

Quality Assurance for Higher Education Accounting Program in Indonesia

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Abstract

This paper^{*1} studies for the process of higher education reform for especially accounting program which is likely ideal and futuristic in Indonesia. Actually, the historical reform increases the quality of Indonesian higher education after the declaration of Indonesian independence on 17 August 1945. Indonesian Education Ministry has vision that all higher education programs in Indonesia can compete fairly with other from around the world. However, the government does not have economic capability to finance expensive qualified and internationalized standard of higher education, in turn placing the reform at the crossroad as well as not give fully the chance of higher education for a great number of poor people. On the other hand, the Indonesian people remember in their minds the spirit of “education for all,” as a kind of ‘historical commitment’ based on the Japanese legacy. The government has the responsibility for higher education for them.

The program of higher education reform in Indonesia reflects the demands of external global advancements and internal changes relating to reformation spirit of post Suharto era. It can be predicted for the reform depends on its elements: autonomy, quality, access and equity. Accounting education program in Indonesia is divided as; (1) Diploma Program, (2) Undergraduate Program, (3) Postgraduate Program and (4) Professional Accounting Program (PAP). The 16 (40 percent) of the 40 PAP are not accredited yet. The significance of the reform is to provide opportunities for all citizens to a faultless learning process, inspiring and enabling individuals to develop to the highest potential levels throughout life that supports the individual to grow intellectually, be well equipped for work life, which contributes effectively to society.

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Keywords: *Higher Education Reform, Professional Accounting Program, Quality Assurance*

1. Introduction

Indonesia consists of 17,000 islands and has population of around 250 million that comprises about 3,000 ethnic groups. The GNI (Gross National Income) per capita of US\$ 1,888 in 2008, Indonesia is considered a lower-middle-income country by the World Bank. The GDP grew by 4.5%. Indonesia's expenditure on education as a percentage of GDP is 3.8% as of 2007, which is lower than 8.1% in Malaysia and 4.6% in Thailand but higher than 3.1% in Philippines. Its expenditure on education as percentage of total expenditure, 16.9% is similarly low compared to Malaysia (27%) and Thailand (27%) and also lower than 20% required by Indonesia's Constitution.

Indonesia is possibly one of the most dynamics countries in the world in the sense that the government endeavor to implement higher education reform is facing serious resistance from various groups in the society. Since 1949 when Gadjah Mada University *² was founded, the rapid expansion of higher educational system in Indonesia happened some issues such as the shortage of teachers and textbooks, and the quality of universities *³. Waves of student demonstrations occurred not only at universities which have already had legal status as the BHMN (Badan Hukum Milik Negara/ State-owned Legal Entity) but also at non-BHMN universities. Some issues which were raised during the demonstrations and orations are amongst others: government is not responsible for public educations, poor people will suffer with the new system, intervention of foreign capital in education (IMF, World Bank, WTO, etc), commercialization of education by neo-liberalism regime, rejecting the BHMN, amending the SISDIKNAS (Sistem Pendidikan Nasional/ National Education System) Law, rejecting the draft of BHP (Badan Hukum Pendidikan/ Education Legal Institution) Law.

Japan also has the almost same problems with Indonesia. There are too many universities in spite of the lower birthrate. It is true that some of them don't always maintain the high quality of education, because they are sometimes bustling about getting students. Unfortunately, this situation applies partly to accounting program of graduate schools where should educate excellent accounting professionals. This paper

*2 See the history of Gadjah Mada University, <http://www.ugm.ac.id/en/?q=content/brief-history> (Visited on 13 January, 2013).

*3 Kato & Chayama 2010, pp.55-56.

is intending to describe the higher education reform especially for accounting program which is likely ideal and futuristic. The reform is actually to increase the quality of Indonesia higher education. Our education ministry has vision that all higher education programs in Indonesia can compete fairly with other from around the world.

2. Literature

2.1. Management Education Reform in Indonesia: Autonomy

Although higher education in Indonesia had swallowed great amount of fund both from domestic public expenditure and foreign loans, the quality was still questioned and its development was not yet able to cope with global advancement, whereas infrastructures, facilities, and human resource had experienced significant development during the previous decades. The Director General of Higher Education (DGHE)*⁴ viewed that one of the most crucial constraints which was being faced by the higher education was management. Public universities which were counted as a more qualified institution were still positioned as part of government bureaucracy including financial arrangement, staff promotion and salary, etc. Such kind of structure enabled the government to inflict its political interests to the higher education institutions which ideally should be independence. In this connection, it is understandable if one of the most crucial programs of the DGHE in 1996-2005 was the implementation of the new paradigm in higher education management based of the principle of autonomy.

During the New Order government the concept of higher education autonomy was still unclear. It related with the centralistic model of education management. It seems that the government did not want to give broader autonomy to the higher education institutions. An excessive autonomy might be viewed as a potential to be in opposition to the centralistic government. But the DGHE continued to search for financial support from foreign donors especially World Bank and ADB. Since 1994 the DGHE launched new programs for reforming higher education such as Quality for Undergraduate Education (QUE), Development of Undergraduate Education (DUE), and University Research for Graduate Education (URGE).^{*5} These programs focused on improving the

* 4 Referred the information about the DGHE, <http://www.dikti.go.id/> (Visited on 28 January, 2013).

