

SCHOOL DROPOUT RATE IN THE SHADOW OF ECONOMIC CRISIS

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Abstract

The economic crisis has had a significant impact on various sectors of life, including education. One of the problems that emerged was the drastic increase in dropout rates among children from underprivileged families. The economic impact leads to the inability of families to fulfil basic needs, including the cost of their children's education. As a result, many students have to leave school to help the family economy or because parents lose their jobs and income. To address this problem, a comprehensive solution involving various parties is needed. Financial support in the form of education subsidies can help ease the burden of school fees. In addition, improving the quality and access to better education facilities will provide fairer learning opportunities for all students. The implementation of technology in education is also an important step to ensure flexible access to learning, especially for those who are physically challenged to attend school. Collaboration between the government, educational institutions, NGOs and communities is crucial in creating an enabling environment for children to continue their education amidst the economic crisis. With concerted efforts, it is hoped that the dropout rate can be reduced and children can continue to get proper educational opportunities.

Keywords: School Dropout Rate in the Shadow of Economic Crisis

Introduction

Education is one of the main pillars in the development and progress of a nation. Through education, the younger generation is equipped with the necessary knowledge and skills to contribute positively to society and the economy. However, in the midst of various global challenges, one of the more prominent problems is the high dropout rate, especially in the shadow of the economic crisis.

An economic crisis is a condition in which the economy of a country or region experiences a drastic decline, characterised by a decline in Gross Domestic Product

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(GDP), rising unemployment rates, and high inflation. Economic crises can be caused by a variety of factors, including financial market turmoil, ineffective monetary policy, political instability, and natural disasters (Jr., 2020). When an economy experiences a crisis, people's purchasing power decreases significantly as income is insufficient to fulfil basic needs. Companies may also go bankrupt, resulting in mass layoffs and rising unemployment (Tzika & Fountas, 2021).

The impact of the economic crisis is broad and deep, encompassing various aspects of social and economic life. One of the most pronounced impacts was the increase in poverty, as many families lost their main source of income (Marchionatti, 2021). In addition, the quality of public services such as education and health also tends to decline due to dwindling government budgets. Economic crises also often trigger social instability, with rising crime rates and social discontent. In the long run, economic crises can widen social and economic disparities, hindering sustainable development efforts (Kim, 2023).

When a country's economy experiences a downturn, many families experience great financial stress. This often forces children, especially from low-income families, to leave school to help their families. This decision is made not because of a lack of awareness of the importance of education, but rather due to the force of difficult economic conditions (Ghosh, 2023).

This phenomenon does not only occur in developing countries, but also in developed countries experiencing economic fluctuations. Uncontrollable inflation, rising costs of living, and increasing unemployment add to the economic burden on families. As a result, access to quality education has become increasingly limited, causing dropout rates to soar (Sued, 2023).

Furthermore, this loss of access to education has long-term consequences for individuals and society as a whole. Children who drop out of school not only lose the opportunity to complete primary or secondary education, but also potentially experience difficulties in entering the workforce. This results in a lack of skills, low productivity, and ultimately exacerbates the cycle of poverty (Cetin, 2023).

In addition, increased dropout rates during times of economic crisis also affect social stability. Children who do not continue their education tend to be vulnerable to various social problems such as child labour, violence, drugs and crime. This further complicates the government's efforts in creating a safe and prosperous society (Bertrand, 2022).

Therefore, understanding and addressing the problem of school dropout rates in the shadow of the economic crisis is very important. An integrated effort is needed from various parties, including the government, educational institutions, and the community, to find the best solution. Scholarship programmes, educational assistance, and economic policies that support family welfare can be some of the concrete steps that can be taken (Sousa et al., 2021).

Thus, this study is to further examine the complexity of the issue of dropout rates in the midst of an economic crisis.

Research Methods

The study in this research uses the literature research method. This method is a research method carried out by collecting and analysing information from various written sources that are relevant to the topic or research problem being studied. These sources can be books, journal articles, research reports, theses, dissertations, and other documents. The main purpose of the literature research method is to gain an in-depth understanding of the research topic, identify gaps or scientific lacunae, and develop a theoretical framework that can support further research. (Setiowati, 2016); (Syahrani, 2020); (Helaluddin, 2019).

