Revising Indonesia's National Education System Law: Policy Design and Institutional Equity in a Plural System

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Abstract

This research examined the revision of the Undang-Undang Sistem Pendidikan Nasional (UU Sisdiknas) or Indonesia's National Education System Law not as a technical consolidation of legislation but as a contested process of institutional redesign in a plural education system. Indonesia has long relied on large faith-based and community-based providers—Muhammadiyah, Nahdlatul Ulama (NU), Persatuan Islam or Islamis Union (PERSIS), and Majelis Pendidikan Kristen or Christian Education Council (MPK)—whose networks have expanded educational access across regions and social classes. Whereas prior scholarship treats such reform mainly as regulatory harmonization or political contestation, this study reframes it as a problem of institutional and fiscal design and analyzes the four organizations' submissions as legislative-design evidence rather than advocacy. Drawing on qualitative analysis of policy documents, organizational submissions, media reporting, and comparative literature, it asks how the reform problem is framed, what participatory architecture is visible, what governance and financing the organizations propose, and what policy-design implications follow. The research argues that the dominant state framing is administratively coherent but distributively thin, and that the four submissions converge on one diagnosis: legal recognition without a binding fiscal architecture cannot produce institutional equity. Because plural education systems and community-based providers are widespread across the Association of Southeast Asian Nations (ASEAN), these findings offer a transferable design lesson for equitable education reform across the region. Lasting reform requires embedding participation in ongoing governance and making distributive implications central to reform design.

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Introduction

Reforming an education system is at once a technical, political, institutional, and normative undertaking. Education law does more than describe administrative arrangements or enforce administrative authority. It expresses claims about what the state owes its citizens, what non-state actors contribute to the production of public goods, and how resources and obligations are allocated across institutions. In plural education systems, where public, private, and religious institutions coexist with highly unequal capacities, histories, and relationships to the state, the stakes of these questions are especially high. By "institutional redesign," this study means change to the underlying allocation of authority, financing, and accountability among institutions, distinct from the consolidation of existing legal texts.

Indonesia is a paradigmatic case. For decades, community-based organizations, especially Muhammadiyah, NU, PERSIS, and MPK, have run tens of thousands of educational institutions serving millions of students across every region and income group. Education reform in Indonesia is therefore not simply a matter of top-down state action. It is better understood as a contested renegotiation of historically rooted relationships, in which the distributive stakes of legislative design are high and the perceived legitimacy of the process matters as much as the text that is ultimately adopted or omitted.

The revision of the UU Sisdiknas or Indonesia's National Education System Law, placed on the National Legislative Program for 2025, is the latest phase of this renegotiation. Its public framing as the unification of overlapping education laws (Law No. 20/2003, Law No. 14/2005, and Law No. 12/2012) into a single coherent statute is administratively sensible but, this research argues, analytically incomplete. Recent public presentations from Badan Standar, Kurikulum, dan Asesmen Pendidikan or Education Standards, Curriculum, and Assessment Agency (BSKAP) of Kementerian Pendidikan Dasar dan Menengah or Ministry of Primary and Secondary Education (Kemendikdasmen) indicate that the draft follows nine substantive directions: governance reform, standardization, flexible learning pathways, assessment and quality assurance, teacher governance, digital and curriculum renewal, inclusion and well-being, funding architecture, and integrated education data (Zamjani, 2026). These directions are structural rather than merely matters of legal coverage, and several, especially funding architecture and integrated data, move in the direction urged by the community-based organizations' submissions. The research contends, however, that the central issue is not whether these directions are well articulated, but whether they are accompanied by binding fiscal commitments, enforceable coordination, and public accountability, or whether they remain, in important respects, aspirational (Amirrachman, 2025; Darmawan, 2025; OECD, 2024).

This research analyzes the 2025 revision through three analytic lenses, policy design, policy learning, and institutional equity, and addresses four research questions. First, how is the reform problem framed publicly, and how far does that framing move beyond juridical consolidation toward structural redesign? Second, what is the visible participatory architecture of the current process, and how does it compare with the aborted 2022 effort? By "participatory architecture," this study means the formal arrangements, the timing of consultation, the breadth of invited actors, and the mechanisms for responding to inputs, through which stakeholders enter the policy process. Third, what forms of governance and financing do the four largest community-based organizations propose in their submissions, and what does their convergence reveal about the structural features of Indonesia's plural education system? Fourth, what policy-design considerations are critical to the coherence and sustainability of the reform?

Given the nature of sources in this analysis, an epistemic qualification is essential rather than optional. The analysis draws on documentary and publicly available material: official policy presentations, organizational submissions, investigative media coverage, and comparative literature. It does not have access to closed drafting processes, internal ministerial deliberations, or informal political negotiations. Its claims are therefore confined to the visible architecture of the reform—what has been officially proposed, contested, and recorded. Where the research infers a relationship between consultation and statutory revision, these are inferences from the documentary record, not from verified findings about internal authority. This limitation is not incidental; it defines the epistemic register of the analysis and substantially constrains what the research can credibly claim. In particular, the research cannot establish whether the reform process has "learned" from 2022 in any internal deliberative sense, whether organizational inputs have been incorporated into the bill's text, or whether the participatory architecture reflects genuine policy learning rather than procedural legitimation. It can establish what is publicly visible, what is publicly proposed, and what structural conditions must be met for the reform to achieve its stated equity objectives. These tasks are more modest than those available to studies with access to internal deliberations, and the research does not overstate what it can demonstrate.

Existing scholarship on Indonesian education reform has approached the UU Sisdiknas from two main directions. One body of work analyzes the politics of specific reform episodes and the contestation surrounding them (e.g., Yani et al., 2024); another examines governance and budgetary fragmentation as administrative problems (Darmawan, 2025; OECD, 2024). Studies of the country's faith-based and community-based providers, in turn, have emphasized their historical and pedagogical roles (Azra et al., 2022) more than their function as participants in legislative design. Two gaps follow. First, the literature has not treated the formal submissions of community-based organizations as design-oriented legislative evidence whose convergence can be analyzed systematically. Second, it has not distinguished conceptually between the breadth of consultation and the depth of its translation into statutory text, an omission that obscures why procedurally "participatory" reforms can still fail. Thus, thus study addresses both gaps; it analyzes the four organizations' 2025 submissions as constitutive design inputs and introduces the distinction between consultative breadth and translational depth as an analytical category for the participation literature.

Furthermore, the research makes four contributions. First, it treats the four organizational submissions as prima facie evidence of design-oriented participation rather than mere advocacy and examines their structural consensus. Second, it proposes an epistemic distinction, under-developed in the participation literature, between consultative breadth (the number of organizations invited) and translational depth (the extent to which inputs are incorporated into statutory text). Third, it applies comparative evidence from Malaysia, India, and Pakistan to Indonesia's design problems. Fourth, it derives actionable policy-design implications calibrated to the specific institutional asymmetries of Indonesia's plural system.

Analytical Framework: Policy Design, Policy Learning, and Institutional Equity

This research's interpretive framework brings together three related lenses, namely policy design, policy learning, and institutional equity. Policy-design scholarship emphasizes that legal instruments are not neutral administrative tools but design choices that embed assumptions about authority, incentives, and accountability (Bardach & Patashnik, 2016). Policy design, in this sense, involves defining problems, weighing alternatives, negotiating trade-offs, and making explicit the assumptions about institutional and political constraints that shape a reform. Treating a reform primarily as legal consolidation is a substantive design choice, not a neutral procedural one: it presents fragmentation as essentially a legal problem and a unified statute as its remedy, risking a misdiagnosis of structural and fiscal causes. Research on Indonesian education governance has shown that fragmentation stems not only from the multiplicity of laws but from ambiguous authority, fragmented fiscal administration, and weak coordination mechanisms (Darmawan, 2025; OECD, 2024). Statutory codification without structural adjustment simply reproduces those deficiencies in law. The real design questions are therefore not whether laws are unified but who decides, who pays, and how accountability is maintained across an asymmetrically resourced system.

