The Impact of Education Budget Politics on Discontinuation of Scholarship
A Case Study of SMAN Bali Mandara

I Made Dwi Hita Darmawan, Nyoman Gita Saraswati Ratmayanti

Abstract: The issue of politicization in the education sector has garnered significant attention in everyday discourse, yet its exploration in academia remains limited. Often, government policies fail to align with public expectations. This study delved into the public debate surrounding the abrupt discontinuation of the scholarship program at SMAN Bali Mandara by the government, seeking to investigate the underlying reasons. The rationale behind the government’s decision to discontinue scholarships, while allocating substantial funds to other sectors, remained unclear, as did the subsequent impact of the discontinuation. Consequently, the public and education activists demanded clarification from the government. This study aimed to examine the politicization of the education budget by analyzing the APBD report and public responses. Rather than providing scholarships, the government prioritized the construction of new school infrastructure in various regions. This study employed a qualitative approach with a literature review method. The author collected data from APBD reports, BPS data, online mass media, scientific articles, and other sources to support an in-depth analysis. The study encompassed problem identification, literature review, determination of the study’s purpose and objectives, data collection, data analysis, interpretation, and reporting of results. The study revealed that the government abruptly and unilaterally discontinued the scholarships at SMAN Bali Mandara. The government justified this action by claiming it aimed to equalize all schools. Under the pretext that all schools should admit underprivileged students, not just SMAN Bali Mandara, the government concentrated its efforts on constructing 14 new schools. However, based on the analyzed data, this study found that this policy was neither effective nor efficient.

Keywords: budget politics; education; government; SMAN Bali Mandara; APBD

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I. Introduction

This study examines the complexities of local policies within education budgets that hinder access to education for underprivileged children. While this issue has sparked widespread public discourse, it remains understudied in academic literature. Addressing this research gap, this study investigates a compelling case concerning the politicization of the education budget in Bali province, a controversial topic in this region.

In 2022, the Bali provincial government decided to terminate the scholarship program, prompting significant protests and criticism from various parties, particularly from the underprivileged Balinese community (detikBali, 2022). The Bali provincial government cited several reasons for discontinuing the scholarship program, including a shift in budget priorities within the education sector toward enhancing the quality of teachers and school facilities. Moreover, the government believed that the scholarship program had limited efficacy in improving the overall quality of education in Bali Mandara. This decision remains controversial as many perceive the scholarship program as a valuable means of supporting underprivileged students in their educational pursuits. Additionally, the discontinuation of the scholarship program raises concerns regarding the Bali provincial government's commitment to promoting education, particularly among the underprivileged.

The Regional Revenue and Expenditure Budget (APBD) serves as a fiscal policy instrument that determines the sources and utilization of funds for governmental and developmental activities within a region (Barr & Turner, 2013, p. 170). In formulating the APBD, the Bali provincial government is responsible for determining funding priorities and selecting various programs and projects supported by the budget. The discontinuation of the scholarship program is an example of the policy choices made by the Bali provincial government to establish priority areas for APBD funds within the education sector. In this context, the discontinuation of the scholarship program reflects the government's political budgetary policy that directed funds toward other perceived critical areas within the education sector.

Budget politics in the Bali Province APBD must consider the interests and needs of the community, particularly those less privileged. Hence, political budget policies must be formulated carefully, taking into account thorough evaluations of the effectiveness and social impact of each program and project funded by the APBD.

Bali Governor, Wayan Koster, has implemented new policies regarding education management in the province, specifically concerning high schools, vocational schools, and special schools. One of them, the discontinuation of special treatment for SMAN Bali Mandara, surprised the Balinese community. Starting from the 2022/2023 academic year, the Bali Provincial Government ceased providing special treatment to the school, which was established during Governor Made Mangku Pastika's tenure. The Bali Provincial Government considers that there were issues in the management of the high school during the previous governor's administration (Poskota Bali, 2022).

SMAN Bali Mandara was officially established on April 8, 2011, through Bali Governor Decree No. 680/03-A/HK/2011. Situated in North Bali, this school has gained recognition as an exclusive educational institution catering to underprivileged students. However, the Bali Provincial Government has recently converted the school into a regular school. Before this change, SMAN Bali Mandara welcomed students from all parts of Bali, not only from Buleleng Regency. Many underprivileged students sought admission to this school due to its status as a publicly funded institution under the Bali Provincial Government, where students were not required to pay any fees.

