

Cost and Quality Analysis: Why Quality Education Still Feels Expensive?

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ABSTRACT

Education is a crucial investment in human resource development, but in reality, quality education is still often considered expensive and remains inaccessible to many. This phenomenon raises questions about the relationship between cost and quality of education, as well as the factors that cause these high costs. This study aims to analyze the relationship between cost and quality of education and identify the causes of quality education remains financially burdensome. The method used is a descriptive qualitative approach through literature review of various scientific sources, policy reports, and relevant prior studies. The results of the study show that the high cost of education is influenced by various factors, including the increasing need for educational facilities, school operational costs, professionalism of educators, commercialization of education, and inequality in the distribution of government subsidies. In addition, it was found that high education costs are not always directly proportional to the quality of education, so efficient management and targeted policies are needed. The conclusion of this study emphasizes that the high cost of education is not solely caused by quality demands, but also by structural and policy factors that are suboptimal, necessitating collaborative efforts to improve access to education without sacrificing quality.

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1. INTRODUCTION

Education is the main pillar in human resource development and has a strategic role in increasing the nation's competitiveness in the era of globalization (Barro, 2013; Becker, 1993; Todaro & Smith, 2015). From an economic perspective, education is not only seen as a learning process, but also as a form of long-term investment that yields economic and social benefits (Becker, 1993; Becker et al., 1990; Psacharopoulos, 1994). This concept is known in the study of educational economics, where education functions as a human capital investment that is able to increase individual productivity, income, and social mobility (Psacharopoulos, 1994; Psacharopoulos & Patrinos, 2018; Sen, 1999). In this context, investment in education is very important in supporting sustainable

economic growth and strengthening the quality of human resources in the knowledge-based economy.

In the global development agenda, quality education is also one of the main goals of the Sustainable Development Goals (SDGs), especially the fourth goal regarding inclusive, equitable, and quality education (UNDP, 2020; UNESCO, 2015). Nevertheless, empirical reality shows a significant paradox. On the one hand, quality education is the main need in facing the challenges of the 21st century which is characterized by technological developments, digital transformation, and increasingly fierce global competition. On the other hand, access to quality education is still faced with a fundamental problem, namely the high cost of education. This phenomenon does not only occur in higher education, but also at the primary and secondary education levels. High education costs include various components, both direct costs such as Education Development Contributions (SPP), building fees, and facility costs, as well as indirect costs such as transportation, consumption, and digital needs in learning (Rajagukguk, 2025).

In recent years, the trend of increasing education costs in Indonesia has shown a consistent pattern and tends to increase. The government has indeed allocated an education budget of 20% of the State Revenue and Expenditure Budget (APBN) as mandated in Law Number 20 of 2003 concerning the National Education System (Law Number 20 of 2003 Concerning the National Education System, 2003; Ministry of Finance of the Republic of Indonesia, 2025). In 2025, the government will allocate an education budget of IDR 665 trillion or around 20% of the total national budget (Ministry of Finance of the Republic of Indonesia, 2025). However, the burden of financing education is still borne by many households. Data from the Central Statistics Agency (BPS) shows that the average Indonesian household expenditure on education has increased in recent years (Central Statistics Statistics, 2024). Based on Susenas 2024 data, household education expenditure has increased, especially at the secondary and tertiary education levels, including in low-income groups (Central Statistics Agency, 2024). In addition, inflation in the education sector in 2024 was recorded to have increased by 1.93% compared to the previous year, which shows that the cost of education services continues to increase (Central Statistics Statistics, 2024).

Other factual data shows that the high cost of education has an impact on people's access to education. Based on data from the Central Statistics Agency in 2024, the School Participation Rate (APS) for the 16-18 years old age group in the lower economic household group is still lower than the upper economic group. In addition, the dropout rate at the high school level is still dominated by family economic factors and limited education costs (Ministry of Education Research, and Technology, 2024). This condition shows that the cost of education is still the main obstacle for people in obtaining quality education, especially for the lower middle economic group.

In addition to being influenced by macroeconomic factors, the high cost of education is also closely related to the increasing demand for the quality of education. Quality education requires adequate facilities, professional educators, an adaptive curriculum, and a technology-based learning system (Fadillah et al., 2014; Mulyasa, 2013; Suryono, 2015). Digital transformation in the world of education after the COVID-19 pandemic has also increased the need for technology devices and internet access as part of the learning process. Data from the Indonesian Internet Service Providers Association (APJII) in 2024 shows that more than 78% of students use the internet for online learning needs and access to digital education. This condition causes digital needs to become an important part of family education financing (Indonesian Internet Service Providers Association, 2024). The implementation of quality education ultimately requires a large budget so educational institutions must allocate significant resources to maintain the quality of educational services (Fattah, 2012; Maqbulah, 2021; Rukmana et al., 2024).