Policy learning treats reform as a process of knowledge production and institutional adaptation rather than a direct translation from design to implementation (Tatto, 2012). From this perspective, meaningful participation is not only a democratic value or a source of procedural legitimacy but a practical epistemic mechanism through which knowledge unavailable to expert-driven processes enters the design. Community-based providers in Indonesia, operating tens of thousands of schools across diverse regional, socioeconomic, and regulatory settings, possess operational knowledge about what burdens providers and which fiscal assumptions are unworkable that academic expertise alone cannot supply. The 2022 failure of the UU Sisdiknas illustrates the cost of neglecting this epistemic function: a high-level draft developed with little input from operational stakeholders produced provisions that those stakeholders found materially threatening, and no amount of belated consultation could recover the resulting loss of legitimacy.

Policy learning also requires participation to be structurally capable of reshaping a design after inputs are received. Tatto (2012) distinguishes participation as legitimation, securing a reform politically without changing its substantive content, from participation as genuine policy learning, in which knowledge gained through participation transforms the instruments being designed. This distinction is a matter not of good intentions but of

institutional architecture: whether formal feedback loops exist that make the relationship between organizational input and design revision publicly traceable. Comparative research indicates that structural reform endures when evidence, innovation, stakeholder engagement, and incremental improvement are linked and revised iteratively through transparent feedback loops (OECD, 2024). Public sources alone cannot determine whether such a link exists in the 2025 process. It would require access to closed deliberations that this study, by design, cannot reach. This constraint shapes every claim about participation in the analysis that follows.

Institutional equity provides the evaluative criterion for the article's distributional analysis. According to Alexander (2013), an equity assessment should attend to differences in institutional capacity, not merely to formal uniformity. Community-based providers in Indonesia differ substantially in resources, institutional size, and the socioeconomic status of the communities they serve. Applying identical regulatory requirements across such a heterogeneous landscape, without corresponding financing mechanisms, imposes an unequal burden. Where expanded obligations regarding access, quality, and teacher welfare are mandated without matching fiscal support, the costs fall on non-state providers that are least able to bear them, deepening rather than reducing inequality. Therefore, institutional equity requires not only recognition but also calibrated governance arrangements and fiscal design.

The mechanism by which institutional inequality is reproduced through fiscal design can be stated precisely. When a reform imposes uniform obligations, such as accreditation standards, teacher-qualification and welfare requirements, curriculum compliance, and data reporting, on providers with unequal fiscal capacity, but makes the corresponding financial support discretionary rather than binding, the cost of compliance is effectively transferred from the state to the provider. Well-resourced providers absorb it; under-resourced providers fail to comply, reduce quality, or exit. Because the providers least able to absorb these costs typically serve the most disadvantaged communities, formally uniform rules produce materially regressive outcomes. Legal recognition can therefore coexist with, and even deepen, distributive inequity unless paired with binding, capacity-sensitive financing. This is the causal core of the four organizations' convergent diagnosis and of the article's central claim.

To make these lenses analytically operational, the research assesses the reform along three sets of indicators. For policy design, it asks who holds decision authority, how financing obligations are assigned, and how accountability is maintained across provider types, reading official documents and submissions for the presence or absence of binding, as opposed to discretionary, provisions. For policy learning, it asks whether the process contains visible, traceable mechanisms linking organizational input to design revision (for example, a published response matrix), treating the absence of such mechanisms as analytically significant. For institutional equity, it asks whether obligations imposed on providers are matched by calibrated fiscal support, using documented disparities in financing and teacher welfare as evidence. These indicators structure the coding described in the Methodology and the analysis that follows.

These three lenses are connected. Policy design specifies the instruments through which equity is pursued; policy learning calibrates those instruments to structural reality; and institutional equity supplies the normative benchmark for assessing distributional outcomes. Together they frame the research's central question: whether the UU Sisdiknas revision integrates codification, participation, and fiscal equity into its institutional architecture, or addresses the first while treating the other two as secondary.

The contribution of integrating these three lenses is not merely additive. Read together, these arguments yield a single proposition of the research: in plural education systems, the equity outcomes of statutory reform are determined less by legal codification itself than on whether codification is accompanied by (a) a binding fiscal architecture and (b) traceable translational mechanisms that link participation to policy design. This proposition reframes participation as a design variable rather than a procedural value, and distinguished consultative breadth from translational depth as the mechanism through which participation does or does not reshape statutory outcomes. The research advances this as a transferable analytic lens for plural systems beyond Indonesia, not merely as a description of one national case.

Methodology

This research uses qualitative policy analysis to examine the visible architecture of the UU Sisdiknas revision. The analysis works within a pragmatist-critical frame that treats policy papers and organizational submissions not as transparent sources of information but as arenas where competing understandings of state responsibility, institutional legitimacy, and equity are articulated and contested (Creswell & Creswell, 2018; Pretorius, 2024). The aim is analytical generalization; the development of theoretically grounded propositions about the intersection of codification, participation, and fiscal design in institutionally complex settings, rather than statistical inference (Yin, 2018).

The data corpus comprises five categories of sources: (1) government policy presentations and documents on the reform from BSKAP, including Zamjani (2025) and a more recent presentation at UIII in February 2026 (Zamjani, 2026); (2) organizational submissions from the Muhammadiyah Central Board, NU, PERSIS, and MPK, presented at focus group discussions (FGDs) convened by BSKAP in November–December 2025; (3) investigative and policy media on the 2022 and 2025 processes, particularly Tempo (2022) and Sutrisna and Rastika (2024); (4) secondary policy analyses, particularly Yani et al. (2024) and Darmawan (2025); and (5) international comparative literature on Malaysia, India, Pakistan, and South Africa. Materials are selected for their direct connection to the UU Sisdiknas process, their focus on governance, financing, or participation, and their comparability. The organizational submissions play a central evidentiary role. Because they cite article numbers, propose statutory formulations, and present fiscal data, they can be treated analytically as legislative-design documents rather than advocacy statements. They also provide the principal evidence on the structural features of Indonesia's plural education system from providers' operational perspective.

The corpus is assembled through purposive selection. Documents are included if they (a) bear directly on the 2025 UU Sisdiknas process, (b) address governance, financing, or participation, and (c) are publicly available or formally submitted to the BSKAP consultations. Ephemeral commentary, opinion pieces without documentary substance, and sources not traceable to an identifiable institutional author are excluded. The resulting corpus comprises 22 documents across the five categories described above and itemized in Appendix A.

The analysis focuses on the four largest faith-based and community-based providers, Muhammadiyah, NU, PERSIS, and MPK, for three reasons. First, they operate the largest non-state school networks across the plural system. Second, their 2025 submissions were the most legislatively specific, citing article numbers and proposing statutory formulations. Third, their organizational, theological, and regional heterogeneity makes any convergence among them analytically meaningful. Professional associations such as the Teachers' Union of the Republic of Indonesia (Persatuan Guru Republik Indonesia – PGRI), the Indonesian Psychological Association (Himpunan Psikologi Indonesia - HIMPSI), and the Indonesian Association of Guidance and Counseling (Asosiasi Bimbingan dan Konseling Indonesia - ABKIN) also contributed to the broader consultation, and PGRI's teacher-welfare advocacy is noted where relevant. Their submissions, however, focus more on professional interests than on the provider-level statutory design that this research's analytical object. Their exclusion from the core corpus is therefore a deliberate scope decision and is acknowledged as a limitation.

