



## **START OF TRANSCRIPT**

CLEMENT PALIGARU

Hello, I'm Clement Paligaru and welcome to Ear to Asia where we talk with researchers who focus on the region with its diverse people, societies and histories. Ear to Asia is a podcast from Asia Institute, the Asia research specialists at the University of Melbourne. In this episode is it back to the drawing board for Indonesia's education system?

Indonesia is the most populous country in South-East Asia and the world's fourth most populous, with close to 260 million people. The country is also disproportionately young with about a third of Indonesians of school age. But despite having more than three million teachers, manageable class sizes and spending on education that amounts to a whopping 20 per cent of national and local budgets, Indonesia continues to seriously lag behind in educational outcomes on a range of international measures.

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The country officially committed itself in 2002 to massively reforming its education system, to improve the lot of its people and economy. And it isn't shy about writing big cheques to make it happen. Yet as we'll hear, things are hardly going according to plan. So what's preventing Indonesia from bringing its children up to par in the education stakes and how do the larger forces of Indonesian politics and society themselves need to change in order to do that?

To answer these questions, we're joined by political economist Andrew Rosser who's Professor of Southeast Asian Studies at Asian Institute, the University of Melbourne. Besides his academic work, Andrew also consults for international development organisations such as the World Bank.

Andrew, welcome to Ear to Asia.

ANDREW ROSSER

It's a pleasure to be here.

CLEMENT PALIGARU

Now, I'd like to begin with how Indonesia is lagging behind in education. Firstly let's take a look at how Indonesian students are performing on some international measures of education performance, like PISA scores, and PISA stands for Programme for International Student Assessment.

ANDREW ROSSER

Well, Indonesia has to its credit signed up to this form of assessment, not all developing countries do. In the last round which occurred in 2015 about 70 countries participated in the assessment, most of them from the OECD but a number of developing countries as well. Indonesia came in sixty-second place out of that group of 70 countries, according to the tables at the OECD. And generally speaking, Indonesia comes in a similar place in the rankings and has for a number of years now. The fact Indonesia is not performing as well as OECD countries is perhaps not surprising. But it's not performing anywhere near as well as other countries within its own region. Vietnam for instance came in at eighth place in these rankings, Thailand fifty-fourth place if I'm not mistaken, Singapore topped of the tables.

CLEMENT PALIGARU

Are you able to tell us a little more about the actual measures here? What does PISA look at?

ANDREW ROSSER

Well, PISA typically looks at performance in three areas, science, mathematics and reading. And the OECD reports provide an average score for the OECD. Let's take science which was a focus of the last PISA for instance. The OECD average was 493, that was the score that students gained on the test. Indonesia was down at 403 so well behind and the scores in mathematics and in reading are similar.

CLEMENT PALIGARU

And yet in Indonesia the education sector is not in want of resources. Give us an idea of the scale of the educational sector in Indonesia. What percentage of the three million plus teachers are government employees for example?

ANDREW ROSSER

The short answer to that is that we don't know. And we don't know in a large part because Indonesian teachers fall into two broad categories, there's the civil servant teachers and then there are what are called guru honor or honorary teachers. We have no real accurate assessments of the number of honorary teachers that there are in the system. Donor organisations and USAID in particular has managed to produce some figures of teacher student ratios and those figures suggest that the teacher student ratio in Indonesia is about 1 to 16, which is an extremely generous supply of teachers.

CLEMENT PALIGARU

Just to clarify, with the honorary teachers what's their status or what are their qualifications compared to the civil service teachers you mentioned?

ANDREW ROSSER

Typically their qualifications won't be a whole lot different to civil servant teachers. The principal difference lies in their terms of employment. So civil servant teachers are permanent, very very hard to sack. Honorary teachers are employed on a casual basis essentially and will tend to be appointed by the school. Civil servant teachers are employees of the State.

CLEMENT PALIGARU

Now this is related to history so I will come back to the present in a moment. But let's look at education in an historical context. Much of Indonesia's history since gaining Independence in 1949 whilst was under the Suharto regime known as New Order. It spanned 32 years from 1966 to 1998. What was achieved in education during that period?

ANDREW ROSSER

Well the main achievement of the New Order was to build a public education system. Indonesia's enrolment rates early in the New Order period were really quite low. Relatively few students had access to even primary school education let alone secondary school education. The New Order built a schooling system that spanned the archipelago and it recruited an awful lot of teachers to staff those schools. And it managed to get enrolment rates at primary school level up to universal primary school enrolment by the early 1980s. So it was an investment that paid off in terms of improved access to primary school education in particular, to a lesser extent secondary school education. What the New Order didn't manage to achieve, and this reflected a whole lot of factors not least the fact that the New Order was an authoritarian regime, was improvements in terms of learning outcomes. Education quality remained very poor in Indonesia, it just became more widely available.

