

Towards Quality Education for Enhanced Productivity & Economic Growth in Indonesia

LEARNING
FOR ALL

Shared Principles
for Equitable &
Excellent Basic
Education Systems

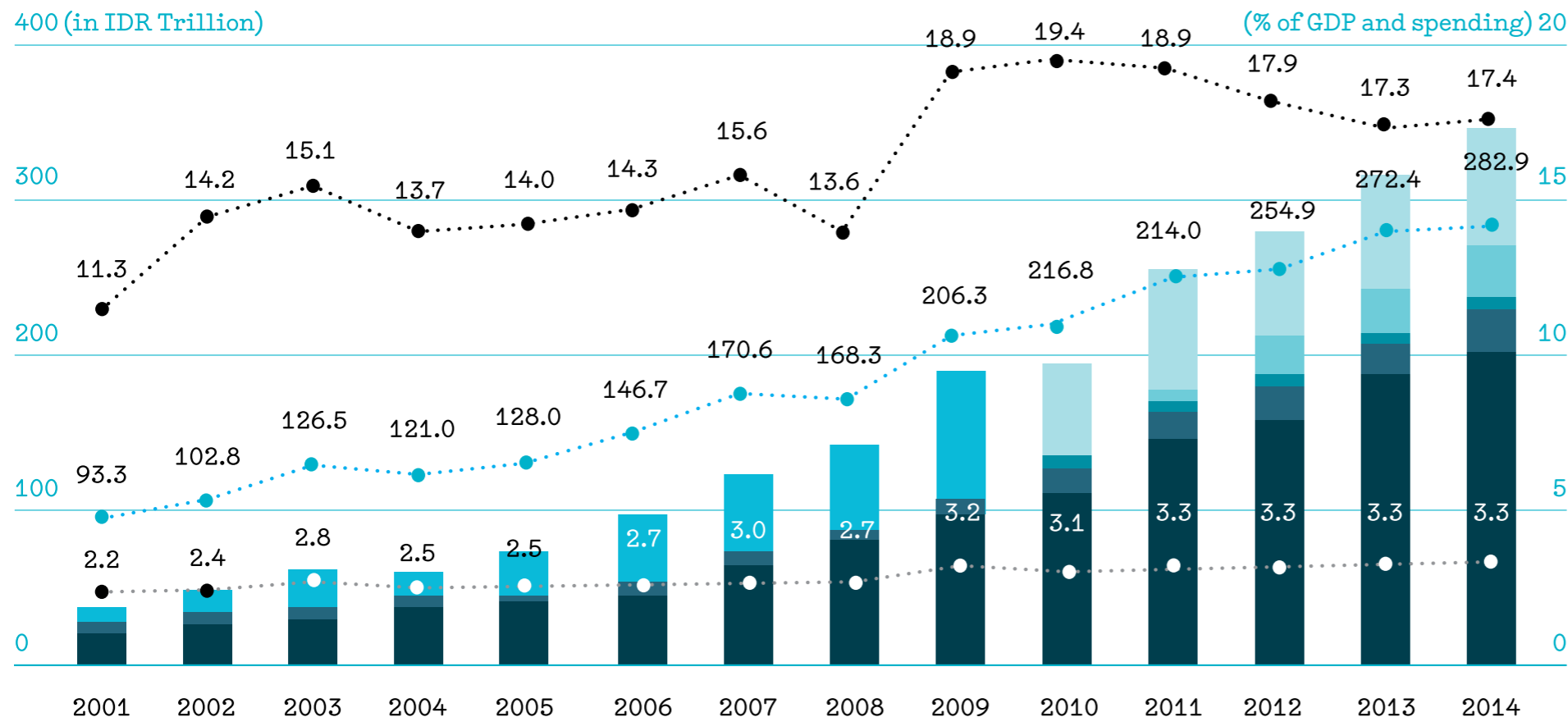
TAZEEN
FASIH
&
RYTHIA
AFKAR

Jakarta, Indonesia
March 2017



20% of total government budget allocated for Education

Government spending on education has risen rapidly, rising 9x in nominal terms from 2001 to 2014.



Source: World Bank consolidated fiscal database using MoF (Ministry of Finance) data. Notes: Sub-national government education spending data is only available until 2014. Ministerial breakdown of CG (Central Government) spending before 2010 is not available. CG 2016 is revised budget data. Total government national spending comprises: 1) CG spending, including subsidies, interest payments but excludes transfers; 2) Provincial spending; and 3) District level spending. Total education spending comprises of CG education sector/function spending, excluding transfers, Province education sector/function spending and District education sector/function spending. Note that some SNG (Sub-national Government) education spending is not captured if coded under the General Administration function.

1 USD
= 13,348
Indonesian Rupiah
(IDR)

MoRA
Ministry of
Religious Affairs

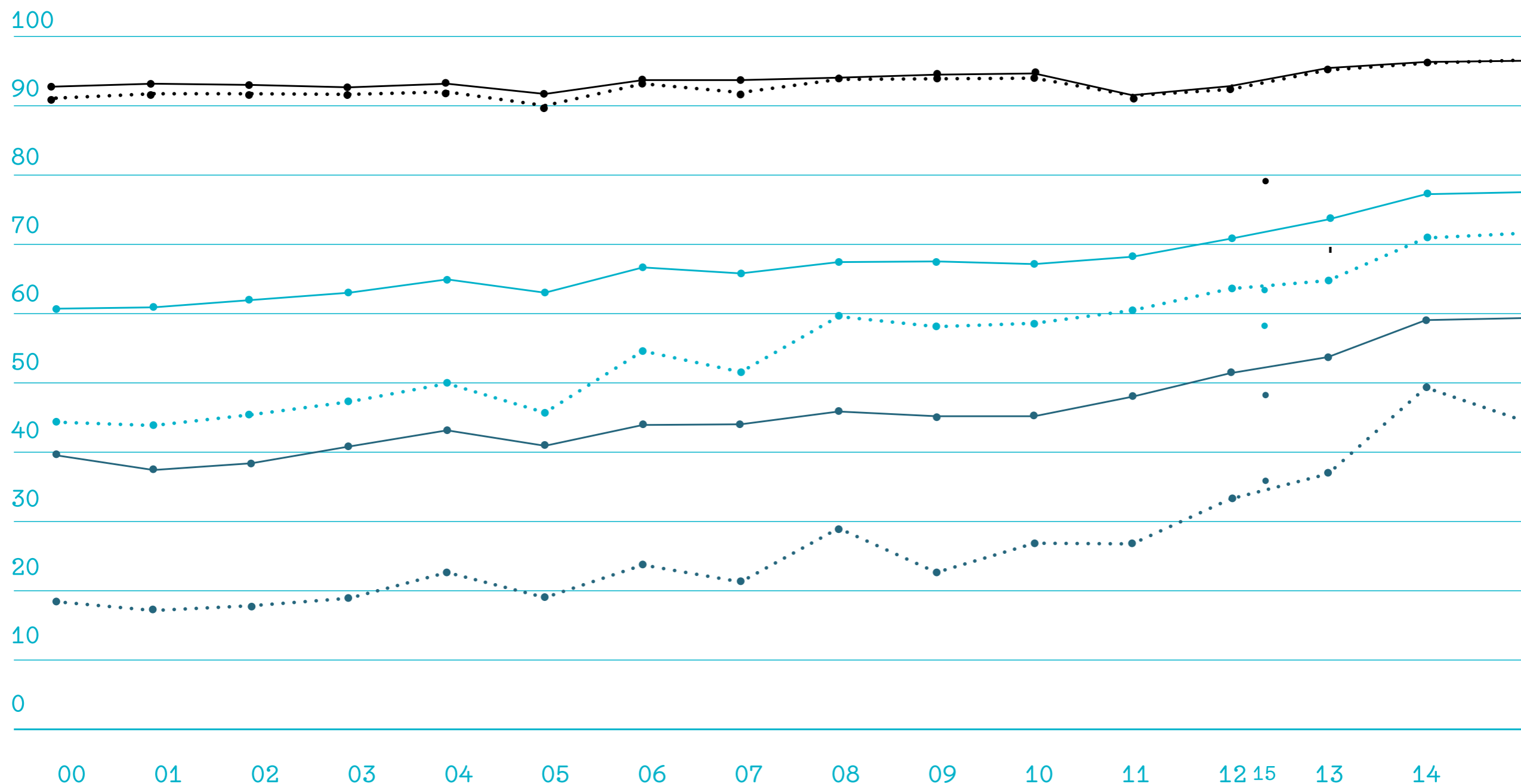
MoEC
Ministry of
Education and
Culture

- District, LHS
- Provinces, LHS
- Central-Other Ministries, LHS
- Central, LHS
- Central-MoRA, LHS
- Central, MoEC, LHS
- Total education spending as % national spending, RHS
- Total education spending (2010=100), LHS
- Total education spending as % GDP, RHS

