

Free Basic Education Strategy Development

Volume 2

Free Basic Education Conceptual Framework



The Education Sector Analytical And Capacity Development Partnership
(ACDP)

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The Government of Indonesia (represented by the Ministry of Education and Culture, the Ministry of Religious Affairs and the Ministry of National Development Planning/ BAPPENAS, the Australian Agency for International Development (AusAID), the European Union (EU) and the Asian Development Bank (ADB) have established the Analytical and Capacity Development Partnership (ACDP) as a facility to promote policy dialogue and institutional and organizational reform of the education sector to underpin policy implementation and help reduce disparities in provincial and district education performance. The facility is an integral part of the Education Sector Support Program (ESSP) which consists of EU sector budget support with agreed arrangements for results-led grant disbursement, and earmarked policy and program-led AusAID sector development grant support consisting of a school infrastructure program, a nationwide district and school management development program and a program to accelerate the GOI's accreditation of private Islamic schools. This report has been prepared with grant support provided by AusAID and the EU through ACDP.



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This document is Volume 2 from the Free Basic Education Strategy Development. The full report comprises nine volumes:

- Volume 1. Final Report
- Volume 2. Free Basic Education Conceptual Framework
- Volume 3. Analysis of School Operational Funds
- Volume 4. Financing Projections To 2020 For Implementation Of Free Basic Education
- Volume 5. Survey Of Parental Contributions In Basic Education
- Volume 6. Human Resource And Institutional Capacity Development Strategy To Support Implementation Of Free Basic Education Report
- Volume 7. Support for poor families in meeting the personal costs of basic education
- Volume 8. Accountability framework
- Volume 9. Draft of Roadmap for Implementaton of Free Basic Education

LIST OF ABBREVIATIONS

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ACDP	Analytical and Capacity Development Partnership
ADB	Asian Development Bank
AusAID	Australian Agency for International Development
Bappeda	Regional Agency for Development Planning (Badan Perencanaan Pembangunan Daerah)
Bappenas	National Agency for Development Planning (Badan Perencanaan Pembangunan Nasional)
BOS	School Operations Funds (Bantuan Operasional Sekolah)
BSM	Scholarships for Poor Students (Bantuan Siswa Miskin)
EMIS	Education Management Information System
FBE	Free Basic Education
FGD	Focus Group Discussion
Gol	Government of Indonesia
HLTWG	High Level Technical Working Group
MI	Primary Madrasah (Madrasah Ibtidaiyah)
MoEC	Ministry of Education and Culture
MoF	Ministry of Finance
MoHA	Ministry of Home Affairs
MoRA	Ministry of Religious Affairs
MSS	Minimum Service Standards
MTs	Junior Secondary Madrasah (Madrasah Tsanawiyah)
NES	National Education Standard
TNP2K	National Team for Accelerating Measures for Countering Poverty
SD	Primary School (Sekolah Dasar)
SMP	Junior Secondary School (Sekolah Menengah Pertama)
SNP	National Education Standards (Standar Nasional Pendidikan)
SUSENAS	National Socio-Economic Survey (Survei Sosial Ekonomi Nasional)
ToR	Terms of Reference

MAIN TEXT

1. INTRODUCTION

This paper forms a part of the work of ACDP 006 project on *Free Basic Education Strategy Development*. The objective of the project is to develop a comprehensive strategy for the implementation of Free Basic Education (FBE) in Indonesia, covering policy, funding, accountability framework, capacity development and system requirements.

This paper presents the draft conceptual framework of basic education, which is a key deliverable required of the project. The conceptual framework underpins the work of the project as a whole. Other main deliverables of the project, such as the financial projections for the funding of basic education to 2020, are based on the framework. The framework identifies the main constituent elements of delivering basic education, including the definition of basic education, the laws and regulations which shape its delivery, and funding responsibilities. The paper is the result of a study of relevant laws and regulations, of policy documents both Indonesian and international, and of an examination of both national and international studies pertaining to the delivery of basic education. The consultancy team also undertook an analysis of Indonesian statistical data on parental contributions to basic education, complementing that information with the study's own survey of parental contributions. Extensive consultations were also undertaken with national and regional stakeholders.

2. THE INDONESIAN BASIC EDUCATION SYSTEM

The Indonesian formal basic education system comprises primary education of six years' duration and junior secondary education of three years. The teaching is delivered in schools, both government and private which are overseen by the Ministry of Education and Culture (MoEC) and in madrasahs overseen by the Ministry of Religious Affairs (MoRA). Both the schools and madrasahs are required to teach a mandated national curriculum, with the madrasahs also required to provide additional Islamic instruction.

In addition to the formal basic education institutions described above, the Indonesian system also provides informal education programs consisting of materials which can be used by students without extensive teacher support. ACDP 006 terms of reference restrict its work to the formal system.