* 5 For running these programs, the World Bank gave loan almost US\$ 59 millions and the ADB: US\$ 140 millions. See Departemen Pendidikan dan Kebudayaan, *Lima Puluh Tahun*, 558-559.

quality and efficiency of higher education through competitive development grants, and requiring universities to take a more active role. It is amazing that by implementing this program, the consciousness among university staffs on the needs for autonomous management also improved.

The fall of Suharto government had actually given a broader opportunity to the DGHE to speed up the agenda of higher education management reform or campus autonomy. But it seems that this government institution was still hindered by previous programs which were still based on centralistic paradigm. On the contrary, foreign donor agencies (especially IMF) tended to utilize the reformation euphoria following the fall of Suharto and the deterioration of Indonesian economy by implementing broader reform packages including deregulation and privatization. Economic protection and public subsidies were forced to be abolished. Privatization program should also be implemented to the monopolistic state-owned companies in banking, mining, transportation, agriculture, electricity, etc. Both domestic and foreign capitals got broader opportunities to inherit profitable businesses.

Increasing university autonomy was in line with the IMF reform packages and increasing accountability and transparency demanded by the reformation spirit. The DGHE itself remained to be consistence with the previous program to carry out reform by implementing new paradigm in which institutional autonomy and accountability become the strategic issues. For those purposes, legal basis of higher education reform had been issued by the government, i.e. Peraturan Pemerintah (PP)/ Government Regulation No. 61/ 1999 concerning Perguruan Tinggi Badan Hukum Milik Negara (PT-BHMN)/ Higher Education of State-owned Legal Entity.

Previously, universities were government service units and had to comply with government regulations in financial management, personnel management, the appointment of rectors, and other areas. This PP preconditioned the changes in organizational structure and the democratization of the universities. The university no longer has to report directly to the ministry, but rather to a board of trustees (Majelis Wali Amanat, MWA). The MWA represents the stakeholders of the university and consists of representatives from government, the academic senate, the academic community (staff and students), and society. Although this represents a major shift in university governance, a large stake is still in the hands of the ministry, which is also represented in the MWA. Table 1 shows some differences between the BHMN universities and non-BHMN universities.

Table 1 The Differences between BHMN and Non-BHMN Universities

BHMN Universities	Non-BHMN Universities
Responsible to Board of Trustee/ Majelis Wali Amanah	Responsible to the Minister of Education
Rector is elected and approved by the Board of Trustee	Rector is approved by the President of the Republic of Indonesia based on the Minister proposal referring to the recommendation of University Senate
The members of University Senate are elected	Professor is automatically the member of University Senate
Autonomy	Part of centralistic government bureaucracy
Outcome-based budget system	Input-based budget system
More access for capacity building in revenue generating activities	Less access for revenue generating activities

To implement this PP smoothly, the government called most reputable public universities to submit a plan for autonomy. Up to now, six higher education institutions had been approved as having status as the PT-BHMN, namely University of Indonesia Jakarta (2000), Gadjah Mada University Yogyakarta (2000), Bogor Institute of Agriculture (2000), Bandung Institute of Technology (2000), North Sumatra University Medan (2003), Indonesian Institute of Education Bandung (2004), and Airlangga University Surabaya (2006).

In line with the increasing number of the BHMN universities, the government further continued to lay a legal basis for autonomy and privatization and even globalization of education institution. In 2003, the government and DPR (Dewan Perwakilan Rakyat/ Legislative Assembly) agreed to implement Undang-undang (UU)/ Law No. 20 / 2003 concerning SISDIKNAS or Sistem Pendidikan Nasional/ (National Education System). In connection with the issue of autonomy, the SISDIKNAS insists that a higher education institution should be established as education legal institution or Badan Hukum Pendidikan/BHP (article 53: 1) and it has capacity to outline policies and autonomy to manage education (article 50: 6). The management of a higher education institution should be carried out based on the principle: autonomy, accountability, quality assurance, and transparent evaluation (article 51: 2).

The government agenda for privatization can be seen on the consideration of the SISDIKNAS stating about the abolishment of discrimination between government-managed education institutions and private-managed education institutions. The same policy is also applied for general education institution (*pendidikan umum*) and religious

education institution (*pendidikan agama*). The strongest point of privatization can be found in the SISDIKNAS which insists that community has obligation to provide material resources for executing education (article 9), whereas the obligation of the government is only to provide service and ease, and to guarantee the implementation of qualified education for all citizen regardless discrimination (article 11).

The globalization aspect of education reform in the future Indonesia is also reflected in the SISDIKNAS. Article 65 proposes that accredited foreign education institution can execute education in Indonesian territory but it has to cooperate with Indonesian education institution and should involve Indonesian executives and teachers and/ or lecturers (article 63: 3). Besides, foreign language can be used as medium of instruction at a certain education level for improving language proficiency of students (article 33: 3).