The school provided dormitory facilities and covered various student needs, including food, clothing, and other necessities, through government financing. Since its establishment in 2011, SMAN Bali Mandara has produced numerous accomplished graduates with notable achievements at both national and international levels. Approximately 750 underprivileged students have completed their education at SMAN Bali Mandara, with some already employed and many pursuing higher education. Of the 750 alumni, 30 are employed, while 720 others continue their education either in official schools or public or private universities. Many went to
private universities to get scholarships and tuition fees (Kusuma, 2022).

SMAN Bali Mandara was subject to distinct treatment compared to other regular high schools in Bali. Consequently, with this policy change, the original purpose of SMAN Bali Mandara, which aimed to cater to underprivileged or economically disadvantaged students in Bali, no longer persists. The management of SMAN Bali Mandara has been assimilated into the same framework as other high schools in Bali. This new policy has eliminated the school's distinctive feature of providing education and support to underprivileged junior high school graduates who are unable to pursue their studies at the high school level.

A study by Arifah (2018, p. 21) critically observes that while the national education system's noble goal is to provide life-long education, uplift human dignity, nurture talents, and cultivate individuals with moral values, faith, piety, and physical and spiritual well-being, the current state of national education remains less enlightening. Issues such as rampant corruption within the education sector, limited and costly access to education, and the intertwining of politics with education have been identified. Another notable finding by Hastuti (2019) highlights the historical chronology of curriculum changes in the national education system between 1947 and 2013, which coincided with shifts in political situations in Indonesia. These political changes were accompanied by alterations to the curriculum in the national education system, indicating a political influence in the national education system. Specifically, the political influence on the curriculum was seen in the removal of certain subjects and the consolidation and reduction of subject matter to enhance educational efficiency and effectiveness.

A study by Jubba and Pabbajah (2018, p. 51) revealed that high school graduates face numerous obstacles in pursuing higher education, preventing them from realizing their dreams. Firstly, there is an imbalance in the availability of information regarding higher education. Access to such information is predominantly limited to specific circles, granting them the upper hand in choosing educational institutions for further studies. Information on scholarships, for instance, remains highly restricted. Secondly, the admission criteria employed by higher education institutions are inadequate. Only graduates from esteemed high schools can compete for admission into top universities, while graduates from other schools, particularly those with limited educational access, are marginalized and unable to compete. Thirdly, the educational institutions' structure is ambiguous. Dichotomies such as public-private, public-religious, modern-traditional, and other designations contribute to the perpetuation of inequality within Indonesian higher education. Higher education should serve as an inclusive domain for all citizens, providing education without discrimination.

These issues may be exacerbated by the decentralization of powers to regional authorities. Fatkhuri (2019, p. 292) found that due to the implementation of regional autonomy, education is among the responsibilities delegated by the central government to local governments. However, he also observed that the decentralization of education has not significantly expanded access to education or improved its quality. This phenomenon can be attributed to two underlying reasons. This phenomenon occurs for two reasons. Firstly, decentralization has become a tool for local elites to engage in corruption (Citi, 2015, p. 265). Instead of utilizing decentralization to provide educational services, it has been exploited as a means to extract wealth through the allocation of APBN funds intended for the regions. Secondly, the decentralization of education has failed to address the fundamental issues in developing a genuine education system due to the powerful political influence wielded by local elites. Consequently, the involvement of educational institutions and quality assurance bodies in the regions has become less effective (Quinn, 2017, p. 69).

Education is one of the fundamental goals of the state, as mandated in the fourth paragraph of the preamble of the 1945 Constitution. This goal represents a noble ideal and an aspiration to develop high-quality human resources to foster a just, prosperous, and harmonious society. Extensive efforts have been and will continue to be made to enhance the quality of education across various pathways, levels, and types of educational institutions. The government has defined education as a deliberate and planned endeavor to establish a conducive learning
environment and process where students actively cultivate their potential to possess religious and spiritual strength, self-discipline, personal integrity, intelligence, noble character, and the necessary skills required by themselves, society, the nation, and the state, as outlined in Law Number 20 of 2003 concerning the National Education System. This definition underscores the importance of education not only in imparting knowledge but also in cultivating moral values.