The phenomenon of high education is also inseparable from the existence of a hidden cost component that is often not listed in the official cost of education. These costs include extracurricular activities, additional tutoring, purchase of digital devices, internet access needs, and various other

supporting needs. In practice, these costs cause the total expenditure on education to be much higher than the formal costs announced by the educational institution. From the perspective of the sociology of education, the high cost of education is a structural phenomenon related to the financing system, education policies, and socio-economic dynamics of the community (Bastian, 2023; Nurhadi, 2012; Tilaar, 2012).

The impact of the high cost of education is the emergence of inequality in access to education. People with low economic levels tend to have difficulties in accessing quality education compared to the middle to upper economic group. The cost of education is still the main consideration for the community in determining the sustainability of children's education, especially for families with economic limitations (Dewi & Indrayani, 2021). BPS data in 2024 shows that the Gross Participation Rate (APK) of universities in the group of the richest 20% of households is much higher than the group of the poorest 20% of households. This condition shows that there is a significant inequality in access to education between the economic groups of the community.

Inequality in access to education also occurs between regions. The Programme for International Student Assessment (PISA) 2022 report released by the Organisation for Economic Co-operation and Development (OECD) shows that the reading literacy achievement of Indonesian students is at a score of 359 and numeracy at a score of 366, still below the OECD average. In addition, there is a gap in learning outcomes between students in urban and rural areas due to differences in educational facilities and the quality of educational resources (OECD, 2023). This shows that the education financing system is not fully able to create an equitable distribution of the quality of education nationally.

In the context of the relationship between cost and quality of education, there is a general assumption that the higher the cost of education, the higher the quality of education obtained. However, various studies show that the relationship between cost and quality is not always linear. The high cost of education does not automatically guarantee a better quality of education (Fauzi, 2020; Mahadika, 2024; Togatorop, 2017). On the other hand, the quality of education is also influenced by other factors such as institutional management, the effectiveness of budget use, the quality of educators, and the culture of educational organizations (Mahadika, 2024). This shows that the effectiveness of the management of educational resources is an important factor in determining the quality of education.

Furthermore, research shows that the cost of education has an influence on student perception and satisfaction, but it is not always directly proportional to the quality of educational services (Fadillah et al., 2014; Togatorop, 2017). Therefore, the increase in education costs must be balanced with an improvement in the quality of services in order to provide added value for students. In this context, the efficiency of managing education costs is a key factor in creating a balance between cost and quality of education.

In addition, education cost calculation approaches such as activity-based costing show that many educational institutions have not implemented an efficient cost management system. Inaccuracies in the allocation of operational costs lead to budget waste and increase the cost burden for students (Efendi et al., 2023; Nasrudin, 2018). Thus, the problem of high education is not only caused by the need to improve quality, but also by inefficiencies in the management of education costs.

The government has actually made various efforts to reduce the cost of education through the School Operational Assistance (BOS) program, the Smart Indonesia Program (PIP), and the Smart Indonesia Card (KIP). By 2024, the BOS program will reach more than 43 million students throughout Indonesia with a total budget of more than IDR 59 trillion (Ministry of Education Research, and Technology, 2024). In addition, the PIP program is also given to millions of students from underprivileged families to reduce the risk of dropping out of school due to economic factors. However, this various assistance has not been able to fully cover all the educational

needs of students, especially personal costs and indirect costs which continue to increase. This shows that existing policy interventions still need to be strengthened to be more effective, efficient, and on target in ensuring equitable access to quality education.

Based on various previous studies, studies on education financing generally focus more on the effectiveness of government assistance, the relationship of education costs to school participation, or education financing from a macroeconomic perspective. Meanwhile, research examining the relationship between high education costs, quality of education, inequality of access to education, and the efficiency of integrative education cost management is still relatively limited. Therefore, this study seeks to fill these gaps through an educational economics approach and education financing management to understand the relationship between cost and quality of education more comprehensively.

Based on this description, this study aims to analyze the factors that cause quality education to still feel expensive, examine the relationship between the cost of education and the quality of education, and formulate strategic solutions in reducing the cost of education without reducing the quality of education. This research is expected to make a theoretical contribution to the development of education economics studies, especially related to education financing and education quality. In addition, this research is also expected to provide policy recommendations that are more effective, efficient, and equitable in improving access to quality education for all levels of society.

2. RESEARCH METHOD

This study uses a qualitative approach with a descriptive type, which aims to understand in depth the phenomenon of the high cost of education in relation to the quality produced. The qualitative approach was chosen because it is able to capture social reality more comprehensively and contextually, especially in examining complex and multidimensional educational issues. Through this approach, researchers not only describe the facts, but also seek to interpret the meaning behind the relationship between cost and quality of education (Creswell & Creswell, 2021; Scott & O'Brien, 2022). Thus, this research is expected to be able to provide a complete picture of the dynamics of education financing in the community.

Data collection is carried out through literature studies, namely by examining various relevant scientific sources, such as SINTA-accredited national journals, reputable international journals, academic books, and education policy reports (Snyder, 2019; Zed, 2021). This technique was chosen because it allows researchers to collect extensive, in-depth data, and based on the results of previous research. In addition, official documents from the government and educational institutions are also used to enrich the analysis and strengthen the validity of the data used (Zed, 2021; Snyder, 2019). Through the collection of this literature-based data, the research can develop a more systematic and evidence-based analytical framework.