As a follow-up of the SISDIKNAS, since about three years ago the government has completed a new law draft concerning BHP (Badan Hukum Pendidikan/ Education Legal Institution). This draft is said to wait for president signature before further discussed by the DPR. Substantially, the draft has similar spirit with the SISDIKNAS law as a part of reform agenda, i.e. autonomy, privatization, and globalization of education. The draft states that the aim of the BHP is to materialize the principle of independence in executing education by implementing school-based management at primary and secondary schools and autonomy at higher education level for growing up creativity, innovation, quality, flexibility and mobility (article 3: 2). The draft also insists that the BHP should be managed by the principles: not profit-oriented institution, autonomy, accountable, transparence, quality assurance, and excellent service, justice in access, plurality, sustainability, and participation under state responsibility (article 3: 4). In term of globalization in education, the draft also gives broader opportunity to foreign accredited education institution to expand their business to Indonesia (article 7: 1). By imposing a set of legal status, the DGHE expects that by 2010 Indonesia will have competitive and highly reputable higher education institutions.

It seems that reform and structural adjustment of Indonesian higher education cannot be avoided since Indonesia has deeply involved in the development strategy of capitalism. Even in socialist country such as China, the reform and structural adjustment of higher education had begun to be accommodated since the last two decades. This means that what is now experienced by Indonesia is only an inevitable logical consequence of historical legacies in which this country had chosen its own way as democratic state while its economy is integrated into world market. This phenomenon becomes to be controversy, therefore, when one still thinks romantically and is unable to

accept the reality which actually as a result of what has been done in the past.

2.2. Reform at Crossroad

Back to the main question of why higher education reform which is now being carried out by Indonesian government harvested resistances, whereas the reform has been the global trend including socialist countries such as China and Vietnam.*6 Besides, higher education reform also has been the agendas of international agencies. World Conference on Higher Education gathered at UNESCO Headquarters in Paris in October 1998, for example, urged to all states in the world, including their governments, parliaments and other decision-makers to establish the legislative, political and financial framework for the reform and further development of higher education. It is closely linked with the fact that during the 21st century there will be an unprecedented demand for and a great diversification in higher education, as well as an increased awareness of its vital importance for socio-cultural and economic development, and for building the future, for which the younger generations will need to be equipped with new skills, knowledge and ideals. And in a world undergoing rapid changes, higher education needs for a new vision and paradigm. Researchers on higher education also have tried to explain on how this institution presently needs to be reformed. It links with the global changing demand and supply in social and economic contexts, i.e. *marketization*, the formation of 'knowledge society', and globalization.

Policies which are now being issued by the Indonesian government to reform higher education through the UU SISDIKNAS 2003 and the draft of RUU BHP can possibly be seen as an effort to carry out structural adjustment in connection with the process of *marketization*, 'knowledge society' formation, and globalization. Programs which are now being implemented by the government are actually a part of a long process of Indonesian higher education history. The 'new paradigm' concept in reforming higher education had actually been initiated in 1995 by introducing various competitive grant schemes such as URGE, DUE and QUE projects assisted by World Bank. In the concept, institutions are provided with greater autonomy along with the increased accountability. The accountability should be demonstrated through various evaluation and accreditation process. At that time the government still focused on reform in public universities, whereas most higher education students registered at private institutions which mostly with poor quality. Therefore Government needs to find ways to stimulate the quality

*6 Toru Umakoshi, "Private Higher Education in Asia: Transitions and Development", in: Altbach & Umakoshi (eds), *Asian Universities*, 41.

improvements of private higher education, and provide transparency and information on opportunities for students and parents in order to make informed choices. This explains the pivotal strategic plan of the Higher Education Long Term Strategy (2003-2010) composed by the DGHE which is focused on strengthening quality, equitable access, and autonomy by consolidating the *New Paradigm* and moving towards a performance-based funding system. This spirit has been reflected in the UU SISDIKNAS 2003 and the draft of UU BHP.

It is obvious that the recent development of higher education reform in Indonesia reflected both external and internal demands. External or international demand closely links with the development of *marketization*, the formation process of 'knowledge society', and globalization which requires policies on liberalization, privatization, and even commercialization. It is in line with the internal demand in connection with the decreasing capacity of Indonesian government to finance education including higher education sector.

If such kind of reform had been persisted for a long time, why did the resistances only get momentum after the issuing of the draft RUU BHP since about three years ago? It is very strange since the role of private sector has been very significant in the history of education in Indonesia since Dutch colonial period such as Muhamaddiyah, Taman Siswa, and Christian foundations, etc. Even the commercialization of education has been phenomenal in Indonesia during the last two decades. In Indonesian big cities, it is easy to find primary private school which demands what the so called 'uang gedung' (building money) ten million rupiahs and monthly tuition fee of about 500 thousand rupiahs. In this connection, the resistance against recent higher education reform in Indonesia possibly relates with at least two points: firstly, the persisting historic and romantic way of thinking among Indonesian people, and secondly, the decreasing capacity of the government to finance the education sector which becomes increasingly expensive.

2.3. Historic and Romantic Way of Thinking

During the last three years so many mass media documented the resistances against the higher education reform in Indonesia. This information can be accessed easily. Such kind of information gives an impression that the resistances relate with gap in the way of thinking between the resistances who tend to possess romantic and historic way of thinking with the decision maker (the DGHE as the representation of government) which tends to be practical in the way of thinking. Romantic and historic way of thinking here refers to the way of thinking which tends to put emphasis on something that is viewed

as important that is likely to be remembered emotionally and often not looking at situations in realistic way. In this sense they imagine the important role the state in the past can be defended in the present time and even in the future.