Access to Primary Education is Nearly Universal although Gaps Remain for the Poor

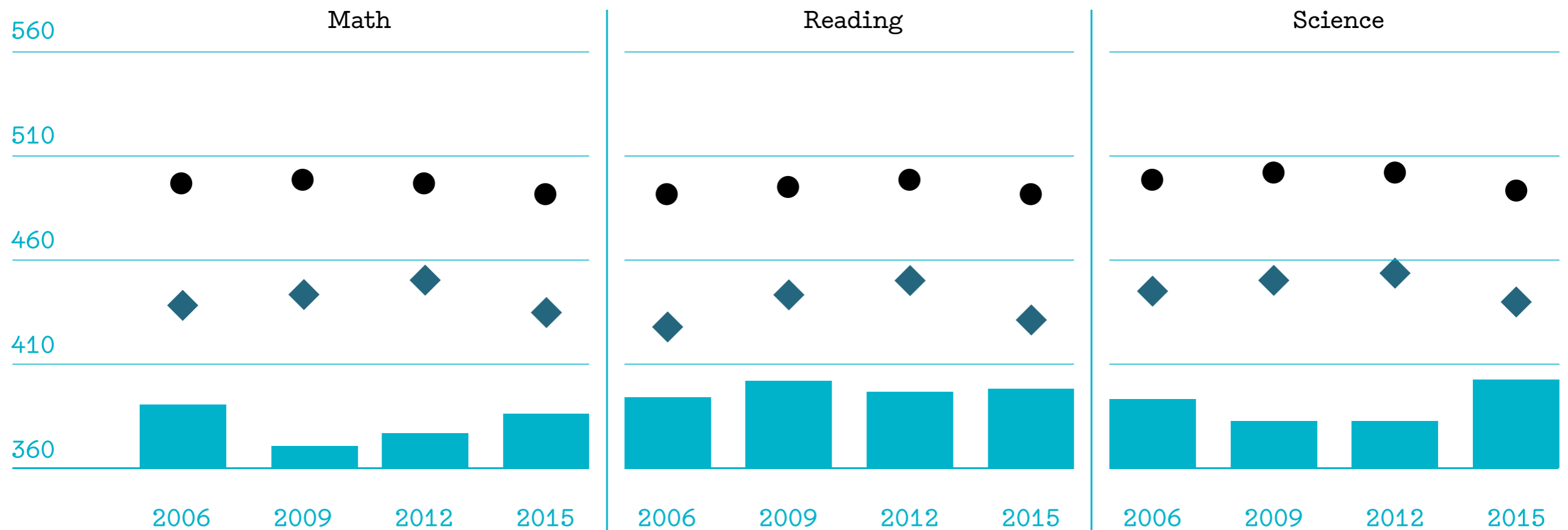
Net
Enrolment
rates, 2000-
2015

- Primary: National Average
- Primary: Poorest 20%
- Junior: National Average
- Junior: Poorest 20%
- Senior: National Average
- Senior: Poorest 20%



Indonesia has high enrollments but low learning achievements

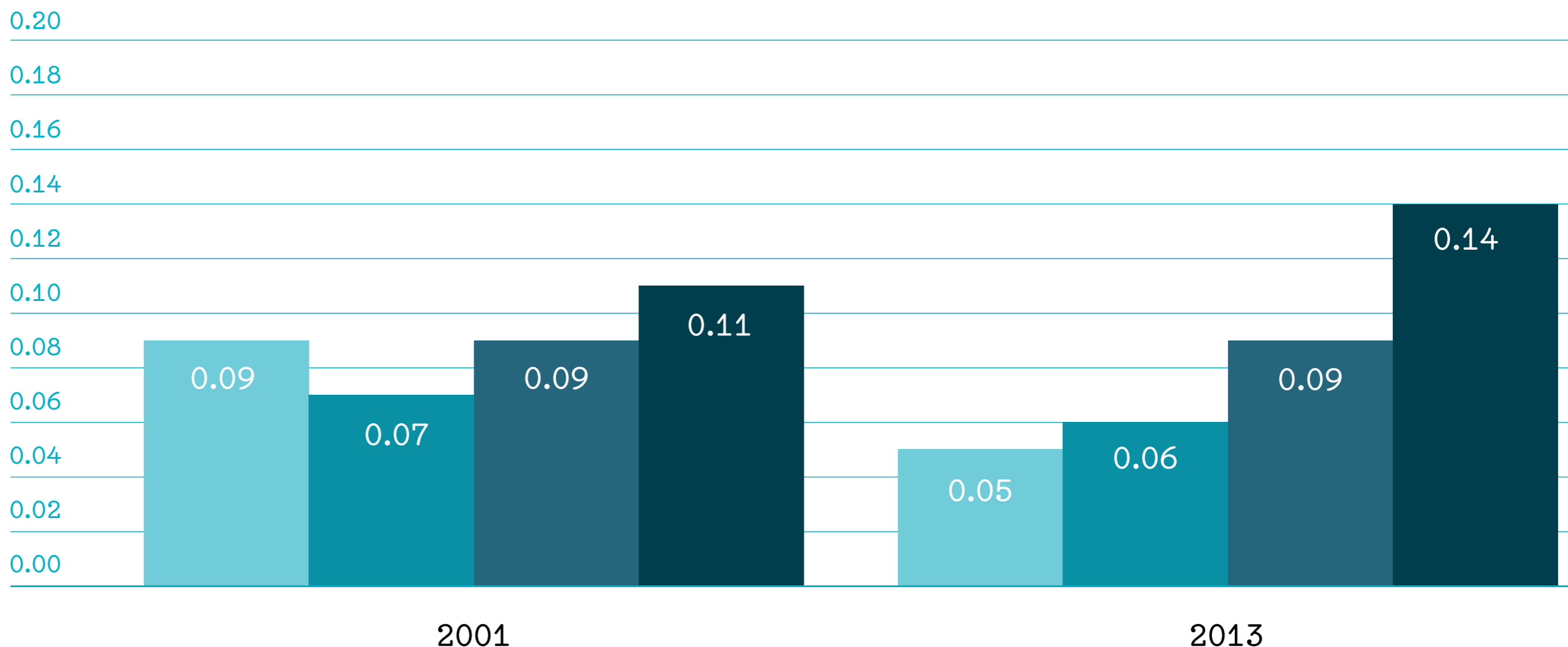
PISA scores,
2006-2015



Only primary education achievement may no longer guarantee a pathway out of poverty.

Returns to Education by Educational Attainment Level, 2001 & 2013

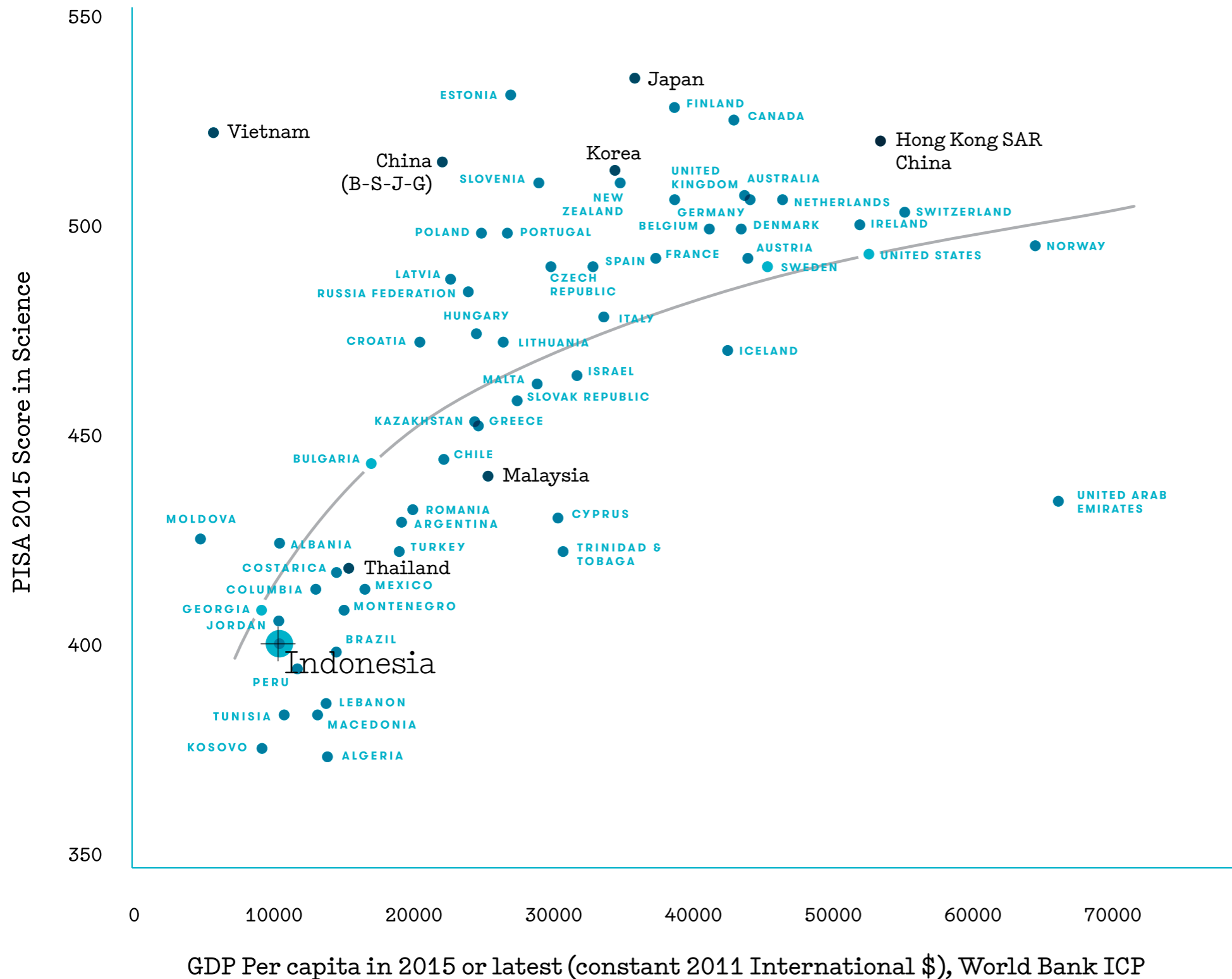
- Primary
- Junior Secondary
- Senior Secondary
- Higher



