

The Expansion of Neoliberalism in Education: Legitimacy in the Organization of Foreign Higher Education (FHE) in Indonesia

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Abstract: In this era of globalization and industrial revolution (4.0), global competition causes the market to dominate including Indonesia. One of the strategies used by a state to face this situation is ratification of WTO (World Trade Organization) agreement. However, this position causes Indonesia to be trapped in world trade flows and cannot refuse the consequences of trading in economy, business and even education. One of the consequences from the ratification of WTO in education is legitimacy in the organization of foreign higher education. The legitimacy in Foreign Higher Education (FHE) in Indonesia is a dilemmatic decision in which the existence of FHE is as on the one hand an effort to encourage Public Higher Education and Private Higher Education to be more creative and competitive, and the other hand the legitimacy emerges contra-productive potential for Public Higher Education (PTN) and Private Higher Education (PTS). The present study describes how the expansion of neoliberalism is through GATS (General Agreement on Trade in Services) which is a trade agreement among the WTO members. The agreement makes higher education a commodity. Education is a profitable trading sector for the rulers. This is in line with Foucault's concept on governmentality. The discourse of the organization of FHE in Indonesia cannot be separated by the role of government that uses power as an instrument of hegemony. The approach used in this study was qualitative with literature study method. The result of the study is that the legitimacy in FHE in Indonesia was the relation of neoliberalism power that influenced the regulation of higher education organization in Indonesia. This legitimacy did not only create competition and competitiveness among higher educations but also had an impact on the commercialization of education in Indonesia.

1 INTRODUCTION

Globalization is an integration process of various aspects of a nation's life against a global system. This integration process is realised by using corporation and relation between countries. Indonesia as one of the nations, plays an active role in integrating economic, social, cultural, and trade. One of the integrations in trade is the participation in World Trade Organization (WTO). Further, this step causes a consequence for Indonesia to obey all agreements made in WTO and one of them is General Agreement on Trade in Services (GATS) which is an agreement among WTO members that covers liberalization of 12 sectors of trade in services. GATS is the only international agreement in multilateral trade in services that includes higher education as a subsector of service. In other words, GATS makes higher education a traded commodity.

Related to higher education, the development of technology and globalization demands Indonesia to

organize higher education with foreign dimension, which is an international cooperation and organization of higher education performed by foreign educational institutions in Indonesia. The Law Number 12 Year 2012 states that foreign higher education shall operate in Indonesia and accredited or recognized foreign higher educational institutions shall organize educational activities in the territory of the Republic of Indonesia. Directorate General for Science & Technology Institution and Higher Education of Indonesia's Ministry of Research, Technology and Higher Education state that Indonesia cannot refuse foreign higher education as a consequence of global free trade (kelembagaan.ristekdikti.go.id).

By ratification of GATS, government of Indonesia basically has shifted the perspective of educational organization in neoliberalism principal referring to capital globalization which is an easy capital displacement from one country to another without any intervention that can have an impact on

the loss of state responsibility thereby it hands education into market regulation. Though higher education is not merely as a service to generate profit, but a process of “sustaining and developing the intellectual and cultural base of the society” etc. The present study discusses three things; the expansion of liberalization of higher education services in Indonesia, higher education in Indonesia and re-thinking of education liberalization. Sociologically, there is a power concept used to investigate how the relationship between technology of the self (power from below) and technology of dominance (power from above) called governmentality (Lash, 2007).

2 METHOD

This study used qualitative descriptive approach with literature study method to describe the expansion of liberalism in Indonesia by doing sociological analysis with governmentality concept by Michel Foucault. Literature study is a data collection technique by collecting and analysing written, pictorial and electronic documents (Moleong, 2007:54). In addition, the data sources were theoretical books as common reference sources and research journals, surveys, news, and other relevant references from the internet as specialized reference sources supported the content, and online sites related to the discussion (Harahap, 2014). Triangulation of data sources was conducted by using credible data source selection. Data analysis method used content analysis or document analysis method of theoretical testing to increase the understanding of the related data (Elo and Kyngas, 2008). The concept related to governmentality by Michel Foucault was used as a framework of thinking in analysing the expansion of liberalism in Indonesia. Further, final conclusion was made based on the presented data.