The deep commitment of Indonesian people to 'historical consensus' relating to expected role of state in citizen education can possibly be understood easily since higher education had special and heroic role in Indonesian history. Higher education especially colleges which were established by the government of the Republic of Indonesia in Yogyakarta and surrounding cities during the independence war against the Dutch is filled with romantic tales of ingenuity, hardship, and heroism. The lecturers had to remove their books and other teaching materials from Dutch-controlled cities in West Java to Yogyakarta. Both lecturers and students had strong spirit of nationalism. Limited facilities did not lessen their spirit in learning and teaching in the class. Because of war situation, the classes were 'removable': halls, kitchens, and the guards' quarters in the palace of Yogyakarta. The Dutch aggression to the Republic's territory in 1947 and 1948 called the students to wage guerilla warfare and abandon classes.

In the successive periods, it also had very significant role for transforming Indonesia into democratic society by ending the power of President Soekarno after the failed coup attempt in 1965 and those of President Suharto during the economic crisis in 1998. These explain the emerging image of higher education as 'the guardian' of the Republic and as a moral force that should be away from commercialization. Even during the Soekarno era the higher education had been functioned to develop moral individuals who are imbued with the spirit of *Pancasila* and dedicated to produce an Indonesian socialist society that just and prosperous, both spiritually and materially.

The "socialistic character" of the Constitution 1945 is easy to be understood since it was composed during the Japanese occupation which was colored by anti- Dutch elitist education system. During the Dutch colonial time, education was expensive and mainly for bureaucratic families and for the have. Although the performance of education in Indonesia decreased sharply during the Japanese occupation, the spirit of 'education for all' -like was increasingly to be popular. Besides, exploited and humiliated experiences of Indonesian people as a colonized nation also raised an idea to establish a state which is able to guarantee prosperity, freedom, and dignity through state-financed education (article 31). It is obvious that such kind of spirit is still strongly coloring of recent Indonesian way of thinking. Even it was strengthened during the reformation era when in 2002 the MPR (Majelis Permusyawaratan Rakyat/ People's Consultative Council) amended Constitution 1945. The amendment of the constitution proposes that both the

state (central government) and local governments give priority to education budget at least 20% of the annual budgets.*⁷ Again, these regulations are reinforced by the SISDIKNAS law that such a 20% of education budget excludes educational personnel salaries and official expenditures. This explains the emergence of resistance movements against government policies to privatize and commercialize higher education. The policies are seen as less populist and as an act of insulting the nation dignity and committing of treason against state constitution.

2.4. Economic Problems

The resistance against higher education reform is actually also rooted from inability of the government to fulfill the demand of constitution and SISDIKNAS law of 20 % annual budget for education. It closely links with the economic condition which was severely affected by economic crisis since 1997. The crisis was more seriously experienced by Indonesia compared to those of other Southeast Asian countries because of its heavy dependence on foreign debts and capitals. As a former colonized country, Indonesia inherits troublesome socio-economic structure.

Since the early independence leading economic sectors were still controlled by foreign capitals. This condition was aggravated by the fact that the Dutch colonialism had destroyed indigenous people spirit and opportunity to build up entrepreneurship. Dutch colonialism had preconditioned indigenous people to be small peasant, laborer (coolie), and low level of employee. The Dutch colonial government entrusted more to Chinese minority to control medium and small size of economic sectors. After proclamation of independence, Indonesian economy has been experiencing mismanagement because it managed and executed by less-experienced experts and businessmen. History of Indonesian economy had been colored by collusion among indigenous officials and businessmen and experienced Chinese minority businessmen which preconditioned corruptions and other activities causing financial lost of the state.

The rapid population growth also added the burden of Indonesian economy. Due to economic crisis of 1997 Indonesian economy experienced a contraction and finally government spending and subsidy were lessened. Besides, the crisis also caused the debt of both Indonesian government and private sectors increased sharply following the lost of 80% of rupiah values on foreign exchange market. It is stated that the government

* 7 See "Perubahan Keempat Undang-undang Dasar Negara Republik Indonesia Tahun 1945" (The Fourth Amendment of Indonesian Constitution 1945), in: http://id.wikisource.org/wiki/Perubahan_Keempat_Indang-Undang_Dasar_Negara (Visited on 13 July 2007).

debt in the end of 2007 is predicted about US\$ 150 billion or about 40% of the GDP (US\$ 364 billions). About 40% of annual state budget has to be used for paying bank interest.

The numbers of population who are living under the poverty line are about 37.17 million people (17.75 percent). Based on the IMF version in 2005, Indonesia positioned at level of 115 among 181 countries in term of GDP per-capita. With such heavy economic burden, it is very hard for Indonesian government to give proportion budget for education (20% of annual budget). This condition is also exacerbated by the lack of government attention on education. The budget for education was only about 1.5% of GDP in 2000, while Malaysia had reached 4.5%, the Philippine 3.5, and even Zimbabwe was about 11.6%. Many argue that the government reform on education seems to be used as the way for avoiding financial responsibility. They worry about the increasing cost of education and finally the access of the poor to better education will be closed. Many have witnessed the increasing tuition fees and other kinds of expenses of six public universities which have been transformed into the BHMN universities. If the reform is materialized, it is true what is stated in article 9 of the SISDIKNAS law that 'community has obligation to provide material resources for executing education'. But in fact higher education reform will be easily accepted by the people as far as it does not refer to the releasing responsibility of the government on financing education.