The documents are analyzed using qualitative content analysis oriented to policy design. The unit of analysis is the design claim, a discrete proposition about authority, financing, accountability, or participation. Coding proceeded in two cycles. First, largely deductive cycle applies a starting framework derived from the three analytical lenses, with six categories: problem framing, governance and coordination, fiscal and financing design, teacher welfare and parity, data and accountability, and participation and translation. Second, inductive cycle refines and adds categories that emerged from the documents, most notably the recurrent "*dapat*"/ "*wajib*" distinction. Coding is conducted manually, and an audit trail of coded extracts is maintained to support consistency. The final coding framework and its themes are presented in Appendix A.

The research relies entirely on documentary sources and does not involve interviews or human participants. Accordingly, informed consent is not applicable. This design choice follows from the research's object — the publicly visible architecture of the reform — and is the source of its central limitation, discussed below.The research's limitations are substantive and specific. It does not have access to closed drafting processes, internal ministerial deliberations, or informal political bargaining. This is not a minor caveat: the research can credibly analyze the visible discourse, the publicly available submissions, and the declared policy architecture, but it cannot verify whether organizational inputs have been incorporated into the current legislative text. Claims about internal policy learning, the quality of internal deliberation, or the drafting process's actual responsiveness to community inputs lie beyond its evidentiary reach. Where the analysis infers a relationship between consultation and statutory text, it does so explicitly from the opacity and silence of the public record, not from observation of what occurs behind closed doors.

Credibility is pursued primarily through source triangulation: claims are cross-checked across the five source categories, and a finding is treated as robust only when supported by more than one independent source or by a primary organizational document. Where sources diverged, the discrepancy is reported rather than resolved by fiat, and reliance on a single source, notably investigative reporting on the 2022 process, is flagged explicitly. Confirmability is supported by the audit trail of coded extracts, and the analysis distinguishes throughout between what the documentary record establishes and what it can only suggest.

The comparative cases, Malaysia, India, and Pakistan, are selected on a most-similar-systems logic: each is a populous, post-colonial Asian state with a plural education system in which religious or community-based providers operate alongside state schools, and each has undertaken a major statutory or constitutional education reform bearing on the financing and governance of non-state provision. However, they vary in the outcome of interest, namely the alignment between statutory ambition and fiscal-governance design. This allows Malaysia to serve as a case of positive alignment, while India and Pakistan serve as contrasting failure modes. South Africa, cited in the literature for its "no-fee" school financing debates (Sayed & Motala, 2012; Spaull, 2013), serve as a supporting comparative reference rather than a developed case, and is treated as such in the analysis. All IDR figures are converted at the mid-2026 rate of approximately USD 1 = IDR 17,800.

Meaningful Participation in the UU Sisdiknas Revision

The 2022 Failure: Process Collapse and Its Structural Causes

The withdrawal of the 2022 draft UU Sisdiknas was the single most analytically important episode for understanding the design of the current reform. The most detailed contemporaneous account is the investigative reporting by Tempo (2022), which describes a process that was technically fast-tracked and procedurally opaque. Work on the draft had begun as early as January 2020, only months after Nadiem Makarim took office as minister. However, the draft was not disclosed to institutional stakeholders until it was already substantially developed. By the time the Indonesian Alliance of Education Providers (Aliansi Penyelenggara Pendidikan Indonesia - APPI) met Indonesia's former President Joko Widodo in May 2022 to register its objections, the draft had been circulating internally for more than two years.

It is useful to distinguish three mechanisms at work in the 2022 collapse. First, procedural exclusion refers to the design of the consultation itself, late disclosure and the five-minute-per-issue format, which structurally limited engagement. Second, epistemic exclusion refers to the resulting loss of operational knowledge: the providers who understood the fiscal and implementation realities were not positioned to shape the draft. Political resistance refers to the mobilization that followed by Muhammadiyah, PGRI, and others, which ultimately forced withdrawal. The third is analytically distinct — procedural and epistemic exclusion describe how the process was built, whereas resistance describes how excluded actors responded — and conflating them obscures the lesson for 2025, which concerns the first two.

Tempo investigation documents a sharp distinction between socialization and genuine consultation. The head of BSKAP described the process as having reached the stage of public testing, but stakeholders from APPI and the major faith-based organizations countered that what they had experienced was socialization, being informed of settled decisions rather than invited to reshape them. As one structural indicator, Tempo reports that participants are allotted five minutes per issue, which precluded substantive engagement. This arrangement is documented by a member of Muhammadiyah's national policy team who participated in presidential-level consultations.

The substantive objections raised in 2022 map directly onto the design requirements that reappear in the 2025 organizational submissions. Among the most contested provisions were the restructuring of religious-education categories—which introduced the concept of "madrasah"—and teacher-welfare arrangements that did not guarantee parity for non-state-sector teachers, including the *tunjangan profesi guru* (teacher professional allowance) (Tempo, 2022). These are precisely the issues that NU, PERSIS, Muhammadiyah, and MPK take up with more detailed statutory proposals three years later. The continuity is analytically significant: it suggests that the 2022 dispute concerned not merely process but a substantive design decision of material importance to faith-based providers, and that the shift from resistance in 2022 to legislative co-drafting in 2025 marks a qualitative change in participatory character.

In policy-learning terms, the 2022 process lacked an institutionalized mechanism to incorporate stakeholder input into design revisions once a draft existed. The draft was produced through a technically sophisticated but epistemically narrow process in which a shadow advisory group (tim bayangan) of roughly 400 people, many from the technology sector and closely linked to the minister's professional network, guided the drafting, without involving the organizations that form the operational backbone of Indonesia's plural system (Tempo, 2022). Satriwan Salim, National Coordinator of the Perhimpunan Pendidikan dan Guru, noted publicly that this approach risked creating an institutional knowledge vacuum. The documentary record establishes that organized resistance, led by Muhammadiyah and PGRI among others, ultimately led to the draft's withdrawal. However, it does not establish that the ministry treated this resistance as policy-relevant knowledge warranting design changes. Whatever the internal deliberative reality, the structural effect was a fatal credibility deficit. Cross-national evidence indicates that technical, exclusionary education reforms are frequently resisted even when they enjoy broad nominal support (UNESCO, 2024; Yani et al., 2024).

Two qualifications attach to this account. It rests substantially on a single investigative source (Tempo, 2022), and the existence and composition of the *tim bayangan* (shadow team) cannot be independently corroborated using the official documents available to this research. The account is therefore presented as the most detailed contemporaneous reconstruction in the public record, not as a verified administrative fact. Where official documentation is unavailable, these details are treated as reported rather than established.

In ways that are publicly documented, the 2025 revision differs procedurally from its predecessor. Faith-based education actors, professional associations, civil society, and academic communities have been included in consultations with parliament and government earlier in the policy cycle (Sutrisna & Rastika, 2024). Organizational submissions enter at issue stage definition rather than only after the bill's parameters are set. BSKAP's substantive engagement is also more public: in a February 2026 presentation to UIII's Faculty of Education, BSKAP's head of policy outlined nine potential directions for the bill, together with their quality implications—a level of public substantive disclosure higher than anything seen before the 2022 collapse (Zamjani, 2026). This change in the visible architecture of deliberation is real and should not be dismissed.

What cannot be inferred from this changed visible architecture is that it has altered the substance of the draft. Public sources do not document how organizational submissions move into statutory text. No publicly visible response mechanism shows which proposals the government has considered, incorporated, declined, or deferred, and why. This opacity is analytically relevant regardless of what occurs in internal deliberations: from the standpoint of the participating organizations and of external accountability, the relationship between consultation and legislative design cannot be externally verified.

The distinction between what is documentable and what is inferable matters here. What can be documented is that the 2025 procedural architecture is more open than that of 2022 in timing and access; that the organizational submissions are substantively rich and legislatively specific; and that no publicly visible mechanism links consultation to statutory revision. What cannot be documented and can only be inferred with some uncertainty is whether the internal drafting process responds to these inputs and whether organizational positions are informally incorporated. It also remains uncertain whether the ministry revises its design assumptions after the FGD process. Major organizational proposals may be taken up informally in ways invisible to outside observers, or substantive translation may lag behind procedural openness. On publicly available evidence alone, these possibilities cannot be distinguished, and this article does not attempt to do so.

