



Controversial Policy Seeking Balance Between Savings and Basic Needs

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Abstract: This study explores the impact of the controversial budget efficiency policy implemented by the Indonesian government in 2025, focusing on the education and health sectors. Through in-depth analysis, this study reveals how policies aimed at reducing waste have the potential to hinder the realization of the goal of developing superior and healthy human resources. Budget cuts in the education sector raise concerns about disrupted access to education for the underprivileged, declining quality of education, and threatening the welfare of educators. Meanwhile, budget cuts in the health sector have the potential to reduce people's access to adequate health services, especially in remote areas. This study also highlights the plan for the Minerba Bill which grants permission to universities to manage mines. This policy, which is claimed as an alternative funding solution for universities, raises questions about academic independence and the potential shift in the function of education in Indonesia.

Keywords: Budget Efficiency, Minerba Bill, Government Policy

Introduction

Indonesia, as a developing country with a large population, faces major challenges in achieving national development goals, especially in improving the quality of life of the community through education and health (Christian et al., 2022). According to Syaadah et al. (2023), education, as the foundation of national progress, plays an important role in producing a generation that is knowledgeable, skilled, and has character. Health, as a pillar of public welfare, is the basic right of every individual to live a healthy and productive life. In an effort to achieve this goal, the Indonesian government is actively trying to carry out reforms in various sectors, including state financial management. One of the efforts made is the implementation of a budget efficiency policy (Country, 2025). The noble goal is to reduce waste and increase the effectiveness of state spending. However, the reality on the ground shows that the implementation of efficiency policies that are not on target can have a negative impact on various important sectors, including education and health.

The year 2025 is the focal point in the study of the impact of budget efficiency policies. Through Presidential Instruction No. 1 of 2025, the government instructed all its ministers

to carry out efficiency in the State Budget (APBN) of Rp306,695,177,420,000.00. Similar instructions were also given to regional heads to carry out efficiency in the Regional Budget (APBD) in 2025. Although this efficiency policy is claimed to aim to reduce waste and increase budget effectiveness, this study reveals the negative impacts it has, especially on access to education, the welfare of educators, and the quality of health services for the community.

Budget cuts in the education sector have raised concerns about disrupted access to education for the underprivileged, a decline in the quality of education, and threats to the welfare of educators (Symbolon, 2023). Scholarship programs, which have been an important support for students from low-income families, are at risk of being affected. Cuts to the State University Operational Assistance (BOPTN) and Legal Entity State University Funding Assistance (BPPTNBH) have the potential to increase the financial burden on students through increases in the Single Tuition Fee (UKT), thus threatening access to education for students from low-income families. Cuts to non-PNS lecturer allowances also have the potential to trigger dissatisfaction and decreased motivation among educators, which ultimately impacts the quality of teaching. In the health sector, budget cuts have the potential to reduce public access to adequate health services, especially in remote areas. For (Ministry of Health of the Republic of Indonesia, 2022) difficulties in providing adequate health facilities, depriving health workers of their welfare in remote areas, and limited access to quality health services can threaten public health and increase morbidity rates.

Changes occurring in the education and health sectors have the potential to create a broad domino effect (Republic of Indonesia Health Service, 2013). The decline in the quality of education can result in a decline in the competitiveness of Indonesia's human resources in the future, reduce opportunities for getting decent jobs, and worsen socio-economic disparities. Limited access to health services can increase mortality rates, worsen public health conditions, and reduce quality of life. The challenges faced by Indonesia in the education and health sectors require comprehensive and sustainable solutions (Isman, 2023). It is important to review the implemented budget efficiency policies, seek targeted and sustainable funding solutions, and ensure that the policies taken are truly in the interests of the people and support the realization of national development goals.

This study also highlights the Minerba Bill plan that grants permission to universities to manage mines. This policy, which is claimed as an alternative funding solution for universities, raises questions about academic independence and the potential shift in the function of education in Indonesia. It is important to examine in depth how this policy can affect the main focus of universities, namely academic and research activities, and how it impacts the academic integrity of universities.

This analysis is expected to provide a more comprehensive understanding of the implications of budget efficiency policies in Indonesia and open up discussion space on appropriate solutions to maintain the quality of education, health, and academic integrity in this country.

Methodology

This research uses a descriptive qualitative research method (Hanyfah et al., 2022) to analyze the impact of budget efficiency policies on the education and health sectors in Indonesia in 2025. This method was chosen because it allows for an in-depth understanding of the phenomena that occur with a focus on the interpretation and analysis of qualitative data.