In analyzing the data, this study refers to the interactive analysis model developed by Miles and Huberman, which consists of three main stages, namely data reduction, data presentation, and conclusion or verification (Miles et al., 2020). The data reduction stage is carried out by sorting and simplifying information relevant to the focus of the research. Furthermore, the selected data is presented in the form of a structured narrative to facilitate the understanding process. The final stage in the form of drawing conclusions is carried out continuously during the research process, resulting in more accurate and reflective findings of the conditions being studied.

To ensure the validity of the data, this study applies the source triangulation technique, which is by comparing information from various different references to obtain consistent and reliable results (Creswell & Creswell, 2021; Sugiyono, 2022). This approach is important to minimize bias and increase the credibility of the research results. Thus, the results of the analysis obtained are not only descriptive, but also have argumentative power that can be scientifically accounted for

(Creswell & Creswell, 2021; Miles et al., 2020). This methodological approach is expected to be able to produce a sharp, relevant, and in accordance with the publication standards of reputable scientific journals.

3. RESULTS AND DISCUSSION

The results of this study show that the high cost of quality education is not a single phenomenon, but the result of the interaction of various structural, managerial, and socio-economic factors. These findings confirm that the issue of education costs cannot be separated from the education financing system, public policy, and the dynamics of the management of educational institutions themselves.

3.1 *Factors Causing Quality Education to Still Feel Expensive*

The high cost of quality education in Indonesia cannot be reduced simply to the amount of nominal costs that must be paid by the community. This phenomenon is the result of a complex configuration between education financing policies, economic dynamics, and governance of educational institutions that are not fully optimal. Thus, the high cost of education is more accurately understood as a systemic structural problem, not just a technical problem of financing. A number of recent studies have shown that the burden of high education costs is more influenced by unequal budget distribution, low management efficiency, and inequality of access between social groups than simply budget limitations (Bastian, 2023; Rajagukguk, 2025).

One of the main factors that explains this condition is the inequality in the structure of education financing. Normatively, the state has guaranteed education financing through the constitutional mandate, namely an allocation of at least 20% of the state budget and regional budget for the education sector. However, the implementation of this policy still faces various challenges, especially in terms of distribution and the effectiveness of budget use. Studies show that most of the education budget is still absorbed for employee spending, especially salaries and allowances for educators, which in many cases account for more than 60% of the total education budget. As a result, fiscal space for investment in aspects of quality improvement, such as infrastructure development, learning innovation, and integration of educational technology, has become very limited (Efendi et al., 2023; Suryana, 2020)

This condition shows that there is an imbalance in allocation that has a direct impact on the quality of education services. When the budget is more absorbed for routine needs, educational institutions experience limitations in innovating and improving service quality. In such a situation, schools tend to shift the burden of financing to students through various additional levies. This reflects a shift in the burden of financing from the state to the community, both in the form of direct and indirect costs (Dewi & Indrayani, 2021).

In addition, the increase in education quality standards also contributes significantly to the high cost of education. In the context of globalization and digitalization, educational institutions are required to meet various quality standards, such as the use of digital technology in learning, improving the professional competence of teachers, and providing representative and modern educational facilities. Each increase in these standards directly increases the operational costs of education. Thus, the cost of education can be understood as the cost of production of educational services, where the improvement in quality is almost always directly proportional to the increase in the need for resources (Hanushek & Woessmann, 2021).

However, the main problem does not only lie in the increase in costs, but also in the inefficiency in the management of the education budget. Many educational institutions have not fully optimized the principles of efficiency, transparency, and accountability in financial management. This leads to budget waste, duplication of programs, and untargeted allocation

of funds. A number of studies show that weak financial governance of education contributes significantly to the high cost of education without being followed by a comparable improvement in quality (Bastian, 2023; Efendi et al., 2023). Thus, the high cost of education is not only caused by limited funds, but also by the quality of financing management that is not optimal.

Another factor that contributes to the high cost of education is the existence of hidden costs. These costs are often not listed in the official structure, but they do make a significant contribution to total education expenditure. The cost component includes additional lessons, extracurricular activities, the purchase of digital devices, supporting books, and various unofficial contributions. In practice, these indirect costs can reach a significant proportion in total household expenditure on education, even in some cases exceeding the formal costs set by educational institutions (Rajagukguk, 2025).

The existence of these hidden costs creates a distortion of perception in society. Formally, the cost of education seems relatively affordable, but in reality, the burden that must be borne by families is much greater. This condition reinforces the perception that quality education is synonymous with high costs, so it has the potential to reduce educational participation, especially in low-income groups.

On the other hand, social and economic inequality in the community is also a factor that exacerbates the high cost of education. The increase in education costs is not always followed by an increase in people's purchasing power evenly. As a result, community groups with low economic conditions experience obstacles in accessing quality education. This condition not only increases the risk of dropping out of school, but also has the potential to widen social and economic disparities in the long run. International reports show that inequality in access to education is strongly correlated with intergenerational poverty reproduction (World Bank, 2023).

