

Higher Education Governance and Institutional Autonomy: An Analysis of State-University Relations in Indonesia

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ABSTRAK

Penelitian ini menganalisis tata kelola pendidikan tinggi dan otonomi institusional di Indonesia dari perspektif ilmu politik dan kebijakan publik. Tujuannya adalah mengkaji bagaimana otonomi universitas dibentuk, dibatasi, dan dinegosiasikan secara politis dalam relasi negara-universitas. Dengan menggunakan kerangka institusionalisme baru dan desain analisis dokumen kualitatif, penelitian ini menganalisis peraturan perundang-undangan, instrumen kebijakan, laporan institusional, serta literatur akademik yang berkaitan dengan tata kelola pendidikan tinggi di Indonesia. Hasil menunjukkan bahwa otonomi institusional bukanlah kemandirian penuh, melainkan kewenangan yang dinegosiasikan dalam rezim regulasi dan akuntabilitas negara. Ketegangan antara otonomi dan akuntabilitas performatif berisiko mempersempit kebebasan akademik serta fungsi demokratis universitas. Secara khusus, mekanisme akuntabilitas berbasis kinerja membentuk kembali peran universitas dalam deliberasi demokratis dan komunikasi politik. Studi menyimpulkan bahwa tata kelola pendidikan tinggi yang demokratis memerlukan keseimbangan antara otonomi universitas, akuntabilitas publik, dan perlindungan kebebasan akademik sebagai pilar kehidupan demokrasi serta pengembangan ilmu pengetahuan.

Kata kunci: Institusi Politik; Tata Kelola Pendidikan Tinggi; Otonomi Institusional; Kebebasan Akademik

ABSTRACT

This study analyzes higher education governance and institutional autonomy in Indonesia through the lens of political institutions and public policy. It examines how the state politically constructs, constrains, and negotiates university autonomy within the state-university relationship. Using a new institutionalist framework and a qualitative document-analysis design, this study examines legislation, policy instruments, institutional reports, and academic literature on higher education governance in Indonesia. The findings show that institutional autonomy operates not as full independence but as negotiated authority embedded in state regulation and accountability regimes. Tensions between autonomy and performative accountability risk narrowing academic freedom and the university's democratic function. Specifically, performance-based accountability mechanisms reshape the university's role in democratic deliberation and political communication. The study concludes that democratic and accountable higher education governance requires balancing university autonomy, public accountability, and academic freedom as a pillar of democratic life and knowledge development.

Keywords: Political Institutions; Higher Education Governance; Institutional Autonomy; Academic Freedom



INTRODUCTION

Higher education occupies a strategic position in modern state governance. Universities function not only as providers of teaching, research, and community service but also as political institutions that produce knowledge, shape human resources, and sustain democratic deliberation. In a democratic state, universities are expected to serve as spaces for free and critical intellectual inquiry; at the same time, they operate within a framework of state policy that regulates quality standards, financing, accreditation, and public accountability. This dual condition indicates that higher education is not merely an academic matter but a public policy arena reflecting the power relations among the state, universities, and society (Alhajri et al., 2025; Bhushan, 2023; Enders et al., 2013). Contemporary higher education governance has shifted from direct state control toward evaluation and performance-based oversight, making institutional autonomy a negotiated authority rather than an absolute freedom (Neave, 1998).

In Indonesia, the trajectory of higher education governance mirrors this global shift, yet it carries distinct political and historical specificities. Before the 1998 Reformasi, Indonesian public universities operated under a highly centralized governance model as administrative units of the Ministry of Education and Culture. Following Reformasi, higher education governance shifted toward institutional autonomy, culminating in Law No. 12 of 2012, which established a differentiated system of public universities comprising PTN-BH, PTN-BLU, and PTN-Satker (Sulistiyono et al., 2025). This differentiation extends beyond administrative classification by distributing institutional authority, financial autonomy, and decision-making power asymmetrically across public universities. The state therefore functions not merely as a provider of autonomy but as the architect of a governance framework in which autonomy is constructed as a contingent privilege rather than an inherent institutional right.

The institutionalization of Key Performance Indicators (IKU) through Ministerial Decree No. 3 of 2021 exemplifies the contemporary mode of state oversight. Universities are increasingly evaluated through performance indicators that shape institutional legitimacy, funding, and strategic priorities (Sarrico, 2022; Stock, 2020). Rather than relying on direct administrative control, the state governs universities through performance-based accountability, creating what Couck (2026) describes as supervised autonomy, whereby institutions retain operational discretion while remaining continuously monitored and evaluated.