Source: World Bank calculations using Sakernas data.

Time to Renew Attention to the Quality of Education

PISA performance & GDP per capita

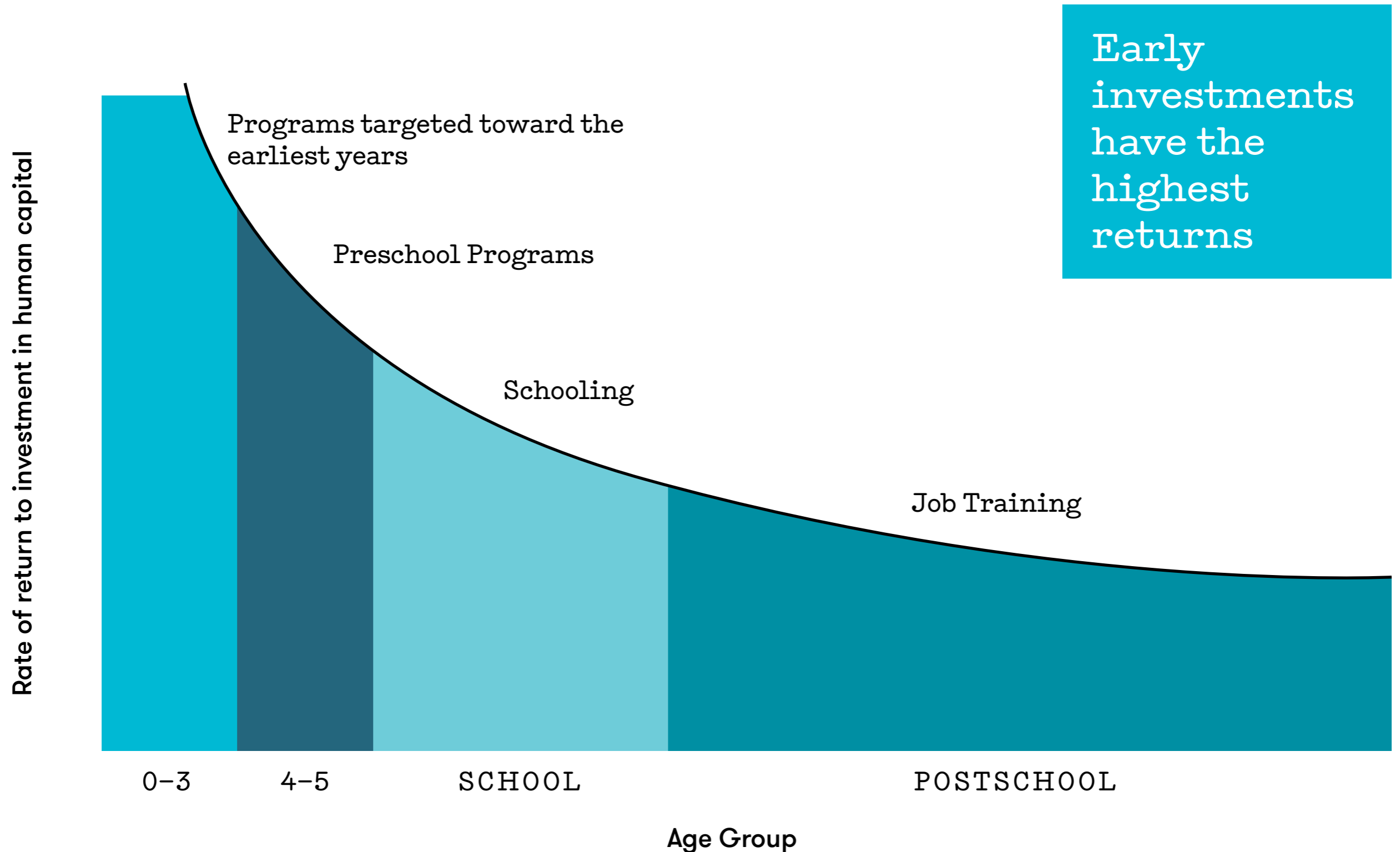


If not NOW,
When?

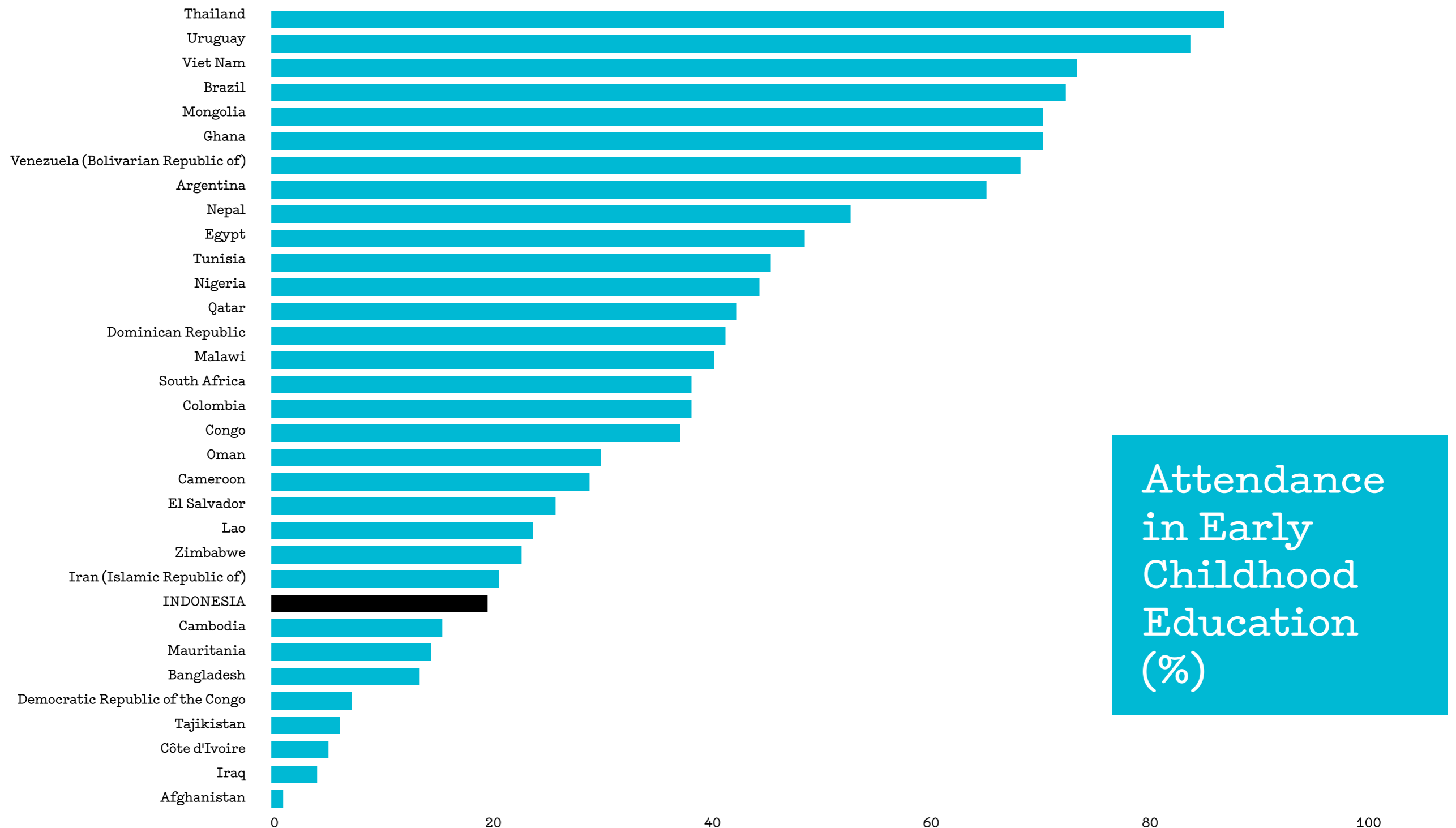
Getting
children off to
the right start

1

Despite having the highest return in education investment, Indonesia participation in ECED is still low...