Based on this description, it can be emphasized that the high cost of quality education is not solely due to high quality demands, but rather due to an imbalance between budget allocation, management efficiency, and distribution of education financing. In other words, the main problem lies in the structural and managerial aspects, not just in the size of the cost itself.

These findings lead to three important points. First, the size of the education budget does not automatically reduce the cost of education if it is not accompanied by fair distribution and efficient management. Second, the high cost of education does not always guarantee better quality education, especially if the budget is not allocated to improving the quality of learning. Third, inefficiency and inequality are the main root of the problem of high education.

Thus, efforts to overcome the high cost of education must be carried out systemically and comprehensively. The strategy that can be pursued not only focuses on increasing the budget, but also includes improving education financial governance, increasing the efficiency of using funds, and strengthening a more equitable distribution policy. In addition, budget transparency and public accountability need to be improved so that every allocation of funds really has an impact on improving the quality of education in real terms.

Table 1. Analysis of Factors Causing the Cost of Quality Education

Yes	Key Factors	Sub-Factors	Impact on Tuition Fees	Source
1	Budget Allocation Inequality	Dominance of officers' expenditure (teachers' salaries and allowances)	Budget for quality improvement (facilities, technology) is limited	(Efendi et al., 2023; Suryana, 2020)

Yes	Key Factors	Sub-Factors	Impact on Tuition Fees	Source
2	Management Inefficiencies	Budget waste, duplication of programs, non-optimal management	Costs increase without significant quality improvement	(Bastian, 2023)
3	Improvement of Quality Standards	Digitization of learning, improvement of teacher competence, modern facilities	Increasing the operational costs of educational institutions	(Hanushek & Woessmann, 2021)
4	Hidden Cost	Additional tutoring, extracurriculars, digital devices, unofficial fees	The total cost of real education is much higher than the formal cost	(Rajagukguk, 2025)
5	Shifting Financing Burden	Budget shortfall covered by levy on students	Greater cost burden borne by the community	(Dewi & Indrayani, 2021)
6	Socioeconomic Inequality	Differences in people's purchasing power	Unequal access to quality education	(World Bank, 2023)
7	Weak Financial Governance	Lack of transparency and accountability	Ill-targeted use of funds	(Efendi et al., 2023)

3.2 *The Relationship between Cost and Quality of Education*

The relationship between cost and quality of education is one of the central issues in the study of education economics. Conceptually, education costs are not only understood as financial expenditures, but also as strategic investments to produce quality human resources. Thus, education can be analogized as a production process, where various inputs such as funds, educators, infrastructure, and technology will affect the quality of output in the form of student learning outcomes (Hanushek & Woessmann, 2021).

In the framework of education production function, education costs play a role as the main input that supports the learning process (Hanushek & Woessmann, 2007, 2011; Hoxby, 2000). Theoretically, increased investment in the education component, such as improving teacher competence, providing adequate learning facilities, and utilizing learning technology will contribute to improving the quality of education. In other words, there is a tendency for a positive relationship between cost and quality of education, as long as the allocation of funds is carried out on target and managed effectively (Suryana, 2020).

However, in practice, the relationship does not always run in a linear manner. The increase in education costs is not automatically proportional to the improvement in quality. This shows that the main problem does not lie in the amount of costs, but in how these costs are managed and utilized. Many educational institutions have relatively large budgets, but have not been able to produce optimal quality education. This condition indicates inefficiency and inaccuracy in the use of resources (Bastian, 2023).

From a cost-effectiveness perspective, the quality of education is determined more by the effectiveness of budget use than the amount of funds available. This means that educational institutions that are able to allocate resources efficiently and based on real needs tend to produce better quality than institutions that only rely on the size of the budget without optimal management (Efendi et al., 2023).

In the author's view, this condition shows that there is a gap between normative approaches and empirical realities in education financing. Normatively, cost increases are considered as a solution to improve quality. However, empirically, increasing costs without governance reform has the potential to cause waste and inefficiency. Thus, the main issue is not "how much money is spent", but "how effectively it is used to improve the quality of learning".

Furthermore, in the context of globalization and digitalization, the demand for the quality of education is increasing. Educational institutions are required to be able to adapt to technological developments, improve the competence of educators, and provide learning facilities that are relevant to the needs of the 21st century. As a consequence, the operational costs of education have also increased. This shows that under certain conditions, quality improvement cannot be separated from cost increases (Hanushek & Woessmann, 2021).

However, the authors' analysis emphasizes that such increased costs are often not offset by fair distribution policies. As a result, part of the financing burden is transferred to the community, either through formal fees or indirect fees. This condition creates inequality of access, where quality education is more easily accessible to community groups with high economic ability (Dewi & Indrayani, 2021).