Results and Discussion

Definition and Theory of Dropout

Dropping out of school is a condition in which a student stops attending formal education before completing the appropriate level of education, for example before obtaining a primary, junior secondary or senior secondary school certificate (Ezaki, 2024). The factors leading to dropping out of school can be very diverse, including family economic problems, health conditions, unfavourable social environment, and lack of motivation and interest in learning. The impact of dropping out of school is significant, including limited future employment opportunities, increased risk of poverty, and limited ability to participate fully in social and economic life (Kim, 2023).

The dropout phenomenon is a complex problem that affects many countries, including Indonesia. Dropout occurs when students stop their formal education before completing the expected level of education, such as primary school, junior high school, or senior high school. According to UNICEF data, the dropout rate in Indonesia is still quite high, especially in rural and remote areas (Gandhi, 2024). This is influenced by various factors such as economic issues, where children from underprivileged families often have to leave school to work and help their parents fulfil their daily needs. Sometimes, circumstances such as the pandemic also worsen the situation, where many students struggle to access online education due to technological and infrastructural limitations (Alam & Hoque, 2023).

Apart from economic issues, dropping out of school is also influenced by social and cultural factors. In some communities, education is still not considered important, especially for girls who are often expected to marry soon after reaching a certain age (Ranaweera & Silva, 2023). Lack of support from the social environment, such as teachers and classmates, can also make students lose motivation to continue their education. A non-conducive school environment, such as bullying and violence, also adds to the reasons for students to drop out of school. In addition, unaddressed health

problems can also be a cause of dropping out, especially for students with special needs who do not receive adequate attention and facilities at school (Talekar, 2023).

The impact of dropping out of school is significant and has long-term effects on both the individual and society as a whole. For individuals who experience school dropout, opportunities for decent work and adequate income are severely limited. They are also at higher risk of poverty and other social problems, such as crime and drug use (Mamani et al., 2023). From a societal perspective, high dropout rates can reduce the quality of human resources and hinder economic growth. Therefore, the government and various related parties need to work together to overcome this problem through policies that support access to education, improve the quality of education, and provide assistance to poor families in need (Razafijaona et al., 2023).

Economic Crisis

An economic crisis is a situation in which a country or region experiences a sharp and significant decline in economic activity, often characterised by a drop in gross domestic product (GDP), an increase in unemployment, and general financial instability. These crises are often caused by a variety of factors, including banking system failures, currency devaluation, and turmoil in financial markets (Landry, 2020). Economic crises can also be triggered by external factors such as falling prices of key commodities, natural disasters, or global economic conflicts. These conditions usually continue until there is intervention from the government or international institutions to restore stability and investor confidence (Heimerl, 2023).

The characteristics of an economic crisis include several easily recognisable signs. First, there is a sharp and sustained economic contraction, leading to a decline in production and consumption. Second, the unemployment rate soars as many companies are forced to reduce their workforce or even close their operations. Third, financial market instability characterised by volatility in stock, bond and currency prices (Zorbaz & Özer, 2020). Fourth, there is a significant decline in household income, which affects people's purchasing power. Finally, there is often deflation or runaway inflation, depending on the specific conditions of the crisis. In many cases, an economic crisis can also trigger a decline in public confidence in the government and financial institutions, prolonging the recovery period.

Relationship between Economic Crisis and School Dropout

Economic crises often have direct and indirect impacts on dropout rates. In times of crisis, many families experience a significant drop in income, forcing them to reduce expenditures, including education costs. School fees, books, uniforms and transport become a burden too heavy to bear (Dahlia & Huda, 2024). Therefore, many children are forced to drop out of school to help their families earn a living. Moreover, in many cases, children from families experiencing economic hardship are more likely to work

immediately rather than continue their education, as they see this as the quickest way to help the family's financial situation (Lakshmi, 2024).

On the other hand, the economic crisis has also caused many schools and educational institutions to face significant budget cuts. As a result, many schools are unable to provide adequate facilities and teaching materials, and some are even forced to close. This situation worsens the access and quality of education, especially in areas that are already underdeveloped (Tzika & Fountas, 2021). Teachers may experience salary cuts or even job losses, which impacts on motivation and teaching quality. In this situation, children who are still in school may face inadequate learning conditions, reducing their interest and motivation to continue their education (Sitopu et al., 2024); (Guna et al., 2024).