CLEMENT PALIGARU

After the New Order ended in 1998, Indonesia became more democratic and the government of the day introduced numerous reforms which ushered in the post-New Order or Reformasi period. What were some of the key education reforms?

ANDREW ROSSER

Well, education has been a sector where the government has introduced a lot of change. Probably the biggest change has been to increase the size of the education budget. In the late New Order period, the Indonesian Government was spending something like two per cent of national income on education, that's now up around four per cent. There is now a constitutional requirement for the Indonesian Government to spend at least 20 per cent of the national budget on education. It's taken some time but the education budget is now, according to the Indonesian Government, up around that 20 per cent mark.

CLEMENT PALIGARU

What motivated this spike?

ANDREW ROSSER

Look, I think it was a number of things. Education has a kind of central place in the Indonesian conceptions of what the nation should be. I think in the large part it was that coming to bear at a key moment in the country's history where there was an opportunity to introduce some changes. If you look at the Indonesian Constitution for instance, there are sentences in there that talk about the need to build up the country's human resources to educate the nation, to make it a smarter and more educated population.

The other thing that went on was that in the early post-New Order period, particularly when the MPR was meeting to revise the Constitution, there were some people around the table representing the education sector who managed to get a conversation going about the country's poor performance in spending on education under the New Order and the problems that that had caused.

CLEMENT PALIGARU

What about the role of donor organisations, international donor organisations like the World Bank and USAID in this environment?

ANDREW ROSSER

Donors I think have presented a contradictory message in relation to the size of the Indonesian education budget. They've agreed, I think along with just about everybody else, that Indonesian's education budget was too small during New Order times and that spending needed to increase. At the same time though because these organisations are dominated by a conservative economic perspective, they've been wary of the budgetary implications, the fiscal implications of rapidly increasing spending. They've also been concerned about the potential for rapid increases in spending to be used in a way that simply isn't effective in terms of achieving educational objectives. So they've been key players in the process but they've tried to influence the government in that the series of directions that are somewhat contradictory.

CLEMENT PALIGARU

Let's go back to budget. Has the increase in budget delivered on education targets and outcomes?

ANDREW ROSSER

By and large the evidence so far suggests that it hasn't. The PISA scores for Indonesia have improved but not dramatically. The country's ranking has not dramatically changed since Indonesia first started participating in the PISA process back in 2000. At the same time studies done of the impact of the teacher certification program, which is a program that was linked to the budget, a lot of the increase spending in education has gone into pay rises for teachers. And the expected quid pro quo of the nation from the pay rise for teachers has been an improvement in their pedagogical skills, their subject knowledge and more generally their capacity to teach effectively. Now studies done of the impact of that program have by and large suggested that it's done very little to improve teacher capabilities or to improve learning outcomes.

CLEMENT PALIGARU

You mentioned certification. My understanding is that the certification system is also one that is manipulated. Can you tell me about this and how it's affected everything?

ANDREW ROSSER

The issue was more that the teacher certification was designed in a very technocratic way at the outset to be quite a rigorous system of training teachers, improving their skills and assessing them on their competencies, but it got watered down over time such that by the end it was possible for teachers to photocopy a few documents, put them into a portfolio, submit them to the relevant authorities, have it ticked off and get a big pay rise. And the pay rise was in the order of two times their previous salary.

CLEMENT PALIGARU

What's being done to sort this out because as you say it's been watered down, but what's being done now?

ANDREW ROSSER

I don't know that a whole lot is really being done in relation to the teacher certification program at present. The sort of studies that are indicating that it hasn't had much of an

effect are only just starting to be published. We wait to see what the Indonesian Government's response to them is. What I would say is that I think there are some other things going on in relation to Indonesia's education sector that may yield some improvement in teacher capacity.

One is that the teacher workforce is undergoing generational change. You're getting a new generation of teachers coming through, many of them are attracted by the higher salaries that teaching now offers. Teachers are said to be better paid than many doctors in Indonesia.

The other thing is that the Indonesian Government in recent years has changed the way in which it recruits civil servants. They've established a much more meritocratic system that involves a computerised online test. This has made the process much more transparent. Decision making authority of over who gets teachers jobs is made in Jakarta, not in the local area which disrupts the sort of local patronage networks that have affected teacher appointments in the past. There have been a number of media reports for instance saying that the son or daughter of a district head who might in the past have expected to be given a public service position simply because of their family lineage, now these people are missing out on getting public service jobs.