Table 1. Number of basic education schools/madrasahs and students, Years 2009-10

	Government	%	Private	%	Total
Primary schools	130,563	91.1%	12,689	8.9%	143,252
Primary school students	25,239,328	91.1%	2,464,665	8.9%	27,703,993
Primary madrasahs	1,675	7.5%	20,564	92.5%	22,239
Primary madrasah students	413,168	13.5%	2,637,828	86.5%	3,050,996
Junior secondary schools	17,714	59.3%	12,152	40.7%	29,866
Junior secondary school students	6,905,458	74.6%	2,349,548	25.4%	9,255,006
Junior secondary madrasahs	1,418	10.1%	12,604	89.9%	14,022
Junior secondary madrasah students	610,348	24.0%	1,931,491	76.0%	2,541,839

	Government	%	Private	%	Total
Total formal basic education facilities	151,370		58,009		209,379
Total formal basic education students	33,168,302		9,383,532		42,551,834

These schools/madrasahs and students were served by a total of 1,899,946 principals and teachers, with an overall ratio of 15,97 students per primary teacher (16,79 in primary schools and 11,08 in primary madrasahs) and 12,89 students per junior secondary teacher (14,53 in junior secondary schools and 9,14 in junior secondary madrasahs). It should be noted that the teacher numbers include temporary teachers (*guru honor*) as well as permanent teachers.

3. THE LEGAL/REGULATORY FRAMEWORK OF FREE BASIC EDUCATION

Key legislation

A form of basic education was already provided in Indonesia during the colonial era, although it was available only to some. Post-independence, the Indonesian education system was brought into being. Unlike during the period of colonization, education in free Indonesia is based on democratic principles and extended to all citizens.

The development of the key legislative and regulatory elements affecting basic education in Indonesia and their application to the topic of free basic education is outlined below.

The 1945 Constitution

The Constitution states that enriching the intellectual life of the nation is one of the goals of independence and that every Indonesian citizen is entitled to education. Basic education is compulsory, and the government is obliged to provide financing for the program.

Law No 4 /1950 and Law No 12 /1954

These laws identify three levels of education: low, middle and high. The low level, *Sekolah Rakyat* covers six years. Middle education consists of junior secondary schools and senior secondary schools.

All children aged six have the right, and all aged eight are obliged to attend school for at least six years.

Government support for private schools is permitted provided that they comply with regulations. The nature and quantity of the subsidy is determined by government regulation. In government primary and special schools school fees are forbidden. In all other government schools, students pay charges set by the school, in accordance with their financial capacity. In middle schools and vocational schools students pay for the equipment and materials used in practical subjects. Students who are able to succeed at a given level of education but who cannot pay are not required to pay.

Law No.2/1989

The levels of education are identified as basic, middle and high, with basic education covering the first nine years. Basic education is compulsory for those between seven and fifteen years of age. All students are obliged to pay fees except those who are relieved of this responsibility. The government is responsible for the wages and allowances of educators working in government schools. Wages and allowances of educators working in private schools are the responsibility of the individuals or organizations managing those schools. Government can provide assistance to private schools in accordance with regulations.

Law 20/2003

Education will be managed democratically, fairly, without discrimination and with respect for human rights, religious values, cultural values and the diversity of the nation. Formal education consists of three levels: basic, middle and high. Basic education includes primary schools and primary madrasahs as well as junior secondary schools and madrasahs. All citizens between seven and 15 years old are obliged to participate in basic education, and their parents are obliged to ensure that this happens. National and local governments guarantee that at least basic compulsory education will be free of charge, but society as a whole also shares the responsibility for delivery of compulsory education. Those who are responsible for the management of private education institutions are obliged to foster and develop the education staff in their institutions. National and local governments are obliged to support the guidance and development of education staff in formal private education institutions.

Government Regulation 19/2005

This regulation established the National Education Standard (NES), which consists of a comprehensive list of standards relating to the full range of services and activities related to the provision of education. Several additional Ministerial regulations provide detailed guidance in relation to the standard.

Government Regulation 65/2005

This regulation established the basis for Minimum Service Standards (MSS) in a range of government activities, including education.

Ministerial Regulation 19/2007

Outlines the rules for management of education at the level of school/madrasah, specifying the standards and processes to be applied in the full range of education programs.

Government Regulation 47/2008

This regulation builds on Law 20/2003, outlining that compulsory basic education covers the first nine years of education, and that responsibility for funding the program is shared between national and local governments.

Government Regulation 48/2008

Identifies the categories of funds used in the delivery of education, including capital, personnel, operational non-personnel and personal expenditure.

Ministerial Regulation 15/2010

Outlines the 27 criteria which form MSS for basic education.

Government Regulation 60/2011

Sets out regulations about charging of school fees and about receipt of voluntary parent contributions. This regulation was re-interpreted by Regulation 44/2012, below.