In addition, the existence of hidden costs further strengthens the complexity of the relationship between cost and quality of education. Although administratively the cost of education seems controlled, in practice students and parents have to bear various additional costs, such as private tutoring, the purchase of digital devices, and other supporting activities. This shows that the quality of education is often "supported" by the family's economic ability, not solely by the education system itself (Rajagukguk, 2025).

According to the author's analysis, this phenomenon leads to the indirect commercialization of education, where the quality of education becomes highly dependent on the financial ability of individuals. If this condition continues, the function of education as a tool of social mobility will actually be weakened, and on the contrary has the potential to strengthen social inequality in society.

Thus, the relationship between cost and quality of education can be understood as a complex and multidimensional relationship. Broadly speaking, there are three main relationship patterns. First, a positive relationship, where an increase in costs managed effectively can improve the quality of education. Second, non-linear relationships, where increased costs do not necessarily result in quality improvements due to inefficiency factors.

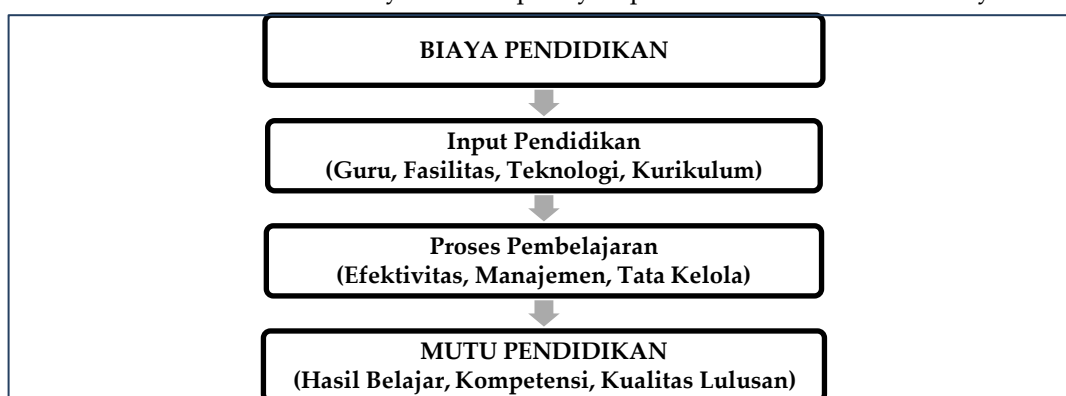


Figure 1. The relationship between Cost and Quality of Education

Third, contextual relationships, where external factors such as policies, governance, and socioeconomic conditions also affect the relationship between cost and quality. To clarify the relationship, here is a simple scheme:

3.3 *The Impact of the Cost of Education on Access and Inequality*

The high cost of education is not only an economic problem, but also has a direct impact on the aspects of access and social justice in the education system. From a public policy perspective, access to quality education is a basic right of every citizen. However, when the cost of education increases without being balanced with inclusive financing policies, access becomes limited and tends to be discriminatory based on economic ability (World Bank, 2023).

Conceptually, access to education includes equal opportunities for all individuals to obtain educational services without economic, geographical, or social barriers. However, in practice, the high cost of education is one of the main barriers that hinder public participation, especially from the lower middle economic group. This shows that the cost of education has a negative correlation with the level of educational participation, where the higher the cost to bear, the lower the level of access for vulnerable groups (Dewi & Indrayani, 2021; Stiglitz, 2012; World Bank, 2023).

The most obvious impact of the high cost of education is the increased risk of dropout, especially at the secondary and tertiary education levels. Families with economically disadvantaged backgrounds are often faced with the difficult choice between continuing their child's education or meeting other basic needs. In these conditions, education is a secondary priority, so many children are forced to stop their education early (World Bank, 2023).

In addition, the high cost of education also encourages stratification in access to education. Quality educational institutions, which generally have better facilities and competent educators, tend to charge higher fees. As a result, only certain groups of people are able to access it. Meanwhile, people with limited economic ability tend to access lower quality education. This condition creates a gap in the quality of education that is rooted in differences in financial ability (Suryana, 2020).

This phenomenon shows the transformation of education from a public good to a quasi-private good, where access to quality education is increasingly influenced by market mechanisms. If not intervened through the right policies, this condition has the potential to strengthen the exclusivity of education and reduce the function of education as a tool of social equity.

Furthermore, the high cost of education also contributes to the reproduction of social inequality in the long term. Individuals who have access to quality education tend to obtain better job opportunities and higher incomes. In contrast, those who cannot afford to access quality education will face limitations in social mobility. Thus, education, which is supposed to be an instrument of social mobility, has the potential to become a mechanism for reproducing inequality (Hanushek & Woessmann, 2021).

In addition to economic inequality, the high cost of education also widens regional inequality. Urban areas generally have better access to quality educational institutions, albeit at a high cost. Meanwhile, rural or disadvantaged areas not only face limited access, but also lower quality of education services. This shows that the high cost of education is not only related to the economic ability of individuals, but also related to the geographical distribution of educational services (Efendi et al., 2023).