CLEMENT PALIGARU

And there's a fascinating aspect of this, the patronage aspect and those networks and I'll come to that in just a moment.

You're listening to Ear to Asia brought to you by Asia Institute of the University of Melbourne and I'm Clement Paligaru.

Our guest on this episode of Ear to Asia is political economist Professor Andrew Rosser who is telling us about what's stopping Indonesia from getting its education reforms on track despite spending big.

Now Andrew, let's talk about patronage. It seems to be endemic in Indonesia. Can you explain this patronage and how it's actually impacting the education system?

ANDREW ROSSER

I think patronage impacts on the education system in a number of different ways. One is that you commonly find that family members of education agency officials will be appointed

to teachers' positions, school principal positions or other positions that are crucial to the operation of schools. With honorary teachers for instance, it's quite common for school principals who have hiring and firing within their portfolio of responsibilities in relation to honorary teachers, to hire family members or friends as honorary teachers. All of this serves to reduce the likelihood that the best quality candidate will actually get work as a teacher in the Indonesian education system.

CLEMENT PALIGARU

When it comes to the principals themselves, it's not just about appointment of family members, there's monies involved as well. Can you tell me about that, if that is indeed the case?

ANDREW ROSSER

Look, the basic principle that a public office is available for sale to the highest bidder still operates to a large extent in Indonesia, notwithstanding the various efforts that have been made to combat corruption within the country. So if one thinks about school principals for instance, now school principals have control over the school budget. They're meant to manage it in conjunction with school committees, but school committees tend to be fairly weak and in particular in poorer and more isolated areas. It's a bit different in middle class areas but for the most part school committees tend to be fairly weak and dominated very much by the school principal.

So the school principal is in quite an opportune position to make use of the budgetary resources under his or her control to line their own pockets if they want to. There's also typically an expectation that some of those resources will flow upward into the local education agency because at the end of the day school principals, even after having been appointed, are still beholden to their bureaucratic masters because the bureaucratic masters can transfer them for instance; they can demote them. Someone appointed to a relatively wealthy school where there are relatively good rent seeking opportunities would fear for instance being transferred to a more remote school where there were just fewer resources available for corruption.

CLEMENT PALIGARU

It's about monies I suppose but it's about votes as well, ultimately can also influence your patrons and how you serve their interests as well, can't it?

ANDREW ROSSER

That's right. I mean you often hear it said that a teacher's vote is in fact worth three or four additional votes because that teacher will have a spouse, they might have children, they might be able to influence people in their local community. Particularly in rural areas and poorer areas, teachers are still figures of some standing. It's not so much the case in more middle class areas but certainly in those other areas teachers are a figure of some standing and their views in the local community carry some weight. So if you can get a teacher on board, politically, that might translate into quite a few votes. So teachers do play this really important political role. The other thing is that teachers quite commonly are involved in counting votes at election time.

CLEMENT PALIGARU

What about teacher redistribution, why is improving redistribution so important because it is something that the new policies also aim to do. It's one of the things that is set in the agenda isn't it of reform 1.

ANDREW ROSSER

That's right. In 2011 the Central Government issued what's called the Five Ministerial Decree which essentially instructed district level governments to improve the distribution of teachers within their districts. Because typically what you have in Indonesian districts is a situation where teachers, and especially civil servant teachers who are generally considered to be better quality teachers than the honorary teachers, are concentrated in urban areas. In rural areas and remote areas you tend to have a dearth of civil servant teachers.

Now this is a problem in as much as a poor distribution of teachers leads to real inequality in the quality of education that's available to students. Those in urban areas get a better quality education than those in more remote or rural areas and that in turn translates into differential outcomes in terms of learning. This is something that is very much on the Indonesian Government's agenda for that particular reason, also for fiscal reasons.

I mean there are a couple of ways in which the Indonesian Government could improve the distribution of teachers. One would be to just employ more teachers and to put them in the remote or rural areas so that schools in those areas have the full complement of teachers that they're meant to have but that of course would have significant budgetary implications

particularly in a context of a teacher certification programme that's jemmying up teachers' salaries.

CLEMENT PALIGARU

This is where the concept of a sekolah favorit comes in as well, doesn't it? Can you tell us a bit about this?