Previous scholarship has examined higher education governance through the perspectives of educational management, public administration, and institutional reform. Marginson (2011) for example, emphasizes higher education's contribution to the public good, while Rakhmani and Siregar (2016) and Rosser (2016) examine neoliberalism's influence on Indonesian higher education policy, particularly institutional reform and accreditation systems. Studies of university autonomy in Indonesia have likewise focused on managerial, legal, and organizational dimensions, including financial efficiency, governance reform, and human resource management (Muslim et al., 2021; Nurhanifah & Kusdarini, 2022). Although this literature offers important insights into institutional change, it does not fully resolve the central research puzzle this study addresses: why has the formal expansion of university autonomy since Reformasi coincided with intensified state steering through performance indicators, accreditation, audits, and other accountability mechanisms? Existing studies generally approach autonomy as a matter of legal authority or managerial capacity and treat accountability primarily as a technical instrument for quality assurance. Consequently, the political and institutional mechanisms through which university autonomy and state control develop simultaneously remain insufficiently explained.

This article addresses that gap by drawing on new institutionalism, particularly historical institutionalism, to explain how institutional autonomy is politically constructed, unevenly distributed, and continuously negotiated within state-university relations. It demonstrates that autonomy is neither granted nor restricted by the state; rather, it is constituted as conditional authority through the differentiated statuses of PTN-BH, PTN-BLU, and PTN-Satker and steered through performance-based accountability instruments, including Key Performance Indicators. The manuscript therefore explains what previous studies have not sufficiently accounted for: how state control has shifted from direct bureaucratic intervention toward governance through regulation, evaluation, and incentives, and how this transformation affects academic freedom and the university's democratic function. Its principal contribution connects regulatory structures and accountability regimes to the broader political consequences of university autonomy in post-Reformasi Indonesian higher education governance.

Building on this framework, the study contributes to the study of political institutions and democracy by showing how performance-based accountability regimes can reshape the university's role as a space for democratic deliberation and political communication. Practically, it provides a basis for formulating higher education governance policies oriented

not solely toward efficiency and competitiveness, but also toward safeguarding academic freedom and the university's critical function in public life.

Building on these gaps, this study asks a central question: how do state-university relations shape the construction and negotiation of institutional autonomy within Indonesia's higher education governance framework? Using a new institutionalist approach and a qualitative document analysis design, this study argues that institutional autonomy in Indonesia does not mean complete independence from the state but rather a form of negotiated authority, continuously redefined through regulatory structures and public accountability requirements. Moreover, the dominance of performative accountability risks narrowing academic freedom and eroding the university's capacity as a pillar of democratic deliberation, so a democratic governance framework requires a careful balance among university autonomy, public accountability, and the protection of academic freedom (Reichman, 2025). Accordingly, this study analyzes how state-university relations shape this negotiation and examines its implications for academic freedom and the university's democratic role, offering policy directions that protect academic integrity amid the pressures of performativity.

ANALYSIS FRAMEWORK

New Institutionalism and Historical Institutionalism: Understanding Autonomy as a Product of Rules and Historical Trajectories

This study employs new institutionalism as its primary analytical framework to examine higher education governance and the negotiation of institutional autonomy in Indonesia. From this perspective, institutions are understood as enduring formal and informal rules, norms, and procedures that shape actors' behaviour and distribute power within a political system (Helmke & Levitsky, 2014; March & Olsen, 1989; North, 1990). Accordingly, institutional autonomy is analysed not as an inherent right but as an outcome of regulatory arrangements through which the state structures and governs university authority.

Within the broader family of new institutionalism, three principal approaches offer different explanations of actor behavior and institutional change. Rational choice institutionalism emphasizes actors' strategic calculations in response to rules and incentives, whereas sociological institutionalism focuses on the influence of norms, values, and cultural-organizational legitimacy. Historical institutionalism, by contrast, emphasizes how temporal sequences, prior institutional decisions, and policy legacies shape and constrain subsequent choices (Hall & Taylor, 1996). This study adopts historical institutionalism because it focuses not on actors' individual calculations or the normative legitimacy of particular policies, but on

how early post-Reformasi higher education reforms established an institutional trajectory that subsequently constrained and directed the development of university governance in Indonesia.

Within historical institutionalism, temporal sequences refer to the order in which institutional events and policy decisions occur, whereby the sequence itself—not merely the events considered in isolation—shapes subsequent institutional outcomes. One manifestation of this temporal logic is path dependence, a process through which early institutional choices generate self-reinforcing mechanisms that narrow subsequent policy alternatives and make fundamental departures increasingly difficult over time (Hall & Taylor, 1996). In Indonesian higher education governance, the early post-Reformasi decision to grant autonomous status to selected public universities through the State-Owned Legal Entity model set in motion a trajectory of institutional differentiation, later consolidated through the differentiated statuses of PTN-BH, PTN-BLU, and PTN-Satker. This trajectory has produced an uneven distribution of authority, institutional capacity, and resources that tends to persist and become reinforced through subsequent policies.

Critical junctures, meanwhile, are relatively brief periods during which institutional arrangements become unusually fluid, policy alternatives expand, and the decisions adopted can establish long-term developmental trajectories. Based on this definition, the enactment of Law No. 12 of 2012 on Higher Education and the introduction of Key Performance Indicators through Minister of Education and Culture Decree No. 3/M/2021 can be examined as critical junctures in the development of Indonesian higher education governance. Law No. 12 of 2012 consolidated differentiated forms of authority and governance among public universities, while the introduction of Key Performance Indicators strengthened evaluation- and performance-based state steering. These moments therefore offer strategic analytical entry points for explaining how state-university relations have shifted from direct administrative control to a system in which institutional autonomy remains governed through regulation, evaluation, and performance-based accountability.