Through education, individuals are empowered to unlock their potential and pursue happiness and personal fulfillment, transcending ignorance and attaining wisdom (Tompkins-Stange, 2020). Furthermore, education should be accessible to the entire community, particularly those who are economically disadvantaged. Hence, the 1945 Constitution stipulates that the state shall nurture underprivileged and abandoned children, aiming to uplift them from poverty, liberate them from destitution, and transform them into valuable assets for the nation. In doing so, they can contribute to alleviating the government's future burdens rather than being dependent on it.

Despite several studies conducted in the education sector, the dynamics of budget politics in the regions and their empirical manifestations through various debates remain unclear. Previous studies have primarily taken a high-level perspective, lacking comprehensive investigations at the regional level, especially regarding budget politics in education. Regional autonomy/decentralization has facilitated independent governance by regions, granting them a greater degree of control.

Therefore, this study aims to provide a fresh perspective on the matter. Firstly, this high school was historically established by the former governor of Bali, Governor Mangku Pastika (2008-2018), to provide underprivileged children with free access to education. From a political standpoint, there is a clear contrast between Mangku Pastika and Wayan Koster. During Mangku Pastika's leadership, significant infrastructure projects were accomplished, such as the Bali Mandara Toll Road, renowned as the most scenic toll road above the sea. The term ‘Mandara’ symbolized Bali's Identity in the era of Mangku Pastika, representing a vision of Bali that is secure, progressive, and prosperous. On the other hand, the Wayan Koster era is closely associated with the principle of Nangun Sat Kerthi Loka Bali, emphasizing the preservation of Bali's sacredness and leading the transformation of Bali into a new era. Interestingly, the present public discourse centers on the diminishing prominence of the ‘Mandara’ identity, as the focus shifts toward the identity of Sat Kerthi Bali. This issue appears to be a recurring theme in the case of SMAN Bali Mandara, which is no longer prioritized by the current Bali government. When compared to other sectors, there are still numerous sectors with substantial budgets and extensive expenditures that have not been reduced.

Secondly, this case is a current and ongoing one. Numerous polemical news articles can be found on online mass media platforms by simply searching for the keyword "SMAN Bali Mandara." Various segments of society have strongly opposed and protested against this policy. Thirdly, among the many sectors in education, why was SMAN Bali Mandara's scholarship the only one that was removed? On the other hand, the Bali provincial government has focused on infrastructure development by constructing new schools. Fourth, this study adopts a local wisdom approach by addressing specific regional issues, making it more relevant as a contribution to regional improvement. Finally, there are gaps in previous studies. Arifah (2018, p. 29), emphasized the fundamental nature of education, yet this study did not empirically examine the facts in the field. Hastuti (2019) criticized the education curriculum for its tendency towards impartiality. This study also lacks empirical contexts that are still diverse. Hastuti (2019) discovered that politics within Indonesia's national education system have influenced budget allocation, resource distribution, and curriculum changes. This is evident in the historical modifications made to the national school curriculum between 1947 and 2013, coinciding with changes in Indonesia's political climate. It is interesting to note that as political circumstances changed, the national education system adjusted its curriculum strategy, removing certain topics and integrating others. One limitation of this study is its reliance on literature reviews, the validity of which has not been verified. Consequently, there is a possibility of various factors such as political variables


influencing, moderating, or intervening in the outcomes. For example, curriculum updates could be driven by the pressing need for equalization and the recognition that the current situation is no longer relevant to the curriculum, or by considering a priority to generate political will. Jubba and Pabbajah (2018, p. 53) provided a new perspective on the level of inequality resulting from the politicization of education. However, this study suggests the need for further testing with the various dynamics that occur in each region. Furthermore, educational disparities persist among different cities, districts, and provinces across Indonesia.

Based on these suggestions and the gaps identified in previous studies, the author employs a novel approach: examining the politicization of the education budget, particularly about scholarships for underprivileged students. In addition to the author's approach, the novelty of this study lies in the issues it addresses. The current year poses a significant dilemma for the Bali provincial government, which is actively prioritizing infrastructure development. This study holds importance due to the limited availability of literature that explores the connection between the politicization of education, specifically regarding the scholarship program.

