducted using keywords, namely "education fees in Indonesia"; "the socio-economic impact of Indonesian education"; "increase in education fees"; "education and social inequality in Indonesia". According to Fink, (2020), the literature search process should be done systematically by defining the right keywords and ensuring that the data obtained is relevant to the research topic.

Data analysis was carried out with a qualitative approach, where data obtained from various literature were analyzed and synthesized to draw conclusions about the increase in education costs in Indonesia and its impact on the socio-economic of the community. Thematic analysis methods are used to identify key themes that emerge from the literature reviewed. Shakman et al., (2017) Explains that qualitative analysis in literature studies aims to identify emerging patterns and themes, which can then be used to provide deeper insights into research problems.

DISCUSSION

Shifting Financing Patterns and the Complexity of Education Costs

Literature review shows that one of the fundamental challenges in the current Indonesian education system is the shift in the pattern of education financing from the state to individuals or households. Although normatively the state guarantees education as a basic right, the reality of financing shows that the direct contribution of the community to the cost of education continues to increase, both nominally and proportionally.

This phenomenon does not only occur in higher education, but also begins to be felt at the primary and secondary education levels. This can be seen from the increasing prevalence of voluntary levies that are an 'obligation' in public schools, especially to cover the shortfall in operational budgets and facility development. On the other hand, private schools, which are very significant in Indonesia, systemically do not receive adequate financing support from the state, so that the entire burden is borne by students and their families.

The complexity of education costs has also increased in the dimensions of financing types and components. If in the past education costs were generally limited to tuition fees,

now families are faced with various forms of additional costs. Direct costs such as building fees, activity fees, and exam fees are often a huge burden, especially in private schools. Meanwhile, indirect costs such as transportation, the purchase of learning materials, and technological support for online learning have become increasingly important, especially since the pandemic.

The COVID-19 pandemic has been a turning point in changes in the structure of education costs. Distance learning implemented nationwide demands the availability of devices such as smartphones, laptops, and a stable internet connection. This need, although not included in the formal school fee structure, is an absolute prerequisite to be able to follow the learning process. As a result, financial burdens that were not originally taken into account in the family education budget are now an inevitable fixed part. For poor families, this digital cost is actually heavier than the tuition fee itself.

In the context of higher education, the implementation of Single Tuition Fees (UKT), which should be progressive, has actually attracted criticism due to the lack of transparency and weak objection mechanisms, so that students from lower middle families are often trapped in the category of high payments. This situation is exacerbated by the fact that alternative financing mechanisms such as endowments and collaborations with the private sector are still limited and have not yet become the norm outside of major universities. Hazelkornis, (2016) Adding a geopolitical dimension to this financing dynamic, it shows that international pressure on universities to be ranked globally encourages higher education institutions to compete to improve their reputations, among other things, through large investments in academic facilities, research, and services. Unfortunately, most of these quality improvement costs are charged to students in the form of increased tuition fees and campus service fees, without being balanced by a guarantee of increased access or sufficient scholarships. As a result, universities, which are supposed to be a means of social mobility, have instead become a symbol of the exclusivity of the upper middle class.

Gamal et al., (2024) suggests that higher education institutions begin to develop a more independent long-term financing approach, for example by managing surplus funds strategically. However, this kind of strategy will only be effective if it is accompanied by transparent and accountable financial governance. Thus, the complexity of education costs is not only a matter of the nominal amount that must be paid, but also about how the financing is distributed, managed, and borne by whom. If there is no systemic intervention, then the direction of this financing trend will move further away from the principle of social justice which should be the main foundation of national education policy.

Inequality of Access and Accumulation of Social Losses

One of the most striking implications of the rising cost of education in Indonesia is the worsening inequality of access between social groups. Access to education, which should be a tool for social equality, has actually turned into a trigger for exclusion, especially for the lower economic group. When the cost of education exceeds the economic ability of households, access to quality education becomes a privilege that can only be afforded by those with adequate financial resources.