The Evaluative State, Supervised Autonomy, and Performative Logic: Conceptualizing Contemporary State Steering of Universities

To explain the transformation of state control in higher education governance, this study draws on Neave's concept of the evaluative state. The concept describes a system-level shift in which governments gradually move away from direct administrative control and increasingly steer higher education through evaluation, quality assurance, accreditation, audits, and

performance measurement. Rather than withdrawing from higher education governance, the state changes how it exercises authority by establishing standards, defining indicators, monitoring institutional outcomes, and linking evaluation results to universities' legitimacy and resource allocation. The evaluative state therefore serves as an overarching concept that explains the broader architecture of state steering within the higher education system

At the institutional level, this mode of governance produces a condition described as supervised autonomy. This concept captures how universities may acquire greater discretion over academic, administrative, and managerial decisions while remaining subject to boundaries, standards, and monitoring mechanisms designed by the state (Couck, 2026). The evaluative state and supervised autonomy are therefore related but analytically distinct concepts: the evaluative state describes the state's broader mode of governance at the system level, while supervised autonomy captures its specific institutional manifestation—how individual universities experience and exercise autonomy under continuous evaluation. Within this arrangement, institutional autonomy does not amount to complete independence from the state; rather, it constitutes conditional authority exercised within state-defined regulatory and accountability parameters.

Performativity further strengthens this framework. Drawing on Lyotard (1984), performativity refers to a shift in the legitimation of knowledge toward criteria of efficiency, operational utility, and the optimization of measurable input-output relations. Ball extends this concept by revealing its disciplinary dimension at both institutional and individual levels: targets, rankings, evaluations, and performance comparisons encourage universities and academics to continuously monitor, assess, and modify their conduct according to externally defined indicators. In higher education, this logic appears in Key Performance Indicators, accreditation systems, and other performance-measurement instruments that shape institutional evaluation and resource allocation (Beerkens, 2022; Huisman & Stensaker, 2022). While these mechanisms strengthen accountability, they also encourage universities to prioritize measurable performance over broader academic and democratic missions. Although these instruments can strengthen transparency and accountability, the predominance of quantifiable measures may also encourage universities to prioritize measurable achievements over academic and democratic missions whose value is long-term or difficult to quantify.

This integrated framework is particularly relevant to Indonesia, where university autonomy is politically constructed through differentiated regulatory arrangements rather than inherited as an institutional right. From a new institutionalist perspective, these regulations, accountability mechanisms, and performance indicators constitute the institutional rules that

shape organizational behaviour. At the same time, historical institutionalism explains how this governance model became entrenched after Reformasi. Accordingly, the framework is applied by analysing the Key Performance Indicators (IKU) under Ministerial Decree No. 3 of 2021, treating them not merely as performance measures but as governance instruments that shape institutional incentives and continuously renegotiate state-university relations.

Operationalizing the Analytical Framework: From Regulation and Accountability Regimes to Academic Freedom

The analytical framework is operationalized through three interconnected dimensions of state-university relations. The first is the regulatory-institutional architecture, which examines the legal and policy framework governing differentiated university autonomy, including Law No. 12 of 2012, its implementing regulations, and ministerial policies on PTN-BH, PTN-BLU, and PTN-Satker (Shin et al., 2022). This dimension focuses on how these regulations allocate authority over academic and non-academic affairs.

The second dimension is the accountability regime, which analyzes how the state steers university performance through Key Performance Indicators, accreditation, the PDDIKTI database, and financial audits (BPK). Rather than viewing these instruments solely as evaluation tools, this study examines them as a governance regime that shapes institutional autonomy through monitoring, performance measurement, and accountability (Macheridis & Paulsson, 2021).

The third dimension concerns academic freedom and the university's democratic function, examining how regulatory and accountability arrangements influence research, public engagement, and universities' capacity to serve as spaces of democratic deliberation. It also considers how financial dependence, compliance pressures, and reputational incentives shape the practical exercise of academic freedom under the evaluative state (Moodley, 2025).

This study examines these dimensions through qualitative library research using legal and policy documents, scholarly literature, and institutional reports to analyze how state–university relations construct and negotiate institutional autonomy in Indonesia. From a new institutionalist perspective, institutional autonomy is understood as a continuum of negotiated authority shaped by regulatory frameworks, accountability regimes, and protections for academic freedom.