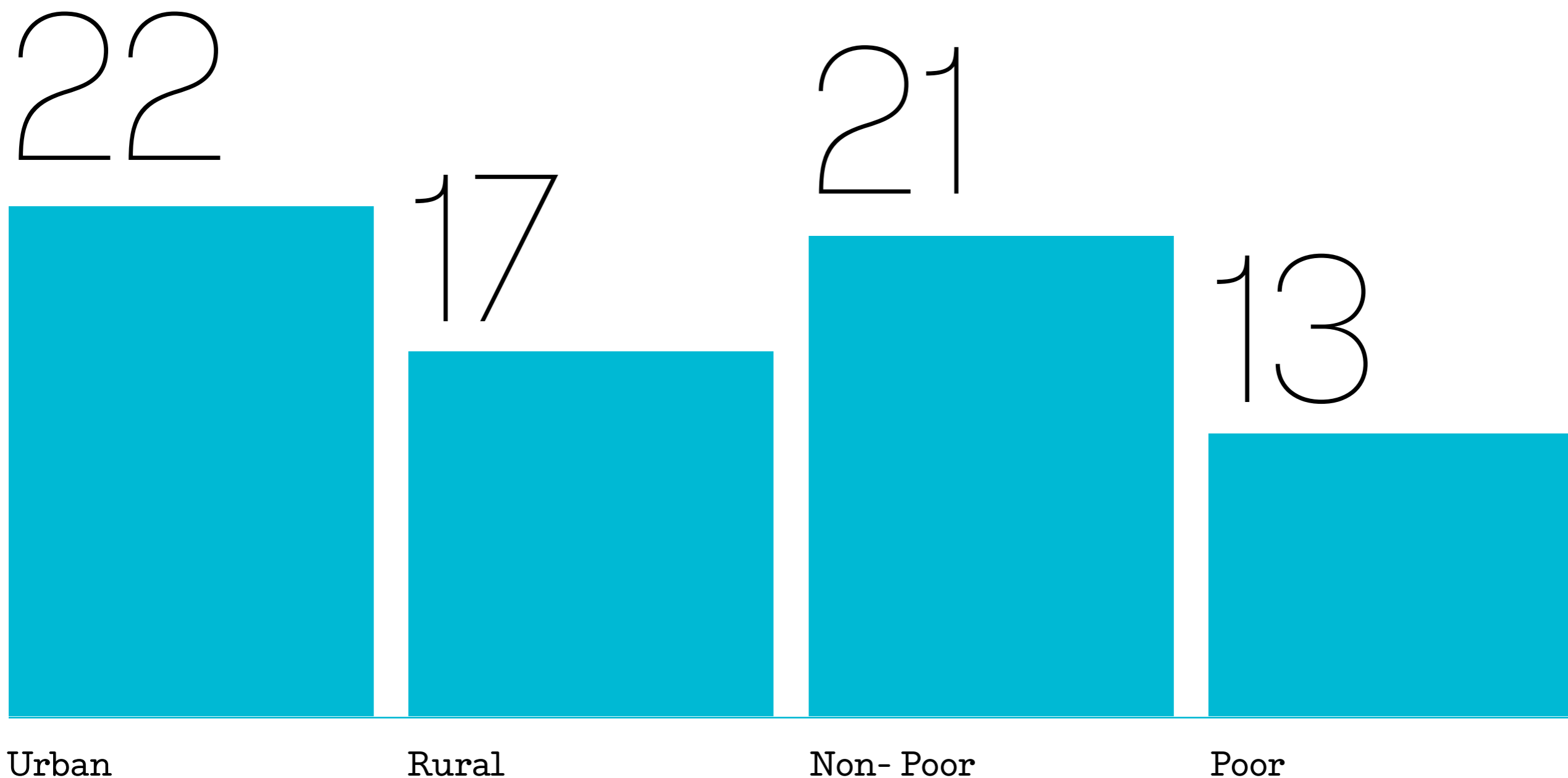


Despite having the highest return in education investment, Indonesia participation in ECED is still low...



Attendance
in Early
Childhood
Education
(%)

Discrepancies of attendance in early childhood education persist..