III. Results and Discussion

The interplay of political interests in education budget politics can also lead to the diversion of education budgets for the government's interests. This phenomenon is explained by agency theory, which is rife with conflicts of interest. Such diversion occurs when the government reallocates education budgets to meet general government budget needs or to bolster the government's political position (Zenz, 2019, p. 105). Diverting education budgets for the government's interests can also undermine the education system, leading to a decline in quality and limited opportunities for quality education. These consequences can have long-term detrimental effects on society and future generations.

To prevent the diversion of education budgets for the government's interests, effective oversight mechanisms and transparent budget management are crucial. Active involvement of the public in education budget management and their right to monitor the utilization of education budgets are essential. Furthermore, clear and transparent policies for education budget management should be developed to ensure accountability. The government should also avoid excessive budgeting practices for education and prioritize education in regional development.
plans. Engaging communities and stakeholders in the preparation of regional development plans can ensure the adequate consideration of education interests.

However, the diversion of education budgets for the government's interests persists in certain areas. This indicates the need for further efforts to strengthen oversight mechanisms and raise political awareness to maintain the integrity and quality of education budget management. The government should prioritize education in budget management (Rubin, 2019). Hence, this potential conflict of interest, which catalyzes budget politics, raises concerns about the impartiality of education.

The politics surrounding this budget could have detrimental consequences if not properly utilized. The SMAN Bali Mandara scholarship holds the aspirations of many individuals who rely on it to pursue higher education and shape their future.

A. Education’s Edge: Between, Politics and Society

Budgeting involves not only creating a more effective budget but also considering the political aspect of the budget, particularly in terms of “who gets what.” This includes two functions: allocation and distribution. When budgeting for basic services, the government designates funds to meet the basic service needs of the community. The community is viewed as a whole because all segments of society are entitled to budgetary policies for basic services (Herrera M. et al., 2018). This aligns with the concept that in pro-public budgeting, the public is treated equally, universally, and normatively in the budgeting process (Khan & Hildreth, 2002). However, in pro-poor budgeting, individuals are positioned in a positively discriminatory, affirmative, targeting, and even selective manner. Pro-poor budgeting aims to protect and respect basic rights.

Four arguments underlie the connection between the APBD and pro-poor budgeting. First, the APBD involves making choices among various needs. The priority in the APBD is not solely determined by logical economic calculations but also influenced by the bargaining power of the parties involved in determining priorities and importance (Rahman et al., 2021, p. 175). The greater the portion allocated for routine employee expenditures in the APBD, the smaller the allocation for the interests of the poor. Secondly, APBDs serve as a mechanism for enhancing public accountability (Kuntari et al., 2019, p. 10). The process of drafting the APBD begins with the Village or Kelurahan Development Planning Meeting, enabling the public to monitor whether the needs of vulnerable populations are addressed in the budget (allocation, distribution & stabilization). Moreover, the public can voice concerns and remind the government when public needs are not adequately addressed in practice (Verger et al., 2016).

Third, the APBD reflects the scarcity of resources. As the public has limited access to fulfilling their basic needs, the government must provide means to fulfill them through budget allocations in the APBD. Local governments must provide public services, particularly for the underprivileged. Fourth, the APBD serves as a mechanism for improving the community’s quality of life. This understanding goes beyond the numerical figures written in the budget allocation. The numbers in the APBD should not be merely normative; they should be able to improve the quality of life for underprivileged residents, ensuring their access to basic rights.

The percentage of people living in poverty in Bali in March 2022 was 4.57 percent (Statistics of Bali Province, 2022b). A decrease of 0.15 percentage points compared to September 2021 and an increase of 0.04 percentage points compared to March 2021. In March 2022, the number of people living in poverty in Bali was 205.68 thousand people, a decrease of 5.78 thousand people compared to September 2021 and an increase of 3.71 thousand people compared to March 2021. The percentage of people living in poverty in urban areas in March 2022 was 4.23 percent, down 0.10 percentage points from September 2021, which was 4.33 percent. Meanwhile, the percentage of people living in poverty in rural areas in March 2022 was 5.39 percent, a decrease of 0.29 percentage points compared to September 2021, which was 5.68 percent.

Compared to September 2021, the number of people living in poverty in Bali in March 2022 in
urban areas decreased by 1.54 thousand people (from 137.60 thousand people in September 2021 to 136.06 thousand people in March 2022). In the same period, the number of people living in poverty in rural Bali decreased by 4.24 thousand people (from 73.86 thousand people in September 2021 to 69.62 thousand people in March 2022). The Poverty Line in Bali in March 2022 was IDR485,022/per capita/month with a composition of the Food Poverty Line of IDR338,417 (69.77 percent) and the Non-Food Poverty Line of IDR146,604 (30.23 percent).