RESEARCH METHODS

This study employs a qualitative approach with a qualitative document analysis design to examine the political processes, institutional mechanisms, and power relations shaping state–university relations in Indonesia (Bowen, 2009; Flick, 2022). Document analysis enables systematic examination of legislation, policy instruments, institutional reports, and academic literature. Primary documents comprise Law No. 12 of 2012 on Higher Education, Minister of Education and Culture Decree No. 3 of 2021 on Key Performance Indicators (IKU), and accreditation documents issued by the National Accreditation Agency for Higher Education (BAN-PT), and related implementing regulations, tracing the shift from centralized bureaucratic governance toward differentiated autonomy and performance-based steering.

Secondary sources were retrieved from Scopus, Web of Science, Google Scholar, and official government portals using Indonesian and English keywords including “*tata kelola pendidikan tinggi*,” “*otonomi universitas*,” “*otonomi perguruan tinggi*,” “*relasi negara-universitas*,” “*akuntabilitas pendidikan tinggi*,” “*kebebasan akademik*,” “*higher education governance*,” “*university autonomy*,” and “*state-university relations*.” We prioritized publications from 2015–2026 to capture developments after Law No. 12/2012, while retaining earlier works for theoretical grounding. We included sources that explicitly addressed university autonomy, accountability, academic freedom, or state–university relations in Indonesia; we excluded publications focused solely on teaching practice or internal administration.

Analysis adapted Braun and Clarke's (2022) six-phase thematic analysis to legal and policy texts: familiarization through repeated reading of regulations and literature; coding of clauses on academic authority, financial management, governance, evaluation, and academic freedom; and generating, reviewing, and refining themes into three categories—regulatory architecture, accountability regimes, and academic freedom/democratic function—through cross-document comparison and conceptual delimitation. Credibility was strengthened through source triangulation, comparing formal legal provisions with interpretations in academic literature and institutional reports, supported by an audit trail recording each source's identity, relevant provisions, codes, and thematic classification. Because the study relies solely on documentary evidence, findings identify institutional patterns and conceptual relationships rather than causal effects or the lived experiences of all Indonesian universities and academic communities.

RESULTS AND DISCUSSION

This section presents the findings and analysis of institutional autonomy within Indonesian higher education governance. Drawing on the new institutionalism framework and the concepts of the evaluative state, supervised autonomy, and performativity, the discussion is organized into three sub-sections: (1) the regulatory architecture that constructs differentiated university autonomy, (2) the accountability regime that produces supervised autonomy, and (3) the implications of these dynamics for academic freedom and the university's democratic role. The findings are interpreted in dialogue with the existing literature to explain the institutional and political dynamics underpinning state-university relations.

The Construction of Institutional Autonomy within the State Regulatory Framework

Institutional autonomy in Indonesian universities is not the product of an organic academic evolution but a politically constructed outcome shaped by successive waves of state regulation following the 1998 Reformasi. From a new institutionalist perspective, institutions are sets of rules that shape actors' preferences and behaviour rather than merely arenas of interaction (March & Olsen, 1989). Accordingly, the state acts as the principal architect of the rules governing university authority, granting autonomy not as freedom from state intervention but as a redistribution of authority within a regulatory framework that simultaneously expands institutional discretion while maintaining control through evaluation and standard-setting mechanisms (Ikma & Yulianto, 2025; North, 1990). In this sense, Indonesian higher education reflects the logic of the evaluative state, where direct administrative control is replaced by governance through assessment and accountability.

Before Reformasi, higher education operated under a highly centralized system. Law No. 2 of 1989 positioned public universities as administrative units under the Ministry of Education and Culture, leaving finance, staffing, and academic affairs largely subject to central government control. Reformasi constituted a critical juncture (Hall & Taylor, 1996), prompting the issuance of Government Regulation No. 61 of 1999, which granted BHMN status to Universitas Indonesia, Universitas Gadjah Mada, Institut Teknologi Bandung, and Institut Pertanian Bogor. This marked Indonesia's transition toward institutional autonomy while simultaneously laying the foundations for differentiated university governance.

The reform was driven not only by domestic demands for decentralization but also by international policy influence. Through higher education reform initiatives in the late 1990s and early 2000s, the World Bank and the Asian Development Bank promoted a corporate university model emphasizing efficiency, financial sustainability, and global competitiveness

(Rosser, 2016). Consequently, the autonomy framework embodied in Government Regulation No. 61 of 1999 and later institutionalized in Law No. 12 of 2012 emerged from the interaction between global neoliberal governance ideas and Indonesia's post-authoritarian political transformation (Varghese & Michael, 2014). This trajectory also explains the growing centrality of performance-based accountability within the country's higher education governance.

Law No. 12 of 2012 subsequently consolidated this framework by distinguishing institutional autonomy into academic and non-academic dimensions while introducing a differentiated governance structure comprising PTN-BH, PTN-BLU, and PTN-Satker. Rather than granting autonomy uniformly, the law distributes authority according to institutional status, creating varying degrees of discretion in academic, financial, and organizational governance. This differentiation does not reserve academic autonomy for PTN-BH, PTN-BLU, and PTN-Satker; all public universities retain normative authority over academic policies, education, research, and community service. Differences primarily concern procedural and non-academic discretion in areas such as study programs, budgeting, revenue, personnel, assets, and accountability. Table 1 compares these configurations based on relevant regulations and official administrative data from a common reporting period.

