Assessing the Indonesia’s Capacity Development Grant Program for Private Colleges: Capacity Builder or Pure Pork?
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A. Polemics in the Directorate General of Higher Education Grant Program for Private Colleges

Enacted in 2008 by the Directorate General of Higher Education (DGHE), the Capacity Development Grant Program (PHP-PTS) aiming to invest in the Indonesia higher education reform and improve the private colleges competencies. However, the lack of transparency in its implementation has in turn been raising suspicion and allegation of fraudulence that mostly rooting in the following issues:
1. Political interest of legislative assembly member;
2. College affiliation to some specific mass organization;
3. Relatively discrete selection and decision making process.
This Capstone Research will attempt to provide key facts and statistical evidences to clarify the allegation of fraudulence, in this case, whether or not this program is essentially a Pork Barrel Spending.

B. Indonesian Higher Education at a Glance

Hierarchical Functions

DGHE Key Role
To govern and facilitate the provision of the best quality of higher education services in Indonesia.

DGHE: Directorate General of Higher Education

Private Colleges

Ministry of Education & Culture

Coordinators for Private Colleges

Public Colleges

- Total Colleges: 3,236
- Public Colleges: 102
- Private Colleges: 3,124
- Total Enrollment: 5.8 millions

B.2. Enrollment Issue:
52% of total student enrolled in Colleges located in 7 provinces in Java island (total province: 37)

B.3. Teacher Qualification Disparity
- Bachelor %: 39.260
- Master %: 37.366
- Doctor %: 19.384

Challenges:
1. Private colleges are very crucial to cater more than 4 million students
2. Archipelagic condition and socio-economic disparity caused a gap in the quality of education across the provinces
3. Imbalanced student population distribution across provinces

C. Capacity Development Grant Program for Private Colleges

A competitive grant program for private colleges allocating more than $3 million annually to foster the private college’s capacity development and competencies.

C.1. Grant Applicant Requirements
1. Listed in DGHE database
2. Accredited by National Accreditation Body
3. Submit a capacity development program proposal
4. Not a previous year grantee

C.2. Proposal Submission Procedure

Selection Procedure
- Team of Assessors
- Proposals/ Assessors
- Private Colleges
- DGHE
- DGHE

Selection Results 2008 - 2011

<table>
<thead>
<tr>
<th>Year</th>
<th>Proposals</th>
<th>Grantees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>133</td>
<td>133</td>
</tr>
<tr>
<td>2009</td>
<td>342</td>
<td>189</td>
</tr>
<tr>
<td>2010</td>
<td>856</td>
<td>323</td>
</tr>
<tr>
<td>2011</td>
<td>856</td>
<td>303</td>
</tr>
</tbody>
</table>

C.3. Repetitive Grantees
During 2008 - 2011 PHP-PTS implementation, there were:
- 208 Grantees awarded 2 grants
- 43 Grantees awarded 3 grants
- 9 Grantees awarded 4 grants
It is a possible violation to the PHP-PTS guidelines where the previous year grantees are not eligible to re-apply for the grant.

C.4. Proposal Submission Procedure Violation
A significant number of applicants did not submit their proposal as directed but passing the proposals through either Education or Budget Appropriation Committee member.

D. Key Findings

D.1. Pork Barrel Spending
Pork barrel spending is the appropriation of public funds for projects that do not serve the interests of any large portion of the country's citizenry.
- The estimate results on independent variable Budget Appropriation Committee and Mass Organization suggest that the PHP-PTS program is essentially Pork Barrel Spending.

D.2. Dilemmas in the DGHE Decision Making Process
- Limited options for suitable decision making cause by the lack of number of potential grantee’s candidates (Poor proposal quality).
- The DGHE decision maker usually want to know what options were open, what consequences could be expected from each option, what the costs and benefits of each set of consequences were likely to be.

E. Key Evidences

E.1. Key Evidences
After controlling the colleges’ accreditation on a fix level, the predicted probability that the 2010 applicants would receive grants:

F. Discussions

F.1. Pork Barrel Spending
- In this context, the Budget Appropriation Committee members would take their legislative appetitive functions to negotiate certain tradeoffs with officials of DGHE in order to benefit their constituencies.
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