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The Silent Crisis in the Education Sector: A Study of the Impact of Budget Cuts in Indonesia and the United Kingdom

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ABSTRACT

Education budget cuts often occur without sufficient public scrutiny, despite their profound implications for educational quality and equity. This study compares the impact of budget reductions in Indonesia and the United Kingdom two countries with differing educational structures and economic development levels. Utilizing a qualitative-comparative approach based on the Constant Comparative Method, this research investigates policy shifts, institutional responses, and their consequences on educational access, quality, and equity. Data were derived from official policy documents, international reports (OECD, IFS, World Bank), and verified national news sources. The findings reveal that in Indonesia, budget reductions in higher education (Kemendiktisaintek) and basic education (Kemendikdasmen) reached 25.26% (IDR 14.3 trillion from IDR 56.6 trillion) and 23.88% (IDR 8 trillion from IDR 33.5 trillion) respectively. This policy led to a 50% cut in Teacher Professional Education (PPG) quotas (from 800,000 to 400,000 teachers) and an IDR 1.31 trillion (8.91%) reduction in KIP-Kuliah scholarships. Conversely, in the UK, sustained austerity policies reduced real-terms per-pupil spending by 8% since 2010 and caused the closure of over 1,000 Sure Start children's centers. Despite structural differences, both nations reflect a parallel trend where fiscal tightening exacerbates structural inequality, undermines support for vulnerable groups, and heightens teacher burnout. The study advocates for an Equity-Responsive Efficiency Model to reformulate education budget policies.

ABSTRAK

Pemangkasan anggaran pendidikan sering kali terjadi tanpa perhatian publik yang memadai, meskipun dampaknya sangat besar terhadap kualitas dan pemerataan layanan pendidikan. Studi ini membandingkan dampak pemotongan anggaran pendidikan di Indonesia dan Inggris sebagai dua negara dengan karakter sistem pendidikan serta tingkat pembangunan yang berbeda. Dengan menggunakan pendekatan studi kualitatif-komparatif (Constant Comparative Method), penelitian ini menelusuri perubahan kebijakan anggaran, respons lembaga pendidikan, dan dampaknya terhadap akses, kualitas, serta pemerataan pendidikan. Data dikumpulkan melalui telaah dokumen kebijakan resmi, laporan lembaga internasional (UNESCO, OECD, IFS), serta analisis media nasional. Hasil studi menunjukkan bahwa di Indonesia, pemangkasan anggaran Kemendiktisaintek mencapai Rp14,3 triliun (25,26%) dari pagu Rp56,6 triliun, dan Kemendikdasmen sebesar Rp8 triliun (23,88%) dari pagu Rp33,5 triliun. Kebijakan efisiensi ini memicu pemotongan kuota Pendidikan Guru Profesi (PPG) sebesar 50% (dari 800.000 menjadi 400.000 guru) serta pemangkasan anggaran beasiswa KIP-Kuliah sebesar Rp1,31 triliun (8,91%). Sementara itu, di Inggris, pemangkasan anggaran publik lokal (Local Authority Funding) berdampak pada penurunan pengeluaran riil per murid sekolah dasar hingga 8% sejak 2010 dan penutupan lebih dari 1.000 pusat pendidikan anak usia dini (Sure Start Centres). Meskipun konteks ekonomi dan politik berbeda, pemangkasan anggaran di kedua negara menunjukkan pola serupa dalam memperparah ketimpangan struktural, mengurangi dukungan terhadap kelompok rentan, dan meningkatkan beban kerja tenaga pendidik. Studi ini merekomendasikan Equity-Responsive Efficiency Model sebagai skema reformulasi kebijakan anggaran pendidikan.

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INTRODUCTION

Budget cuts and adjustments in the education sector have become one of the most crucial issues in modern public policy discourse. Governments in various countries frequently argue that fiscal adjustments and budget refocusing are necessary to maintain macroeconomic stability, restructure state expenditure priorities, and allocate funds to other strategic development sectors deemed to have pressing consequences (Lahiani et al., 2022). These fiscal austerity policies often trigger significant budgetary pressures on the public sector (Jones et al., 2020), while simultaneously shaping diverse public attitudes and perceptions toward cuts in school operational budgets (Dzigbede, 2020). However, when this fiscal efficiency targets the education sector, the resulting impact does not merely imply financial administration aspects but touches the fundamental foundation of human resource development and social justice of a nation. Budget cuts and efficiency in the education sector have become one of the most vital issues in modern public policy discourse because this restructuring is massively occurring across global academic institutions (Gropp, 2019). Governments in various countries often argue that fiscal adjustments are necessary for economic sustainability, even though such policies frequently spark ideological and structural conflicts within university environments (Lima & Iamamoto, 2022). However, when this fiscal efficiency targets the education sector, the resulting impact does not merely imply financial administration aspects but touches the fundamental foundation of human resource development and social justice of a nation.