Table 1. Typology of Public Universities Based on Institutional Status and Dimensions of Autonomy

Dimension of Autonomy	PTN-BH	PTN-BLU	PTN-Satker
Academic autonomy	Full — sets norms for education, research, and community service, including opening/closing study programs (Law No. 12/2012, Articles 64 and 65(3)(g))	Autonomous in curricula, learning, research, and community service (Government Regulation No. 4/2014, Articles 7 and 22–23)	Same academic scope as PTN-BLU, but more closely bound to ministerial procedures and national standards (Government Regulation No. 4/2014, Article 25)
Financial management	Manages funds, budget, investment, endowment, and business entities independently (Law No. 12/2012, Article 65(3)(d) and (f); Government Regulation No. 4/2014, Article 23)	Manages service revenue via a Business and Budget Plan, but stays within the ministry's/state's financial system (Government Regulation No. 23/2005 as amended by Government Regulation No. 74/2012)	Revenue and expenditure run through the state budget, DIPA, non-tax state revenue, and treasury mechanisms (Government Regulation No. 4/2014, Article 25)
Personnel status	Independent — civil servants and non-civil servants possible (Law No. 12/2012, Article 63)	Mostly civil servants under the BLU financial management pattern (Government Regulation No. 23/2005 as amended by	Entirely civil servants (Government Regulation No. 4/2014, Article 27(1))

		Government Regulation No. 74/2012)	
Asset management	Initial assets = separated state assets excluding land; may independently manage facilities (Law No. 12/2012, Article 65(3)(a))	Assets remain State-Owned Property, used through BLU/state-asset mechanisms (Government Regulation No. 27/2014 as amended by Government Regulation No. 28/2020)	Assets are State-Owned Property, administered under general state-asset rules (Government Regulation No. 4/2014, Article 24)
Tuition fee determination	Set by leadership within the national SSBOPT/UKT framework (Government Regulation No. 4/2014, Article 25(2)(b))	Set by leadership within the national framework; tariffs also follow BLU tariff procedures (Minister of Finance Regulation No. 129/PMK.05/2020, as amended by No. 76/2025)	Set by leadership within the national framework; revenue treated as non-tax state revenue (Government Regulation No. 4/2014, Article 25(2)(b))
Financial accountability	Reports to the Board of Trustees and the Minister; public summary; audited under the PTN-BH framework (Law No. 12/2012, Article 78)	Reports to the Minister of Finance and the technical minister; consolidated into ministry reporting (Government Regulation No. 26/2015 as amended by Government Regulation No. 8/2020)	Accountable via government accounting, ministerial reporting, and state audit mechanisms (Government Regulation No. 4/2014, Article 33)
Number of PTNs (2025)	Approximately 24	Approximately 53	Approximately 66

Source: Compiled from Law No. 12/2012 and related regulations

The data in Table 1 demonstrate that institutional autonomy in Indonesia is both gradual and hierarchical. While approximately 24 PTN-BH institutions enjoy the broadest autonomy, more than 60 PTN-Satker institutions remain fully dependent on the central bureaucracy. This asymmetrical distribution positions the state not merely as a facilitator of autonomy but as the architect of a stratified governance structure. PTN-BH institutions occupy the highest tier with greater discretion over academic, financial, and organizational matters; PTN-BLU institutions enjoy limited flexibility, whereas PTN-Satker institutions remain largely extensions of the central government. Consequently, autonomy functions not as a uniform institutional right but as a differentiated privilege that shapes unequal access to resources, strategic decision-making, and reputational advantages.

These differences have tangible institutional consequences. PTN-BH institutions possess greater flexibility to establish new study programs, develop international collaborations, manage assets, and recruit non-civil-servant faculty. In contrast, PTN-Satker institutions remain constrained by ministerial approval procedures and rigid state budget regulations. Over time, this asymmetry creates a self-reinforcing cycle in which more autonomous institutions accumulate resources and competitive advantages, while less

autonomous institutions struggle to catch up. This illustrates path dependence (Hall & Taylor, 1996), whereby early institutional choices create durable hierarchies that policies such as performance-based funding and Key Performance Indicators then reinforce, consistent with broader findings on self-reinforcing institutional development in higher education systems.

PTN-BH status is neither automatic nor permanent. Universities must satisfy state-defined requirements, undergo periodic evaluation, and continuously demonstrate institutional performance to obtain and retain autonomous status. Consequently, autonomy functions not only as delegated authority but also as a disciplinary instrument through which the state governs universities via performance and accountability mechanisms. As Utomo (2020) shows, managerial, professional, public, and personal accountability have become integral to governance in Indonesian autonomous universities, ensuring that institutional discretion remains subject to continuous monitoring and legitimacy assessment. From a principal–agent perspective, the state delegates authority while retaining the power to set delegation conditions, evaluate performance, and ultimately revoke autonomous status if institutions fail to meet expectations.