Ensuring that
all students
learn

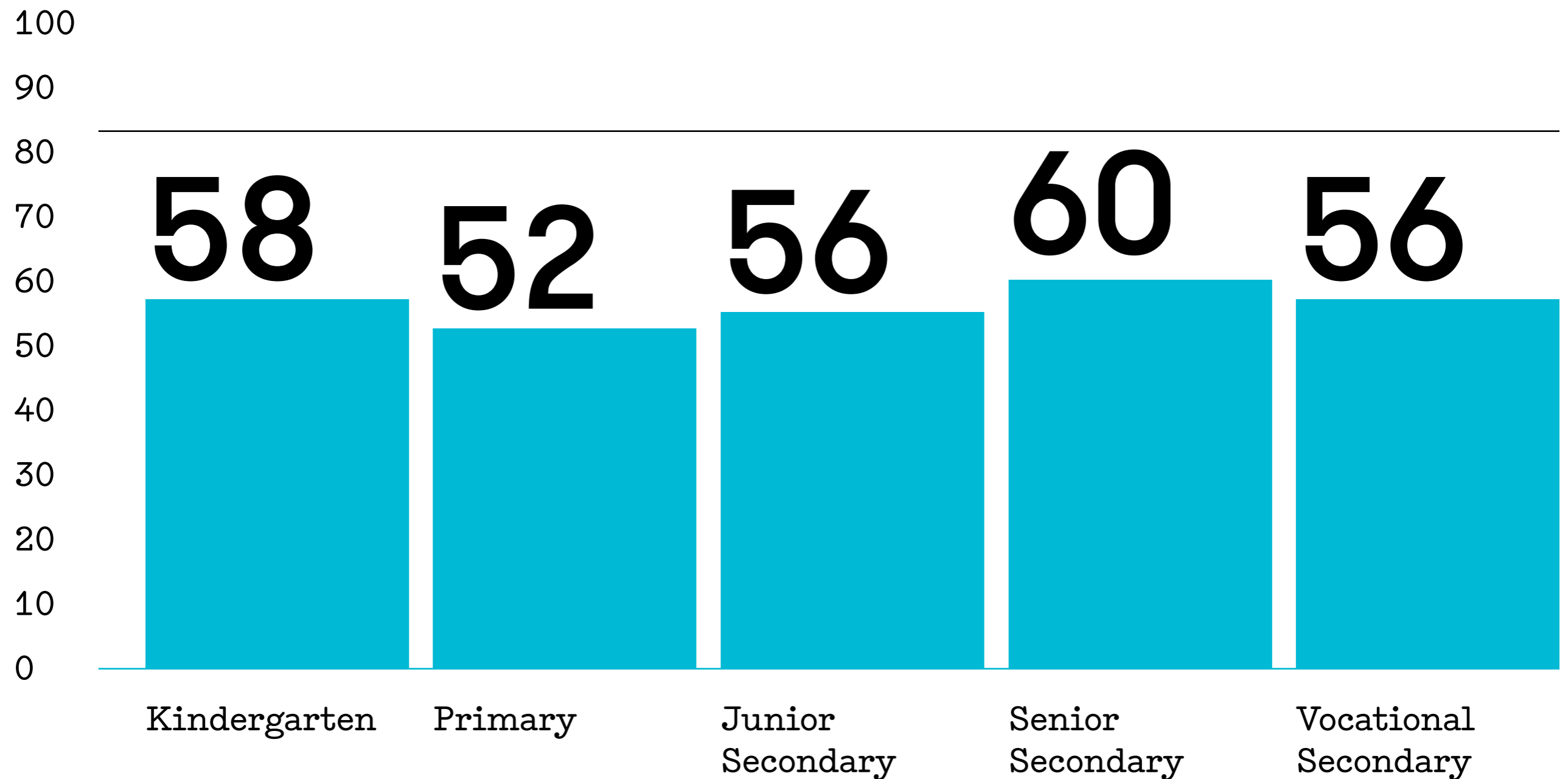




01. TEACHERS

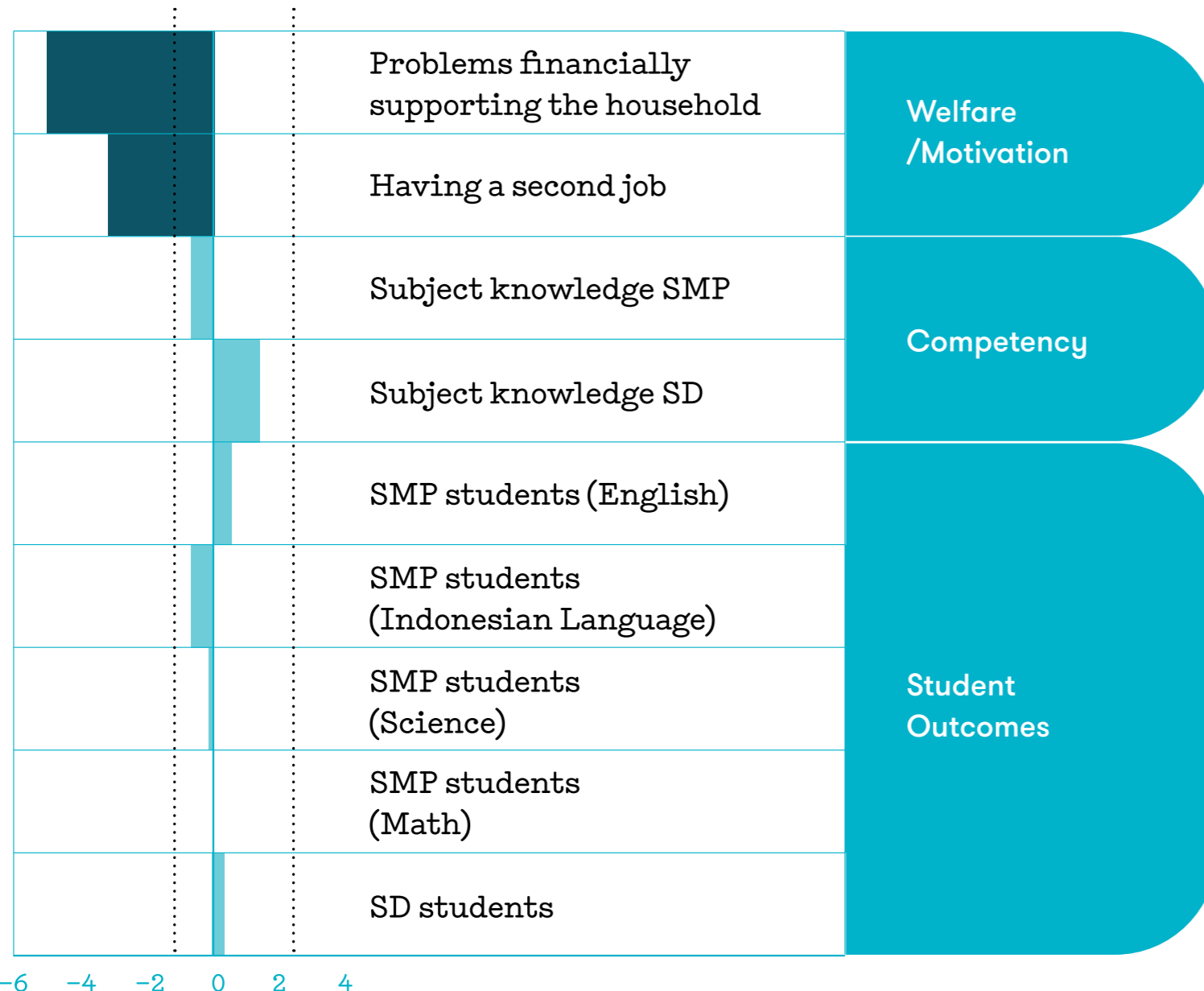
Low level of teacher's subject matter knowledge

Teacher
Competency
Test Score
(2015)



Teacher certification program is found to have insignificant impact on student learning As well as negligible impact on teacher subject-matter knowledge...

Causal impact of the teacher certification program



⋮ Threshold for statistical significance

Impact evaluation study:
 Randomized Control Trial
20 districts, **11** provinces
360 schools
3,000 teachers
80,000 students

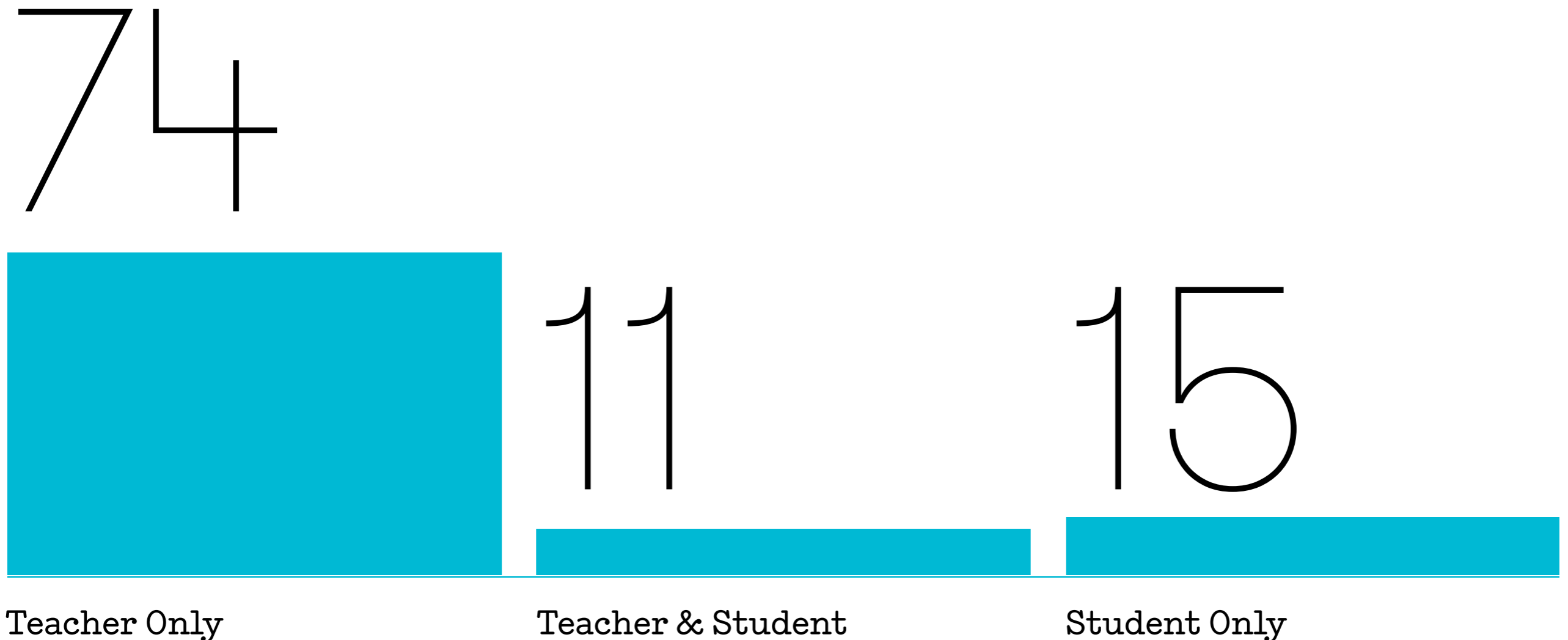
02.

CLASSROOM PRACTICES



Most of the time was spent on teacher-only interaction, typically involving lecture type presentation..

Teacher-student interaction in whole class time was only 11%, but had a positive relationship with student learning whereas teacher-only time had a negative relationship...



Teachers rarely use open-ended questions that require explanation of reasoning..

With nearly 90% of student's responses involving only a single word..

