

THE GLOBAL ECONOMIC CRISIS AND ITS IMPACT ON INDONESIA'S EDUCATION¹

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ABSTRACT

This paper will examine to what extent the unprecedented global financial crisis has affected the Indonesia's economy. The differences between Indonesia's experience of the global financial crisis (GFC) and Asian Financial Crisis (AFC) in 1997–98 will be illuminated. The government's priority on the development of education— together with achieving quality growth, reducing poverty, creating jobs, improving infrastructure— have accelerated the economic recovery and improved key indicators in education. Despite budgetary adjustments, the Indonesian government continues to prioritize investment in education. As a result, the GFC has not affected number of students in Indonesia significantly. The GFC has not affected the interest of students to get higher education at the Indonesia's universities.

Keywords: *global financial crisis, Asian financial crisis investment, economic recovery*

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