From a historical institutionalist perspective, this arrangement illustrates how the state deliberately designs the rules of the game to expand institutional discretion without relinquishing ultimate authority. Consistent with Neave's (1998) concept of the evaluative state, autonomy represents a shift from direct administrative control to governance through standards, accreditation, audits, and performance evaluation. Institutional autonomy in Indonesia is therefore not an unconditional transfer of authority but a conditional and revocable arrangement, continuously negotiated within a regulatory framework that remains firmly under state control.

The Tension between Autonomy and Accountability in Higher Education Governance Practice

Alongside granting autonomy, strengthening accountability is a structural necessity within the new public management paradigm that underpins bureaucratic reform in many countries, including Indonesia. Within this paradigm, decentralizing authority must be counterbalanced by rigorous evaluation mechanisms to prevent the misuse of discretion. This relationship produces supervised autonomy: universities have operational freedom, but the state systematically measures, assesses, and accounts for that freedom through instruments it determines unilaterally (Couck, 2026). Its theoretical roots trace back to the concept of the evaluative state, in which evaluation and audit replace traditional hierarchical control. This

dynamic creates a central paradox: the more autonomy granted, the more intensive the accountability mechanisms that supervise its exercise—a tension that shapes the everyday realities of university governance.

In Indonesia, the shift toward new public management in higher education became increasingly institutionalized from the early 2000s. Public universities, which had previously operated within a centralized bureaucratic logic, were pushed to transform into semi-autonomous entities fully responsible for their own performance. At the same time, institutions adopted performance management instruments previously more common in the corporate sector. Accountability was no longer understood merely as procedural compliance but expanded to encompass the achievement of measurable, standardized, and directly comparable performance targets across institutions.

The most concrete manifestation of this logic is the establishment of Key Performance Indicators (IKU) through Minister of Education and Culture Decree No. 3 of 2021. This instrument comprises eight outcome-based indicators used as the basis for performance measurement and competitive fund allocation. The eight indicators—graduate employability, student engagement outside campus, faculty involvement in industry and community, practitioner involvement in teaching, research utilization and international recognition, partnerships with world-class institutions, collaborative and participatory learning quality, and international accreditation—collectively exhibit a strong orientation toward economic relevance and global competitiveness. Fundamental dimensions such as basic science development, long-term non-market-oriented research, and the formation of critical intellectual traditions are virtually absent from this measurement framework.

This phenomenon reflects what Lyotard (1984) termed the logic of performativity: knowledge institutions are judged not by the intrinsic value of academic activities but by efficiency and measurable outputs. Ball (2003) sharpened this analysis by demonstrating that performativity creates an institutional culture in which academics and institutions are more preoccupied with optimizing the appearance of indicators than with pursuing substantive academic goals. In the Indonesian context, the performative pressure exerted by the IKU can engender metric fixation, a condition in which institutions gradually lose the ability to distinguish between genuine goals and the measures used to assess their achievement (Muller, 2018). The risk is that university success is reduced to meeting numerical targets rather than authentically executing the academic mission. When funding allocation and reputation are heavily dependent on IKU achievement, universities rationally shift research, teaching, and

community service priorities toward areas that are easily measurable and aligned with state preferences.

Beyond the IKU, the accreditation mechanisms operated by the National Accreditation Agency for Higher Education (BAN-PT) and other independent accreditation bodies also function as accountability instruments with extensive institutional reach. Formally, accreditation protects students' and the public's interests. In practice, however, accreditation becomes a covert control mechanism: universities are periodically evaluated against externally set standards, and the results directly affect institutional reputation, student recruitment, and bargaining power (Duarte & Vardasca, 2023; Romanowski, 2022). The pressure to maintain or improve accreditation ratings often directs institutional attention toward completing administrative documentation rather than substantive improvements in academic quality. This phenomenon can be categorized as performative accreditation, in which institutions prioritize appearance over genuine change in academic processes and outcomes.

From a principal-agent theory perspective, the relationship between the state (principal) and universities (agent) within this accountability regime is characterized by information asymmetry. The state lacks full access to universities' internal processes. It therefore relies on performance measurement systems as a proxy to ensure that the agent acts in accordance with the principal's interests. However, this measurement system creates incentives for the agent to adapt its behavior strategically—focusing on what is measured and neglecting what is not. Over the long term, this strategic adaptation can erode the essence of the university's mission. Rather than serving as a center for knowledge development and social criticism, the university transforms into an organization adept at meeting the state's administrative targets.

The accumulation of IKU, accreditation, performance reports, audits by the Supreme Audit Agency (BPK), and the obligation of continuous data reporting through the Higher Education Database (PDDIKTI) has formed what may be termed a higher education audit regime. Power (1997) warned that in the audit society, audit is no longer technical verification but has been transformed into a governance logic that permeates all aspects of institutional life. The energy and resources that should be allocated to creating academic value are instead absorbed by the demands of reporting, documentation, and administrative indicators, which often overlap across institutions. The consequence is a massive bureaucratization of academic life, in which administration increasingly erodes faculty time for research and intellectual reflection.

