

# 04

## Pinpointing the opportunities

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# Pinpointing the opportunities



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Philanthropists need to focus their efforts. With limited resources to promote change in a country with a vast and complex education system, they must carefully consider their action and clearly understand where their contributions likely have the biggest impact. By exploring where past efforts have succeeded and where they gave fallen short, our study has found four areas – teacher quality, school leadership, vocational education, and early childhood education and development – that harbour significant potential for improving the system.

## FOUR AREAS WITH SIGNIFICANT POTENTIAL FOR IMPACT

Philanthropists already contribute to lifting the quality of Indonesia's education, but the breadth of the system combined with finite resources means that for the greatest impact, they must carefully focus their efforts. Philanthropists must explore ways to prioritise their efforts based primarily on likely impact on education outcomes. Three criteria can be especially useful in setting these priorities (Exhibit 14):

- A. Performance gaps in Indonesia.** Identifying significant performance shortfalls compared with similar systems internationally, as well as among regions within Indonesia, can highlight areas that are ripe for improvement.
- B. Evidence of impact.** Examining global and Indonesian academic research and experience on improving education outcomes can uncover promising areas and measures.

## EXHIBIT 14 :: Three criteria were used to identify the highest potential drivers for philanthropists to influence Indonesia's education system



### Performance gaps in Indonesia

How does Indonesia perform in this driver?

- > Current gap to peers
- > Current trajectory
- > Dispersion



### Evidence of impact

What is the potential impact this driver could have on education outcomes?



### "White spaces" in philanthropic contribution

What is the level of under-investment or lack of focus by philanthropic actors?

#### C. "White spaces" in philanthropic contribution.

Strong drivers of improvement may currently be overlooked or underused as philanthropists and others concentrate elsewhere.

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Using these criteria, four areas stand out as containing considerable potential for triggering genuine improvements in Indonesia's education outcomes:

1. **Teacher quality**
2. **School leadership and governance**
3. **Vocational education**
4. **Early childhood education and development**

These four, of course, are not the only drivers of education quality – for instance financial assistance can deliver substantial impact – but these best match our criteria for greatest impact.



Financial programmes, such as scholarships and cash transfer initiatives are provided by many government initiatives, including the Cash Transfer for the Poor Students Programme Bantuan Siswa Miskin, and there may be less potential scope for philanthropists to have incremental impact (over and above these existing government programmes) than in other areas.

## TEACHER QUALITY

Teacher quality is among the most important drivers of education outcomes, but there are clear gaps in Indonesia. Although top-quality instructors have been directly linked to better student test scores, many Indonesian students do not benefit from such motivated teachers. For example, on average almost 10 percent of the country's teachers are absent on any given day, with absenteeism almost twice as high in remote areas.<sup>93</sup> While the Law on Teachers and Lecturers has increased the qualifications of teachers and raised the status of the teaching profession, there is little evidence of any difference between certified and uncertified teachers in their competencies or in their impact on student learning outcomes.<sup>94</sup>

Several factors contribute to poor teacher quality. Among the most significant in Indonesia, teaching is not recognised as an attractive career, academic and in-service training is deficient, and incentives and career progression are uninspiring (Exhibit 15). For example, in Indonesia, teachers in pre-service have up to 35 days a year in real classroom practical training, compared with 90 to 160 days in the United Kingdom.

The combined result of these factors means that top graduates shy away from teaching careers. A survey of participants in the Young Leaders of Indonesia (YLI)<sup>95</sup> programme revealed that low pay and weak performance management were the top reasons cited for not wanting to become teachers, while career progression and personal fulfilment were also pressing concerns among the respondents (Exhibit 16).

<sup>93</sup> - ACDP (2014), Study on Teacher Absenteeism in Indonesia.

<sup>94</sup> - ADB (2015), Education in Indonesia: Rising to the Challenge.

<sup>95</sup> - YLI is an intensive leadership development programme targeted at high performing third and final year students in the top Indonesian universities.

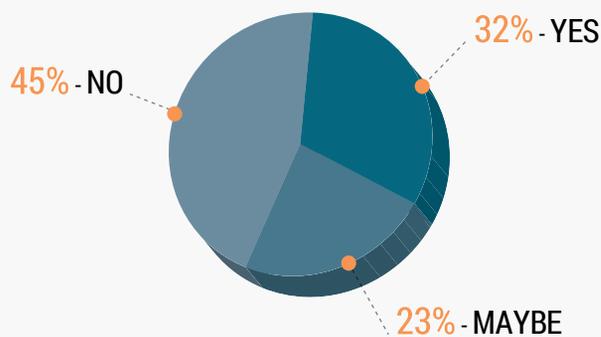
### EXHIBIT 15 :: What are the root causes impeding improvements in teacher quality in Indonesia?