Substantive Policy Inputs from Community-Based Organizations

The four organizational submissions to the BSKAP FGDs of November–December 2025 constitute the most substantively detailed body of documentary evidence available to any current study. They are not advocacy documents but legislative drafts: they identify specific statutory gaps by article number, propose precise formulations, provide ministerial-level fiscal data, and supply detailed empirical evidence about operational conditions. This matters analytically because it changes the interpretive frame: the submissions are not merely expressions of institutional preference or political positioning but constitutive contributions to legislative design. The extent to which they were incorporated into the drafting process cannot be known from the public record. However, the submissions themselves are

documentable, their complexity is assessable, and their convergences are analytically significant regardless of their fate in drafting.

The central analytical implication concerns the structural convergence of four organizationally, theologically, and institutionally heterogeneous bodies on the same set of problems. Muhammadiyah is Indonesia's largest reformist Islamic organization, urban-centered and nationally networked. NU is the largest traditionalist Islamic organization, with roots in rural Java and the pesantren tradition. PERSIS is a smaller reformist Islamic organization with a distinct theological orientation. MPK represents Christian education providers. These bodies differ in theology, institutional configuration, historical relationship with the state, and regional character. Their convergence on inter-ministerial coordination, fiscal parity, teacher-welfare standards, and data integration is therefore not an artifact of interest-group alignment but a structural signal about the system in which all four are embedded.

The Muhammadiyah submission (covers 5,346 schools and madrasahs serving more than one million students; prepared by a policy team formally constituted under Muhammadiyah Decree No.582/KEP/I.0/F/2025) is the most architecturally complete. It identifies five structural pathologies that require statutory intervention: institutional dualism (state versus private, general versus religious, and public versus private higher-education providers); fragmented inter-ministerial governance; teacher-professionalization failures, including an oversupply of education graduates (S.Pd) alongside widespread uncertified teaching; insufficient legal provision for digital and distance learning; and document-based rather than outcomes-based accreditation. Its specific proposals include a Funding Parity Formula applicable to all provider types regardless of ministerial affiliation; an Education Fiscal Responsibility Framework (EFRF) as a binding inter-ministerial coordination instrument for education spending; an integrated Data Education Integrated System (DEIS) unifying Basic Education Data (Data Pokok Pendidikan - Dapodik, Education Management Information System (EMIS), and Higher Education Database (Pangkalan Data Pendidikan Tinggi – PDDikti); an integrated teacher-education pathway (S1+PPG) combining undergraduate (S1) and Teacher Professional Education (PPG) supported by an AI-enabled National Teacher System (SNG); and phased implementation across transition, consolidation, and evaluation stages. On compulsory schooling, the submission proposes fully financing the existing nine-year mandate before extending it to thirteen years. This position is directly relevant to the post-MK Decision No. 3/PUU-XXII/2024, as a rights-based statutory extension without corresponding fiscal architecture would reproduce the structural problem identified in this research (Muhammadiyah Central Board, 2025).

The NU submission (approximately 42,391 pesantren nationally, including 6,830 NU-affiliated; 13,000 accredited LP Ma'arif schools and madrasahs) grounds its argument in documented fiscal disparity. Drawing on the Ministry of Religious Affairs (Kementerian Agama - Kemenag) figures, it reports a 123:1 ratio in digitalization budgets between the Ministry of Primary and Secondary Education (Kementerian Pendidikan Dasar dan Menengah - Kemendikdasmen) **(**IDR 10 trillion ≈ USD 560 million**)** and Kemenag madrasahs **(**IDR 81 billion ≈ USD 4.6 million**).** The teacher-welfare gap is starker still. An estimated 95

percent of Kemendikdasmen teachers hold civil-servant (PNS) status with a minimum monthly salary of about IDR 4.5 million (≈ USD 250). In contrast, an estimated 95 percent of madrasah teachers work in private status, earning between IDR 50,000 and IDR 300,000 (≈ USD 3 and USD 17) per month. These figures, drawn from an official ministerial source, are the most direct available measure of the structural fiscal imbalance between the two provider systems and underscore NU's central argument: that legal recognition of religious education, however well-intentioned, cannot produce equity without binding fiscal commitments. NU advances three proposals. First, it calls for full multi-entry/multi-exit recognition for graduates of Pendidikan Diniyah Formal (PDF), Satuan Pendidikan Muadalah (SPM), and Ma'had Aly. The second proposal is replacement of discretionary ("dapat") with mandatory ("wajib") language in provisions of the national and local budgets (APBN and APBD) governing religious-education funding. The third proposal is the formal incorporation of pesantren (Islamic boarding schools) into the thirteen-year compulsory-schooling program as an alternative pathway to general and vocational schools (SMA/SMK) and Islamic senior high schools (MA), particularly in frontier, outermost, and disadvantaged (3T) regions where pesantren networks are the principal gateway to secondary education (Nahdlatul Ulama, 2025).

PERSIS argues that the current draft perpetuates rather than resolves four structural dichotomies: the separation of general and religious education; the divide between secular and Islamic curricula; the split between Kemendikdasmen and Kemenag; and the fragmented regulatory stack of the UU Sisdiknas, the Pesantren Law, and the Teachers and Lecturers Law. It proposes a "one system, multi-ministry" governance model, acknowledging that full ministerial unification is politically unrealistic, in which national standards and curriculum frameworks are set by a single substantive authority, with mandatory harmonization with Kemenag, particularly in Articles 46–52 of the draft. On teacher welfare, PERSIS proposes a dual state–provider responsibility framework: a statutory minimum income for teachers in all types of employment; universal social-security coverage; a dedicated public co-financing mechanism for community-based providers; and an explicit prohibition on below-minimum pay. The underlying logic is anti-cost-transfer. Imposing legal obligations on community providers without a complementary state-financing mechanism would reproduce the institutional inequity that the reform aims to remedy (Persatuan Islam [PERSIS], 2025).

The MPK submission (520 foundations and nearly 7,000 education units) bases its case on institutional viability in the post-MK Decision No. 3/PUU-XXII/2024 landscape. MPK grades its schools from A++ (monthly tuition, SPP, above IDR 10 million ≈ USD 560**]) ** to E (SPP below IDR 100,000 ≈ USD 6**;** teacher salaries below IDR 1 million ≈ USD 56**),** finding 40 percent in the financially marginal Grade D/E range and a further 30 percent in the financially vulnerable Grade C. Its treatment of the MK ruling is the most explicit account of a structural turning point among the four submissions: Grade D/E schools may gain some stability by opting into full state subsidy, but Grade C schools—the largest cluster—face a strategic squeeze between free state schools and heavily subsidized Grade D/E schools, without the revenue needed to invest in quality. MPK advances two targeted statutory proposals: amending Article 182, which requires all community-organized schools to operate as non-profit foundations (badan hukum yayasan); and amending Article 176, which addresses state

support for community schools that do not charge tuition, by changing "dapat memberikan" (may provide) to "wajib memberikan" (must provide). The latter is not a drafting preference but a structural shift from an optional to an obligatory regime (Christian Education Council [MPK], 2025).