3 RESULTS

3.1 Liberalization of Higher Education

General Agreement on Trade in Services is a multilateral agreement among countries which regulates international trade in services. The trade agreement covers 12 service sectors including educational service, especially higher education. Ratification of GATS appears as a consequence of Indonesia's commitment as a WTO member since 1994. The regulation of GATS is an integral part from

WTO which regulates liberalization of trade in which education is one of the public service sectors to be privatised. The direction of liberalization of education is as a commercial or accommodated good. Liberalization of education is generally the practice of class interests that has the potential to eliminate state responsibility by handing education into market, because education world is a promising business (Effendi, 2004).

Sociologically, in governmentality concept according to Michel Foucault, the expansion of neoliberalism through liberalization of higher education in Indonesia is the rationalisation of how power is organized and operated by a country that can be recognised and legitimated. Governmentality is a legitimate and right manner of disposition of things, including population and resources.

GATS defines four manners of how all kinds of services can be traded. In education sector, one of the implementations of the manners is commercial service provider in consumer country with the existence of foreign universities in the country. Higher education sector has been a part of trade commodities that promises big profits and ruled by developed countries-United State of America, England and Australia-that support market liberalization (Current Commitment under the GATS in Educational Service 2002). This kind of situation as a form of epistemological regime of power becomes an ontological model of power, from hegemonic power model as a power over becomes intensive power model (Lash, 2007).

Ratification of GATS by Indonesia has an impact on education to be privatised. In this case, the negotiation of the expansion of service liberalization in GATS is performed by using initial offer and initial request. Initial request is a list of desired sectors to be opened by other countries. A country is required to liberalise its certain chosen sectors or initial offer. Negotiation for the expansion of market service access is made bilaterally by each service negotiator of each country which, if agreed, is applicable multilaterally (Oratmangun, 2005). The initial offer and initial request are the implementations of power relation (governmentality) in which country is in the realm of choice of action. It does not feel compelled or there is no choice of action other than what has been determined by the dominant group, but potentially inside the subject there is a control over the practice of its life based on the social control desired by the political interests and economic exploitation of the authorities (Lemke, 2000).

Further, ratification of GATS is also the backdrop of the Law on Higher Education No. 12 Year 2012.

Some important points related to higher education especially the organization of Foreign Higher Education (FHE) in the Law are: (i) Foreign Higher Education may organize higher education as long as it is non-profit, so there is no commercialization of education; (ii) Allowed as long as it follows the rules and regulations in line with the national interests, so there is no liberalization of education; (iii) Allowed as long as it cooperates with domestic higher education so it does not turn domestic higher education off and Foreign Higher Education must obtain permission from the Government; (v) The Government regulates the areas where Foreign Higher Education may operate, the types of higher education, and the courses that may be given.

Through GATS, liberalization of education in Indonesia has been started since the New Order by implementing a set of regulations that minimised the role of the state in the aspect of subsidy cuts in education and private participation in the provision of education in Indonesia (SyamsulHadiet al., 2007:25). Then in 2004, liberalization of education was realised by using sources of education funding which involved the community. In 2007, the fields that could be invested then proceed by the Law on Higher Education No. 12 Year 2012 that increasingly distanced the responsibility of the state in organizing higher education in Indonesia. In this case, the establishment of various Laws cannot be separated from governmentality concept as conduct of conduct in which a certain action can present a very open range of action choices, but it chooses its own action which the ruler actually desires (Mudhofir, 2013).

3.2 Higher Education in Indonesia

In general, higher education in Indonesia has been established in the early 20th century when Dutch colonial government established Technische Hogeschool (THS) in Bandung in 1920. However, the seeds of higher education have existed since the colonial government in the mid-19th century with the establishment of School tot Opleiding voor Indische Asrten (STOVIA), a Javanese physician education institution in Batavia and the next period, School of Law for the Bumiputra class (Opleidingschool van Inlandsche Rechtskundigen) was also established in 1909 in the same city, and then a medical school in Surabaya in 1913 named Nederlandsch Indische Arsten School (NIAS) with a seven-year study period. There were fundamental reasons why Dutch colonial government preferred to establish medical higher education. One of them was due to tropical climate in Indonesia that caused many

diseases. School of engineering (THS) was established by the Dutch to meet the needs of educated engineers needed to establish various physical infrastructures supported colonial rule in Indonesia. However, with the outbreak of the First World War, the relation of Dutch and Indonesia became intermittent. This made it difficult for the sending of educated engineers to Indonesia and vice versa. It then triggered Indonesian government to establish its own higher education institutions (Basundoro, 2012).