## EXHIBIT 16 :: Low pay, weak performance management and limited career progression are identified as major barriers for top talent becoming teachers

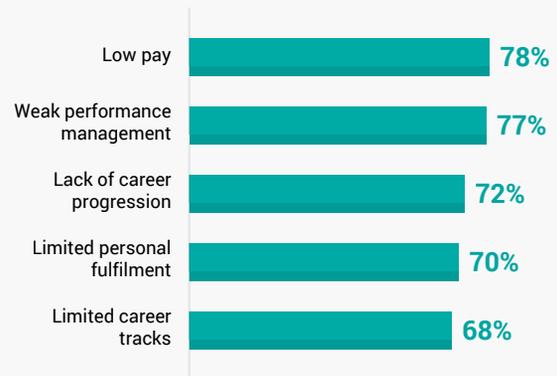
### Would you consider teaching as a career?

Percent of responses <sup>1</sup>



### What are the major reasons for not wanting to be a teacher?

Percent of responses <sup>2</sup>



<sup>1</sup> - Survey of 163 Young Leaders for Indonesia (YLIs). YLI is a foundation running programme that supports and develops the participants' personal and professional skills over the course of 6-months. For further information, see <http://yli.or.id/>  
<sup>2</sup> - Percent citing reasons as "very important".

SOURCE: YLI survey

## SCHOOL LEADERSHIP AND GOVERNANCE

School governance and leadership are important factors in influencing on education outcomes. Following decentralisation of the education system in Indonesia, however, there has been no increase in the capacity of principals or supervisors to lead and manage their teachers.<sup>96</sup> There are significant opportunities to improve school leadership in Indonesian schools – for example, just 2 percent of teachers rate their principals as competent in motivating teachers.

The causes behind weak leadership are varied (Exhibit 17). Among these, low pay and inconsistent appointment qualification<sup>97</sup> hinder the ability of schools to attract the best talent. For example, the average salary for principals after 10 years of service is 7 percent below that of office support workers.<sup>98</sup> Training is also a problem, with just 2 percent of principals completing the Principal Preparation Programme.<sup>99</sup>

Troublesome gaps are also seen in overall school governance. For example, only 44 percent of schools include school committees in decisions, and even then, the committees have limited power over critical decisions such as curriculum, hiring and firing, and financial control.<sup>100</sup>

<sup>96</sup> - ADB (2015), Education in Indonesia: Rising to the Challenge.