Table 1. Substantive Policy Inputs from Community-Based Education Organizations

Organization	Scale	Core Design Concern	Key Statutory Proposals	Structural Implication
Muhammadiyah Central Board	5,346 schools/madrasahs; >1M students	Institutional dualism; fiscal inefficiency; document-based SNP; teacher maldistribution	Funding Parity Formula; EFRF; DEIS; S1+PPG teacher model; SNG	Equity requires fiscal parity and data architecture, not regulatory uniformity
Nahdlatul Ulama (LP Ma'arif)	~13,000 schools/madrasahs; 6,830 pesantren	123:1 digitalization ratio; 95% of madrasah teachers earn IDR 50k–300k/month (≈ USD 3–17)	"Wajib" not "dapat" budget language; multi-entry/exit recognition (PDF, SPM, Ma'had Aly); pesantren in 13-year compulsory schooling	Recognition without fiscal commitment is structurally empty
Persatuan Islam (PERSIS)	National network of schools, madrasahs, pesantren	Four structural dichotomies; teacher welfare disparity; regulatory fragmentation	"One system, multi-ministry" model; statutory teacher minimum income; prohibition on below-minimum pay; integrated data system	Equity requires governance coherence and enforceable welfare standards
Majelis Pendidikan Kristen (MPK)	520 foundations; ~7,000 units; 70% in Grades C–E	Fiscal squeeze post-MK ruling; institutional viability; cost transfer risk	Amend Art. 176: "dapat" → "wajib"; Amend Art. 182: mandatory non-profit and yayasan status	Sustainability is a precondition for equity, not a secondary concern

Table 1 summarizes these inputs. Across the submissions, four thematic clusters recur: inter-ministerial governance coordination, explicit fiscal design and financing obligations, teacher welfare and professional parity across provider types, and data integration for equity monitoring. This convergence—across organizational, theological, and institutional differences—is the most analytically robust finding in the documentary record. It suggests that these are not sectoral preferences but structural features of Indonesia's plural education system that require statutory attention.

The Translation Problem: What the Documentary Record Cannot Establish

The shift from opposition to design-oriented participation in the 2025 submissions is significant. The central analytical question, however, whether this participation has actually altered the statutory text, cannot be answered from the public documentary record. No

government response matrix has been published indicating which proposals were assessed and how, and the path from organizational submission to legislative draft is not made transparent in formal reports. One telling detail is linguistic. The February 2026 BSKAP presentation places Direction 8 (funding architecture) under the heading "government support permitted for private schools," and "permitted" is structurally close to "dapat" (may provide), the very term NU, PERSIS, and MPK urge be replaced with "wajib" (must provide) (Zamjani, 2026). Whether this wording in a public presentation reflects the current drafting language cannot be confirmed from outside the process; it does, however, show how consequential the gap between organizational design demands and official framing can be. The proposals reviewed are focused, legislative, and fiscally grounded: Muhammadiyah's EFRF and DEIS would require substantive statutory provisions; NU's "dapat"/"wajib" distinction is a matter of article-level amendment; PERSIS's teacher-welfare regime would require new statutory articles specifying minimum-income thresholds and dual responsibilities; and MPK's Article 176 amendment is precisely worded. None of this could be accomplished within the existing draft without substantial revision, and it is not publicly visible whether any of it has been incorporated, deliberated, declined, or deferred.

This matters analytically in two ways. First, for the organizations themselves, where no visible mechanism connects consultation to legislative text, the credibility of the participatory architecture rests entirely on trust in informal processes that external actors cannot assess. This structural fragility made the 2022 failure so politically damaging, not a single contested provision but the perception of a process that was formally consultative yet structurally closed. Organizations that invest substantial institutional resources in sophisticated legislative proposals, as all four have, will decide whether to reinvest based on tangible evidence that their inputs have effect. Without such evidence, even a well-intentioned ministry risks reproducing the legitimacy deficit that precipitated the 2022 collapse.

Second, for this research, the claim that participation is or is not "institutionalized" in the 2025 process cannot be supported from documentary evidence alone. As Tatto (2012) notes, the policy-learning literature distinguishes between participation that operates as legitimation, politically anchoring a reform without changing its substance, from participation as epistemic input, which produces knowledge that reshapes the instruments being designed. On publicly available evidence, both remain possible for the 2025 process. The evidence suggests four conclusions. First, the visible procedural framework is more transparent than in 2022. Second, the organizational submissions are design-oriented and legislatively specific rather than merely oppositional. Third, no visible mechanism links consultation to legislative amendment. Fourth, the four organizations' proposals together constitute a layered, structurally convergent design agenda that, if incorporated, could substantially reshape the bill's distributive design. Whether such incorporation is occurring—in full, in part, or not at all—remains genuinely unknown from this study's vantage point, and the article does not assume otherwise.

To assess whether the 2025 process is substantively, rather than merely nominally, more participatory. The analysis uses three observable indicators drawn from the documentary record: the timing of consultation in the policy cycle (issue-definition stage versus post-

drafting), the breadth of invited actors (faith-based providers, professional associations, civil society, and academics), and the degree of public substantive disclosure (the February 2026 presentation of nine costed directions). On all three, the 2025 process exceeds 2022. These indicators establish that consultative breadth has increased. They do not establish translational depth, whether the inputs reshaped the statutory text, which remains outside the documentary record. The claim that 2025 is "more consultative" is thus warranted on the breadth indicators and is deliberately confined to them.

Analytical Synthesis: Four Structural Observations

Based on the evidence, four analytical observations describe the structural contradictions of the current reform. By "structural contradictions," this research refers to tensions built into the reform's design rather than incidental shortcomings. Two gaps are identified. First is the gap between an administratively coherent framing and a distributively underspecified fiscal architecture (a fiscal contradiction). Second is the gap between an expanded consultative process and the absence of a traceable mechanism linking it to statutory text (an epistemic-procedural contradiction). These are contradictions in the precise sense that the reform's stated equity objectives cannot be met by the instruments it currently makes binding.

The first analytical observation is that state framing has moved beyond mere consolidation but remains distributively underspecified. By "distributively thin," this research means a reform that specifies legal authority and administrative procedure in detail while leaving largely unspecified how resources and obligations are allocated across institutions of unequal capacity. Official framing has shifted significantly since the reform began. The February 2026 BSKAP presentation identifies nine emerging directions in the proposed bill: governance reform toward "managed decentralization" with central corrective tools; streamlined, outcome-oriented national standards; multi-entry/multi-exit learning pathways; a redesigned evaluation and quality-assurance architecture; teacher governance with performance-linked incentives; digital and curriculum modernization; inclusion, safety, and well-being; a funding architecture with cross-ministerial budget coordination; and an integrated national education data system (Zamjani, 2026). Several of these directions align with the four organizations' proposals. Direction 9 (integrated data) matches all four organizations' call for a DEIS; Direction 8 (government support permitted for private schools and proposes cross-ministerial budget coordination) is structurally close to the EFRF proposal; and Direction 3 (multi-entry/multi-exit) parallels NU's central statutory request. This overlap between official direction and organizational input is analytically important: several structural diagnoses present in the community proposals appear to have entered the official reform discourse.

The analytical question, however, is not whether these directions are sound as stated—many are—but whether they are backed by binding obligations or remain, in key respects, aspirational. Overall, the four submissions highlight a decisive difference between declared direction and implementable design. In Zamjani's (2025, 2026) account, the official trajectory

frames the UU Sisdiknas as a response to regulatory fragmentation—overlapping laws, weak inter-ministerial coordination, and the absence of a unified statutory framework—and proposes correspondingly administrative remedies: legal consolidation, integrated databases, and standardized instruments across provider types. This framing has real merit: in a decentralized system where education is handled by three ministries and thousands of local authorities, the need for coordination and legal clarity is urgent and credible, and the technical analysis underpinning the official path is sophisticated.