Literature from Divya et al., (2024) emphasizing that education today no longer functions as an instrument of vertical social mobility, but rather strengthens the status quo. Students from poor families are generally only able to attend institutions with low quality of education, limited facilities, and a lack of qualified teaching staff. On the other hand, students from established families have access to excellent schools, complete learning facilities, and tutoring support and college preparation. This creates gaps that accumulate early on, and continue to higher education.

This inequality is not only manifest in participation rates, but also in learning outcomes and job readiness. Children from poor families who are forced to pursue modest education experience a quality deficit, which ultimately leads to limited employment options and low long-term productivity. Sakhiyya & Rahmawati, (2024) In his study, it underlined that inequality in the quality of education is rooted in the unequal distribution of educational resources geographically and socially. Schools in remote areas are not only underfunded, but

also lacking in terms of quality teachers, digital infrastructure, and support networks of educational communities.

Furthermore, this inequality gives rise to what is called cumulative *social loss*. This phenomenon occurs when individuals from the poorest group are systemically disadvantaged, which in turn lowers their economic bargaining power, narrows mobility, and lowers their children's chances of breaking out of the cycle of poverty. This accumulation is not only a burden on individuals, but creates pressures on the social system as a whole, such as an increase in the burden of social security, income gaps, and social instability.

Rosser & Joshi, (2023) highlighting how legal interventions such as the recognition of the right to education in the law have not been able to address the problem of structural inequality. Policy implementation is still often hampered by weak fiscal capacity, inefficient bureaucracy, and lack of policy alignment with marginalized groups. This shows that inequality of access is not only a matter of cost, but also a reflection of inequality in public policy attention and allocation. By considering these studies, it can be concluded that inequality of access to education contributes to the replication of intergenerational poverty and a decrease in social mobility. If not addressed systemically, these inequalities will reinforce social fragmentation that threatens national integration and long-term inclusive growth.

Higher Education and Macroeconomic Inequality

Higher education has a strategic position in national economic development, because it determines the quality of human resources and labor productivity. However, as shown in some literature, unequal access to higher education creates structural inequality in the economy. Education, which should be an instrument of equity, actually strengthens the concentration of economic benefits in certain groups of people.

Maneejuk & Yamaka, (2021) In their study of ASEAN-5, they found that a country's economic growth has a positive correlation with increased participation in higher education. This means that the more people who pursue higher education, the greater their contribution to Gross Domestic Income (GDP) and increased national competitiveness. However, the study also shows that this growth effect is highly dependent on equitable access. If participation is dominated only by the upper socio-economic group, then the resulting growth will be exclusive and exacerbate income inequality.

In Indonesia, this is reflected in the pattern of student distribution. Data from various socioeconomic surveys show that the proportion of students from families with household expenditure in the lower quintile is much lower than that of the upper quintile. This means that children from poor families have a much smaller chance of pursuing higher education, especially at favorite public universities or high-quality private institutions. This condition is exacerbated by the high tuition fees, student living costs, and limited need-based scholarships available.

Purcell & Lumbreras, (2021) provides an additional dimension through an analysis of the impact of the COVID-19 pandemic on the global higher education system. In the Indonesian context, the pandemic reinforced structural barriers to access to higher education due to two main things: the digital divide and the household economic crisis. During the pandemic, online learning became the norm, but access to adequate internet devices and networks was not available to all students. Many students from lower middle economic backgrounds face serious disruptions in learning, even forced to stop their studies because they are unable to adjust financially and technologically. This situation deepens the already existing inequality gap, because only those with technological capital and economic support are able to survive and complete higher education in times of crisis.

Moreover Schofer et al., (2021) broadening this understanding by showing that higher education also has important socio-political implications. When only a few people have access to higher education, the structure of society will tend to be oligarchic, which is where the educated group is at the same time the dominant group in the economy and government. This narrows the opportunities for wider community participation in the economic and public policy decision-making process.

In addition, limited access to quality higher education also affects the vertical economic mobility of the community. Individuals who can only afford secondary education tend to be stuck in low-productivity informal jobs, while those with a bachelor's degree or higher have a greater chance of entering the formal sector and receiving higher wages. This inequality ultimately creates a dualistic economic structure and widens the gap between highly educated and low-skilled workers.