90



Single word responses

10

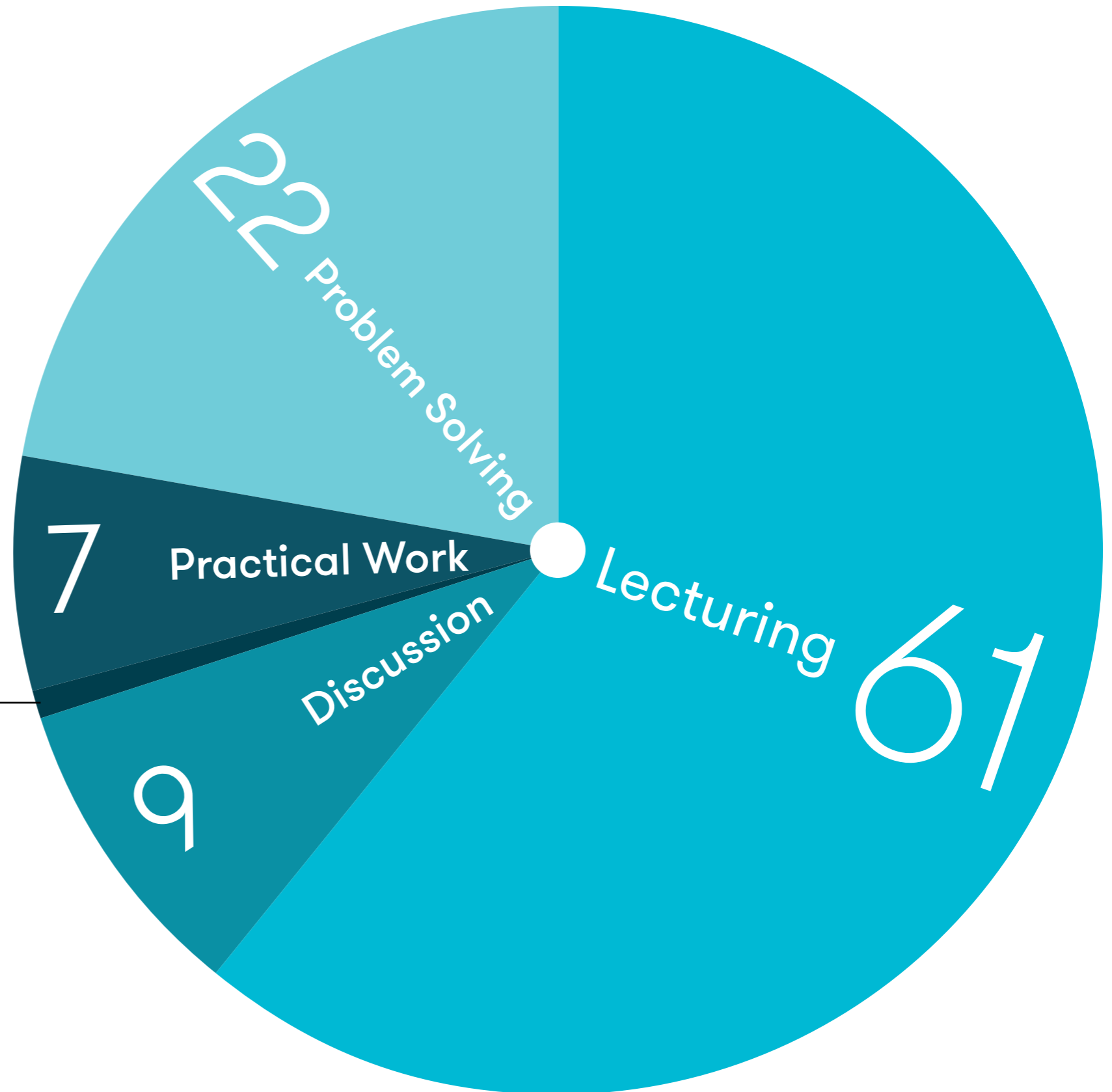


More than single word responses

The proportion of class time is dominated by lecturing..

While there was a positive relationship with the use of time for practical work and investigation, very little time devoted to these teaching methods.

1
Investigation



03. SCHOOL OPERATIONS



Per capita financing to cover school operational costs

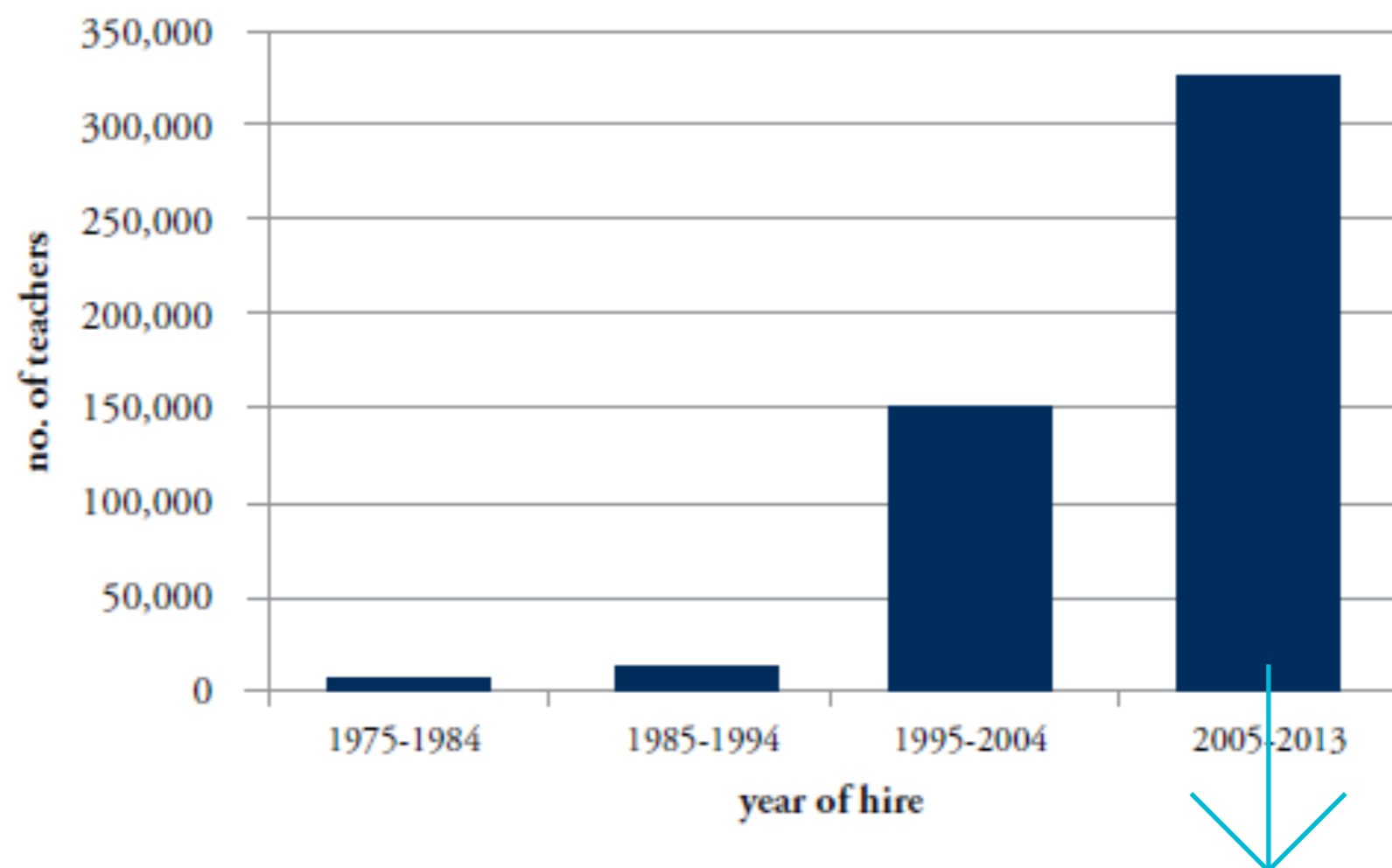
01. School operational grants (BOS) support the financing of operational costs
02. Direct financial support to poor students
03. Link to quality assurance at the school level

BOS (School Operational Grants) and teacher recruitment

After a decade of BOS implementation, limited impact found in:

01. Household education spending
02. Enrolment rates in junior secondary, especially for poor households
03. Transition rates to junior and senior secondary school