In Indonesia, Article 31 Paragraph (4) of the 1945 Constitution of the Republic of Indonesia explicitly mandates that the state is obliged to prioritize the education budget by at least 20% of the State Revenue and Expenditure Budget (APBN) as well as the Regional Revenue and Expenditure Budget (APBD). This mandatory spending mandate, consistently implemented since 2009, was designed as a form of constitutional protection so that the education sector remains isolated from the fluctuations of fiscal politics. This concept of educational economics structurally binds the supra and infrastructure political structures in Indonesia (Refika et al., 2021). The policy formulation of this 20 percent APBN allocation cannot be separated from the complex dynamics of educational politics in its historical formation (Publik & Muttaqin, 2022). The implementation of this 20 percent mandate rule is also applied at the regional level through APBD (Lewis, 2022), although in practice, various implementation obstacles of the mandatory spending policy are frequently found at the regency/city level (Widnyani & Afandi, 2024). When budget allocations in regions fail to meet this minimum threshold, certain legal consequences and implications loom over local government compliance (Anggreni, 2023).

In the 2025 APBN, the government formally recorded an education budget allocation of Rp724.3 trillion a nominal figure that in aggregate satisfies the minimum percentage mandated by the 1945 Constitution. Generally, a functional analysis of the APBN demonstrates how financing is allocated to support the direction of national education policy (Santoso, 2021). Nevertheless, an in-depth analysis of the allocation structure and realization reveals a wide gap between the normative figures in budget documents and operational realities on the ground, indicating that the education budgeting system in Indonesia still possesses a low level of adaptability (Sumiyana & Effendi, 2024). Expenditure adjustments at the technical ministry level specifically the Ministry of Primary and Secondary Education (Kemendikdasmen) and the Ministry of Higher Education, Science, and Technology (Kemendiktisaintek) have triggered significant budget ceiling cuts. This disruption is reflected in the limited provision of learning facilities and infrastructure in regions, the cancellation or volume reduction of teacher training programs, restrictions on education fee assistance quotas, to delays in the physical revitalization of schools. This condition indicates that meeting the 20% APBN percentage threshold does not necessarily guarantee the achievement of adequacy and stability in educational operational financing at the grassroots level.

Theoretically, investment in the education sector serves as the primary pillar of human capital accumulation that underlies long-term economic growth and national

competitiveness. Efforts to maintain the quality of education through proper financing management are crucial to enhancing the competitiveness of educational institutions in a competitive era (Fauzi, 2020). Human Capital Theory asserts that the quality of human resources is directly influenced by the continuity and quality of investments in learning, supporting facilities, and educator competence. Therefore, budget cuts that slice into the allocation of allowances, incentives, and professional development opportunities for teachers and lecturers are not merely expense variables that can be reduced exponentially without risk. Budgetary constraints at the school level during periods of crisis have been proven to drastically alter internal allocation patterns and operational efficiency (Pendola, 2022). Delays in recruiting new teaching staff to replace educators entering retirement, accompanied by restrictions on teacher certification quotas, create a threat of a qualification generation gap among educators in the future. Ultimately, these budget reductions risk widening the inequality of access to equitable higher education opportunities (Rifa'i, 2019). When the welfare and career certainty of teaching personnel are neglected due to budget tightening policies, work motivation and teaching professionalism have the potential to experience a drastic decline. Various empirical studies have proven that budget tightening policies significantly endanger and reduce student learning outcomes (Pavese & Rubolino, 2023). These dynamics underline that national budget policy cannot be separated from the political policy analysis surrounding the educational system itself (Mansir, 2019).