2.5. Higher Education Strategy

Higher education long term strategy focused on two core programs:

- Implementation of the new paradigm in higher education management.
- Improvement of relevance and quality.

Table 2 The Numbers of Indonesian Higher Education Institutions

No	Form	Public	Private
1	academies	-	715
2	polytechnics	25	89
3	advanced schools		1,043
4	Institutes	10	43
5	Universities	46	345
	Total	81	2,235

Source: Directorate General of Higher Education

Table 2 shows that higher education schools are mostly owned by private institutions which have 2,235 schools. On the other hand, only 81 schools is managed by the

government. In 2001, nearly 1.9 million of about 3.4 million students enrolled in private institutions. Whereas, the gross enrollment ratio at tertiary level in 2000 reaches 14.4, increasing to 17.1 in 2005. The enrolment rate has significantly increased from about 2% in 1975 to more than 13% in 2004.

Based on the latest law of National Education System 2003, there are 5 forms of Indonesian higher education system:

- Academies (Provides only one particular applied science, engineering, or art)
- Polytechnics (Provides applied/practical specific skills)
- Advanced schools (Provides academy's or professional education in one specific knowledge)
- Institutes (Consists of many faculties/departments on one knowledge discipline)
- Universities (Offers training and research in various discipline)

The number of Private institutions is bigger compare public institutions. Private schools in developing countries have a high quality learning system and environment, however, the opposite condition apply in Indonesia. The private school in Indonesia is a second choice after public schools for Indonesian prospective students.

Table 3 The Enrollment and Access

Year	2001	2002	2003	2004	2005
Enrollment rate tertiary (higher education)	0.14	0.15	0.16	0.17	0.17
Enrollment rate primary	92.3	92.4	92.5	92.6	92.6
Enrollment rate secondary	N/A	0.51	0.54	0.55	0.55

The enrollment rates in Indonesian higher education steadily increase from 2001 to 2005, from 0.14 to 0.17. In recent 5 years the participation rate of higher education is considerably lower from primary's and secondary's rates. The rate of enrollment of Indonesia higher education is still higher than some countries; such as Vietnam and Pakistan. The Indonesian tertiary enrollment rate is lower than some other developing countries, for instance, Mexico, Malaysia, and Thailand. Moreover, the Republic of Korea, one of the countries with Indonesia that was called "the emerging market countries" in 90's, has significantly higher rate than Indonesia. Korea also has a higher rate compare to developed countries; Japan, Australia, and USA.

Based on the National Socioeconomic Survey (2003) the enrollment rate to higher education of students was only 0.17 in 2005 whereas enrollment rate in primary level is 92.6 and 0.55 in secondary level. Centralized public university admission examination

system in Indonesia is highly competitive. The prospective students have to achieve higher score than their competitors. The students need access to a high quality senior secondary school and an extra special training in a “private study centre” to pass the test. Mostly, a high quality secondary school is located in urban area and only students from middle and high income families who can pay the extra training. Furthermore, based on the survey, it is only 3.3% students from lowest 20% of income groups who successfully pass the test. On the contrary, the proportions of students from highest income quintile who get the university seats reach a significant 30.9%.

2.6. Competition Environment among Universities

Indonesia has a large number of private universities. However it is very tight for students to face on the competition to study in the public universities as only small proportions were prevailed. Only 75,000 seats are available whereas the number of students who take the national public university entrance examination reaches about 450,000 each year. Centralized public university admission examination system in Indonesia is highly competitive. After the new era of higher education when some public universities have transformed to legal entity universities, the admission system is more similar with the private universities’ system. Gadjah Mada University is the first one of the legal public entity universities that opened an independent admission examination since 2003. This path of admission is similar with the private university admission system as it requires an extra financial contribution. The maximum contribution is 100 million rupiahs for students who enrolled in medicine faculty whereas the faculty that required the smallest contribution is science faculty, 8 million rupiahs.

2.7. Research Questions

Based on prior data, we know that Indonesia has thousands higher education in many forms, so the government must make regulation to standardize the quality. Now, quality assurance in higher education has become not only a national issue but also a global one. Quality assurance is the basis of a well functioning education system. The questions based on literature review and logics is how the mechanism of quality assurance in Indonesia for higher education?

3. Research Method

3.1. Qualitative Research

The kind of this research is qualitative research. Qualitative research has its roots in social science and is more concerned with understanding a phenomenon. The aims of this research are:

1. Seek to answer question
2. Systematically uses a predefined set of procedures to answer the question
3. Collects evidence
4. Produces findings that were not determined in advanced
5. Produces findings that are applicable beyond the immediate boundaries of the study.

3.2. Data

Type of data is written documents, such as National Education Act

3.3. Analysis

We use narrative analysis. This analysis involves study of literature.

4. Results

4.1. Process and Mechanism in Quality and Quality Assessment

Indonesia has several programs to increase the quality of higher education. List below explain the detail for each program and also the strategies to reach it.

1. Implementing Research Based on Teaching and Learning

- ✓ Strategies to solve these issues are :
 - To improve the university research management system.
 - To enhance multidisciplinary research in cluster and improve the intellectual property right protection program.
 - To improve the dissemination program of research products, collaborative research relevant to industry and society, and participating in getting the solution of many kinds of national issues.
 - To increase the percentage of the number graduate programs.
 - To provide graduate students with research facilities.
 - All units in the universities and faculties will make an attempt to integrate the

socialization, development, facilities, monitoring implementation of teaching and learning based on research.