The paradox is that the greater the autonomy granted, the more intensive the accountability mechanisms that supervise its exercise. In this tension between autonomy and

accountability, the university finds itself at a paradoxical crossroads: it is urged to be independent, yet the state continuously monitors and steers that independence. When accountability is solely translated as compliance with performative metrics, institutional autonomy is reduced to nominal autonomy—autonomy emptied of substance. Healthy higher education governance must therefore transcend the simple dichotomy between autonomy and accountability; it must be capable of designing accountability mechanisms that respect the internal logic of academic work, namely the freedom to determine scholarly direction and to question established orders, as a prerequisite for the advancement of knowledge and the health of democracy.

Academic Freedom and the Democratic Function of Universities in State-University Relations

Academic freedom is the university's ontological foundation, not merely an individual entitlement enjoyed by lecturers or students. It enables members of the academic community to determine research questions, examine competing arguments, communicate findings, and criticize power according to scholarly standards. In the Humboldtian tradition, academic freedom is understood as a structural condition for the development of knowledge relatively protected from the domination of political and economic interests (Marini & Oleksiyyenko, 2022). This freedom is also connected to the democratic function of the university as a center of knowledge production, a space for the formation of critical citizens, and a “center for the study of virtue and moral force to seek and discover the truth,” as stipulated in Article 58(1) of Law No. 12 of 2012.

Normatively, Law No. 12 of 2012 guarantees academic freedom in Indonesia, recognizing academic freedom, freedom of academic expression, and scientific autonomy. Table 2 synthesizes legal documents, KPI policy instruments, university reports, and empirical research on academic freedom. Consequently, the column on “documented institutional or practical conditions” should not be interpreted as a statistical measure of the prevalence of violations or as causal evidence that the Key Performance Indicators (IKU) directly restrict academic freedom. Rather, the table maps the relationship among formal guarantees, documented institutional practices, and their analytical implications.

Table 2. Dimensions of Academic Freedom in the Normative Framework and Practical Conditions in Indonesia

Dimension	Normative Guarantee	Documented institutional or empirical condition	Analytical implication
Research freedom	Law No. 12/2012, Articles 8(1)-(3), 9(1), and 12(2)	Minister of Higher Education, Science, and Technology Decree No. 358/M/KEP/2025 (Indicator 4) counts internationally recognized or socially applied research as a key performance indicator; Universitas Tadulako monitors this via periodic reporting and an institutional dashboard (Universitas Tadulako, 2025).	Output metrics may steer attention toward measurable results but do not systematically restrict research topics or conclusions.
Teaching freedom	Law No. 12/2012, Articles 8-9 and 12(1)	Ministerial Decree No. 358/M/KEP/2025 (Indicator 3) measures the share of students engaging in learning experiences or achievements outside their study program (e.g., internships, research, exchange), monitored through course plans and institutional reports at Universitas Tadulako (2025).	Standardizing measurable learning experiences may shape teaching orientation but could also improve quality and engagement; no evidence of systematic content restriction.
Freedom of academic expression	Law No. 12/2012, Articles 8(1)-(3) and 9(2)	Prakasa (2024) citing KIKA, reports cases of dissolved discussions, restricted academic activities, summonses of student organizations, and pressure against criticism—some unadjudicated.	Suggests a gap between formal guarantees and practical protection, though not all cases are attributable to the KPI regime.
Protection from sanctions	Law No. 12/2012, Article 8(3)	Prakasa (2024) cites the disputed dismissal of Prof. Budi Santoso (Dean, FK Universitas Airlangga) after he criticized the foreign-doctor policy; UNAIR confirms his reinstatement after dialogue and an apology, without confirming criticism as the sole cause (Universitas Airlangga, 2024).	Shows unresolved boundaries between academic expression, institutional office, and managerial authority; causal interpretation remains contested.
Freedom of public expression	1945 Constitution, Articles 28E(2)-(3) and 28F	KIKA data (in Prakasa, 2024) record 20 cases (2019-Feb 2024) involving ~64 persons: 52 students, 9 lecturers, 3 journalists/activists.	Documents real disputes but not a national prevalence estimate, nor proof that all pressure originated from universities or KPI instruments.
Freedom of association and assembly	1945 Constitution, Article 28E(3); Law No. 12/2012, Article 14(2)	Prakasa (2024) documents restrictions on student-press/executive bodies, e.g., LPM Acta Surya and the BEM PPNS summons over an Omnibus Law protest.	Campus licensing and disciplinary procedures may constrain civic space; each incident's status and justification needs separate assessment.

Source: Synthesized from regulations, academic literature, and institutional reports.