The macroeconomic implications are quite clear, namely that when a large part of the population is unable to improve skills and knowledge through higher education, the national productive capacity is strained. Indonesia faces the risk of stagnation in the "middle income trap" if it is unable to expand access to inclusive and affordable higher education. Thus, the challenge ahead is not only to increase the participation rate of higher education, but to ensure that access is inclusive and does not reinforce existing socioeconomic disparities. Policy interventions such as need-based scholarship diversification, adjustment of the UKT system to be more transparent, and expansion of vocational education are important steps in responding to this issue in a sustainable manner.

Digital Divide and Post-Pandemic Learning Loss

The COVID-19 pandemic has drastically changed the education landscape in Indonesia. The sudden transition to distance learning (PJJ) shows the reality of a very wide digital divide among students in various regions and socioeconomic groups. Access to digital devices, internet connections, and a conducive learning environment are determining factors for the success of online learning. Unfortunately, not all students have these luxuries. Article from Salwan, (2021) It shows that technology-based learning holds great potential economic value in the long run, especially in terms of efficiency and expanded access. However, in practice, the digital approach actually widens the gap of inequality. Students from 3T areas (frontier, outermost, disadvantaged), as well as from poor families in urban areas, experience significant obstacles in participating in learning. The unaffordability of devices such as laptops, tablets, or even mobile phones, coupled with the expensive cost of internet subscriptions, leaves many learners behind in the learning process.

Wulansari et al., (2022) reported that More than 38 million students in Indonesia are at risk of experiencing *learning loss* during the COVID-19 pandemic. This risk arises due to significant obstacles in participating in online learning effectively, especially among students with limited access to digital devices, parental assistance, and internet infrastructure. *Learning loss* What happens includes not only a loss of understanding of formal subject matter, but also a decline in social skills, a decrease in learning motivation, and a weakening of emotional attachment to educational institutions. The medium- to long-term impact of this phenomenon is very serious: a decline in basic skills such as reading, writing, and arithmetic, especially in elementary school students and other vulnerable groups. If not addressed, this condition can lead to low job readiness, decreased productivity, and deterioration of the quality of national human resources in the future. This digital divide also has an impact on teachers and educational institutions. Many schools, especially in rural areas, do not have adequate technology capacity or teacher training to implement online learning effectively. As a result, the quality of teaching has decreased drastically, and education has not run optimally, even though administratively schools remain open online.

Article Larasati et al., (2015) propose alternative approaches through results-based financing schemes such as *Social Impact Bond (SIB)*, which can be used to address educational gaps from an early age. Such schemes, if implemented in the context of post-pandemic recovery, can help encourage investment in digital education infrastructure in the most affected areas. Unfortunately, government policies focus more on the distribution of cash assistance or internet quotas in the short term. There has not been a structured long-term education recovery strategy, for example with national remedial programs, lagging assessments, or strengthening ecosystems *edutech* that are inclusive. The digital divide that is not addressed immediately has the potential to cause a chain effect, ranging from low graduation rates, declining educational participation, to increasing dropout rates. The impact of these various problems that arise will make the post-pandemic generation who in aggregate

experience a significant decline in the quality of human resources. Therefore, the digital divide is not only a technological challenge, but also a social justice issue and the urgency of national education policies.

Policy Evaluation: Inconsistencies in Implementation and Effectiveness

In an effort to overcome the burden of education costs, the Government of Indonesia has launched various affirmative policies such as the Smart Indonesia Program (PIP) through the Smart Indonesia Card (KIP), School Operational Assistance (BOS), and higher education scholarships such as Bidikmisi and continued with the KIP Lecture scheme. In principle, this policy is intended to increase the accessibility of education for underprivileged people and prevent school dropouts due to cost pressures. However, the implementation of these policies in various studies shows inconsistencies and effectiveness that are not optimal.

(Djumiarti et al., 2019) In their study of education-based poverty alleviation programs in Sragen Regency, it highlighted that educational assistance is often not on target. They found that there was an inequality between administrative indicators and real conditions on the ground, which caused many families who were actually poor to not have access to educational assistance. This is mainly due to the weak data collection and verification system of aid recipients. Reliance on centralized data such as Integrated Social Welfare Data (DTKS) which is not always accurate or up-to-date is one of the main obstacles.