2. Enhance the International Academic Reputation and Accreditation in Education, Research, and Community Service

✓ Strategies to achieve these issues are :

- a. Improvement of sustainable quality assurance in curricula and syllabi. All study programs must start to work on benchmarking, self evaluation, and plan to design systematically a sense of attractiveness to promote local wisdom to the global level. A quality assurance system must be able to monitor and evaluate the implementation.
- b. Improvement of the quality of human resources and infrastructure management by planning, integrating accurately, focusing on the development area by considering the balance of activity and the availability of required resources.
- c. Increase joint program with qualified overseas universities by intensifying study programs to explore possible approach and make plans.
- d. Improvement of the quality of research by giving priority to address of the nation.
- e. Improvement of the quality of community service by focusing on societal empowerment and participation in the international community by increasing a sense of sharing feelings and empathy in fostering and empowering community.

3. Improving the International Cooperation Network

✓ Strategies to achieve this issue are :

- Increasing facility of international cooperation networking by developing
- Simultaneously in terms of institutional and personal capacity, governance, data collection, monitoring, and funding both grants and loans.
- Increasing the quality of international cooperation networking by giving priority to cooperation reflecting strategic position of universities at the international level.

Accounting education program in Indonesia is divided as; (1) Diploma Program, (2) Undergraduate Program, (3) Postgraduate Program and (4) Professional Accounting Program. Professional Accounting Program is a mandatory education for every candidate CPA. Students in Professional Accounting Program should be fulfilling certain requirements, such as;

- (1) Graduate from undergraduate accounting program from accredited university
- (2) Passed the entrance examination from Indonesia Accounting Association (IAI)

Table 4 The Higher Education Accounting Program Accreditation Profile

Degree Level	Accreditation Level				Total Number
	A	B	C	Not accredited	
Professional Accounting Program	4	18	2	16	40
Diploma III	36	320	267	10	633
Diploma IV	2	0	0	0	2
Bachelor	314	1,936	1,632	100	3,982
Master	92	130	26	1	249
Doctor	2	1	0	1	4
All level	450	2,405	1,927	128	4,910

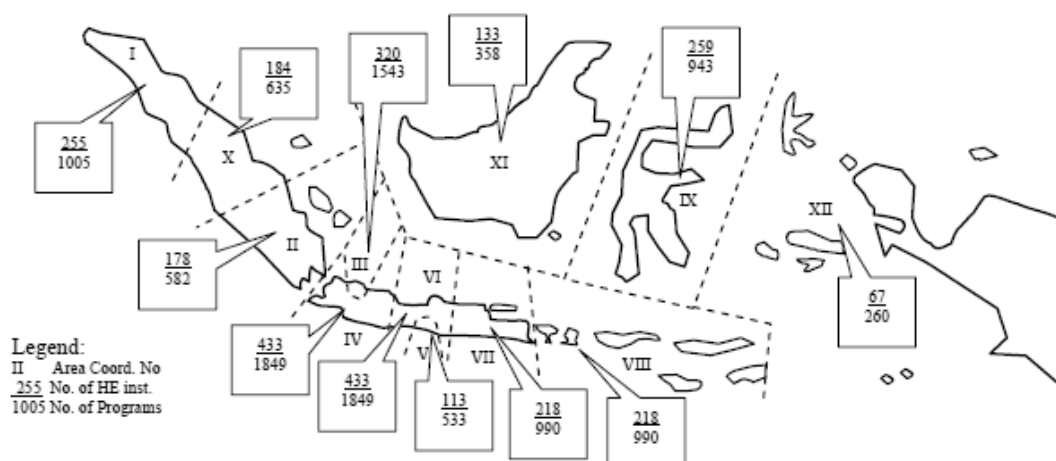
4.2. Higher Education Profile

Indonesia has nearly two hundred and twenty million populations that are spreading over the country. About sixty percent of the population lives in Java Island. The higher education institution profile is as follows.

Table 5 Higher Education Institution Profile in Indonesia

No.	Higher Education Institution Owner	No. HE Inst	No. Programs
1.	State	22	1,964
2.	Private	34	2,964

Figure 1 Spatial Distribution of Private owned Higher Education Institutions in Indonesia



4.3. BAN-PT, QA Agency for Higher Education in Indonesia

4.3.1. Mandate

The Ministerial Decree of Ministry of Education and Culture No. 0326/U/1994 orders the National Accreditation Board for Higher Education (BAN-PT) to develop and implement accreditation system for HE programs. After the National Education Act No. 20/2003 was issued, a new Ministerial Decree has given a new mandate for Accreditation Board for Higher Education (BAN-PT) to improve and implement the accreditation system for HE programs and to develop and implement the accreditation system for HE institution. The mandate is also given to any other independent self-supporting accreditation board. BAN-PT has been promoting such board since 2004, however, the intention and readiness of the existing independent professional and education associations are still insufficient to setup such board.