The evidence points to two processes that must be distinguished. First, indicator-based evaluation is institutionalized. Tadulako's report (2025), for example, shows how KPIs are translated into performance agreements, quarterly reporting, the collection of supporting

evidence from study programs and faculties, and dashboard-based monitoring. This provides an empirical illustration of how the logic of the evaluative state and performativity operates at the institutional level. Nevertheless, it demonstrates an intensification of measurement and monitoring rather than direct evidence that lecturers are prohibited from researching or teaching particular subjects.

Second, documented reports describe restrictions on expression, organizational activities, and academic criticism. The KIKA compilation discussed by Prakasa (2024) shows that students constituted the largest group among the reported victims. The case of Prof. Budi Santoso likewise demonstrates how competing interpretations of an academic's role as scholar, public official, and university officeholder may develop into a managerial dispute. However, the variation in actors, contexts, and mechanisms involved makes it inappropriate to conclude that the KPI system or universities' formal autonomy status directly caused all reported violations.

Within this study's analytical framework, the relationship between accountability regimes and academic freedom is therefore better conceptualized as a risk mechanism rather than direct determination. First, indicators emphasizing recognition, utilization, and measurable outputs may encourage universities and academics to prioritize activities that can be readily converted into performance achievements. Second, when ministerial targets are transmitted through performance agreements to faculties and study programs, performance pressures may become internalized in everyday academic decision-making. Third, although Article 8(3) of Law No. 12 of 2012 places a protective obligation on university leaders, the law does not itself establish an independent appeals mechanism specifically for academic-freedom disputes. This may create difficulties when the authority responsible for providing protection is also involved in the disputed managerial decision.

At the same time, accountability and standardization should not be treated exclusively as instruments of control. They may improve transparency in the use of public resources, educational quality, the social relevance of research, and universities' responsibility to society. The critical issue concerns their design and implementation: whether indicators accommodate disciplinary diversity and critical research; whether quantitative measurement is complemented by qualitative peer evaluation; and whether transparent procedures are available when performance requirements conflict with scholarly judgment.

This risk mechanism is directly connected to the university's broader democratic function. From a deliberative democracy perspective, universities play a vital role in producing

the knowledge that underpins quality public debate. Research critical of government policy, studies that question existing power structures, and knowledge production oriented toward the interests of marginalized groups constitute irreplaceable contributions (Omodan, 2025). Academic freedom consequently protects not only academics' individual interests but also universities' institutional capacity to maintain a critical distance from both state and market power. When research priorities, teaching practices, and public communication become excessively shaped by funding incentives, reputational metrics, or bureaucratic expectations, anticipatory conformity may emerge: academics and institutions may select topics, methods, and forms of expression perceived as institutionally safe or advantageous (Liu, 2025; Sandström & Van den Besselaar, 2018). Because this process operates through incentives and risk management rather than explicit prohibition, demonstrating its occurrence requires additional evidence from interviews, surveys, or institutional case studies; the present document analysis primarily identifies the institutional conditions under which such a process may arise.

These findings reinforce the argument that university autonomy in Indonesia is conditional. Law constructs it, performance indicators direct it, and institutional practice negotiates it. Restoring universities' democratic function therefore requires more than formal guarantees: it requires plural performance measures, diversified funding, independent protection and appeals procedures, and a political and institutional commitment to distinguish legitimate accountability from interventions that threaten academic integrity (Bartel, 2025). Taken together, the analysis of these three dimensions—the construction of institutional autonomy, the autonomy-accountability tension, and academic freedom and the university's democratic function—confirms that higher education governance in Indonesia is a complex and multi-layered arena of political contestation. The state-university relationship resists any simple dichotomy between control and freedom; it is an ongoing negotiation among interests, values, and institutional mechanisms. University autonomy is, in the end, conditional autonomy: constituted by regulation, measured by accountability, and tested by the commitment to academic freedom as a value irreducible to a set of performance indicators.

CONCLUSION

This study demonstrates that institutional autonomy in Indonesian higher education is neither uniformly distributed nor automatically inherent in every university, but is rather constructed and allocated through a tiered regulatory architecture that produces conditional autonomy. The analysis of Law No. 12 of 2012 and its implementing regulations generates

three principal findings. First, although all public universities formally possess academic autonomy, the PTN-BH, PTN-BLU, and PTN-Satker statuses grant different degrees of discretion over study programs, financial management, personnel, assets, and institutional governance; the 2024 baseline recorded 21 PTN-BH, 34 PTN-BLU, and 21 PTN-Satker institutions. Second, incorporating Key Performance Indicators, accreditation, performance agreements, and periodic reporting into university planning and evaluation reflects supervised autonomy, under which universities retain operational room while remaining steered by state-defined objectives. Third, comparison between Articles 8–9 of Law No. 12 of 2012 and documented academic-freedom disputes indicates an implementation gap. Nevertheless, this qualitative document analysis cannot measure the prevalence of restrictions or directly capture academics' experiences. The study contributes to political-institutional scholarship by conceptualizing state-university relations as negotiated governance and by showing that accountability may improve transparency while risking narrower academic diversity when it relies predominantly on measurable outputs.

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