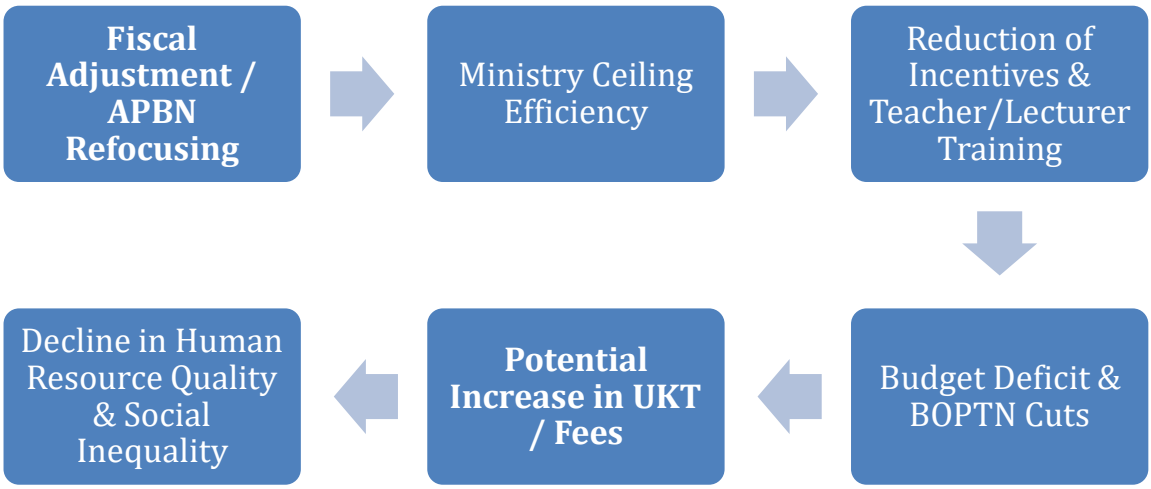


Figure 1. Transmission of Budget Cut Impacts on the Educator Ecosystem

In addition to affecting teaching personnel, budget cuts at the higher education level create a domino effect on the higher education financing scheme. The reduction of the State University Operational Assistance (BOPTN) and the cutbacks in affirmative scholarship allocations place State Universities (PTN) in a severe financial dilemma. As a consequence of these subsidy limitations, institutions are forced to face complex structural challenges in institutional governance (Rosser, 2022), and are driven to transform into entrepreneurial universities in search of non-educational revenue sources (Sakapurnama et al., 2019). This financing reform dilemma reflects a shift in policy direction that demands meticulous fiscal planning to ensure academic quality is maintained (Aprimadya, 2024). However, without such planning, educational institutions are pushed toward cost-shifting onto the public through potential increases in Single Tuition Fee (UKT) rates. This policy risks widening access inequality, where high-quality higher education becomes accessible only to wealthy economic groups, while low-income communities are increasingly marginalized from the right to equitable access to education (Fadhil & Sabic-El-Rayess, 2020).

The budget crisis in the education sector does not occur in a vacuum; rather, it is a global phenomenon faced by both developing and developed countries, characterized by distinct policy natures and spectrums of impact. This issue is fundamentally rooted in the political economy landscape surrounding national financing policies (Rosser et al., 2022).

In the context of this study, a comparison between Indonesia and the United Kingdom presents a highly relevant analytical contrast to dissect how budget cuts affect educational structures under two different fiscal systems and development levels.

The United Kingdom provides a comparative overview of the impacts of austerity policies on the education system of a developed country. The policy of public budget cuts in the UK, which has persisted since the austerity era, expanded into the local education sector and triggered a decline in real-terms per-pupil spending (Waltmann et al., 2021). The long-term impact of this fiscal tightening has been proven to exacerbate the accumulation of negative effects of socioeconomic disability on intergenerational student educational attainment (Kaye, 2023). This condition has worsened alongside the systemic disruptions experienced by the pandemic-era generation (Struthers, 2021). The largest impact in the UK has been felt by the Early Years Foundation Stage (EYFS) sector and Local Authority Children Services, triggering operational crises in public nursery schools that function as urban community hubs (Hoskins et al., 2021). Furthermore, these fiscal savings led to the closure of more than 1,000 Sure Start Centres, threatening the sustainability of early childhood rights equalization interventions (Sammons et al., 2022), reductions in access support for children with special educational needs (Warnock, 2023), and cuts in teaching assistant staffing.

A systemic comparison between the two countries reveals different points of impact focus, yet both fundamentally sacrifice vulnerable groups. In the United Kingdom, budget tightening hits the early childhood education sector hardest and erodes local public social safety nets for children, creating potential barriers to social inclusion for marginalized groups (Rogers, 2021). Meanwhile, budget adjustments in Indonesia directly threaten the sustainability of fundamental affirmative programs, such as the Smart Indonesia Card for College (KIP-K) Scholarship, Higher Education Affirmative (ADik) Scholarship, and the physical revitalization of school facilities and infrastructure in Frontier, Outermost, and Underdeveloped (3T) regions.

Table 1. Comparison of Education Budget Efficiency Frameworks Between Indonesia and The United Kingdom

Category / Aspect	Indonesia	United Kingdom
Policy Framework	Technical Budget Ceiling Adjustment	Sustainable Fiscal Tightening (Austerity)
Impact on Programs / Access	Cuts to Affirmative Scholarships (KIP-K)	Closure of Early ECE Services (Sure Start Centres)
Impact on Operations / HR	Reduction of Teacher Certification Quotas (PPG)	Decline in Real-Terms Per-Pupil Spending (~8%)
Primary Risk	Surge in UKT & Inequality in 3T Regions	Decline in School Readiness Among Low-Income Children

Although literature regarding budget efficiency has been widely published, there remains a limitation of in-depth comparative studies specifically juxtaposing the implications of budget cuts between a developing country (Indonesia) and a developed country (United Kingdom) using the Constant Comparative Method. Most prior research has tended to focus on a single analysis of one country or restrict the scope to short-term financial impacts, without dissecting the transmission of the crisis into educator welfare and scholarship sustainability in an integrated manner.