However, the four submissions reveal what the state framing leaves out, which is the distributive consequences of consolidation. Muhammadiyah's analysis of institutional dualism shows that standardization applied to structurally unequal institutions is not neutral; it can entrench existing inequalities through ostensibly uniform instruments. Identical accreditation standards, curriculum requirements, and teacher-qualification rules bear very differently on an urban Muhammadiyah school of 800 students and a rural pesantren of 60. NU reported a 123:1 digitalization gap between Kemendikdasmen and Kemenag schools, and the contrast between madrasah teachers earning IDR 50,000–300,000 per month (≈ USD 3–17) and the IDR 4.5 million (≈ USD 250) PNS salary floor, quantifies the fiscal imbalances that legal consolidation alone cannot resolve without fiscal parity. PERSIS argues that the general/religious governance split is structural rather than merely administrative, institutionalized in curriculum frameworks, teacher-qualification systems, and accreditation mechanisms, not only in ministerial jurisdictions. MPK's Grade C analysis shows that a post-MK fiscal regime without compulsory support provisions will intensify viability pressures on vulnerable schools already exposed to competition from free state provision. Overall, the submissions show that the dominant state framing, however well it addresses the architecture of legal authority, leaves the architecture of fiscal responsibility substantially underspecified. On paper, administrative coherence is not the same as distributive equity in practice.

The second structural observation is that although the participatory architecture has expanded, there is no verifiable evidence that participation has translated into statutory revision. This is a crucial epistemic qualification. The visible procedural changes are real: consultation occurs earlier in the policy cycle; organizational submissions are invited and received; and the character of engagement has shifted from resistance to design co-drafting. These improvements should not be dismissed; the contrast with 2022 is significant and documented. Because the research does not observe closed drafting, it cannot establish whether these inputs have been incorporated into the bill, passed down to secondary regulation, or set aside. The analytical task is not to presume good or bad faith but to insist on visible, accountable translational mechanisms within the process itself. As Tatto (2012) argues, the distinction between legitimating and learning-oriented participation is a matter of institutional architecture, whether formal feedback loops make the link between organizational input and design revision publicly traceable. On the documentary evidence, such loops are not yet apparent in the 2025 process.

The third structural observation is that equity in plural systems is achieved fiscally, not by statutory declaration. This is the best-supported claim in the research, because it rests on the substance of the organizational submissions, which fall squarely within the research's

evidentiary scope, rather than on assumptions about internal deliberation. All four organizations reach the same structural diagnosis through four different but comparable institutional lenses: formal legal recognition unaccompanied by binding fiscal commitments does not produce institutional equity. Muhammadiyah frames the problem as a funding-parity gap, referring to the structural divide between public and private higher-education institutions, state and private schools, and Kemendikdasmen and Kemenag institutions. It argues that legal status alone cannot resolve without comparable financing. NU makes the same point with quantified evidence: when 95 percent of madrasah teachers earn less than IDR 300,000 (≈ USD 17) per month, while 95 percent of state-school teachers hold PNS status, statutory parity in legal recognition is an abstraction without material content. The "dapat"/ "wajib" distinction marks the difference between a state aspiration and a state obligation, and that difference is not semantic. It determines whether community-based schools can plan their development around reliable resource commitments or must operate in permanent fiscal uncertainty. PERSIS approaches the same problem through teacher welfare, imposing legal obligations on community providers, teacher training, welfare standards, curriculum compliance, without binding the state to co-finance them effects an implicit transfer of costs from state to non-state actors, reproducing the very inequity the reform claims to address. MPK frames it most directly as a question of viability, whether Article 176 reads "dapat" or "wajib" is a structural decision about whether 70 percent of its school network remains operationally viable once the market is reshaped by free state provision.

That four organizations of such different character—different operational experiences, theologies, and institutional forms—arrive at a single structural diagnosis is analytically important precisely because the convergence is uncoordinated. As Alexander (2013) argues, equity assessment must account for differential impacts across institutions of unequal capacity. Also, Bardach and Patashnik (2016) stress that a design will not work unless fiscal consequences are built into the primary statutory instrument rather than deferred to secondary regulation. The convergence of four heterogeneous organizations on this point constitutes, in documentary terms, the strongest evidence for the article's central claim.

This argument should not be read as treating community-based provision as inherently more equitable than state provision, or as cost-free. A binding funding-parity regime carries real trade-offs that the reform must weigh. Strong national standardization may be necessary to protect quality and prevent the entrenchment of low-performing provision, yet it is precisely uniform standardization that, without fiscal calibration, burdens weaker providers; the design problem is to standardize outcomes while differentiating support. Expanded fiscal commitments also confront genuine limits on the state's fiscal capacity and the risk that per-student transfers to a very large non-state sector prove difficult to sustain or monitor. Moreover, greater provider autonomy, if not matched by accountability, can fragment governance. The claim here is therefore narrower than an endorsement of non-state provision: legal recognition without binding, capacity-sensitive financing reproduces inequity, even as financing design must itself manage standardization, fiscal-capacity, and accountability trade-offs.

The fourth structural observation is that the submissions are an institutional resource the reform process has not yet publicly committed to using. This fourth observation is partly normative but grounded in the documentary record. The four submissions are not routine consultation responses. They represent substantial institutional investment. Muhammadiyah convened a formally constituted policy team under an organizational decree; NU's submission draws on ministerial-level data and offers three article-specific amendments; PERSIS sets out a governance-reform model with specific article references; and MPK provides an institutional-viability analysis that translates the abstract idea of asymmetric capacity into workable empirical categories. Together they are more developed than is typical in pre-legislative consultation, and their convergence across four distinct institutional contexts suggests not competing interest-group positions but complementary diagnoses of shared structural features. Public sources do not make clear whether and how this institutional resource is currently used. However, its availability changes the assessment of what the reform process has at hand: the knowledge needed to design equity-oriented fiscal provisions, interoperable data architecture, and meaningful participatory mechanisms is, on the public record, already assembled. The open question is whether it will be built into the statutory instrument now under construction.

Comparative Perspectives: Three Instructive Cases

The cases of Malaysia, India, and Pakistan offer instructive perspectives on Indonesia's design dilemmas and possible institutional responses. Malaysia is instructive because the Malaysia Education Blueprint 2013–2025 moved beyond nominal recognition to a differentiated fiscal structure. Per-capita grants and resource allocations for non-national school types, Chinese national-type primary school (Sekolah Jenis Kebangsaan (Cina) - SJK(C)), Tamil national-type primary schools (Sekolah Jenis Kebangsaan (Tamil) - SJK(T)), and religious schools, were defined as formula-based entitlements tied to enrolment, accreditation, and geographic disadvantage rather than as discretionary transfers (Ministry of Education Malaysia, 2013). Governance was equally important. Open multi-ministry arrangements between the Ministry of Education and the Department of Islamic Development Malaysia (JAKIM) produced a dual-track accountability model—national standards for core subjects alongside institutional discretion over religious content—which curbed the governance dualism that had made plural provision administratively unstable while preserving institutional autonomy (Shuhaimi bin Haji Ishak & Abdullah, 2013). This model echoes the "one system, multi-ministry" structure PERSIS proposes for Indonesia. The Malaysian experience also has a clear limitation: the formula-driven model left rural pondok and religious schools under-served, partly because the data mechanisms needed to detect variation in need were inadequate (Ministry of Education Malaysia, 2013). A shortcoming directly addressed by Muhammadiyah's DEIS proposal and PERSIS's call for integrated national education data, since differentiated financing is only as good as the data that drive it. For Indonesia, the Malaysian case underscores the research's central claim. Statutory recognition is operationally meaningful only when paired with binding material commitments and formula-based financing tools calibrated to differences in institutional capacity.

However, the transferability of the Malaysian model to Indonesia is bounded. Malaysia's smaller and more centralized system, different fiscal capacity, and particular configuration of state–religion relations shape the Blueprint's formula-based financing. Indonesia's larger, more decentralized system, with authority divided across three ministries and thousands of local governments, faces coordination and capacity challenges that Malaysia did not. The Malaysian case is therefore instructive as to principle, binding, formula-based, and capacity-sensitive financing, rather than as a template to be transplanted.