Table 1. Number of Low-Income Households in Bali Province by Regional Classification (Thousand)

<table>
<thead>
<tr>
<th>Regional Classification</th>
<th>March 2020</th>
<th>March 2021</th>
<th>March 2022</th>
<th>September 2020</th>
<th>September 2021</th>
<th>September 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>64.8</td>
<td>72.3</td>
<td>69.6</td>
<td>71.44</td>
<td>73.86</td>
<td>71.55</td>
</tr>
<tr>
<td>Urban</td>
<td>100.3</td>
<td>129.5</td>
<td>136.0</td>
<td>125.4</td>
<td>137.8</td>
<td>133.8</td>
</tr>
<tr>
<td>Urban + Rural</td>
<td>165.1</td>
<td>201.9</td>
<td>205</td>
<td>196.9</td>
<td>211.4</td>
<td>205</td>
</tr>
</tbody>
</table>

Source: Statistics of Bali Province (2022)

In March 2022, the average number of household members in low-income households in Bali was 5.07. Consequently, the Poverty Line amount per low-income household averaged IDR2,459,061 per month. Based on the aforementioned data, the government must prioritize the well-being of individuals living below the poverty line. They deserve equivalent access to proper education and social justice. Bali is globally renowned for its tourism and significantly contributes to the country’s foreign exchange income. However, the welfare of its people does not match the fame of the island.

Quantitatively, the data provided by BPS indicates a relatively high poverty rate in Bali, raising serious concerns. As the percentage of individuals living in poverty increases, their access to education becomes significantly limited. Their priority turns to survival, making it challenging for them to bear the additional burden of attending school. In this regard, the government should fulfill its role by providing support for free access to education for those unable to afford it. Theoretically, this behavior can lead to conflicts between agents and principals (Jensen & Meckling, 1976, p. 341), as they prioritize their respective interests. The government remains steadfast in implementing its policies, while underprivileged people prioritize their basic survival needs. However, it is important to note that the right to education for Indonesians is constitutionally guaranteed. This argument is in line with Citi (2015, p. 279) assertion that during the budget allocation process, the government tends to exhibit political bias. Such situations often arise when approaching regional elections and seeking to enhance self-image.

B. Budget Politics in the Bali Education Sector

The shift in the public sector management paradigm, from old public management to new public management, should produce changes in public sector budgeting (Dougherty & Natow, 2015, p. 37). By embracing an entrepreneurial spirit and implementing good governance principles, local governments should be able to develop an efficient budget and demonstrate its effectiveness in serving underprivileged residents. According to the data from the Bali provincial budget in 2019, before the COVID-19 pandemic, Bali exhibited a surplus in regional income. However, from the following year until 2022, there was a consistent deficit, with a significant burden on the portion of regional expenditure (Statistics of Bali Province, 2022a).

Table 2. Summary of Bali Province Regional Budget (APBD) (Thousand Rupiah)

<table>
<thead>
<tr>
<th>Regional Budget</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Revenue</td>
<td>6.6T</td>
<td>5.7T</td>
<td>5.9T</td>
<td>5.0T</td>
</tr>
<tr>
<td>Local Revenue</td>
<td>4.0T</td>
<td>3.0T</td>
<td>3.1T</td>
<td>3.0T</td>
</tr>
<tr>
<td>Regional Expenditure</td>
<td>6.5T</td>
<td>6.3T</td>
<td>6.2T</td>
<td>6.1T</td>
</tr>
</tbody>
</table>

Source: Statistics of Bali Province (2022)