Significant changes observed in number of school hired teachers



After BOS implementation



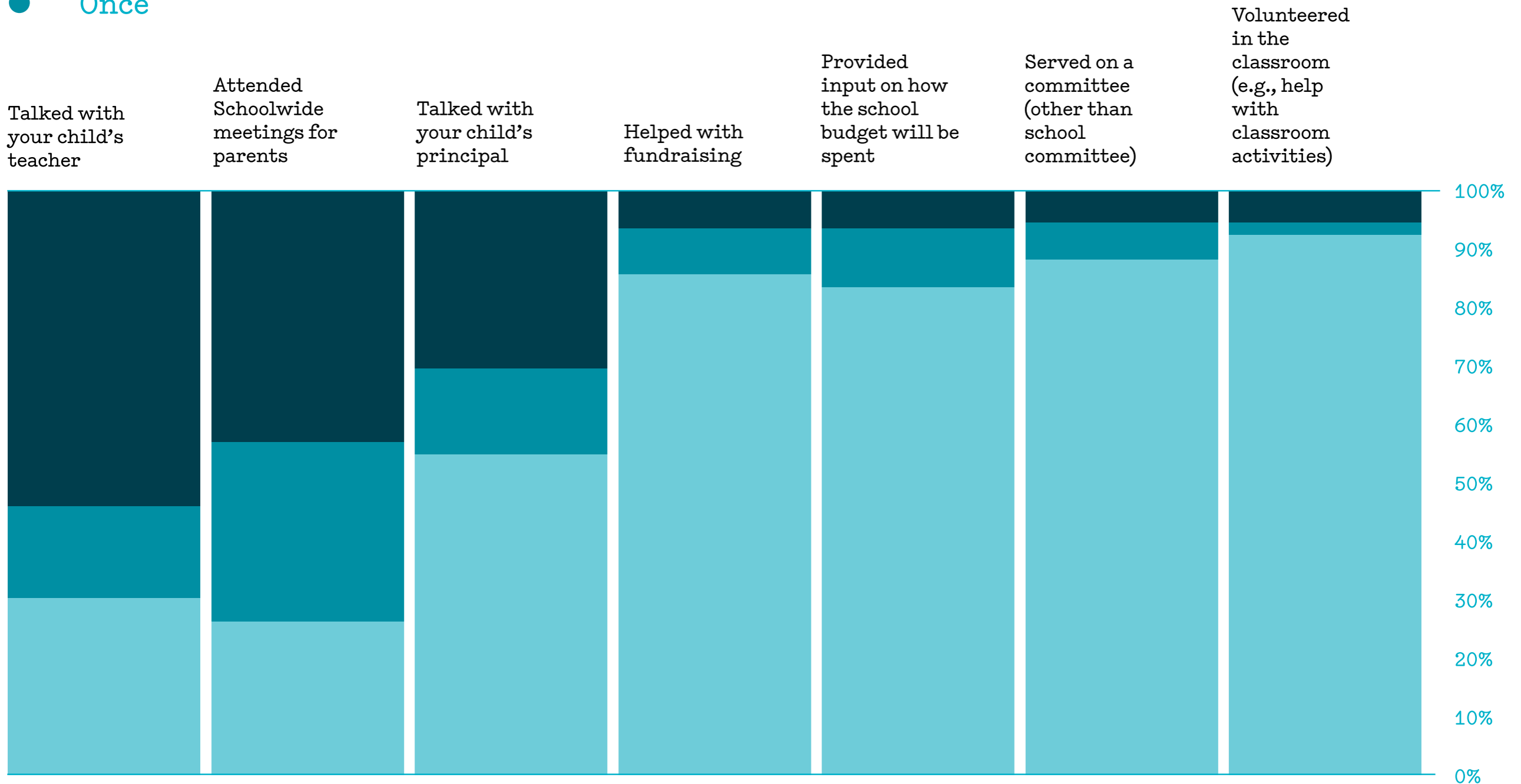
04.

PARENTS

Limited parental involvement in school

Parental participation in school affairs

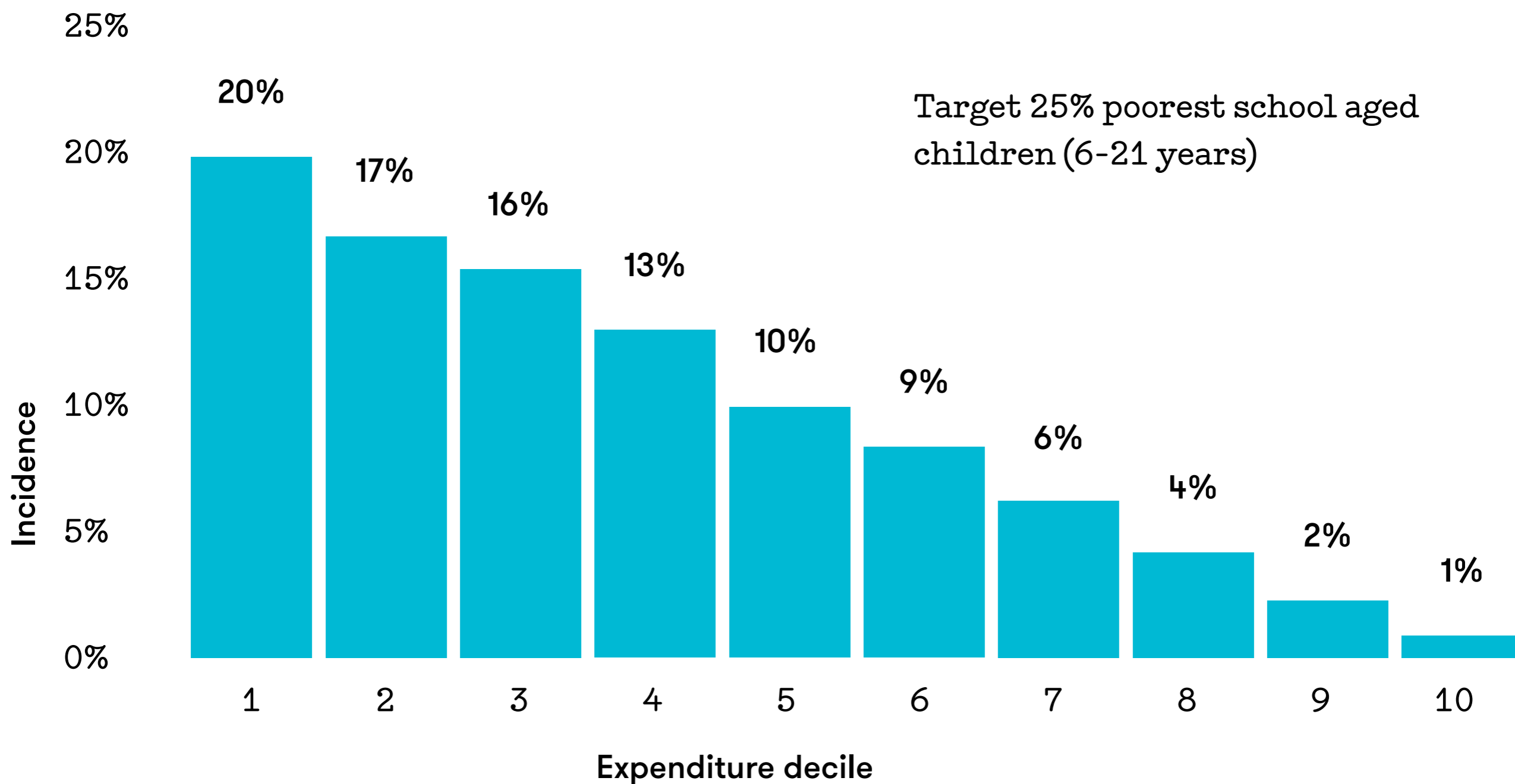
- Multiple times
- Never
- Once



Source: School-based Management Survey, 2010

PIP targeted 14 million students in 2016 at a budget of IDR 14 trillion

PIP Incidence 2015 – Share of total Benefits received by decile



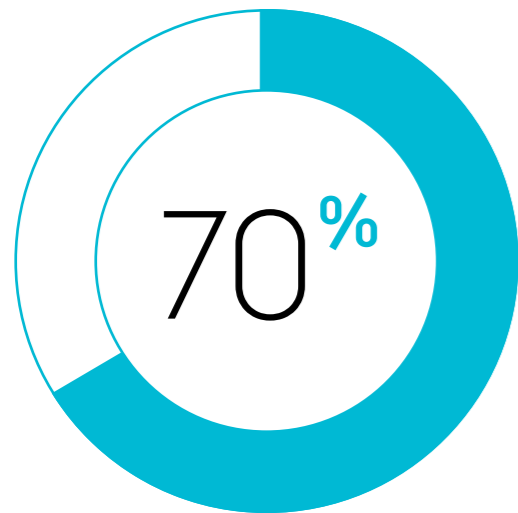
Putting Education to Work

3

Skills challenges:

Indonesia needs to improve its skill levels to achieve higher productivity in the short and long-run