METHOD

This study employs a qualitative-comparative approach by applying the Constant Comparative Method to systematically compare the impacts of education budget cuts in Indonesia and the United Kingdom. This approach was selected because it is capable of identifying structural similarity patterns as well as contextual differences of fiscal efficiency policies across two countries possessing distinct education system characteristics and economic development levels. This macro-comparative model between nations is commonly used to evaluate how variations in public financing lead to differences in educational outcomes in developing and developed countries (Ogwuche, 2024). Through this design, the study aims to assess whether the implemented budget adjustments constitute rational fiscal efficiency, or rather a form of budget commodification with the potential to trigger structural crises in public education services (Farmer & Weber, 2022). Such an in-depth review is crucial considering that public expenditure efficiency holds a direct correlation to the sustainability of financing quality and social welfare indicators (Barus et al., 2024).

Research data were collected from various official secondary sources covering the 2019–2024 period that satisfied criteria of authority and policy relevance. This step aligns with the qualitative systematic review methodology that synthesizes policy documents and literature to map out budget governance disruptions resulting from global crises (Cairney & Kippin, 2021). Data for the Indonesian context were sourced from APBN Financial Note documents, performance reports of Kemendikdasmen and Kemendiktisaintek, as well as publications from the Central Bureau of Statistics (BPS). These documents encompass mandatory spending, the effectiveness of school budgeting models (Pantas & Fitriana, 2024), public expenditure trends for education sector growth (Suwandaru et al., 2021), up to the dynamics of budget formulation at the regional level (Sabilah et al., 2023). Meanwhile, data for the UK context were sourced from reports by the Institute for Fiscal Studies (IFS), Department for Education (DfE), and Ofsted. As a global comparative benchmark, this study also references reports from international institutions such as UNESCO, World Bank, IMF which frequently dissect expenditure efficiency dilemmas (Jin et al., 2019), and OECD which examines equity-responsive school funding policies ("Towards Equity in School Funding Policies," 2021). All selected documents were required to meet inclusion criteria, namely containing explicit data on budget allocation shifts and having a direct impact on accessibility, teaching quality, or social justice.

Data analysis combines quantitative-descriptive techniques and structured qualitative coding to examine the long-term restrictions on public service provision amidst budget constraints (López-Torres & Prior, 2020). Quantitatively, the analysis was conducted by calculating the percentage deviation of budget allocation reductions from the baseline prior to efficiency implementation. This includes budget deviations of technical ministries, cuts in teacher certification quotas (PPG), reductions in the KIP-Kuliah scholarship budget, as well as the decline in real-term per-pupil spending in the UK. Qualitatively, data were processed using NVivo 14 software through open coding to identify budget cut data units, axial coding to group data into primary themes (scholarship access, educator quality, school infrastructure, and cost-shifting), and selective coding to formulate the Equity-Responsive Efficiency Model framework.

The credibility and reliability of findings were ensured through data source triangulation techniques by cross-verifying government policy documents, independent research reports, and public statistics. This verification process specifically examined critical points of financing crises within Indonesia's educational structure, such as free-school policies (Romlah et al., 2023), political economy problems triggering national learning crises (Rosser et al., 2022), funding regulations for religious educational institutions (Shobirin & Fauzi, 2021), higher education accessibility barriers for low-income communities (Fadhil & Sabic-El-Rayess, 2020), higher education funding reform (Aprimadya, 2024), teacher certification program governance (Nurhattati et al., 2020), up to demands for fulfilling social justice within the national education system (Raihani, 2020).

RESULTS AND DISCUSSION

This study dissects the fundamental consequences of budget adjustment and cut policies in the education sector by comparing the dynamics in Indonesia and the United Kingdom. Based on content analysis and secondary budget deviation estimations, the study's findings test the core motives of these policies: whether they represent purely rational fiscal efficiency or instead trigger structural crises that sacrifice human capital.