Rosser & Joshi, (2023) It also states that despite legal pressure on the state to guarantee free and quality education through formal policies, real implementation on the ground is often not in line with the spirit of such regulations. They gave an example of how after legal reform, progressive education policies collided with regional fiscal capacity and inefficient bureaucracy.

Meanwhile, the effectiveness of the BOS Program has also been highlighted in various literature. Although this program has succeeded in reducing the operational burden of schools, Suryadarma & Jones, (2013) shows that the BOS has not been able to eliminate illegal or additional levies in schools, especially in semi-elite urban or private public schools. Schools still charge other fees for infrastructure development, additional activities, or non-fixed teacher honorariums, all of which remain the burden of parents.

In the context of higher education, Gamal et al., (2024) highlighting the limitations of student funding mechanisms in universities. They propose that higher education institutions be given flexibility in managing financial surpluses through models such as *endowment fund* and long-term investments. This approach is believed to reduce the institution's dependence on student tuition fees, while opening up opportunities for more flexible and fair internal scholarships.

However, government assistance policies such as KIP Lecture, although useful in general, have not fully reached the right target groups. Divya et al., (2024) noted that many prospective students from poor families are unable to meet the administrative requirements, such as residency documents or certificates of incapacity, thus hindering access to scholarships even though they are substantially eligible.

In addition to administrative technical problems, the lack of transparency and community involvement in the implementation of policies is also a significant obstacle. The absence of an open reporting system or a public complaint forum has led to practices such as misuse of funds or the provision of assistance based on social proximity. Thus, although the government has moved in the right direction in policy, the success of the policy is highly dependent on the execution capacity and the quality of governance at the executive level. The studies studied agree that improving the data collection system, strengthening the capacity of local governments, and increasing public participation are urgent steps so that education assistance policies are not only symbolic but truly effective in reducing educational inequality.

Sustainable Education Financing Strategy

Faced with the challenges of rising education costs and access inequality, various literature studies emphasize the importance of shifting education financing approaches from short-term, reactive models to more sustainable, innovative, and social justice-based financing systems. A sustainable education financing strategy not only aims to lower the burden on

households, but also guarantees that the education system can survive and develop consistently in the long term, regardless of the country's fiscal conditions or external turmoil such as the pandemic.

One of the approaches raised by Gamal et al., (2024) is the optimization of the education endowment fund (education endowment fund) at the university level. This approach has been used by various world-class universities to support scholarship financing, research, and infrastructure development without having to raise tuition fees. In Indonesia, the potential for the development of this endowment fund is still not maximized. Many public universities do not yet have the regulatory flexibility and institutional capacity to manage long-term investments. Therefore, fiscal policy reform of higher education is needed so that the campus can develop an accountable self-financing strategy.

In addition, the literature also highlights the need to diversify education funding sources through public-private partnerships (PPPs). The PPP model can be used for the construction of school facilities, the provision of digital devices, teacher training, and the development of curriculum based on industrial needs. With transparently managed private sector engagement, governments can divert more resources to fund the education of vulnerable groups directly.

Results-based financing schemes have also begun to be introduced, such as in the Social Impact Bond (SIB) model which is studied in early childhood education. In this scheme, private investors bear the cost of the education program first and the government only pays if the mutually agreed outcome target is achieved. This strategy is considered to be able to spur innovation in the implementation of education while maintaining efficiency and accountability in the use of funds.

Furthermore, for primary and secondary education, improving the School Operational Assistance (BOS) allocation system by taking into account regional inequality indexes, living costs, and local poverty levels will greatly determine budget effectiveness. The national one-rate approach has proven ineffective because it does not reflect the real needs of schools that vary widely geographically and socially.

In the global context, sustainable finance strategies also include the integration of education within long-term development frameworks such as the National Medium-Term Development Plan (RPJMN) and the SDG Agenda. This means that education must be financed not only as a social expenditure, but as a human development investment that brings high economic and social returns.

Thus, the policy direction going forward must prioritize education financing that is long-term, innovative, inclusive, and results-based. Without proper financing design, education will continue to be a burden on vulnerable communities, rather than a tool for social mobility and economic growth.