The deficit of the amended APBD FY 2022 in Bali Province amounted to IDR2.05 trillion. This is IDR992.4 billion higher than the deficit calculated in the 2022 Main APBD, which is more than IDR1.05 trillion. Deputy Governor of Bali, Tjokorda Oka Artha Ardhana Sukawati, provided an executive explanation regarding the overview of the Ranperda Amendment to the APBD for Fiscal Year 2022 and the executive initiative Ranperda.
on Capital Participation in the Kerthi Bali Shanti Regional Public Company. The planned regional revenue in the amended APBD was IDR5.3 trillion, which is IDR282.5 billion higher than the Main APBD of IDR5.04 trillion. On the other hand, the planned regional expenditure was IDR7.3 trillion, representing an increase of IDR1.2 trillion compared to the 2022 Main APBD, which was initially planned at IDR6.1 trillion. Consequently, in the Draft regional regulations Amendment to the 2022 APBD, the regional financing revenues were adjusted from IDR1.15 trillion to IDR997.4 billion to IDR2.15 trillion to cover the IDR2.05 trillion deficit. The increase in regional financing receipts took into account the budget surplus and medium-term loans (Bappeda Bali, 2022).

Table 3. Education Budget Post

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education Function Budget</td>
<td>2.0T</td>
<td>2.0T</td>
<td>2.1T</td>
<td>2.3T</td>
<td>1.6T</td>
</tr>
<tr>
<td>APBD Totals</td>
<td>6.6T</td>
<td>7.2T</td>
<td>6.9T</td>
<td>7.9T</td>
<td>6.1T</td>
</tr>
<tr>
<td>Percentage</td>
<td>30.3%</td>
<td>27.8%</td>
<td>30.4%</td>
<td>29.1%</td>
<td>26.2%</td>
</tr>
</tbody>
</table>

Source: Bali Province Education, Youth and Sports Office (2022)

After analyzing the overall APBD, this study examines the education Budget Post on Bali Province Education, Youth, and Sports Office (Dinas Pendidikan Kepemudaan dan Olahraga Provinsi Bali, 2022). The allocation of education funds by the Bali Provincial Government has consistently shown an increase from 2018 to 2022. Despite the challenges posed by the COVID-19 pandemic, the budget allocation outlined in the Bali Provincial Government’s APBD General Plan continues to surpass the requirements set by Law 20 of 2003. This law, which regulates the National Education System, stipulates that the total education budget should be at least 20% of the total APBN and APBD.

In 2018, the allocation of education funds amounted to IDR2.3 trillion out of the IDR7.9 trillion total APBD funds of Bali Province (29.1 percent). Finally, in 2022, the allocation of education funds amounted to IDR1.6 trillion out of IDR6.1 trillion of the total Bali Province APBD funds (26.2 percent).

This data demonstrates that the education function budget in the Bali Provincial APBD General Plan for the years 2018-2022 has consistently met and even exceeded the requirements set by the National Education Law of 20 percent. In 2022, the Bali provincial government focused on constructing new school infrastructure, including 14 high schools/vocational schools in Bali, consisting of 3 high schools and 1 vocational school in Denpasar city, 3 high schools and 2 vocational schools in Badung Regency, 1 high school and 1 vocational school in Karangasem Regency, 2 high schools in Gianyar Regency, and 1 high school in Jembrana Regency, with a total budget of approximately IDR364 billion. These schools were constructed to expand the capacity of education services in response to the increasing number of new students.

In addition to the construction of new schools, the education program focuses on enhancing school infrastructure, including classrooms, office space, laboratories, libraries, multipurpose rooms, and utility facilities, with a budget of IDR48 billion. Another significant aspect of the education program is the increase in allowances for high school, vocational, and special school principals in Bali from IDR1,500,000 to IDR6,250,000. The government also prioritizes Additional Employee Income (TPP) for teachers with functional positions, who receive professional
allowances ranging from IDR1,190,000 to IDR3,165,000. Teachers with functional positions without professional allowances will receive between IDR2,221,000 and IDR4,748,000, while school administration personnel will receive between IDR1,700,000 and IDR3,400,000.

Moreover, the School Operational Assistance (Regional BOS) budget provides IDR700,000 per student for SMA, IDR900,000 per student for SMK, and IDR4,000,000 per student for SLB. SMAN Bali Mandara receives IDR20,000,000 per student, and SMKN Bali Mandara receives IDR22,000,000 per student. Tuition assistance is also provided to elementary, junior high, high school/vocational school, and university students due to the COVID-19 Pandemic in 2020, with a budget of IDR38.2 billion. Additionally, a program is being developed to provide educational assistance to 13,000 underprivileged students in all public and private SMA/SMK/SLB schools in Bali, with a unit cost of IDR1,500,000 per student per year, totaling IDR19.5 billion in the revised APBD for 2022.