Table 2. Impact of Education Budget Cuts Based on Government Agency Calculations (Year 2025)

Aspect / Agency	Budget Before Cuts	Amount Cut	Budget After Cuts	Cut Percentage (%)	Direct Impact on Education Sector
Kemendikdasmen	Rp33.5 trillion	Rp8.0 trillion	Rp25.5 trillion	23.88%	Reduction of teacher training programs, new teacher recruitment, and cancellation of school revitalization projects.
Kemendiktisaintek (Higher Education & Research)	Rp56.6 trillion	Rp14.3 trillion	Rp42.3 trillion	25.26%	Cuts to research funding, lecturer incentives, BOPTN, and operational assistance for higher education.
Professional Teacher Education (PPG)	800,000 teachers (quota)	Quota cut by 50%	400,000 teachers (quota)	50.00%	Extends the certification waiting list for honorary teachers and slows down the achievement of teacher quality standards.
KIP-Kuliah Scholarship	Rp14.698 trillion	Rp1.31 trillion	Rp13.388 trillion	8.91%	Reduction of new recipient quotas and potential decrease in living cost assistance for low-income students.
BPI & Affirmative (ADik) Scholarships	Rp407.0 billion	Rp40.7 billion	Rp366.3 billion	10.00%	Decrease in scholarship quotas for 3T regions and low-income areas.
KNB & Lecturer Scholarships	Rp321.0 billion	Rp80.25 billion	Rp240.75 billion	25.00%	Reduction in the proportion of further study scholarships for educators and international academic partnerships.

The education budget allocation of 20% of the APBN is a constitutional obligation regulated in the 1945 Constitution and has been implemented since 2009. In the 2025 APBN, the education budget cumulatively recorded a nominal figure of Rp724.3 trillion. Of that total, Rp297.2 trillion was disbursed through Central Government Expenditure,

Rp347.09 trillion through Transfers to Regions (TKD), and Rp80 trillion through financing (including the LPDP endowment fund).

However, even though the 20% mandatory spending is formally met, expenditure adjustment policies at the technical ministry level have caused a significant reduction in the real budget ceiling for ministries managing education. This phenomenon reflects strong political-economic tensions, where the fulfillment of education budget allocations often has to contend with the financing realities of new populist programs that drain large fiscal portions (Munandar & Susanti, 2024).

Data in Table 2 and Figure 2 show that Kemendiktisaintek proportionally experienced the sharpest expenditure adjustment, being cut by 25.26% from its initial ceiling. This decline directly impacts the reduction of operational subsidies for State Universities (PTN), which, if not balanced by internal efficiency, risks pushing PTNs to raise Single Tuition Fees (UKT). This pattern of cuts across technical ministries aligns with global education spending annual report trends that show a shrinkage in real-terms per-pupil spending when a country faces macro-fiscal restructuring (Waltmann et al., 2021).

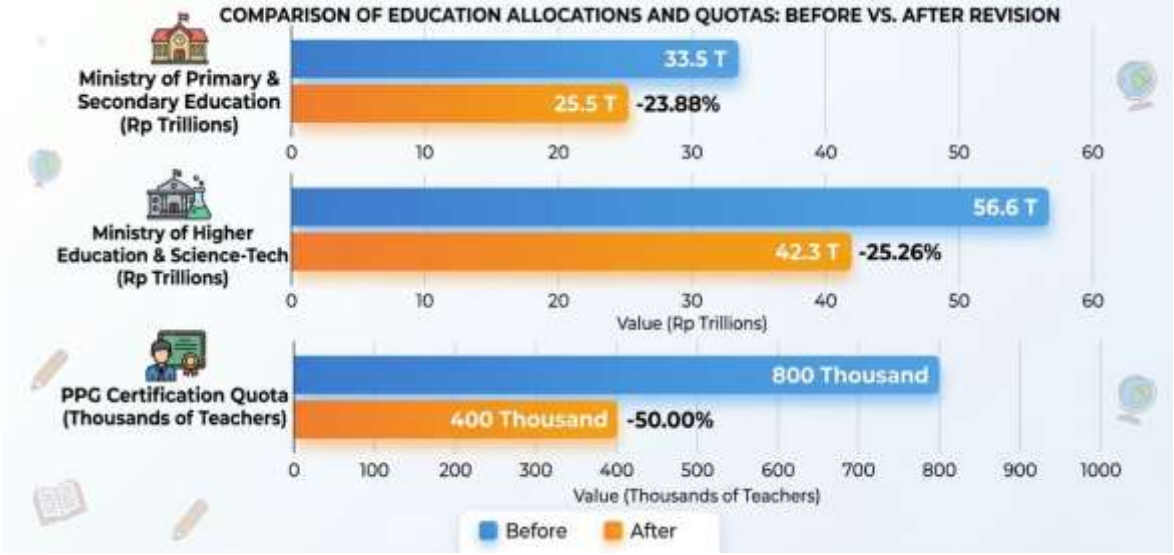


Figure 2. Comparison of Primary Education Budgets Before and After Cuts (in Trillion Rupiah / Quota)

The allocation cuts in the education sector not only affect the provision of physical infrastructure but also cause an erosion of the welfare and quality development of teaching staff. Prof. Dr. R. Agus Sartono, M.B.A. (Professor in FEB UGM) warned that delaying the fulfillment of educators' rights (teachers, lecturers, and educational staff) will create permanent negative impacts on graduate quality and trigger a generation gap.