4.3.2. Legal Status

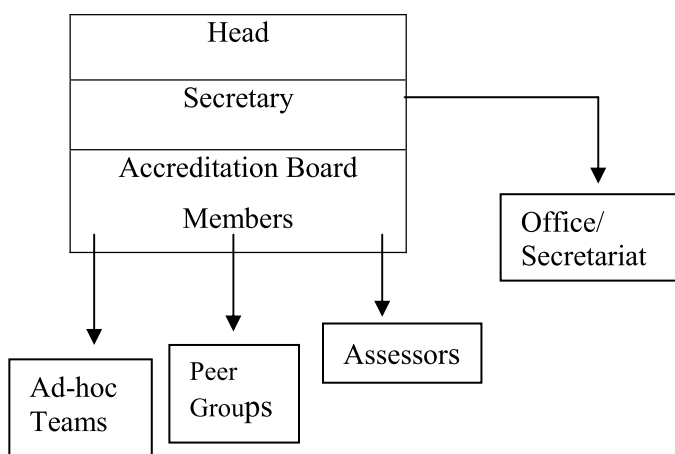
The BAN-PT is a unit in the Ministry of Education under the Research & Development Office. Within this office are other units such as the National Board Education Standard (BNSP). By the Ministerial Decree, BAN-PT must consider the higher education standards that are issued by the BNSP. However, the standards under still development, BAN-PT have developed its own standards.

4.3.3. Governance Structure

The BAN-PT is lead by head of the institution. The head of BAN-PT assisted by the Secretary Board, organizes the office or secretariat, assessors, peer groups and also appointed as the head of the board. The office of BAN-PT is conducting the regular administrative tasks such as registration, administrative verification, preparing assessor lists, organizing desk evaluation, site visit, re-evaluation and preparing the materials for the Board of BAN-PT's regular meeting for accreditation approval.

There are ad-hoc teams for continuous improvement or development of the accreditation system as well as the accreditation instruments and procedures. These ad-hoc teams are set-up by the Board of BAN-PT and any new regulation, procedure or instruments must be approved by the Board of Ban-PT. The office of BAN-PT facilitates all the process conducted by the ad-hoc teams. In this time being, there are ad-hoc teams for preparing accreditation instrument for higher education institutions, ad-hoc team for improving accreditation, and code for assessors.

Figure 2 The Organization Structure of BAN-PT



4.3.4. Cost and Financing Structure

It is the commitment of the government of the Republic of Indonesia to support all the cost needed for higher education accreditation process.

4.3.5. Assessment Methodology

Since 1996 until now, only accreditation for programs has been implemented by BAN-PT. Therefore, the following description is focused on the assessment methodology for program accreditation.

a. Eligibility

Any program that applies for accreditation must satisfy the eligibility requirement. Programs that are eligible to apply for accreditation must be able to present their legal status and operational license issued by the Directorate General of Higher Education (DGHE) of the Ministry of Education.

b. Assessment Process

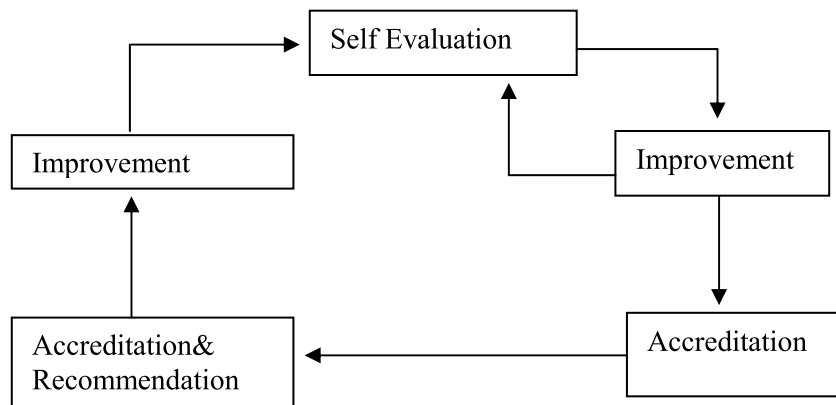
The applicant for accreditation must complete the accreditation forms that are available on the BAN-PT website. The guidance for self-assessment is also available on the web. The applicant can require the copy of the accreditation form package to be sent via mail. The applicant is also required to submit the portfolio of the faculty or the university presenting the result of self-evaluation process of the institution.

Based on the completed form and the portfolio, desk evaluation are conducted by a group of two or three peer assessors and then followed by a three day site visit. During site visit, the assessors verify the consistency between data written on both

the completed accreditation form and on the portfolio and physical condition and the result of direct interview with students, administrative and academic staffs and also the management of the program, the department and the faculty. The site visit report then is bind together with the result of the desk evaluation to be submitted to the BAN-PT's office.

The next step is verification process for consistency of the assessor report. This process is conducted by the re-evaluation team from accreditation board and the office/secretariat. Finally, all the assessment results are verified by the accreditation board to decide the accreditation of the applicant.