India's Right to Education Act in 2009 illustrated what happens when rights-based statutory ambition is not matched by fiscal instrumentation. The Act standardized infrastructure, staffing, and quality across the system without calibrating requirements to the resource base, and reserved 25 percent of places in private unaided schools for disadvantaged groups. Compliance costs fell on low-fee private schools serving large numbers of disadvantaged urban children. These schools were structurally unable to absorb additional costs, producing the paradox of closures among precisely those providers educating vulnerable populations (Srivastava & Noronha, 2014). The original law did not specify centre-state cost-sharing, which became contested, with fiscally weaker states struggling to fund the reservation costs (Ministry of Education India, 2020). The early framing of the RTE as a state-delivery model also created path dependencies that persisted even as ground-level evidence accumulated on the role of non-state provision.The lesson for Indonesia is direct. Rights-based statutory extension without fiscal clarity transfers costs to the least capable parties. Muhammadiyah's position that the nine-year mandate should be fully financed before extension to thirteen year, is, by comparison, structurally sound.

Pakistan's Eighteenth Constitutional Amendment devolved education authority to the provinces without the fiscal transfers commensurate with the devolved powers, producing governance fragmentation similar to Indonesia's multi-ministerial challenge (Bano, 2012). Pakistan's experience with madrasa-governance reform further demonstrates the cost of procedural exclusion. The Single National Curriculum 2020 was drafted as a one-size-fits-all standard for integrating madrasa education but without meaningful co-design with major madrasa federations, and it was resisted as an imposition rather than embraced as a shared approach (Shaikh & Benedetti, 2024). (Hussain, 2022). Resistance from the very actors essential to adoption, uneven implementation, and continued cross-provincial fragmentation mirror the structural mechanism of the 2022 UU Sisdiknas collapse. Zaman (2018) shows that Pakistan's repeated efforts to mainstream madrasa education have failed under the same tension. Reforms designed by state actors for religious-education communities can create legitimacy gaps that technical rigor alone cannot overcome.

Across the three cases, the comparative evidence consistently supports the research's claims. First, legal recognition becomes operationally meaningful only when it is tied to a financing formula sensitive to differential institutional capacity rather than merely legally inclusive. Second, fiscal design must be embedded in the primary statutory instrument as a binding coordination requirement rather than deferred to secondary legislation, where inter-ministerial frictions tend to stall it. Finally, the legitimacy of a participatory architecture depends on its visible connection to statutory revision, not on the breadth of consultation or

the sophistication of the submissions alone. Malaysia illustrates what positive alignment looks like in practice; India and Pakistan illustrate two distinct failure modes when that alignment is absent.

Neither India nor Pakistan should be read as an unqualified failure. India's RTE substantially expanded enrolment and established an enforceable rights framework even as its financing design produced the distributive strains described, and outcomes varied considerably across states of differing fiscal capacity. Pakistan's reforms achieved partial madrasa registration and curricular engagement in some provinces, with implementation varying by provincial political and administrative conditions. The cases are invoked here for a specific structural lesson—the consequences of decoupling statutory ambition from fiscal-governance design — rather than as global verdicts on the reforms.

These cases do not point uniformly to a single policy direction so much as to a set of trade-offs: between national standardization and institutional autonomy, between fiscal commitment and fiscal sustainability, and between governance integration and administrative feasibility. What they share is the lesson that leaving fiscal-governance design unspecified does not avoid these trade-offs but defers them to a stage where they are harder to manage.

Policy Implications

The analysis, the organizational submissions, and the comparative evidence together support three design imperatives that can be articulated at the level of primary statute. These recommendations follow from the documentable evidence base—the convergent structural proposals of four community-based organizations and the comparative experience of three education systems facing similar problems. They do not rest on claims about internal deliberative processes the study cannot observe, and they are not broad reform prescriptions but focused statutory-design imperatives addressing the specific deficiencies identified here.

Institutionalize Participation with Visible Response Mechanisms

The four submissions demonstrate that community-based providers can produce design-level legislative guidance. Translating this capacity into durable practice requires that the government be legally obliged to record how organizational submissions were assessed, which proposals were incorporated, and why others were declined or deferred. This is not a constraint on executive power but a precondition for consultative credibility. Without it, the participatory architecture of 2025, improved though it is over 2022, remains structurally unaccountable to outside observers. Beyond pre-legislative consultation, post-enactment evaluation bodies that include community-based representation should be mandated to assess, over the first three to five years of implementation, whether enacted provisions are achieving their intended distributional effects.

Feasibility and unintended consequences require explicit attention. A statutory funding-parity obligation could, if poorly designed, create incentives for the proliferation of nominally

eligible institutions, strain sub-national budgets unevenly, or entrench dependence on transfers without quality conditions. These risks argue not against binding fiscal design but for building safeguards into it: accreditation-conditioned eligibility, capacity-weighted rather than flat per-student allocations, clear central–regional cost-sharing rules, and periodic review of distributional effects. The primary statute should establish the binding obligation and the coordination mechanism while delegating calibrated parameters to regulation under statutory criteria rather than leaving the obligation itself discretionary.

Embed Equity-Oriented Fiscal Design in the Primary Statute

The convergence of all four submissions on fiscal design as the central equity mechanism is the study's most evidence-robust finding and the one most directly actionable at the statutory level. At a minimum, the National Education System Law should establish a funding-parity framework providing per-student allocations to accredited non-state schools, not only state schools; specify mandatory rather than optional budget allocations for religious and community-based education under the APBN and APBD; set statutory minimum-income standards for all teachers regardless of employer, with corresponding state co-financing obligations for community-based providers unable to meet them unaided; and mandate an EFRF as a binding cross-ministerial coordination mechanism for education spending.

These proposals face real and acknowledged implementation challenges within Indonesia's fiscal framework. The 20 percent constitutional education-budget floor has not translated into equitable distribution at the point of delivery, especially for non-state providers in resource-poor regions, and budget authority is divided across central, provincial, and district levels with limited intergovernmental coordination (Darmawan, 2025). This research does not resolve which level of government should bear what share of a per-student allocation for non-state schools, how EFRF coordination obligations would be harmonized across ministries, or the detailed design of the fiscal mechanisms—questions that exceed the scope of any single statutory article. These challenges, however, reinforce rather than weaken the argument. If fiscal design is not embedded in the primary statute with binding requirements, such coordination questions are pushed into secondary regulation and administrative discretion, where institutional inertia and inter-ministerial friction have long obstructed redistribution. The primary statute is the only instrument with the normative force to create binding obligations among all relevant actors simultaneously.

Require Interoperable Data Architecture

All four submissions identify data fragmentation as a structural obstacle to equity governance, and each proposes elements of an integrated data architecture. Muhammadiyah's DEIS proposal would consolidate Dapodik, EMIS, and PDDikti into a single interoperable national system with AI-based analytics to anticipate needs and allocate resources; PERSIS calls for a centrally governed integrated national data system encompassing madrasah and pesantren; and NU's report of a 123:1 digitalization gap is an argument for integrated data,

since such disparities cannot be detected and corrected without interoperable cross-ministerial systems.

The UU Sisdiknas should require DEIS as a statutory obligation with implementation mandates, rather than leaving it to ministerial discretion or secondary regulation. This is a practical rather than merely administrative requirement as integrated data systems demand sustained cross-ministerial cooperation over multi-year implementation horizons. Without a central statutory mandate, the institutional inertia of separate ministerial data systems with their own political, technical, and budgetary path dependencies will, at best, slow integration. As Lee (2017) shows, Malaysia's formula-based financing model failed to reach its most under-resourced schools partly because the data systems needed to identify them were themselves inadequate. Equity-centered financing provisions in Indonesia risk the same constraint. Without DEIS, funding formulas may default to administrative averages that systematically undercount the needs of non-state providers and isolated communities, undermining the distributive goals of the financing design.