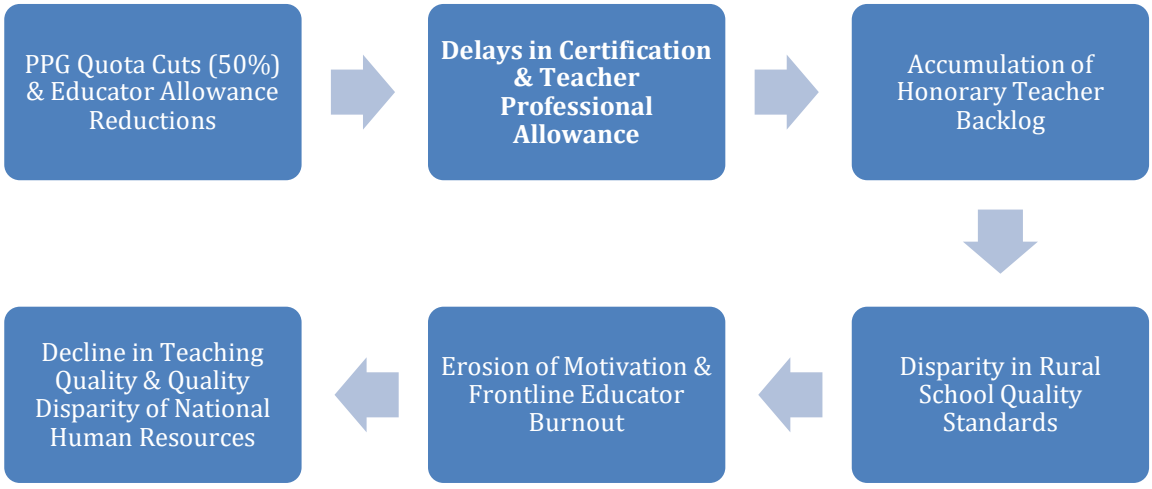


Figure 2. Transmission of Quality Erosion Impacts on Educators in Indonesia

The long-term impact of such public austerity measures has been empirically proven to create shadows of social-academic disruption in public schools, where school leaders are forced to adopt roles of "social triage" due to the loss of public child-support services that should have been provided by the state (Wood & Quickfall, 2024). This budget tightening policy has also been proven to exacerbate the accumulation of negative effects of socioeconomic decline on intergenerational student educational attainment (Kaye, 2023). In a developed country like the United Kingdom, local public budget cuts have directly forced Maintained Nursery Schools to erode from their original functions and operate independently as local community hubs amidst funding constraints (Hoskins et al., 2021). The loss or weakening of these public nursery institutions' functions triggers major vulnerability for children and families from marginalized groups who have historically relied on these institutions as their social safety net (Solvason et al., 2020).

Furthermore, budget cuts to integrated early childhood care programs, such as Sure Start services, have been clinically and ecologically proven to increase the prevalence of childhood obesity due to the loss of free nutrition education and healthy activity supervision at the grassroots level (Mason et al., 2020, 2021). This budget tightening has also spread to the uneven distribution of support funds for children with special educational needs and disabilities (SEND), widening the gap in access inequality to inclusive education support (Marsh et al., 2024; Warnock, 2023).

Through this systemic comparison, a clear common thread emerges both in Indonesia and the United Kingdom, when budget efficiency cuts into operational posts and fundamental affirmative programs, it is always the most vulnerable and poorest student groups who bear the greatest burden of the impact.

Table 3. Matrix of Education Budget Cut Indicators in the United Kingdom (UK)

Policy Indicator	Magnitude of Cuts / Changes	Sector & Primary Affected Group	Long-Term Qualitative Implications
Real-Terms Per-Pupil Spending	Real decline of ~8% (cumulative since 2010).	Public Primary & Secondary Schools.	Reduction of teaching hours, class merging, and elimination of extracurricular subjects.
Early Years & ECE (Sure Start)	Real decline of ~8% (cumulative since 2010).	Public Primary & Secondary Schools.	Reduction of teaching hours, class merging, and elimination of extracurricular subjects.
Special Educational Needs (SEN)	Budget deficit in Local Authority inclusion funding.	Students with special needs and disabilities.	Delays in diagnosis, learning support, and reductions in the number of Teaching Assistants.