Challenges

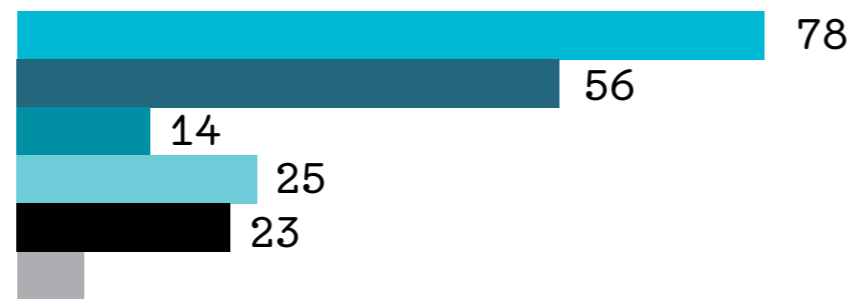


workers with less than secondary education

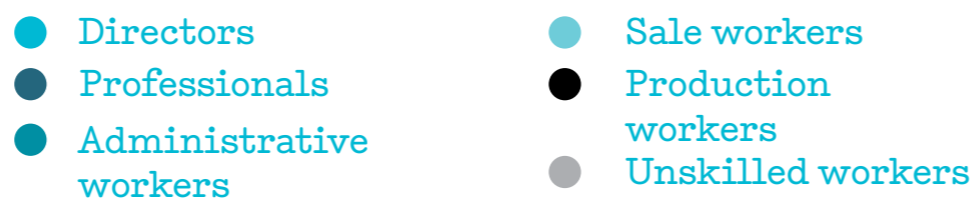
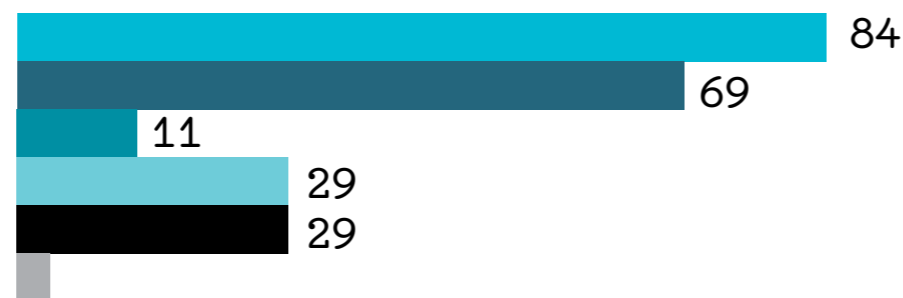


1 in 4 Secondary school graduates working in unskilled jobs

Service (non-education)



Manufacturing



Employers experience difficulty in finding skilled workers

Goals

Workers able to upskill and re-skill

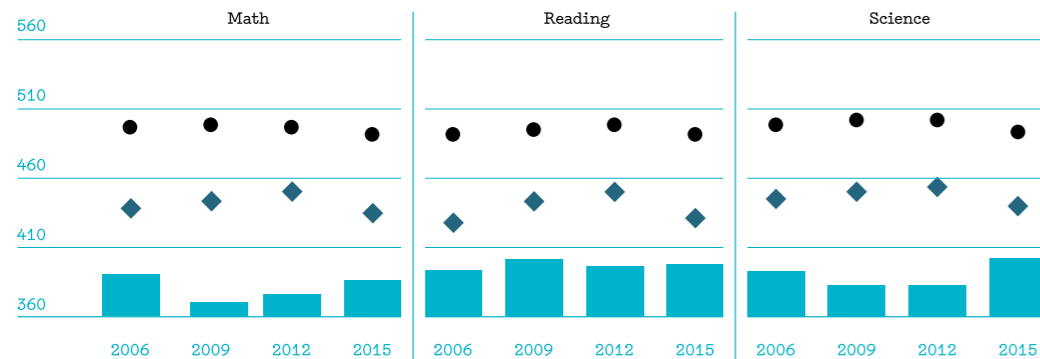
Keep pace with the changing demands of a growing economy

Increase productivity in the long-run

Skills Constraints:

Addressing the skills shortage requires building relevant skills through the education system and (in the short to medium term) strengthening the skills training system

A weak foundation
—persistently low quality of education



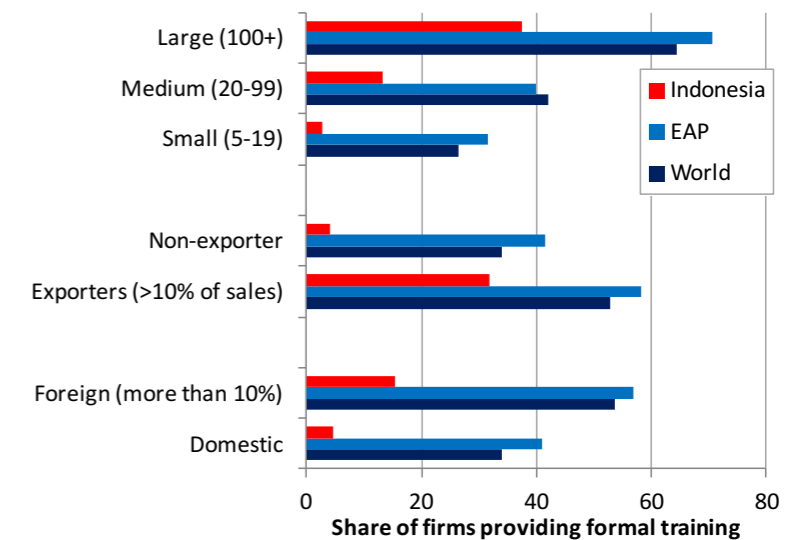
Education reforms are needed but will take time to have an impact on the skills of the workforce

Even if reforms were immediately made to basic and secondary education, the benefits would only be reaped by the year...

2025

Despite strong latent demand, the supply of skills training is limited in quantity and relevance

Firms that report offering formal training opportunities for their employees

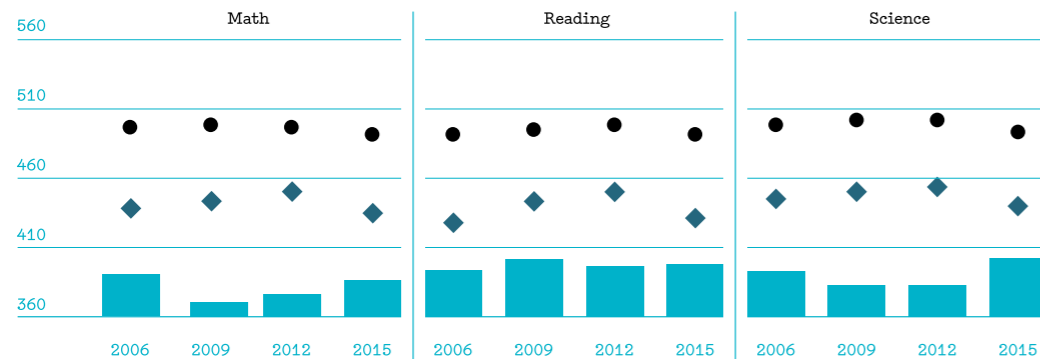


Source: World Bank, Enterprise Surveys 2009

Skills Policies:

Addressing the skills shortage requires building relevant skills through the education system and (in the short to medium term) strengthening the skills training system

A weak foundation
—persistently low quality of education



Education reforms that focus on ensuring children and youth acquire necessary skills, not just diplomas

Education reforms are needed but will take time to have an impact on the skills of the workforce

Even if reforms were immediately made to basic and secondary education, the benefits would only be reaped by the year...

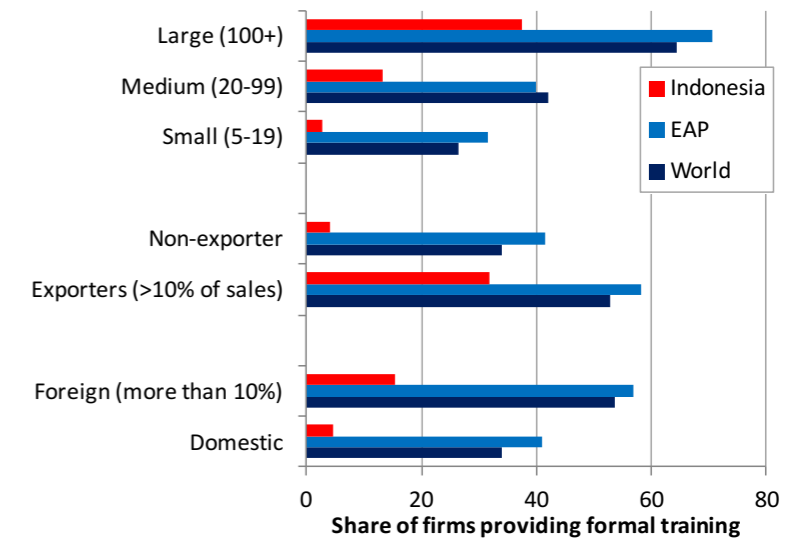
2025



Reforms to universalize k-12 education and improve access to quality higher education complemented with reforms to strengthen skills training

Despite strong latent demand, the supply of skills training is limited in quantity and relevance

Firms that report offering formal training opportunities for their employees



Source: World Bank, Enterprise Surveys 2009



A demand-driven skills training system, with a strong government role in quality assurance and setting incentives

A well-connected system for education and skills development is required to enhance productivity and growth.



Parents

School &
Training
provider

Employer

Government

TAZEEN
FASIH
&
RUTHIA
AFKAR

Jakarta, Indonesia
March 2017