With the transfer of authority to manage SMA/SMK schools to the provincial government, significant expenses are necessary. As a result, the administration of SMA/SMK/SLB schools across Bali will adopt an equitable system. Before the transfer of authority, SMA/SMK Bali Mandara was managed differently by the Bali Provincial Government. However, moving forward, it will adhere to the same educational and governance framework as other state SMAs/SMKs in Bali. The objective is to ensure equity for all SMA/SMK students.

Based on the analysis of data from BPS and the APBD, as well as the government’s arguments, this study has uncovered several facts that warrant further exploration.

Firstly, the government justified the discontinuation of the scholarship by prioritizing the development of new school infrastructure in each district/city. These new schools are required to provide equal opportunities for poor students, rather than concentrating them solely in SMAN Bali Mandara. However, the author finds this reasoning somewhat perplexing, as it contradicts the theory of public budgeting (Baiocchi & Gauza, 2014, p. 35; Khan & Hildreth, 2002; Rutherford & Rabovsky, 2014, p. 189), which emphasizes the importance of public participation and aligning the budget with the government’s urgent priorities outlined in the blueprint (Dougherty et al., 2013, p. 33; Hessami, 2014, p. 379; Wehner & De Renzio, 2013, p. 99). The discontinuation of the scholarship disregarded community aspirations and lacked community involvement in the decision-making process.

Secondly, in terms of regulations, the education budget already surpasses the minimum requirement of 20 percent stipulated by Law No. 20 on the National Education System in 2003. However, the author observed a decline in the education budget over the past five years. Notably, the budget for 2022 is the lowest at 26 percent compared to previous years, which were 30 percent. From a logical standpoint, it raises questions about how the government can undertake massive school construction and promote educational independence with reduced funding. Additionally, why was the scholarship for SMAN Bali Mandara the only item eliminated from the budget, while many other budget items remain substantial? At this point, the author posits a hypothesis that the removal of the scholarship was intended to allocate funds for the construction of new school infrastructure.

C. The Budget Politics Discussions in the Public Sphere

The discontinuation of the scholarship program for underprivileged students who could not afford to attend Bali Mandara school sparked a critical and direct response from the public, making it a prominent topic in online mass media discussions. Firstly, concerns over the loss of learning opportunities. Numerous individuals objected to the discontinuation of the scholarship program, emphasizing that it would deprive underprivileged students in Bali Mandara of the educational opportunities they had previously received through the program. They view the scholarship program as essential in supporting underprivileged students’ pursuit of education, and its discontinuation is seen as unjust for those who genuinely rely on it. Secondly, concerns about the potential decline in education quality. Some people expressed concerns about the impact of the scholarship program's discontinuation on the overall quality of
education in Bali Mandara. They argued that the program had played a significant role in enhancing access to and quality of education in the region and removing it could impede underprivileged students’ ability to receive a proper education.

Thirdly, the policy is perceived as unfavorable to the grassroots level. Some people regarded the discontinuation of the scholarship program as a policy that did not prioritize the needs of grassroots communities (Anessi-Pessina et al., 2016, p. 500; Coleman, 2016; De Haan & Klomp, 2013, p. 390). They felt that this policy would limit the opportunities for underprivileged students to access education, while the utilization of the reallocated funds remained unclear. Furthermore, it is not transparent. Community members also criticized the discontinuation of the scholarship program due to the absence of transparent and clear information regarding the reasons and motivations behind the policy (Reeves et al., 2014, p. 6). They believed that changes in significant community-related policies, such as the scholarship program, should have a clear rationale and be openly explained to the community.

Education observer Gede Suardana criticized the government’s policy of providing funds amounting to IDR 1.5 million, considering it to be merely a gimmick, especially since the IDR 19.5 billion has not yet been allocated in the Bali Province Regional Budget (APBD) for 2022. Observers expressed regret over the discontinuation of the scholarship program for underprivileged students at SMAN Bali Mandara, which had successfully improved academic achievements and alleviated poverty. The replacement program, an assistance program worth IDR 18.3 billion, was considered to be limited to wishful thinking (detikBali, 2022). Moreover, former commissioner of the General Election Commission of the Republic of Indonesia, I Gusti Putu Artha, raised criticism by stating that the government focused solely on the dogma of mandatory 12-year education without considering whether students would end up unemployed or trapped in poverty. Essentially, education should be a means to break the cycle of structural poverty. Putu Artha suspected that this policy was driven by political interests in 2024, thereby politicizing the education budget (metroBali, 2022).