In the United Kingdom, local public budget cuts (Local Authority Budget Cuts) for over a decade have forced public schools to shift expenditures from enrichment activities to basic operational needs. The fiscal austerity policies of the coalition government era directly redesigned the priorities of gender equality agendas and children's social protection rights (Sanders et al., 2019). The closure of more than 1,000 Sure Start service centers eliminated early childhood nutrition and care support for working-class communities (Mason et al., 2021). This condition sacrificed a golden opportunity to integrate early childhood development with the creation of decent employment for women at the grassroots level (Bryer, 2022). Consequently, these local public budget cuts triggered a widening

achievement gap between children from poor and wealthy backgrounds even before they entered primary school.

In Indonesia's higher education sector, the budget efficiency of Kemendiktisaintek reaching Rp14.3 trillion from an initial ceiling of Rp56.6 trillion, alongside cuts in scholarship funds, reflects the phenomenon of cost shifting. The reduction of the KIP-Kuliah scholarship budget by Rp1.31 trillion (8.91%) and the 10% cut to the Higher Education Affirmative (ADik) Scholarship directly diminish the reach of affirmative programs in breaking the cycle of poverty. Such reductions in supporting budget allocations substantially threaten social welfare guarantees and public expenditure efficiency in Indonesia (Barus et al., 2024).

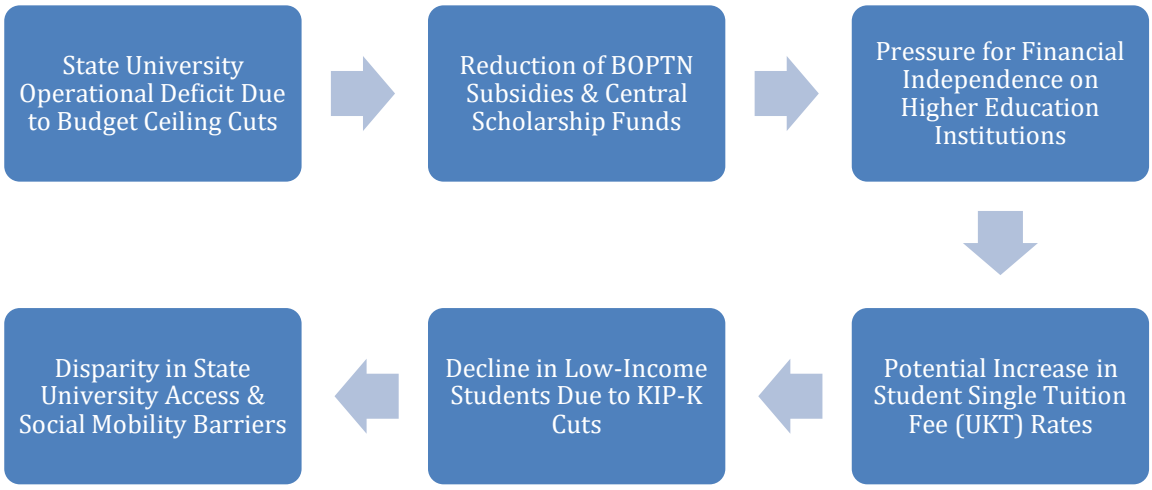


Figure 3. Cost-Shifting Mechanism in Higher Education Financing

Although the government has stated a commitment not to raise Single Tuition Fee (UKT) rates, the reduction of operational assistance from the central government continues to place State Universities (PTN) in a severe financial dilemma. If universities are required to maintain research and service quality standards without adequate government subsidies, institutions are driven to seek alternative funding by increasing the proportion of independent-track student admissions or adjusting operational fees for non-scholarship students. This pattern of institutional commodification forces higher education institutions away from their original mandate as providers of critical public spaces, shifting them into entities that must operate under market logic and corporatization (Boughey & McKenna, 2021).

The comparative analysis results between Indonesia and the United Kingdom demonstrate a parallelism in global crises within modern education policy governance. Through the lens of global critical examination, it becomes clear that this crisis frequently leads to a widening gap between normative expectations in policy documents and the reality of fulfilling the fundamental rights of marginalized groups (Cairney & Kippin, 2021). Although both countries operate within different economic development contexts and social structures, budget adjustments in both nations exhibit a similar pattern that disadvantages vulnerable groups a dynamic commonly observed when comparing budgeting outcomes between developing and developed countries (Ogwuche, 2024). In fact, financing failures that trigger food insecurity and declines in school engagement represent a primary characteristic of international budget tightening impacts (Mohammed, 2021).

Two main patterns of this crisis parallelism include the sacrifice of marginalized groups and human capital fragility. First, regarding the sacrifice of marginalized groups, efficiency measures in Indonesia have resulted in cuts to scholarship receiver quotas for low-income students (KIP-K), the loss of free operational funding for equalizing learning quality (Rozaq, 2024), and delays in school infrastructure development in 3T regions. On the other hand, fiscal tightening in the UK has closed poor children's access to early childhood growth and development services (Sure Start). Both policies side by side widen the social inequality gap, ignoring the theoretical fact that strengthening educational equity

and quality serves as the most fundamental pillar to combat economic and gender inequality (Walker et al., 2019).