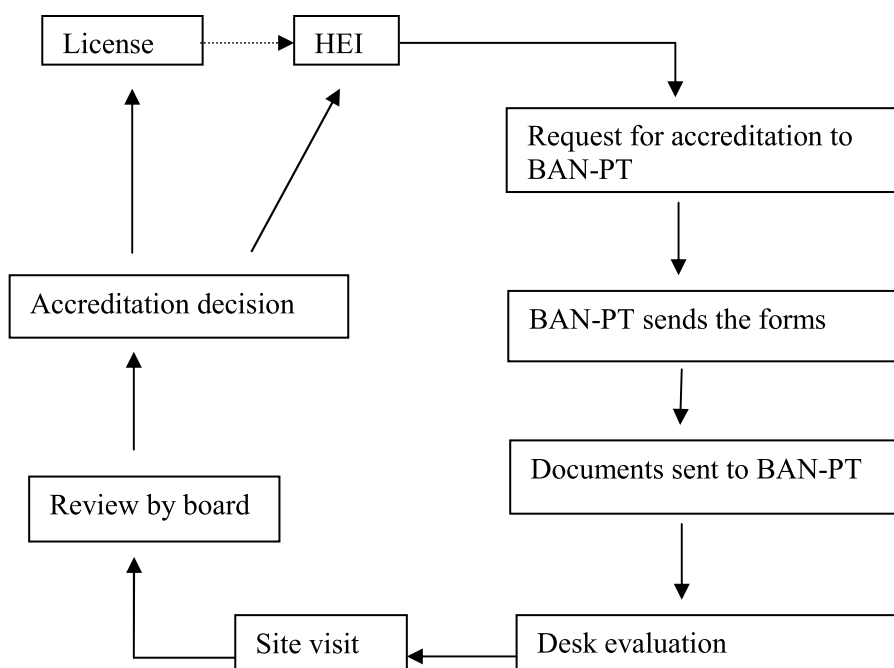
Figure 3 The Quality Assurance Cycle in the Accreditation Process



c. Assessment Aspects

The current accreditation instrument is developed based two groups of standards, the first group reflects components of leadership and institutional development and the second group reflects components of quality, efficiency and effectiveness of the program. The following lists are the standards used for accreditation.

Figure 4 The Accreditation Process in Indonesia



Standards reflecting components of leadership and institutional development are; (1) Integrity, (2) Vision, (3) Governance, (4) Human Resources and (5) Facilities. And also the Standards reflecting components of quality, efficiency and effectiveness are: (1) Students, (2) Curriculum, (3) Methods of learning, (4) QA mechanism, (5) Management, and (6) Academic atmosphere. The standards are reviewed based on nine aspects that are; (1) Appropriateness, (2) Adequacy, (3) Relevancy, (4) Academic atmosphere, (5) Efficiency, (6) Sustainability, (7) Selectivity, (8) Productivity and (9) Effectiveness. The assessment relies on quantitative approach by scoring and weighting standards.

4.3.6. Information Dissemination Practice

The accreditation result is published in yearly directory books and also up-loaded on BAN-PT and DGHE websites.

4.3.7. Sanction for Poor Performance

BAN-PT has no authority to give any sanction to the programs. The sanction is given by the DGHE through access restriction to some incentive scheme for program development. The DGHE offers some competitive grant schemes for program

development based on the level of accreditation obtained.

Moreover, by law, according to the National Education System Act No. 20/2003, article No. 61, certificates only can be issued by accredited programs. Hence, the accreditation becomes mandatory and by now the awareness of most HE institution to apply accreditation keeps increasing especially in 2011. The programs which had not been accredited until the end of 2011, could not issued the certificate.

5. Concluding Remarks

The process of higher education reform in Indonesia is phenomenal in the sense that it has been inviting resistances from various elements in the society. The resistances are not mainly provoked by the ruthlessness of the reform program; rather they are motivated by 'another factors'. The program of higher education reform in Indonesia is strategic and futuristic. It reflects, and in the same time accommodates, the demands of external global advancements and internal changes relating to reformation spirit of post Suharto era. The prospective substance of the reform can be seen from its elements: autonomy, quality, access and equity. The reform in autonomy includes: (1) decentralizing the authority from the central government and providing more autonomy as well as accountability to institutions; and (2) facilitating legal infrastructure, financing structure, and management processes that encourage innovation, efficiency, and excellence.

The quality reform is projected to: (1) provide education that effectively link to student needs, develop their intellectual capability to become responsible citizens, and contribute to the nation's competitiveness; (2) develop research and graduate programs serving as the incubators for advanced students, and serve the needs of an adaptable, sustainable, knowledge-based economy; (3) establish a higher education system which contributes to the development of a democratic, civilized, inclusive society, meets the criteria of accountability as well as responsibility to the public; and (4) accomplish comprehensive governance reform that nourishes participation of stakeholders (including local government), and is strategically integrating new investment with recurrent budget in the subsequent years. In the meantime, access and equity elements of the reform is intending to establish a system that provides opportunities for all citizens to a faultless learning process, inspiring and enabling individuals to develop to the highest potential levels throughout life that supports the individual to grow intellectually, be well equipped for work life, contribute effectively to society, as well as fully develop it's potential.

The resistances against the government program on higher education reform is actually a form of people's worries about the impacts of the reform which are predicted to close the access of the great number of poor people to access higher education. It is because, as proposed by Hendy (2003), the Australian Chamber of Commerce and Industry, that 'the introduction of student centered funding should be the cornerstone of any reform of higher education'. For that reason, as a part of 'historical commitment', the resistances demand the responsibility of the government in people's education. The protesters bring to mind if the government lets the higher education on hand of market mechanism, the burden of the people, especially the poor, will be unhandled. But in fact the government does not economic capability to finance expensive qualified and internationalized standard of higher education which in turn placing the reform at the crossroad.

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