In addition to economic and institutional factors, the economic crisis also affects the psychological and social aspects of students. The financial stress and uncertainty experienced by families can affect children's emotional well-being, which in turn affects their academic performance. They may face impaired concentration, increased anxiety levels and decreased motivation to learn (Marchionatti, 2021). In an environment where many children have to struggle with similar issues, the morale to stay in school can decrease overall, creating a vicious cycle where dropping out of school becomes increasingly common. Without proper intervention from the government and community, this phenomenon could result in an under-educated and under-capable generation, ultimately hindering long-term economic recovery (Kim, 2023).

Policy strategies that can reduce dropout rates

To reduce the dropout rate, the government and various stakeholders can implement several effective policy strategies. Firstly, education subsidies for low-income families need to be increased. Assistance programmes such as scholarships, school fee assistance, and free distribution of uniforms and books can ease the financial burden faced by poor families (Sued, 2023). In addition, primary to secondary education fees need to be eliminated or minimised so that all children can enjoy their right to education without financial barriers. Through these various assistance schemes, more children from underprivileged families can continue to receive education (Sudirman et al., 2023).

Secondly, the government needs to increase the budget for the education sector to improve the quality and accessibility of schools. This includes investing in school infrastructure, training and improving the welfare of teachers, and providing adequate learning facilities. Schools in rural and remote areas need special attention as they often lag behind urban schools (Wei et al., 2021). This will reduce the gap in education quality between different regions and ensure that all children, regardless of their geographical background, have equal learning opportunities.

Third, social intervention programmes need to be introduced to deal with psychological and social problems that students may face. School psychologists and counsellors should be provided to help children cope with stress, anxiety and other emotional problems that may arise from economic pressure or family problems (Shuja et al., 2021). In addition, life skills development and learning motivation programmes can be implemented to nurture a love for education and prepare students for the challenges of life beyond school. This holistic approach ensures that children receive not only financial and material support, but also the emotional and psychological support they need to stay in school and reach their full potential (Asif et al., 2021).

The fourth strategy is to engage communities and societies in efforts to reduce dropout rates. Programmes such as ‘foster parents’ or community mentoring can connect professionals and volunteers with students at risk of dropping out. Through this approach, these students can receive guidance, moral support and career advice that can motivate them to continue their education. In addition, awareness campaigns at the local level and cooperation with non-governmental organisations (NGOs) can help spread the importance of education and provide additional assistance in areas of greatest need (Yang et al., 2024).

Fifth, the application of technology in education can facilitate wider and more flexible access to learning. Online learning platforms and online courses can help students who cannot physically attend school for various reasons, such as geographical or health constraints (Hairiyanto et al., 2024); (Fawait et al., 2024); (Widjaja et al., 2022). Governments and educational institutions need to invest in digital infrastructure and ensure equitable internet access across regions. Thus, technology can be a tool to reach out to potential dropouts and offer them alternative solutions to continue learning (Rodionov & Kostenko, 2021).

In conclusion, reducing dropout requires a multi-dimensional approach involving financial efforts, school quality improvement, psychological support, community engagement, and technology utilisation. Through education subsidies, increased education budgets, social interventions, community engagement and the application of technology in learning, we can create a favourable environment for the continuation of education for all children. With this collective and collaborative action, it is hoped that the dropout rate can be significantly reduced, so that inclusive and equitable education can be realised.

Conclusion

In the context of the economic crisis, dropout rates have become one of the most worrying issues as families with financial constraints are often forced to prioritise other pressing needs over education. This is exacerbated by job losses and declining parental incomes, which cause many students to leave school to help the family economy. In addition, limited access to quality educational facilities and minimal

emotional support add to the challenges for these vulnerable students. The economic crisis not only disrupts financial stability but also has a direct impact on children's educational prospects.

However, amidst these challenges, various solutions can be pursued to address school dropout rates. A holistic approach includes financial support through education subsidies, improved quality and access to education facilities, and community mentoring programmes. In addition, the application of technology in education can be an effective solution, especially in ensuring flexible access to learning for those who cannot physically attend school. Collaborative efforts from the government, educational institutions, NGOs and communities are essential to create an enabling environment for education sustainability, so that children can continue to receive education despite the economic crisis.

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