After THS was established, many higher educations were built included De Nood-universiteit or emergency university with five faculties and separated places, the faculties were faculty of medicine, law, literature and philosophy. At the same time, The Government of the Republic of Indonesia based in Yogyakarta also revived the university by establishing GadjahMada University in 1946 which was initially managed by a foundation organized by several education figures. Sultan of Yogyakarta, Sri Sultan Hemengkubuwono IX, provided his front part of the palace (pagelaran) as a place for lecture activities (Basundoro, 2012).

From year to year, the number of higher education is increasing, during the period 2011-2015 the number of national higher education increased by 617 or 16%, with annual growth of 4%. The highest growth of Higher Education was in the period 2013-2014 that increased by 6.4% or 266 of new Higher Educations. While the lowest growth of Higher Education was in the period 2014-2015 that increased by only 1.1% or 49 of new Higher Educations (Ristekdikti, 2016).

The increasing number of higher educations in Indonesia from time to time shows that the needs of educated personnel are increasing. The needs are based on the increasing demand of human resources with certain education levels, for example in applying jobs. It cannot be denied that to work in an institution, company or place that promises prosperity in old age requires a minimum of undergraduate education. Higher education offers many choices to the community to determine where they will take an education. These open choices seem to give opportunities to the community to choose, however on the other hand these choices have been regulated by the country by establishing schools. This is in accordance with Foucault's opinion that conduct of conduct is not about how one's action affects the actions of others, but the existence of a particular action can present a very open range of action choices, however eventually that person chooses an action desired by his country (Mudhofir, 2013).

Similar with the era of Dutch colonial government that established physician higher education because they did not want to be infected by diseases of tropical country, the country organizes education not only to practice the mandate of the Constitution but also perpetuate the dominance of certain groups. This dominance is present when the existing higher education can only be accessed by certain elites, such as the community with middle and upper economic class. But the dominance is not perceived by the community because the system changed it into something common. The system from the country is influenced by neoliberalism, the consequence in education is that FHE becomes a discourse as the product of market demand. FHE is not for all classes but only few people can access it.

3.3 Re-thinking of Education Liberalization of Education in Indonesia

Education is a commodity in which there is recognition from the government over private parties in organizing education so that it has to be regulated in WTO. Education is in a negotiation begun on 1st of January 2001 and agreed in the declaration of Doha in 2001 (Jandhyala, 2001:33). Until now, the liberalization of education in GATS frame in Indonesia is still a debate. Not only in Indonesia, the debate on the commercialization of education happens in other countries, for example according to Philip Altbach (2001), if higher education is regulated by WTO, it potentially causes the loss of academic autonomy and foreign education in a country will be left behind and indirectly changes the concept and practice of state higher education. While a different opinion is stated by Michael R Czinkota (2005) that "Higher education may see itself exempt from international service industry rules, but it certainly is not immune from rules of economics, particularly when it comes to issues of supply, demand, and money" and the demand on higher education and development of cross border education in various types makes higher education a promising business.

In governmentality concept, in which power takes place through hegemonic norms into factual power (intensive facts), the implementation of trade in service liberalization in GATS does not take place automatically but through the provision of a hegemonic commitment. For example, market access which is a commitment of a country to give an access to foreign service providers to operate within the country according to the desired modes of supply and if the access is given then all FHE from the member

countries of WTO can operate within the country and has to be treated equally.

Further, as governmentality form which gives a very open range of choice, member countries can set rules or domestic regulation related to trade in services. However, the domestic regulation is a barrier for other countries so it has the potential to be eliminated because basically the power over trade in services is in accordance with the will of the authorities. For example, the Law on Higher Education which requires FHE to be a non-profit and organized by cooperating with Indonesia's higher education is one of domestic regulation barriers because by the regulation, a profit FHE cannot operate in Indonesia.