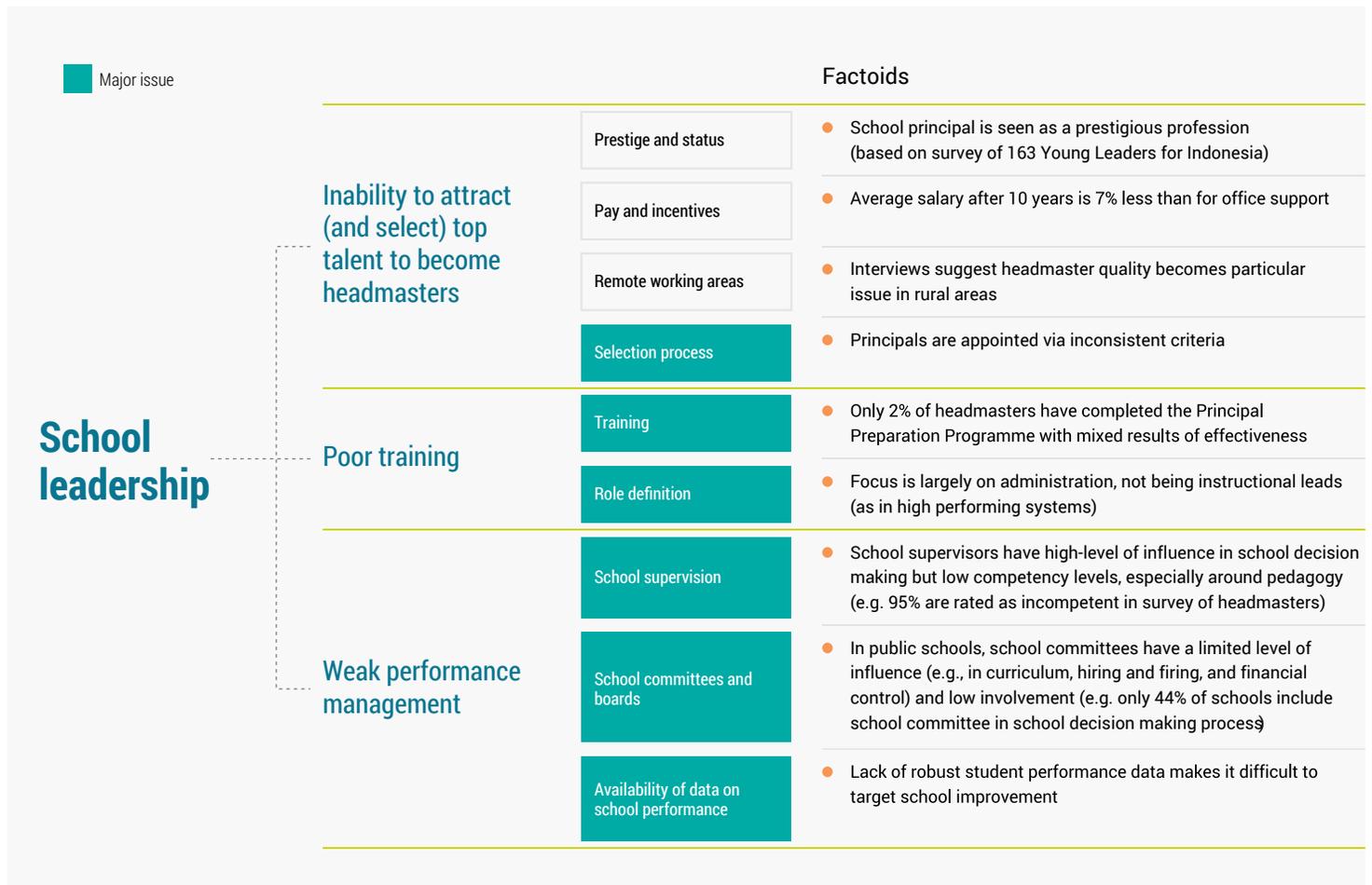
<sup>97</sup> - Analytical and Capacity Development Partnership, ACDP (2013), School and Madrasah Principal and Supervisor Competency Baseline Study.

<sup>98</sup> - Kelly Services Indonesia (2016), 2016 Salary Guide; Peraturan Pemerintah no 30/2015, Peraturan Gubernur Provinsi DKI Jakarta no 108/2016, Peraturan Pemerintah no 41/2009. Average teacher salary is based on public sector salaries of civil servants (golongan IVA) in Jakarta for certified principals of secondary and upper secondary schools, and includes base salary, regional performance allowance (TKD), and profession allowance (Tunjangan Profesi).

<sup>99</sup> - Analytical and Capacity Development Partnership, ACDP (2016), Evaluation of Principal Preparation Programme.

<sup>100</sup> - RAND (2012), Implementation of School-Based Management in Indonesia.

## EXHIBIT 17 :: What are the root causes impeding progress in school leadership in Indonesia?



### VOCATIONAL EDUCATION

A primary goal of a national education system is to prepare students for productive employment, and vocational training is a critical element to achieving this. Yet in Indonesia, more than 3.3 million young people between 15 and 24 years old are unemployed and an additional 6.9 are not in the workforce.<sup>101</sup> If prolonged, this lost economic potential could hinder the country's growth, contribute to growing inequality, and inflict social unrest. McKinsey has estimated that Indonesia could face a shortfall of 9 million skilled and semi-skilled workers by 2030.<sup>102</sup>

The system of vocational education in Indonesia faces several challenges (Exhibit 18). Among these, many students are deterred from pursuing vocational training because the potential job opportunities are unclear. Of SMK students surveyed, 42 percent said they were unsure which careers offered high wages and 20 percent said they dropped out because they were unsure of job opportunities.<sup>103</sup> In addition, practical skills are difficult to develop in many vocational schools because of insufficient on-the-job and hands-on training opportunities.

<sup>101</sup> - Badan Pusat Statistik.

<sup>102</sup> - McKinsey Global Institute (2012), The archipelago economy: Unleashing Indonesia's potential.

<sup>103</sup> - Based on a survey of 1,015 vocational students conducted as part of this research.

