Early Childhood’s Cost of Education in Indonesia: an Ethical Consideration in Educational Marketing

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Abstract – In discussing the cost of early childhood education/kindergarten, it is also pertinent to examine the financial ethics and the related financial aspects. It is important based on the fact that the achievements of ECE GER in Indonesia are still low and the community participation still holds a dominant part in its financing. The phenomenon of a very high price to be paid by parents, especially in urban areas, raises the issue of ethics. This paper discusses whether this tendency is ethical, both in terms of honesty and fairness in providing services. This research applies a qualitative approach method to explore a number of documents and interviews as well as the use of an ethical analysis. The results showed different responses, as seen from both business ethics and social ethics.

Keywords: early childhood education costs, ethical consideration

I. INTRODUCTION

Since Rousseau coined the philosophical aspect of child education, which then was followed by the scientific pedagogy developed by Montessori, research on ethics in the organization of early childhood education generally focuses on the ethics of early childhood teachers [1]; [2]; [3] [4] [5], gender equity, and equity of educational services based on family income [6]; [7]. Although research related to the cost of early childhood education has been extensively covered research related to the ethical aspects of the cost of education has not been widely explored [8]; [9]; [10] [11]; [12]; [13] [14]. The linkage between the ethical aspects and the cost of education is important since the cost is closely linked with the learners’ sacrifices to acquire the value of education. In addition, the social theory of demand in terms of the organization of early childhood states that the government plays a role in providing equal services to the whole community. In order to examine the ethical aspects related to educational financing, this research will explore the phenomenon of early childhood education funding which comes from the public in several major cities in Indonesia.

In Indonesia, early childhood education (ECE) began to be intensively implemented in 2003 with the aim of preparing the future generation to be intelligent, healthy, and resilient in facing future challenges. In line with the Strategic Plan of 2015-2019, the Kemendikbud (the Ministry of Education and Culture of Indonesia) Gross Enrollment Rate (GER) for ECE, children aged 3-6 years, reached 70.1% and the target until 2015 was 78.8% [15]. In financing the early childhood education, Ministry of Education and Culture Regulation) No. 137 of 2014 based on ECE National Standards [16], revealed that the financial components of Early Childhood Education (ECE) cover operational costs and personnel costs.

However, what is actually happening today is the fact that community participation plays a significant role. A problem that arises is the cost phenomenon in ECE, which tends to be exorbitant or is considered expensive, especially in urban areas. In fact, there is a barrier to achieve the target of GER for early childhood education, as what happens in Jambi where ECE GER is only 38%. This is because the parents are unable to enroll their children in early childhood education [17]. In addition, there is an impression that early childhood/kindergarten education has a high cost but offers a variety of services and better quality. This paper aims to examine the private costs that are incurred to finance ECE from an ethical perspective. Research is conducted on a number of major cities in Indonesia. The problem statements of this research are: (1) what kind of cost in ECE, (2) ethical consideration in pricing of ECE

II. LITERATURE REVIEW

Early Childhood Education

In an Act of the National Education System, it is clearly stated that early childhood education is a development effort aimed for children from newborns to the age of six years old. It is carried out by providing educational stimulus to assist children in their physical and spiritual growth and development, so that they will be ready to continue their education [18].

Early childhood is categorized as children from newborns until the age of 6 years old. This age range is crucial in forming the character and personality of the child [19]. An early age is the age at which children experience rapid growth and development. Early age is referred to as the golden age. Nutritionally balanced food and intense stimulation are needed for the sake of growth and development. The principles of early childhood development are in contrast to the principles of the development phase of late childhood and beyond. The principles of early childhood development, according to Bredekamp and Coople [20], cover the development of the physical, social, emotional, and cognitive aspects, which are interrelated and influence each other. Child development becomes complex, specialized, organized, and internalized, as children are active learners. Early childhood

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education should try to develop a child’s understanding of the surrounding environment from one’s physical and social experiences. Playing is an important means for the child’s social, emotional, and cognitive development.

Types of Education Costs

1. Fixed Cost

Fixed costs are the types of expenses during a certain time of operation range or a certain level of production capacity which always remain unchanged, even though the amount or volume of production changes. Fixed costs can be classified into two categories [21]:
   a. Committed fixed costs: cover the fixed costs associated with investments in facilities, equipment, and organizational structure in a company. It is difficult to trace the relationship of this type of charge with the volume of output such as production units.
   b. Discretionary fixed costs (managed fixed costs) which include fixed costs coming from management annual decisions to bear certain expenses, such as advertising and research.