The existence of hidden costs also worsens this condition. Even though there is a formal free or subsidized education policy, in practice people still have to spend a lot of additional costs, such as transportation costs, uniforms, books, additional lessons, and

digital devices. These costs are often a significant burden for low-income families, thus narrowing access to education in real terms (Rajagukguk, 2025).

According to the author's analysis, the existence of this hidden cost creates the illusion of educational affordability. In terms of policy, education appears to be inclusive, but in practice it still leaves considerable economic barriers. This indicates that education financing policies have not fully touched the aspect of real costs borne by the community.

Another impact is the emergence of gaps in the quality of learning outcomes (learning inequality). Students from families can afford to have access to a variety of additional learning resources, such as tutoring, technology, and a supportive learning environment. On the other hand, students from underprivileged families tend to have limitations in this regard. As a result, there is a widening gap in learning outcomes, which ultimately has an impact on future inequality of opportunity (World Bank, 2023).

Based on this description, it can be emphasized that the high cost of education has a multidimensional impact on the education system, especially in terms of access and inequality. These impacts are not only short-term, such as a decline in educational participation, but also long-term, such as the reproduction of social and economic inequality.

Table 2. The Impact of the Cost of Education on Access and Inequality

Yes	Impact Aspects	Short-Term Impact	Long-Term Impact	Source
1	Access to Education	Decreased school participation	Limited educational opportunities for certain groups	(World Bank, 2023)
2	Sustainability of Education	Increased risk of dropping out of school	Low level of public education	(Dewi & Indrayani, 2021)
3	Family Economic Burden	Household expenditure increased	Repeated cycles of poverty	(Rajagukguk, 2025)
4	Learning Quality	Limited access to additional learning resources	<i>Learning inequality</i>	(Hanushek & Woessmann, 2021)
5	Social Inequality	Differences in access between rich and poor groups	Social gap widens	(Suryana, 2020)
6	Regional Inequality	Limited access in disadvantaged areas	Development disparities between regions	(Efendi et al., 2023)
7	Social Mobility	Limited opportunities to pursue higher education	Declining social mobility between generations	(World Bank, 2023)

Based on the table above, it can be seen that the impact of the high cost of education is not only direct, but also sustainable. In the short term, the impact is more felt on the aspect of access and the economic burden of the family. Meanwhile, in the long term, the impact develops into structural problems such as social inequality, poverty reproduction, and declining social mobility.

From the author's analytical perspective, this shows that the high cost of education has a cumulative domino effect. When access to education is hampered in one generation, the impact will continue in the next generation. Therefore, policy interventions should be focused not only on reducing current costs, but also on preventing long-term impacts that could widen social inequality.

3.4 *Cost-Reducing Strategies without Lowering Quality*

Efforts to reduce the cost of education without sacrificing quality is a strategic challenge in managing the education system. From an educational economics perspective, efficiency is the key to achieving a balance between affordability and quality of service. Therefore, the necessary strategy focuses not only on reducing expenses, but rather on optimizing the use of resources effectively and on target (Bastian, 2023)

One of the main strategies is to increase efficiency in managing the education budget. Efficiency can be achieved through needs-based budgeting, elimination of programs that do not have a significant impact, and strengthening the monitoring and evaluation system. Thus, every allocation of funds is really used to support the improvement of the quality of learning, not just to meet administrative needs (Efendi et al., 2023).

In addition, optimizing budget allocation is also an important step (Ministry of Education Research, and Technology, 2024; Ministry of Finance of the Republic of Indonesia, 2025; Suryana, 2020). So far, most of the education budget is still absorbed for employee spending, so there is limited space for quality development. Therefore, a more proportionate reorientation of budget policy is needed, by increasing the portion for investment in aspects that directly impact the quality of learning, such as teacher training, curriculum development, and the provision of relevant learning facilities (Suryana, 2020).

The next strategy is the appropriate use of educational technology (Hanushek & Woessmann, 2021; Indonesian Internet Service Providers Association, 2024). Digitization of learning can be a solution to reduce long-term costs, for example through the use of online learning platforms, open educational resources, and efficient learning management systems. Although it requires initial investment, in the long run technology can reduce operational costs and improve access to education more broadly (Hanushek & Woessmann, 2021).

In the author's analysis, the use of technology should not only be understood as modernization, but should be directed at efficiency and equal access. Improper technology implementation has the potential to increase the burden of new costs, especially if it is not accompanied by infrastructure readiness and user competence.

Furthermore, increasing the capacity and professionalism of teachers is also an important strategy. Teachers are a key factor in determining the quality of education, so investment in improving teacher competence can have a significant impact on the quality of learning without having to drastically increase costs. Continuous and needs-based training programs can increase the effectiveness of the learning process (Dewi & Indrayani, 2021).

Another strategy that is no less important is the strengthening of transparent and accountable financial governance. Budget transparency allows for more effective public oversight, thereby minimizing the potential for misuse of funds. Meanwhile, accountability ensures that any use of the budget can be accounted for clearly and measurably (Efendi et al., 2023).

