

**HIGHER EDUCATION IN INDONESIA :
CHALLENGES AND OPPORTUNITIES**

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I. Introduction

Higher education institution is expected to act as a knowledge creator and moral force, and therefore the institution should be competitive in the broader sense. Competitiveness will be the key factor for the institution to still exist. Unlike basic education which is mandatory for almost every one in the world, higher education or post secondary education is optional. For people to participate. Higher education is considered as semi – public service or semi – private since part of (or a greater part of) the service will benefit the individuals rather than community at large. Then it is rational if community contributes significantly to higher education.

In order to be competitive, the higher education should be equipped with the necessary instruments and apparatus so that they can perform accordingly and they can be audited in conjunction with their accountability. The instruments are among others the legal entity, autonomy to govern, accountability measures, healthy organization, etc.

In order to contribute to the nation's competitiveness, the national higher education has to be organizationally, and the same requirement also applies to institutions. A structural adjustment in the existing system is, however, needed to meet this challenge. The structural adjustment aims, by the year 2010, of having a higher education system, effectively coordinated and demonstrated by quality, access & equity, and autonomy.