Statutory obligation is necessary but not sufficient. Comparative and domestic experience shows that binding primary legislation improves outcomes only where administrative capacity, enforcement mechanisms, and political incentives align after enactment. Indonesia's existing 20 percent budget floor illustrates the gap between statutory mandate and delivery. The recommendations above should therefore be paired with attention to implementation capacity, such as data systems, inter-ministerial coordination bodies with defined mandates, and the post-enactment evaluation function proposed earlier. So that statutory obligations are matched by the administrative means to enforce them.

Integrated data architecture is not, however, a purely technical fix, and its governance carries risks. Consolidating Dapodik, EMIS, and PDDikti raises questions of data ownership and inter-ministerial control, of privacy and security, and of unequal digital capacity across regions, which can reproduce in the data layer the very disparities the system is meant to detect. A statutory DEIS mandate should therefore be accompanied by provisions on data governance, such as custodianship, interoperability standards, privacy safeguards, and capacity support for under-resourced regions. So, integration improves equity monitoring rather than centralizing control without accountability.

Finally, these imperatives differ in feasibility and should be sequenced. In the short term, and within the primary statute, the most actionable steps are shifting from discretionary to mandatory budget language, establishing the funding-parity obligation and the EFRF coordination mandate, and adding the statutory DEIS requirement. Over the medium to longer term lie the institution-building tasks, namely operationalizing the data system, standing up inter-ministerial coordination and post-enactment evaluation bodies, and calibrating financing parameters through regulation. Distinguishing short-term statutory priorities from longer-term institutional reforms makes the agenda both more realistic and more useful to drafters.

Conclusion

This research argues that the central question surrounding the UU Sisdiknas revision is not legal consolidation, but the institutional framework that gives codification meaning, whether the reform embeds participatory design, fiscally coherent obligations, and equity-oriented distributional consequences. The analysis yields three results. First, the dominant state framing is administratively viable but distributively underspecified. It addresses regulatory fragmentation without adequately specifying the fiscal architecture through which distributional obligations would be met. Second, the four organizational submissions from the Muhammadiyah Central Board, NU, PERSIS, and MPK constitute the research's most substantively grounded evidence and converge, across institutional and theological differences, on the conclusion that legal recognition without binding fiscal design cannot produce equity. Third, the procedural advances of the 2025 process, real and consequential as they are, cannot be assessed for meaningful translation into statutory text, because the study by design cannot access the closed deliberative process. This third point is both an epistemic and an analytical limitation. A participatory architecture whose translational element is not publicly transparent is structurally precarious, because it rests on trust in processes that cannot be independently assessed. The 2022 collapse was driven less by policy content than by process legitimacy. This process legitimacy derives from the transparency and accountability of translational mechanisms, not merely from the number of those consulted.

The comparative cases from Malaysia, India, and Pakistan consistently support a broader intuition. Legislative ambition that outruns fiscal design produces implementation failure that is structurally, if not precisely, predictable. Malaysia succeeded in tying recognition to formula-based financing and inter-ministerial coordination but fell short where data systems failed to detect differential need. India's RTE imposed compliance costs that closed the very schools it was meant to help, because mandates were applied across structurally asymmetric institutions without a matching fiscal package. Pakistan's decentralization fragmented authority without centralizing fiscal resources, producing the governance fragmentation the reform was meant to resolve.

These lessons extend across Southeast Asia. Plural education systems in which faith-based and community-based providers operate alongside state schools are a defining feature of several ASEAN member states, including Malaysia, the Philippines, Thailand, and Brunei, where reforms confront the same tension between legal recognition and binding fiscal support. As ASEAN pursues greater harmonization and mutual quality assurance in education, equitable outcomes across the region's diverse providers will depend less on regulatory convergence than on whether member states embed capacity-sensitive financing and traceable participation into their statutory frameworks. Thus, the Indonesian case offers a transferable design standard, and comparative policy learning within ASEAN on these mechanisms could help member states avoid the fiscal-design failures documented here.

It bears restating that the research's claims about participation are deliberately bounded. The evidence supports the conclusion that consultative breadth increased between 2022 and 2025. It does not support any conclusion about whether that breadth altered the statutory text,

which would require access to deliberations the study cannot observe. The argument is therefore not that the 2025 process is substantively participatory, but that it is procedurally more open while its translational depth remains publicly unverifiable.

Indonesia's plural education system has both the institutional knowledge, as evident in the four organizational submissions, and the political will to design reform that addresses its structural features. That four theologically and organizationally diverse institutions converge on the same structural diagnosis is, on this research's documentary evidence, a remarkable finding. The question the coming legislative work must answer is whether the current statutory process has the architecture to absorb and act on that knowledge by translating civil-society inputs into binding, fiscally grounded, and publicly accountable statute. The research does not forecast the political outcome of the current process. The research also makes an analytical contribution by specifying the structural conditions under which statutory reform in a plural system can produce institutional equity. These include a binding fiscal architecture and traceable translational mechanisms. The documentary evidence shows that the knowledge required to meet those conditions is already assembled in the organizational submissions. Whether that knowledge is built into the statute is a question of political will. This research establishes the design standard against which the eventual statute can be assessed.

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Declaration on AI

During the preparation of this manuscript, the authors used Claude Opus 4.8 (Anthropic) to assist with language editing and readability and to check the consistency and formatting of the references. The tool was not used to generate the study's data, arguments, analysis, or conclusions. The research design, data collection, interpretation, and all substantive content are the authors' own. The authors reviewed and edited all AI-assisted text and take full responsibility for the content and integrity of the article.

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Appendix A

A.1 Document corpus by category

Source category	Count	Documents / examples
1. Government policy presentations & documents	3	BSKAP strategic-direction presentation (Zamjani, 2025); BSKAP UIII presentation, Feb 2026 (Zamjani, 2026); BSKAP FGD presentation (Amirrachman, 2025)
2. Organizational submissions	4	Muhammadiyah Central Board (2025); Nahdlatul Ulama (2025); Persatuan Islam / PERSIS (2025); Christian Education Council / MPK (2025)
3. Investigative & policy media	2	Tempo (2022); Sutrisna and Rastika (2024); and supporting items (Amin, 2025; Mardianti, 2025; Arrahmah, 2024; Suara Muhammadiyah, 2024)
4. Secondary policy analyses	2	Yani et al. (2024); Darmawan (2025)
5. Comparative literature	11	Malaysia: Ministry of Education Malaysia (2013), Shuhaimi bin Haji Ishak and Abdullah (2013), India: Srivastava and Noronha (2014), Srivastava and Noronha, C. (2014), Vidyarthi (2017). Pakistan: Bano (2012), Shaikh and Benedetti (2024), Zaman (2018). South Africa (supporting): Sayed and Motala (2012), Spaull (2013)

A.2 Coding framework

Theme / category	Description	Illustrative codes
1. Problem framing	How the reform problem is defined	legal-consolidation framing; structural-redesign framing; fragmentation-as-legal; fragmentation-as-fiscal
2. Governance & coordination	Allocation of authority and inter-ministerial arrangements	institutional dualism; "one system, multi-ministry"; managed decentralization; Kemendikdasmen–Kemenag split
3. Fiscal & financing design	How financial obligations are assigned	funding parity; "dapat"/ "wajib"; EFRF; per-student allocation; 20% budget floor
4. Teacher welfare & parity	Employment and welfare standards across providers	PNS (civil-servant) vs. non-PNS gap; statutory minimum income; *tunjangan profesi* (professional allowance); state co-financing
5. Data & accountability	Information architecture and equity monitoring	DEIS; Dapodik/EMIS/PDDikti; 123:1 digitalization gap; interoperability
6. Participation & translation	Consultation and its incorporation into design	socialization vs. consultation; consultative breadth; translational depth; response matrix (absent)