In addition, reducing hidden costs also needs to be a major concern. Affordability-oriented education policies should include controlling indirect costs, such as additional fees, equipment purchases, and activities that burden students. This is important to ensure that education is truly accessible to all levels of society (Rajagukguk, 2025).

Cost-reduction strategies should not only focus on the internal aspects of educational institutions, but should also involve broader macro policies, such as targeted education subsidies, increased social assistance for education, and collaboration between the government, the community, and the private sector. This collaborative approach can strengthen the sustainability of education financing without unduly burdening one party.

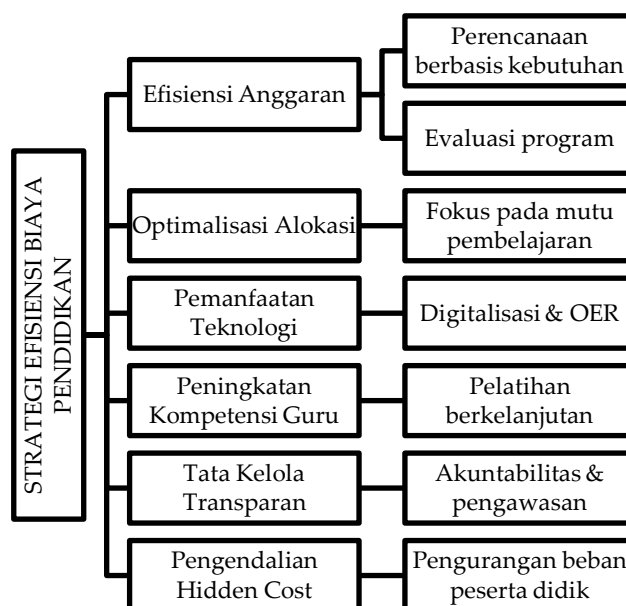


Figure 2. Schematic Strategy to Reduce Costs without Degrading Quality

3.5 Cost-Reducing Strategies without Lowering Quality

The synthesis of strategies in reducing education costs without lowering quality basically emphasizes the principle of balance between efficiency and effectiveness. Education costs must not only be reduced through budget reductions, but through optimizing the use of resources so that every expenditure has a maximum impact on improving the quality of education. Thus, success indicators are not only measured in terms of reducing costs, but also from simultaneously improving the quality of educational services.

The first strategy, namely budget management efficiency, focuses on how educational institutions are able to utilize funds appropriately. This efficiency is reflected in reduced waste, loss of duplication of programs, and increased accuracy of funds use targets. The indicator of success can be seen from the ratio between the costs incurred and the results achieved, where the smaller the cost to produce optimal output, the higher the level of efficiency. In this context, efficiency does not mean a reduction in quality, but an increase in the productivity of budget use.

The second strategy, budget allocation optimization, emphasizes the importance of shifting focus from routine spending to spending that has a direct impact on the quality of education. So far, the dominance of the budget in employee spending has often limited the space for educational innovation. Therefore, the success indicator of this strategy can be seen from the increasing proportion of the budget allocated for quality development, such as improving the quality of learning, providing facilities, and educational innovation. The impact will be seen in improving the quality of the teaching and learning process.

The third strategy, the use of educational technology, is a form of innovation to reduce long-term costs. Technology enables efficiency in the distribution of materials, access to learning, and management of educational administration. Indicators of success include increased access to learning resources, operational cost efficiency, and increased learning effectiveness. However, the success of this strategy depends heavily on the readiness of the infrastructure and the competence of users.

The fourth strategy, improving teacher competence, is a strategic investment that has a big impact on the quality of education without having to significantly increase costs.

Competent teachers are able to optimize the learning process with limited resources. Indicators of the success of this strategy can be seen from improving the quality of learning, student learning outcomes, and teachers' ability to manage the classroom effectively.

The fifth strategy, strengthening financial governance, focuses on transparency and accountability in the use of the education budget. Good governance will minimize the potential for misuse of funds and increase public trust. Indicators of success include the disclosure of financial statements, reduced budget irregularities, and increased public participation in supervision.

The sixth strategy, controlling hidden costs, aims to reduce the burden of indirect costs that have been borne by students and parents. Indicators of the success of this strategy can be seen from the decrease in total education expenditure that must be borne by the community and the increase in access to education for low-income groups.

The seventh strategy, the subsidy and affirmation policy, is a form of government intervention to ensure equitable access to education. Targeted subsidies can help vulnerable groups access quality education. Indicators of success include an increase in the rate of education participation, a decrease in the dropout rate, and a reduction in the gap in access between social groups.

The eighth strategy, multi-stakeholder collaboration, emphasizes the importance of synergy between government, society, and the private sector in education financing. This collaboration can expand funding sources and encourage innovation in the delivery of education. Indicators of its success can be seen from the increasing sustainability of educational programs, diversification of funding sources, and the emergence of more effective and efficient learning innovations.