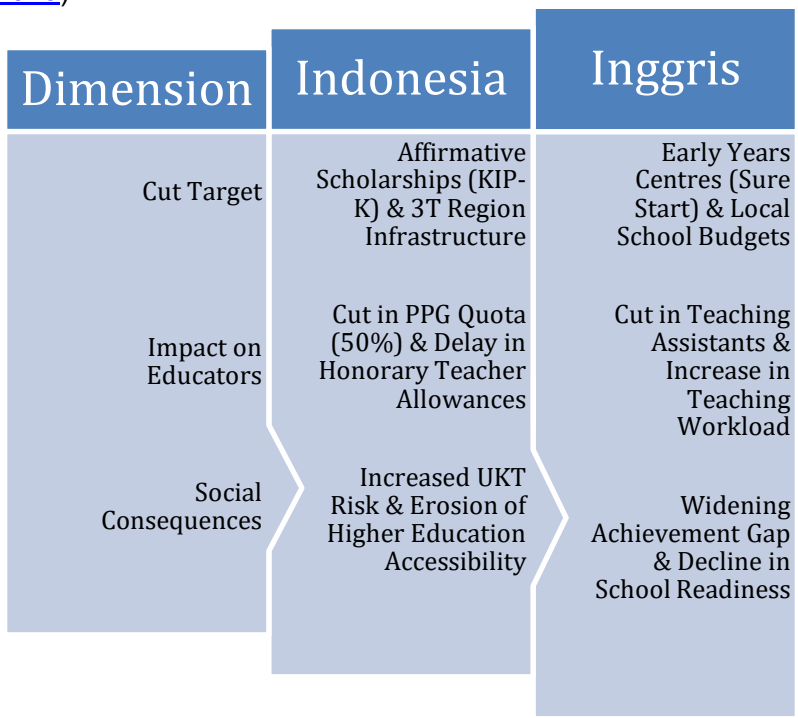


Figure 4. Parallelism of Global Budget Fiscal Crisis Impacts

Second, regarding human capital fragility, cuts to incentives and delays in appointing educators in Indonesia alongside reductions in Teaching Assistants in the UK have created mental stress (burnout) for teachers. In the UK, the loss of teaching assistant roles has significantly reduced the effectiveness of recovering student learning outcomes post-crisis (Hemelt et al., 2021). Meanwhile, in Indonesia, pre-service teachers from vulnerable groups are increasingly pressured by rigid competency testing instruments amidst operational incentive cuts (Lambert & Hilton, 2024). Systemic pressure and the accumulation of budget cuts psychopolitically trigger learned helplessness among education managers and practitioners, which functions as a disciplinary instrument that damages the effectiveness of the teaching-learning process in the long run (Collet-Sabé et al., 2022).

CONCLUSION AND RECOMMENDATION

This comparative study concludes that budget cut and efficiency policies in the education sector, both in a developing country like Indonesia and a developed country like the United Kingdom, demonstrate a global crisis parallelism pattern that threatens quality and social justice. Budget adjustments designed purely on the basis of fiscal efficiency without considering social justice aspects are proven to trigger systemic impacts that disadvantage socioeconomically vulnerable groups and damage the foundations of human capital development.

In Indonesia, although the mandatory spending commitment of 20% of the APBN is formally met in nominal terms, ceiling adjustments at technical ministries directly impact budget reductions for Kemendiktisaintek by 25.26% and Kemendikdasmen by 23.88%. This policy has concrete implications on a 50% cut in Professional Teacher Education (PPG) quotas, a reduction in affirmative scholarship allocations (KIP-Kuliah by Rp1.31 trillion), and an increased risk of higher education fee hikes (UKT) due to reduced campus operational subsidies (BOPTN). Meanwhile, in the UK, long-term budget efficiency in the form of austerity has triggered an 8% drop in real-term per-pupil spending and the closure of more than 1,000 Early Childhood Education centers (Sure Start Centres).

The comparison between both countries emphasizes that fiscal efficiency targeting vital variables such as teaching staff incentives, affirmative assistance, and basic school

operations is not merely financial administration efficiency but rather cost shifting onto society. Obstacles in teacher certification and recruitment create a generation gap in teaching quality, while scholarship cuts widen the educational access inequality gap.

To prevent budget efficiency policies from transforming into future structural crises, this study recommends the Equity-Responsive Efficiency Model as a policy formulation framework for national and global education budgets.

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