## EXHIBIT 18 :: What are the root cause issues preventing improvement in vocational education in Indonesia?



### EARLY CHILDHOOD EDUCATION AND DEVELOPMENT

Evidence suggests there is substantial room to improve early childhood education and development programmes in Indonesia. Generally, efforts targeting pre-school children and their parents in a range of areas including social, cognitive, and physiological development are widely recognised as among the most cost-effective investments available to build human capital, reduce inequality, and promote future growth and prosperity. Indonesian children exposed to early childhood education and development services typically score about 10 points higher in standardised tests in later years than their peers who have not been exposed (Exhibit 19).

Yet, multiple studies show that Indonesia is struggling to deliver these services. The 2013 national health survey showed that 37 percent of Indonesian children younger than 5 years old – almost 9 million children – suffered from stunted development.<sup>104</sup> Other studies have reported that enrolment in pre-school programmes in Indonesia was below that of neighbouring countries, including Malaysia and Thailand,<sup>105</sup> and that the performance of many Indonesian early childhood education and development services was on par with or below minimal acceptable standards.<sup>106</sup>

<sup>104</sup> - Ministry of Health (2013), Basic Health Research (Riskasdas), accessed at <http://labdata.litbang.depkes.go.id/riset-badan-litbangkes/menu-riskasnas/menu-riskasdas/374-rkd-2013>.

<sup>105</sup> - World Bank Data, accessed at <https://data.worldbank.org/indicator/SE.PRE.ENRR?end=2015&locations=ID-MY-SG-BN-VN-PH-LA-TL-MM-KH&start=1970>.

<sup>106</sup> - Bappenas (2015), Background study for the preparation of the RPJMN for education 2015-2019; and World Bank (2017), Measurement matters in preschool quality, accessed at <http://blogs.worldbank.org/education/measurement-matters-preschool-quality>.

Four main root causes constrain early childhood education and health in Indonesia (Exhibit 20). First, the benefits of early childhood education are largely unrecognised, particularly among parents. Second, the high cost of private programmes and limited availability of public programmes poses a significant financial burden for most families. A World Bank study found average monthly fees for pre-school programmes in Indonesia were 7,700 rupiah (about 60 US cents), yet only half of the parents could afford such fees. Third, teachers and field workers lack training, especially since the ECED centres are unregulated and there is a lack of a quality assurance mechanism.<sup>107</sup> And fourth, health and education interventions remain largely separated (for example, health volunteers lack early education training), although studies have shown that integrated programmes deliver greater benefits.



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<sup>107</sup> - ADB (2015), Education in Indonesia: Rising to the challenge.

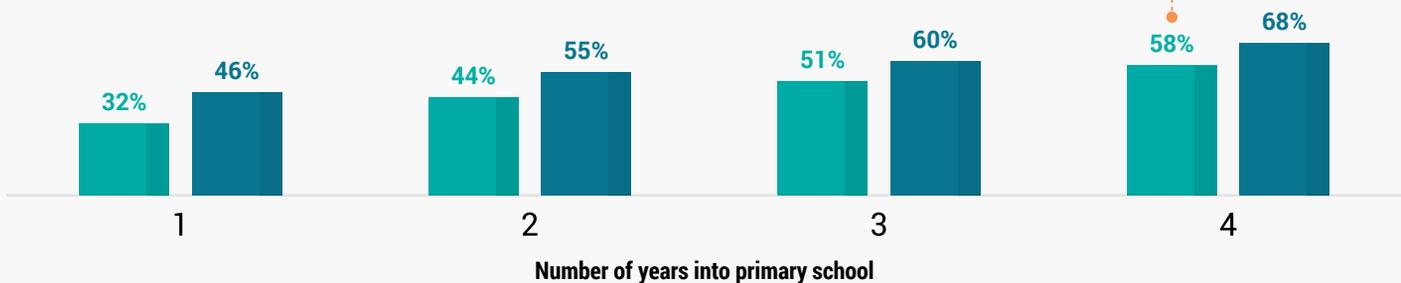
## EXHIBIT 19 :: Early childhood education enrolment in Indonesia has strong and lasting effects on student achievement

### Test scores in primary school based on ECED<sup>1</sup> enrolment in Indonesia

Percent of questions answered correctly

No ECED  
ECED

Positive effects of early childhood education continue after 4 years of primary school



<sup>1</sup> - ECED: Early Childhood Education and Development (includes playgroups or kindergartens)

SOURCE: RPJMN for Education Background Study (2015), BPS Indonesia (2016)

## EXHIBIT 20 :: What are the root causes that are constraining progress in early education and development in Indonesia?