Social Integration and the Role of Education in Society

Education not only serves as a means of knowledge and skills transfer, but also plays an important role in building social cohesion, strengthening national identity, and creating a tolerant and inclusive society. In the context of a multicultural and pluralistic Indonesia, education has a strategic position as the glue of the nation that is able to bridge social, cultural, economic, and religious differences.

However, various literature highlights that when education becomes unaffordable for most people, especially the poor and marginalized groups, the social function of education is eroded. Inequality in access to and quality of education creates a deep social polarization, namely between those who are educated and empowered and those who are left behind and marginalized. This not only triggers social exclusion, but can also give rise to distrust of the state and the education system itself.

Studies from Schofer et al., (2021) It shows that education plays a role as a normative institution that shapes the shared values and collective orientation of society. When education is successfully accessed by all social groups equally, it plays a role as an arena for the formation of national identity and equality. On the other hand, if education is only enjoyed by certain

groups, then what is formed is a social segmentation that strengthens class differences and weakens national solidarity.

In Indonesia, this inequality is reflected in disparities between regions and between social groups. For example, children in big cities have a greater chance of accessing excellent schools, participating in extracurricular activities, and obtaining additional tutoring. Meanwhile, children in rural areas or from migrant worker families often face geographical, economic, and cultural barriers to fully participate in the education system. Such inequality in the long run can create invisible but decisive social segregation in the structure of society.

Furthermore, the function of education as an active and democratic citizen is also disrupted when the education system fails to create an equal and inclusive learning space. Education that focuses only on academic outcomes and cognitive achievement tends to ignore character building, social empathy, and the ability to collaborate across groups. In fact, in the context of a pluralistic society like Indonesia, the ability to live together in diversity is a very important social capital.

Therefore, social integration as an educational goal cannot be achieved only through curriculum or slogans alone. This must be realized through fair financing, equal access, and equitable quality assurance. Schools and educational institutions should be inclusive spaces where every child, regardless of his or her social background, has equal rights and opportunities to thrive. Education must be seen again not only as an economic investment, but also as a vital social investment to maintain national unity, justice, and resilience.

CONCLUSION

This study reveals that the increase in education costs in Indonesia has had a systemic impact on the social structure and economic dynamics of the community, not just as a fiscal or technical operational issue. Through the literature review conducted by the author, it was identified that the pressure on education financing is increasingly shifting to households, increasing access inequality and strengthening social stratification. Education, which should be an instrument of equity and vertical mobility, actually functions in practice more as a reinforcement of the position of the upper middle class, along with the high direct and indirect costs that must be borne by students. This inequality not only has an impact on school participation, but also on learning outcomes, job readiness, and citizen involvement more broadly. The COVID-19 pandemic has exacerbated the situation by adding layers of the digital divide that are difficult to reach by conventional policy interventions. Aid policies such as PIP, KIP Lectures, and BOS do show the state's intention to reduce cost pressures, but the quality of implementation at the local level, the validity of recipient data, and the lack of novelty in the design of education financing make these interventions have not reached the structural dimension of the existing problem.

These findings have a number of important implications. First, the national education financing system needs to be reformulated to be more adaptive to socio-economic dynamics and based on spatial justice and the needs of students, not just a uniform allocation. Second, the state needs to build long-term and innovative financing instruments such as education endowments, results-based financing schemes, and multi-sectoral collaboration to reduce dependence on student dues and prevent the commercialization of educational institutions. Third, the development of an inclusive education ecosystem must go hand in hand with data collection reform, the distribution of human resources for educators, and the strengthening of the social function of schools as a space for citizen integration. The main limitation of this study is its dependence on secondary literature analysis that has not been completed with field verification or primary data, so that the findings are descriptive and theoretical. In the future, further research can be carried out with a quantitative approach or a region-based qualitative case study, in order to measure more precisely the impact of education costs on the quality of human resources and intergenerational social mobility. Thus, efforts to realize a fair, equitable, and sustainable education system not only require a larger budget allocation, but also a policy

design that is data-based, participatory, and responds to the socio-economic realities of Indonesian society in a contextual manner.

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