Progressive liberalization principal in GATS requires member countries to gradually reduce and even eliminate all barriers of trade in service including higher education. The wider access of FHE in Indonesia (liberalization of higher education) by using the Law on Higher Education as a foundation causes the Law which involves higher education (domestic regulation) will obey to the regulations of GATS, and some of the regulations in the Law may be sued by another country for being regarded as a barriers. If there is a rejection of Indonesia to other countries' requests it can cause a rejection of other countries to other sectors desired by Indonesia in return for such rejection. It shows that the power relation is actually inherent in which there is an influence of the interests of the authorities and it is increasingly affected and continuously under the control of the rulers who in this case are the dominant member countries of GATS. In the concept of power, domestic regulations cannot be separated with the influence of regulations related to mechanism of FHE in Indonesia which has to be harmonized with the regulations of GATS and it has an impact on the commercialization of National Education System that basically contradicts the essence of Indonesian higher education as a mission of state or public service.

In the middle of various debates, there are some considerations based on the aspect of strength, weakness, opportunity and threat over the potential of profit and loss from the legitimacy in foreign higher education which potentially promotes the efficiency and improvement of educational service quality and foreign exchange savings due to reduction of overseas study finance. From the aspect of weakness, there is a potential for limited professional standardization and accreditation of educational institutions, local institutional resistance to the unpreparedness to compete with foreign educational institutions, and weak coordination and participation of stakeholders

(businessmen, academicians and the community). Then from the aspect of opportunity, there is a potential for open opportunities for international-quality education, improving the quality of education and professionalism of educators, and cooperation with overseas education. While from the aspect of threat, local education institutions are less competitive, and local higher educations in Indonesia are marginalized due to various problems such as inequality and lack of access, quality, effectiveness, efficiency and accountability of higher education in developing countries.

4 DISCUSSION

The question in this study is how the expansion of neoliberalism towards higher education services in Indonesia. The results show that the joining of Indonesia as a member of WTO is an entrance for the expansion of the principle of neoliberalism. Neoliberalism refers to capital globalization, that is a transfer of capital between one country to another without the ability of the country to intervene which causes to the loss of responsibility so that it hands the education to market regulation because education world is a promising business.

Neoliberalism emphasizes that all actions are referred to merely get profits and ignore the aspect of religious, social, cultural, and politics. In this case the ruling states as the owners of the largest capital seeks to penetrate national borders and commoditize education. The findings of this study, neoliberalism approaches used in neoliberalism of education in Indonesia were international and non-international governance approach. Non-international governance was performed through domestic and international market to influence higher education policy in Indonesia. It included the legitimacy in Foreign Higher Education (FHE) which was intensively pursued as a part of the education sector in GATS. Neoliberalism as capital globalization performed both international and non-international governance that refused intervention of public authority. Neoliberalism as international governance had had an authority guaranteed by multilateral agreements.

Globalization of education without international governance marked by the legitimacy in FHE in Indonesia and became the competitor for both public and private Indonesian higher education. It is in accordance with an opinion by Supriyanto (2004:23) that Foreign Higher Education has the potential to develop rapidly in Indonesia so it needs special attention to stakeholders of Indonesian Higher

Education considering the heterogenic conditions and problems of higher education. Legitimacy in the establishment of Higher Education in Indonesia cannot be separated from the influence of neoliberalism both in international and non-international governance. The ways to overcome these problems include improvements in quality and competitiveness between FHE, Public Higher Education and Private Higher Education. Globally, domestic higher education has to be able to compete with internationally recognized FHE.

5 CONCLUSION

Globalization is an entrance for neoliberalism principal through international governance to legitimate trade in services particularly in higher education sector. Neoliberalism through WTO and ratification of GATS makes higher education a profitable commodity for certain parties in power. The power relation between Indonesia and world organization causes mechanism of education policy especially higher education in Indonesia to be in accordance with the agreement of liberalization as a consequence of ratification of GATS. Higher education The current high education is a form of domination relation controlled by a state where the state is also influenced by neoliberal. It shows that the choices of action on various social relations are basically influenced by the interest of a nation, in which basically in the concept of governmentality, the choices of action of a state is not limited to cooperation relation in education sector but the interests of the ruling states

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