2. Variable Cost

Variable costs are the types of costs in which the size depends on the extent of the production volume. If the production volume is increased, the variable costs will increase. In contrast, if the volume is reduced, the variable costs of production will decrease. A break-even analysis requires that changes in variable costs should be proportional to changes in production volume, so the variable cost per unit of goods produced is fixed. According to [22], the variable costs are the costs in which the change of amount is parallel with the volume of activity, even though the cost per unit volume of activity has not changed. The education costs are determined by various factors, among others: the size of the educational institution, the number of students, the salary levels of teachers or lecturers based on their areas of expertise or level of education, the student/teacher-lecturer ratio, the rate of population growth (especially in developing countries), and changes in the payroll/income policy (revenue theory of cost).

Ethics and Morality in Educational Services Context

Basically, every person has the right to an educational service. Each person who has access to education is eligible for educational services. Educational services in the context of some ethical principles are relevant to the provision of education as follows [23].

A. Honesty

Honesty is having a basic effort to become a strong moral individual. Being honest with others means two things; first, being open, and second, being fair. Being open means people should know who we are. Secondly, honest people treat others reasonably or fair. They treat others according to the standards of expectation that they allow others to treat them. They respect the rights of others; they will always fulfill their promises, even to people who are not in a position to expect them to do so. They will never engage in acts contrary to their conscience or beliefs. They will not tolerate any alignment based on falsehoods, injustices, and lies.

B. Modesty

Modesty is the inner strength to see ourselves in accordance with reality. Humble people not only see their weaknesses but also their strengths. Modesty is not contradictory to moral courage; it is a prerequisite to purity instead. Without modesty, moral courage can easily change into arrogance. Humble people often show the greatest endurance if they really have given resistance. Humble people do not feel high self-importance. Therefore, they will dare to take risks if they believe that their attitudes are right as a way to show their responsibility.

C. Realistic and Critical

Being realistic does not mean that we take the reality for granted. We study the situation and are critical. Moral responsibility demands us to constantly improve the existing condition to be something fairer, more in keeping with human dignity. Thus, people can be happier.

III. RESEARCH METHODOLOGY

This research was conducted with a qualitative approach by searching for documents in the form of breaking down the costs of early childhood education in some cities and interviewing parents. A critical analysis is appropriate with the ethical analysis method ([23] Machmud, 2005).

IV. RESEARCH RESULT AND DISCUSSION

Types of Costs in Early Childhood Education Implementation

The types of costs for early childhood education in several major cities in Indonesia as well as the unit costs vary greatly. Here are the research results showing the costs incurred by parents in urban areas for early childhood / kindergarten education:
Table 1: Cost Breakdown of ECE/KG in the city of Banjarmasin, South Kalimantan Year 2013 for First Year

<table>
<thead>
<tr>
<th>No</th>
<th>ECE/KG</th>
<th>Cost Breakdown (IDR)/(USD)</th>
<th>TOTAL (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ISM (Private)</td>
<td>1. Tuition Fee IDR 1.5 million, (122.95) 2. Uniform fee IDR 1 million, (81.96) 3. Facility Support Fee: a. IDR 4.5 million for toddlers (368.85) b. IDR 4 million for playgroup (327.87) c. IDR 3.5 million for KGA and KGB (286.88)</td>
<td>1,188.51</td>
</tr>
<tr>
<td>3</td>
<td>J (Private)</td>
<td>The ECE registration fee reached IDR 6 million including a one-year food allowance and a one-month school fee, (491.80) The monthly fee for KG is IDR 400 thousand/month (393.44 annual), for playgroup is IDR 375 thousand/month, and for daycare is IDR 300 thousand/month.</td>
<td>885.24</td>
</tr>
<tr>
<td>4</td>
<td>M (Private)</td>
<td>1. Registration Fee IDR 150 thousand, (147.54) 2. Development Fee IDR 4 million, (327.87) 3. Monthly Fee IDR 230 thousand/month, (226.23) 4. Food Allowance IDR 175 thousand/month (172.13), 5. School Uniform (3 sets) IDR 500 thousand, (491.80) 6. School Committee Fee IDR 150 thousand/month (147.54)</td>
<td>1,062.29</td>
</tr>
<tr>
<td>5</td>
<td>Supervisor / Elder Member (Government)</td>
<td>Paid IDR 1,050,000 for Development Fee, Monthly Fee, 6 uniforms, and food allowance</td>
<td></td>
</tr>
</tbody>
</table>