This research was conducted using several steps:

A. Data collection:

1. Literature Review: This study collects data from various sources, such as official government documents, scientific journals, news, and research reports that are relevant to budget efficiency policies in Indonesia, especially in the education and health sectors.
2. Document Analysis: This study analyzes official government documents, such as Presidential Instruction No. 1 of 2025 and the 2025 Ministry/Institution Work Budget Plan (RKAKL), to understand the budget efficiency policies implemented and their impact on the education and health sectors.
3. Observation and Interviews: Although not conducted directly in this research, observations and interviews with stakeholders (government, academics, educators, health workers, and the community) can provide a more comprehensive perspective on the impact of budget efficiency policies.

B. Data analysis:

1. Thematic Analysis: This study uses thematic analysis method to identify key themes that emerge in the data collected. These themes are then linked to budget efficiency policies and their impact on the education and health sectors.
2. Content Analysis: This study also uses content analysis to examine the messages and meanings implied in official government documents, mass media, and public opinion regarding budget efficiency policies.

C. Preparation of Conclusions and Recommendations:

1. Based on the analysis of the data obtained, this study draws conclusions regarding the impact of budget efficiency policies on the education and health sectors, as well as the controversy related to the Minerba Bill.
2. This study also provides recommendations and appropriate solutions to overcome the negative impacts of budget efficiency policies and ensure the realization of superior and healthy human resource development in Indonesia.

Result and Discussion

Indonesia, as a developing country with a large population, faces challenges in improving the quality of life of its people through education and health (Julianty et al., 2022). Education, as the foundation of national progress, plays an important role in producing knowledgeable, skilled, and characterful generations. Health, as a pillar of public welfare, is the basic right of every individual to live a healthy and productive life. The year 2025 is the focus of the study of the impact of budget efficiency policies in Indonesia. Through Presidential Instruction No. 1 of 2025, the government instructed all its ministers to carry out efficiency of the State Budget (APBN) of Rp306,695,177,420,000.00. Similar instructions were also given to regional heads to carry out efficiency of the 2025 Regional Budget (APBD). Although this efficiency policy is claimed to aim to reduce waste and increase budget effectiveness, this study reveals the negative impacts caused, especially on access to education, the welfare of educators, and the quality of health services for the community.

The results of the analysis show that the budget efficiency policy in the education and health sectors in 2025 has the potential to cause significant negative impacts.

A. Impact of Budget Efficiency Policy on the Education Sector

The results of the analysis show that the budget efficiency policy in the education sector in 2025 has the potential to cause significant negative impacts:

1. Limited Access to Education: Budget cuts to scholarship programs, such as KIP-Kuliah, Indonesian Education Scholarship (BPI), Higher Education Affirmative Scholarship (ADIK), and Developing Country Partnership Scholarship (KNB), threaten access to education for students from underprivileged families and remote areas.
2. Declining Quality of Education: The reduction in funds for State University Operational Assistance (BOPTN) and State University Funding Assistance with Legal Entities (BPPTNBH) has the potential to trigger an increase in the Single Tuition Fee (UKT) which will increase the financial burden on students, especially those from lower-middle class families.
3. The Welfare of Educators is Threatened: Cutting allowances for non-PNS lecturers has the potential to create inequality between PNS and non-PNS lecturers, trigger

dissatisfaction, and reduce the motivation and performance of educators, which ultimately impacts the quality of teaching.

The budget efficiency policy in the education sector, although aimed at reducing waste, has the potential to create injustice and hinder the realization of the goal of developing superior human resources.(Yusuf et al., 2022). It is important to remember that education is a long-term investment that has a significant impact on the progress of the nation. Budget cuts that are not well targeted will actually hinder the improvement of the quality of education, worsen socio-economic disparities, and threaten the future of the nation.

B. Impact of Budget Efficiency Policy on the Health Sector

Analysis shows that budget efficiency policies in the health sector in 2025 have the potential to cause significant negative impacts:

Limited Access to Health Services: Budget cuts in the health sector have the potential to reduce people's access to adequate health services, especially in remote areas. Difficulties in providing adequate health facilities, the loss of health workers' welfare in remote areas, and limited access to quality health services can threaten public health and increase morbidity.

Budget efficiency policies in the health sector have the potential to threaten public health and reduce the quality of life. Health is a basic right of every individual and an important pillar in achieving public welfare. Budget cuts in this sector can trigger an increase in mortality rates, worsen public health conditions, and increase the burden on the government in dealing with health problems.

C. The Minerba Bill Controversy and Its Implications for Education

The Minerba Bill plan that grants permission to universities to manage mines has raised controversy regarding academic independence and the potential shift in the function of education in Indonesia. This policy has the potential to:

1. **Shifting the Primary Focus of Universities:** The involvement of universities in mining management has the potential to shift their primary focus from academic and research activities to profit-oriented business activities.
2. **Threatening Academic Integrity:** Potential conflicts of interest and governance issues can threaten the academic independence of higher education.

The budget efficiency policy implemented in Indonesia in 2025, especially in the education and health sectors, reveals the dilemma faced by the government in achieving a balance between the efficiency of state spending and the fulfillment of basic community

needs. Although the goal is noble, namely to reduce waste and increase the effectiveness of state spending, the implementation of this policy needs to be reviewed critically.