In response to the criticism, the government argued that, for this year’s PPDB (Student Admission Selection), all SMA/SMK schools in Bali Province must accept underprivileged students. Therefore, it is not only SMAN Bali Mandara that accepts underprivileged students, but this responsibility is distributed among all SMA/SMK schools throughout Bali. The implementation of the zoning system is expected to facilitate the enrollment of underprivileged students in their respective residential zones, thus alleviating the burden on their families. Consequently, the assistance is not concentrated in a single district specialized for underprivileged children, but rather spread across all schools. The government emphasized that this policy is not an aid similar to scholarships, as scholarships involve a selection process and specific criteria that need to be met. Instead, all underprivileged students will be accommodated based on their respective zones (Raharyo, 2022).

While SMAN Bali Mandara remains, its management has been changed to align with other regular public SMANs. It will no longer specialize in managing underprivileged students from different cities/districts in Bali and will no longer function as a boarding school. The Governor of Bali did not disband SMAN Bali Mandara or halt the policy for underprivileged students. Instead, the policy was expanded equally and fairly. In terms of equalization and expanding access to education, the Bali Provincial Government is responsible for managing 18,000 underprivileged students, not just the 873 students at SMAN/SMKN Bali Mandara. This ensures that all underprivileged students have access to education services in all SMAN/SMKN schools throughout Bali. Furthermore, attention must also be given to underprivileged students in private SMA/SMK schools across Bali (Poskota Bali, 2022).

In these public discussions, researchers identified numerous critiques of the scholarship discontinuation policy. These criticisms came from activists and community members, some of whose statements are quoted by the author. Interestingly, the criticism expressed strong protest against the lack of clarity regarding the discontinuation of the scholarship program. The public assumes that this policy is rife with conflicts of interest (Maarse & Jeurissen, 2016, p. 242). This issue is elucidated by the agency
theory of Jensen and Meckling (1976, p. 355), which in general states that when there is information asymmetry between the agent and the principal, suspicions of a conflict of interest arise. The principal, represented by the public that has the right to be fully informed about all government policies as a manifestation of public accountability, is absolute (Färber, 2014, p. 124).

The public demands transparency and sound academic justifications. Was the discontinuation of the scholarship program based on a thorough study or was it simply a unilateral decision? (Smith & Larimer, 2018) in the theory of public policy, the government possesses the authority to determine what should or should not be done. Philosophically, public policy cannot satisfy everyone. Nevertheless, if it is supported by valid reasoning and arguments, the public can at least understand it. This argument is in line with Pedersen et al. (2019) that policies often display biases and tend to be politically motivated. Therefore, to mitigate such biases, it is essential to provide a clear explanation to the public regarding the rationale behind the policy decision.

IV. Conclusion

The government has been attempting to enhance the utilization of funds over the years by engaging in budgetary politics in Bali’s education sector. The discontinuation of the scholarship program is intended to reduce the allocation of the APBD budget in the education sector and redirect the funds toward other initiatives of greater urgency or importance, such as improving educational standards, constructing facilities, and enhancing the skills of teachers and staff. This discontinuation can be seen as a revision of Bali’s broader educational strategy, which includes evaluating the performance of previous educational initiatives. The government intended to have a fair distribution of enrollment for underprivileged students, not solely concentrated at SMAN Bali Mandara but spread evenly across all regions.

However, despite the noble intentions and refreshing approach, the discontinuation of the scholarship program has sparked objections and concerns from various parties, particularly the community, who question the need for discontinuing the scholarship while it has produced successful young generations during the school’s operation. This study found no connection between the justifications for eliminating scholarships for underprivileged students and the construction of new schools. Moreover, the study found a lack of substantial evidence to support the claim that the policy is efficient and successful.

Budget allocations must demonstrate preference, affirmation, or support to enable the underprivileged community to access their fundamental rights. Therefore, this study recommends that the Bali provincial administration thoroughly assess and evaluate its strategy for removing scholarships, considering any potential social and economic repercussions.

And last, a democratic budget benefits the underprivileged. To ensure that the strategy and implementation are on track, it is crucial to constantly include public input in budget planning.

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