Source: processed data

Referring to Table 2, the variance in fixed costs reaches 5 different types, while there are four types for the variable costs. The cost span for fixed cost types is between USD 12.29 – 491.80, while the span for the variable cost is between USD 40.98 – 491.18. The variations of educational costs, in terms of a variable cost context in Banjarmasin, consist of 4 types of fees. By comparing those costs with the per capita income data from 2013 published by BPS, it was found that in 2013 the costs were relatively higher than the average monthly income in Banjarmasin (Rp 2,278,162 or USD 186.73 per month or USD 2,240.76 per year). The highest cost reach 21.9% from per capita income.

Furthermore, in Jakarta the breakdown of ECE costs that need to be paid by the public is as follows:

Table 2. ECE Cost Span in Banjarmasin City, Based on The Types of Costs on 2013 (in IDR)

<table>
<thead>
<tr>
<th>No</th>
<th>Types of Cost</th>
<th>Description of Costs</th>
<th>Cost Span (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fixed Costs 1. Registration Fee</td>
<td>IDR 150,000 – 6,000,000 (12.29– 491.80)</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Variable Costs 1. Uniform Fee</td>
<td>IDR 500,000 – 1,000,000 (40.98 – 81.97)</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>2. Food Allowance (annual)</td>
<td>IDR 1,200,000 – 6,000,000 (98.36 – 491.80)</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>3. Monthly Fee (annual)</td>
<td>IDR 1,200,000 – 400,000 (98.36 – 393.44)</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>4. School Committee Fee (annual)</td>
<td>IDR 1,800,000 (147.54)</td>
<td></td>
</tr>
</tbody>
</table>

Referring to Table 1, the types of costs incurred by the family to receive early childhood education is: a) the registration fee, b) the tuition fee, c) uniforms, d) the facility support fee, d) the development fee, e) the education fee, f) food allowance, g) the equipment fee, and h) the library fee. The expenditure ranges for various costs in 2013 based on the kinds of costs are as follows:
Table 3. Cost Breakdown of ECE/KG at DKI Jakarta Year 2013-2014

<table>
<thead>
<tr>
<th>No</th>
<th>ECE/KG</th>
<th>Cost Breakdown (IDR) (USD)</th>
<th>TOTAL (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ACH (private) Playgroup</td>
<td>1. Tuition Fee IDR 10,000,000 (819.67) 2. School Fee IDR 7,500,000 (15,000,000)/term (1,229.5) 3. Uniform Fee IDR 500,000 (40.9) 4. Deposit Fee IDR 1,000,000 (81.97)</td>
<td>2,172.04</td>
</tr>
<tr>
<td>2</td>
<td>AB (private/ KG)</td>
<td>Tuition Fee IDR 3,500,000 to 6,000,000,000 (291.66-491.80) Monthly Fee IDR 500,000, IDR 100,000 difference for each level (291.66) Exclusive activity program fee, field trip fee, food allowance, books, stationary, uniform, etc.</td>
<td>1,000 or above</td>
</tr>
<tr>
<td>3</td>
<td>A Private Preschool</td>
<td>Tuition Fee IDR 7,000,000 (573.77) Toddler School Fee IDR 4,500,000 / 4 months (1,106.55 per year) Pre Nursery School Fee IDR 6,000,000 / 4 months (1,475.40) TOTAL (Range)</td>
<td>1,680.32-2,049.17</td>
</tr>
<tr>
<td>4</td>
<td>BPT Private Preschool</td>
<td>Tuition Fee IDR 3,500,000 (286.88) (after discount) Uniform + 1 year Equipment IDR 1,500,000 (122.95) Monthly Fee + CCA IDR 600,000 (590.16) CLC English + Mandarin IDR 100,000 (98.36) Registration Form IDR 100,000</td>
<td>1,098.35</td>
</tr>
<tr>
<td>5</td>
<td>BS Preschool</td>
<td>Registration Fee IDR 10,000,000 (819.67) Registration Form IDR 100,000 Uniform IDR 500,000 (3pcs uniform) (40.98) School Fee/4 months (Trimester) starts from IDR 7,600,000 (1,868.85)</td>
<td>2,729.5</td>
</tr>
<tr>
<td>6</td>
<td>GME Preschool</td>
<td>Registration Fee IDR 6,250,000 (512.29) Monthly Fee IDR 700,000 to 900,000 (57.38) (688.56 per year) Per Semester Activity Fee IDR 550,000 (45.08) (90.16)</td>
<td>1,291.01</td>
</tr>
<tr>
<td>7</td>
<td>HS Preschool</td>
<td>Enrollment Fee IDR10,000,000 (819.67) Toddler, Enrollment Fee IDR 10,000,000 (819.67) Preschool, Enrollment Fee IDR 9,000,000 (737.70) Prekindy, Enrollment Fee IDR 5,000,000 (409.84) School Fee IDR 5,100,000 per term (3 months) (for all levels) (418.03/3 months or 1672.13 per year)</td>
<td>2,446.8</td>
</tr>
</tbody>
</table>