Budget cuts in the education sector, especially in scholarship programs and university operations, show that the government prioritizes savings over long-term investment in education. Education is not just a cost, but a strategic investment to build quality and competitive human resources. Budget cuts have the potential to hinder the realization of the goal of developing superior human resources, worsen socio-economic disparities, and threaten the future of the nation. Increasing access to education, improving the quality of teaching, and improving the welfare of educators are the keys to producing a generation that is able to compete in the era of globalization.

On the other hand, budget cuts in the health sector have the potential to threaten public health and reduce the quality of life. Health is a basic right of every individual and an important pillar in achieving public welfare. Budget cuts in this sector can trigger an increase in mortality rates, worsen public health conditions, and increase the burden on the government in dealing with health problems. In the era of the ongoing global pandemic, the welfare of health workers and public access to adequate health services are increasingly important. Unplanned budget cuts can worsen public health conditions, cause a health crisis, and slow economic recovery. Changes in the education and health sectors have the potential to create a broad domino effect. A decline in the quality of education can result in a decline in the competitiveness of Indonesia's human resources in the future, reduce opportunities for getting decent jobs, and exacerbate socio-economic disparities. Limited access to health services can increase mortality rates, worsen public health conditions, and reduce the quality of life.

The challenges faced by Indonesia in the education and health sectors require comprehensive and sustainable solutions. It is important to review the implemented budget efficiency policies, find targeted and sustainable funding solutions, and ensure that the policies taken are truly in the interests of the people and support the realization of national development goals.

It is important for the government to review the budget efficiency policy, find funding solutions that are targeted and sustainable, and ensure that the policies taken are truly in the interests of the people and support the realization of national development goals. Comprehensive solutions can include:

- 1) Improving the Efficiency of State Expenditure: The government needs to audit the budget and improve the effectiveness of state expenditure without sacrificing the quality of public services.

- 2) Increasing State Revenue: The government needs to increase state revenue through various efforts, such as increasing tax revenue, developing new economic sectors, and utilizing natural resources wisely.
- 3) Priority Alignment: The government needs to align state spending priorities with national development goals, determine strategic sectors that need adequate budget support, and reduce non-priority spending.
- 4) Increasing Community Involvement: The government needs to involve the community in the budgeting and budget oversight process to increase transparency and accountability.

Budget efficiency policies must be implemented responsibly and in a planned manner, taking into account their impact on public welfare, quality of education, and public health. The government needs to commit to building a sustainable, transparent, and people-oriented state financial management system.

The draft of the Minerba Bill that grants permission to universities to manage mines raises concerns about academic independence and the potential shift in the function of education in Indonesia. Universities, as centers for the development of science and technology, must focus on academic and research activities. Their involvement in profit-oriented business activities can shift their main focus, threaten academic independence, and trigger conflicts of interest.

Conclusion

Indonesia's 2025 budget efficiency policy, although claimed to be aimed at reducing waste and increasing the effectiveness of state spending, has shown significant negative impacts on the education and health sectors, threatening the quality of life of the community, and raising concerns about academic independence in universities. Budget cuts in the education sector threaten access to education for the underprivileged, reduce the quality of education, and threaten the welfare of educators. In the health sector, budget cuts have the potential to reduce public access to adequate health services, especially in remote areas. The proposed Minerba Bill, which grants permission to universities to manage mines, raises concerns about the potential shift in the function of education and the threat to academic independence. Changes in the education and health sectors have the potential to create a broad domino effect, threatening the competitiveness of Indonesia's human resources, increasing morbidity and mortality rates, and exacerbating socio-economic disparities.

It is important for the government to review budget efficiency policies, seek targeted and sustainable funding solutions, and ensure that the policies taken are truly in the interests of the people and support the realization of national development goals. Increasing

the efficiency of state spending, increasing state revenues, aligning state spending priorities with national development goals, and increasing community involvement in the budgeting and budget monitoring process are important steps to build a sustainable, transparent, and people-oriented state financial management system.

The success of national development does not only depend on economic growth, but also on the quality of human resources. Education and health are important pillars in building superior, healthy, and competitive human resources. The government must set development priorities with a focus on improving the quality of education and health services, as well as finding sustainable and targeted funding solutions to support these strategic sectors. Commitment and cooperation are needed from all parties, including the government, educational institutions, health institutions, the community, and the private sector, to jointly overcome the challenges faced by Indonesia in improving the quality of education and health. Human resource development is a long-term investment that will determine the future of the nation. It should be noted that budget efficiency policies do not necessarily mean reducing the quality of public services. Efficiency can be achieved by improving the budget management system, increasing transparency and accountability, and eliminating waste and inefficiency in state spending.

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