ANDREW ROSSER

Sekolah Favorit literally translates as favourite schools. It denotes the fact that within the public school system there are some schools that are seen as being better than others. Typically the favourite schools exist in urban areas and in relatively middle class suburbs. At one point a good number of these schools were designated by the government as international standard schools and were given a whole lot of privileges, additional funding, the ability to charge fees and so on. That policy has now been brought to an end but nevertheless the existence of favourite schools continues.

And these schools, because they're in wealthier areas, they tend to have more generous budgets. They're better connected in social and political terms. They tend to be favourite places for teachers to teach. I haven't seen any hard figures on this but my casual observation would suggest that these schools tend to have a relatively full complement of civil servant teachers and relatively few honorary teachers whereas in a more remote area, those schools are more likely to rely on honorary teachers than civil servant teachers.

CLEMENT PALIGARU

Andrew, you've covered a lot of the obstacles to these reforms but I'd like to move onto what could possibly work. You've carried out empirical research in two districts and two municipalities on the island of Java where the bulk of Indonesians live and you've had a glimpse into what could work, that is conditions conducive to reform. What are some of the conditions or success factors which allow for improvements in teacher management from your observations and the case studies that you've done?

ANDREW ROSSER

Look, improving the quality of education and in particular improving learning outcomes in Indonesia is incredible complex. When donors and education specialists look at this problem, they tend to construe it in terms of funding levels, in terms of levels of training for

teachers, in terms of the nature of management systems and processes, in terms of the sorts of incentives that teachers face to perform or not to perform. And interventions in all of those areas is needed to improve Indonesia's education system.

My own research has applied a political economy lens to this particular problem. It seems to me that one key political variable is the extent to which the Central Government makes a credible commitment to driving reform from above. If you take the teachers certification program for instance, that was unravelled at the Central level because the Indonesian Teachers' Union, the PGRI, successfully lobbied the parliament to back away from the reforms and to water them down.

In other areas though, the Central Government has remained fairly hard and fast in relation to policies that it has insisted the districts implement or has forced the districts to implement. One for instance is a moratorium on the number of civil servant appointments, which of course affects the teaching workforce in as much as many civil servants at the district level are teachers. For a number of years now in districts where the local budget is being spent by and large on salaries, more than 50 per cent, more recently that's been reduced to 40 per cent on salaries. Those districts have been prevented from making new civil service appointments and the evidence so far suggests that the Central Government has remained fairly determined to implement that policy. It hasn't backed away from it.

I think one crucial thing is that the Central Government really commits to the reforms that it wants to implement.

CLEMENT PALIGARU

There's a fair bit you've had to cover looking at all these layers in education. What have been some of the main challenges you faced in your research into education in Indonesia?

ANDREW ROSSER

Probably the key challenge has been getting access to people within the State apparatus itself to talk about these sorts of issues. When I do field work I very often start my research with NGO activists and members of the donor community because they tend to be relatively open and accessible. But getting inside the State is a much more difficult sort of process.

I did some work recently for DFAT and the World Bank on teacher management reform. I think because this was an officially sponsored activity it opened up some doors that might,

if I was doing an independent research project, would normally have been closed. I have managed fortunately to get in and talk to people in local education agencies to some extent in the national ministry as well, but I think I was just afforded an unusual opportunity in that respect.

CLEMENT PALIGARU

And you have applied the lens of political economics to analysing the Indonesian education sector. How important is it that this perspective is taken?

ANDREW ROSSER

It is very important because it construes the problems of access to education, the quality of education, and the learning outcomes in very very different terms. As I said before, economists and education specialists tend to focus on issues of funding, incentive structures, training levels and so on, all of which is really important but the thing is you need a political commitment at the end of the day to do something. So if we're to understand really what the obstacles are to improving access, improving quality et cetera, you really need to address matters of politics.

Now unfortunately, the academic literature on education in developing countries has not so far really analysed the political economy dimensions of education reform to a large extent. There is something of a literature beginning to emerge but it's still quite small. I think to their credit donor organisations are increasingly onto this and so I would hope that some more work will be done in the future perhaps funded by them, perhaps funded by traditional research councils and so on.

CLEMENT PALIGARU

Andrew, we'll need to leave it there but many thanks for your insights and thank you for your time.

ANDREW ROSSER

It's been a pleasure.

CLEMENT PALIGARU

We've been speaking with Andrew Rosser who is the Professor of Southeast Asian Studies at the University of Melbourne and based at Asia Institute. Professor Rosser is a

political economist whose current research examines the relationship between Indonesia's politics and its education system.

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I'm Clement Paligaru, thanks for your company and bye for now.

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