Table 4. ECE Cost Span in DKI Jakarta Based on The Types of Costs on Year 2013 (in IDR)

<table>
<thead>
<tr>
<th>No</th>
<th>Types of Cost</th>
<th>Description of Cost</th>
<th>Cost Span (IDR) (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fixed Cost</td>
<td>1. Registration Fee</td>
<td>3 – 10 million (245.9-819.67)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Development/Facility Support Fee</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Education Fee</td>
<td>100,000 (8.19)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4. Library Fee</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5. Equipment Fee</td>
<td>600,000 (49.18)</td>
</tr>
<tr>
<td>2</td>
<td>Variable Cost</td>
<td>1. Uniform Fee</td>
<td>100,000 – 1,500,000 (8.19 – 122.95)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Food Allowance (/month)</td>
<td>500,000 (8.19 – 40.98)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Monthly Fee (/term)</td>
<td>500,000 – 7.6 million (40.98 – 622.95)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4. School Committee Fee (per year)</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: processed data

Referring to Table 4, there are only 3 types of variance for fixed costs and 3 types of variable costs. Compared with the city of Banjarmasin, the costs are not too varied, but the value tends to be higher in Jakarta. It can be seen that there is a pretty high price for the early childhood/kindergarten which is aimed for a certain segmented market. Furthermore, in 2013, BPS published DKI Jakarta’s monthly income per capita data in the amount of Rp 12,931,293(USD12,719.3 per year). The highest ECE cost in DKI Jakarta is about 21.22% of per capita income.

The perception of high prices and ethics in relation to the provision of education can be seen at least from the standpoint of business ethics, which is shown from the aspect of honesty and fairness. Honesty is the correspondence between what is offered and promised with what is obtained. Justice is what is accepted according to what has been sacrificed [24] [25]. As long as all of the requirements are fulfilled, then the ethical aspects of the business are met. This is the condition in which the consumers or learners acquire what is already offered and there are no broken promises. However, in referring to [23],
who believed that although aspects of honesty are achieved, modesty, realistic aspects, and critical aspects still cannot be guaranteed. Differences in the cost-based educational services have the potential to cause immodest moral attitudes and non-critical perceptions of societal conditions. This is increasingly important, as the achievement of GER of early childhood/kindergarten in Indonesia still tends to be low (the target in 2019 is only 78%). This is due to the inability of parents to enroll their children to study in an early childhood/kindergarten institution, even though this education stage is very important. Currently, early childhood/kindergarten is not classified as a compulsory education program which is fully funded by the government. But some efforts have been made, such as by establishing community playgroups and small groups of Islamic Quran Education with a very affordable cost to attempt to reach youngsters who live in modest neighborhoods. Further the subsidy system can help family to obtain good ECE in their neighborhood [26].

V. CONCLUSION

The very high costs of entering early childhood/kindergarten could be justified if the education providers were being honest and fair in providing services. However, in order to achieve the GER of early childhood education/kindergarten, it is necessary to consider the social, ethical and moral aspects by establishing modesty, a critical attitude, and social awareness. Financing an early childhood education / kindergarten which is still mostly financed by the society for sure would require a high social participation. It is highly expected that an early childhood education / kindergarten with high expenses will not cause large gaps in the quality of the education in the future.

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