In the perspective of the author's analysis, all of these strategies show that efforts to reduce education costs cannot be done partially, but must be done through a systemic and integrated approach. Each strategy is interconnected and mutually reinforcing. For example, budget efficiency will be more optimal if supported by transparent governance, while the use of technology will be more effective if supported by adequate teacher competence.

Furthermore, the success indicators used must also be multidimensional. It is not enough to only measure cost reductions, but also to consider improving quality, equitable access, and the sustainability of the education system. Thus, the success of this strategy can be seen from the creation of an education system that is not only more affordable, but also more quality and inclusive.

In the end, this synthesis emphasizes that the main key to reducing the cost of education without lowering quality lies in the quality of education management and policies themselves. In the author's view, governance reforms oriented towards efficiency, justice, and innovation are the main prerequisites for realizing a sustainable and highly competitive education system.

Table 3. Synthesis of Strategies and Indicators of Success in Reducing Education Costs without Lowering Quality

Yes	Key Strategies	Focus of Intervention	Output & Outcome Indicators	Source
1	Budget Management Efficiency	Needs-based planning, program evaluation	a. Reduced budget waste b. Programs are more targeted	(Bastian, 2023)

Yes	Key Strategies	Focus of Intervention	Output & Outcome Indicators	Source
			c. Cost-to-output ratio is more efficient	
2	Budget Allocation Optimization	Reorientation from routine shopping to quality improvement	d. Increase in the proportion of budget for quality e. Improved learning facilities & media f. The quality of the learning process improves	(Suryana, 2020)
3	Utilization of Educational Technology	Digitalization, e-learning, OER	g. Long-term operational cost reduction h. Access to learning increased i. Effectiveness of technology-based learning	(Hanushek & Woessmann, 2021)
4	Improving Teacher Competence	Ongoing and needs-based training	j. Increased pedagogic competence k. Student learning outcomes increase l. Higher learning effectiveness	(Dewi & Indrayani, 2021)
5	Strengthening Financial Governance	Transparency and accountability	m. More transparent financial statements n. Minimal budget deviations o. Public trust increases	(Efendi et al., 2023)
6	Hidden Cost Control	Reduction of levies and indirect costs	p. Student cost burden decreases q. More equitable access to education r. Reduction of Community Complaints	(Rajagukguk, 2025)
7	Subsidy and Affirmation Policy	Educational assistance for vulnerable groups	s. Increased school participation t. A decrease in the dropout rate	(World Bank, 2023)

Yes	Key Strategies	Focus of Intervention	Output & Outcome Indicators	Source
			u. Access gap reduced	
8	Multi-Party Collaboration	Government, private and public	v. Diversification of funding sources w. More sustainable education programs x. Learning innovation is increasing	(Efendi et al., 2023)

4. CONCLUSION AND SUGGESTIONS

4.1 Conclusion

Based on the results of the analysis, the high cost of quality education in Indonesia is a complex problem influenced by various structural and managerial factors, such as an imbalance in the allocation of the education budget, inefficiency in financing management, increasing needs for quality education, and socio-economic inequality of the community. The large education budget allocated by the government has not been able to fully reduce the burden of education costs borne by the community, especially because there are still high personal costs and indirect costs in the education process.

This study also shows that the relationship between the cost of education and the quality of education is not linear. The high cost of education does not automatically guarantee better quality education if it is not accompanied by effective, efficient, and accountable governance. The quality of education is not only determined by the amount of financing, but also influenced by the effectiveness of budget use, the quality of educators, the management of educational institutions, and the optimal use of educational resources.

In addition, the high cost of education has an impact on the emergence of inequality in access to education, especially for people with low economic conditions and people in disadvantaged areas. This condition has the potential to increase school dropout rates, widen social gaps, and weaken the function of education as a means of social mobility and equitable distribution of community welfare. Therefore, a more equitable education financing policy is needed and oriented towards equitable access and sustainable improvement of the quality of education.

4.2 Suggestions

Based on the results of the research, a more effective, efficient, transparent, and accountable education financing governance reform is needed so that the education budget can be used optimally in improving the quality of education without increasing the burden of community costs. The government needs to strengthen supervision of the management of the education budget and ensure that financing allocation is more focused on strategic aspects such as improving teacher competence, developing learning facilities, and using appropriate educational technology.

In addition, control of hidden costs of education needs to be carried out through clearer regulations related to levies and additional costs at educational institutions. Education assistance programs such as BOS, PIP, and KIP also need to be expanded and adjusted to the real needs of the community to be more targeted, especially for low-income groups and disadvantaged areas.

Educational institutions also need to implement a more efficient cost management system, including through an activity-based costing approach, so that budget use can be more measurable and does not cause waste of operational costs. In addition, collaboration between the government, the community, and the private sector needs to be strengthened in supporting sustainable and equitable education financing.

For future researchers, this research can be developed through quantitative empirical approaches and more in-depth field studies on the effectiveness of education financing policies, the relationship between the cost and quality of education, and the socio-economic impact of the high cost of education at various levels and regions of education in Indonesia.

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