Ministerial Regulation 44/2012

Specifies that government schools and madrasahs delivering basic education are not allowed to charge compulsory fees. Voluntary contributions are allowed. International Standard schools and madrasahs are allowed to charge fees, with particular conditions attached, but poor families have to be exempt from fees. Private providers of basic education are allowed to charge fees for capital expenditure where there is a gap between the current condition of the school/madrasah and the standards specified in MSS or NES. If providers of private education receive operational funding from government, they are allowed to charge fees to bridge the gap between the current condition of their schools/madrasahs and the MSS or NES standards, but poor families must always be exempted from all charges. If they refuse such assistance from government, they are not allowed to charge fees for operational expenses.

Overview

The main thrust of the legislative framework stresses the compulsory nature of basic education and government's responsibility for providing it. The standard to which basic education should be funded by government is the National Education Standard (NES), but this standard is set at a very high level, well beyond the government's current funding capacity. The MSS is intended to act as an interim milestone on the way to the NES.

Ministerial Regulation 44/2012 makes clear that for government schools/madrasahs, charging of compulsory student fees for any purpose is forbidden, and only voluntary contributions are allowed. This recent clarification on charging of fees has been done by the Minister of Education and Culture (MoEC), and the terminology used in the Regulation means that it applies to both schools and madrasahs.

The legislative framework makes clear the government's obligation to fund basic education but it does not state explicitly to what extent the government is obliged to fund basic education in private schools/madrasahs. The government clearly has the right to provide assistance, and has done so for many years. For example, some government teachers paid from the national budget are assigned to teach in private schools/madrasahs, and the government has funded repairs of classroom buildings in these facilities.

Representatives of the private school/madrasah sector believe that they have a case for asking that the government fully funds private basic education. The Indonesian private education sector was

created largely because of the need to respond to a lack of government provision of basic education. In areas where children could not attend government schools, many private education foundations were established to fill the gap. There are still many children in Indonesia who attend private schools/madrasahs not because that is the first choice of their families, but because there is no place for them in the government sector.

Internationally, common practice is for governments not to fully fund private education facilities. There is a fundamental problem with doing so, because full government funding should also mean full government control to ensure appropriate accountability for the use of taxpayer funds. In many countries, both developing and developed, governments provide partial funding to private schools. In the Philippines, the government provides full operational, but not capital funding, to schools which serve students who are forced to use those facilities because of the non-availability of government facilities. In Indonesia, using the Philippines model is not currently an option, because the data and information systems necessary to make it function are not yet available, and the complexity of deciding which students are in that position makes it unlikely that such a funding system can be developed in the foreseeable future. Partial funding of private basic education facilities appears to be the most realistic option at this time.

4. THE SCOPE OF THE FRAMEWORK OF FREE BASIC EDUCATION

Indonesia's conceptual framework for the delivery of free basic education has to encompass the following key elements:

- The curriculum to be delivered.
- The standard or quality level at which this curriculum has to be delivered, covering:
 - facilities and equipment;
 - personnel; and
 - teaching aids/materials.
- The funding structure of basic education, covering budget lines for:
 - capital funding, both major and minor;
 - personnel funding including school/madrasah leadership, teaching and support positions;
 - operational non-personnel funding; and
 - education-related personal costs.

In addition, the framework has to identify funding responsibilities which are shared between central, provincial, and district/city governments, community organizations and parents.

5. THE DRAFT CONCEPTUAL FRAMEWORK OF FREE BASIC EDUCATION

The underlying principle

The government of Indonesia's policy of nine years' compulsory education obliges it to ensure access for every citizen to basic education. No citizen is to be deprived of that right because of their or their family's limited financial capacity or inability to pay.

The curriculum

The curriculum to which every citizen is entitled is the compulsory curriculum for primary and junior secondary education, as defined in the relevant legislation. At this stage of Indonesia's development

and financial capacity, the government cannot be responsible for the delivery of educational activities which are beyond the scope of the compulsory curriculum, such as extracurricular activities.

The standard

Although the government aims for the delivery of education at the National Education Standard (NES), this is currently well beyond the government's financial capacity. The Minimum Service Standards (MSS) have been established as an interim step towards the achievement of the NES and it is the MSS which should be used as the standard which can currently be applied to the delivery of FBE. The MSS is currently under revision, and will need periodic revision as Indonesia's financial capacity improves and the standard can be set increasingly higher towards the NES. For instance, there are expressed concerns that the MSS does not include toilets and clean water supply in primary schools, particularly in rural areas.

Funding of major and minor capital items

- The government is responsible for building of all new schools/madrasahs in the government sector, but not for the building of new private schools or madrasahs, which are the responsibility of private foundations.
- The government is responsible for building all additional classrooms and specialist facilities such as teachers rooms or laboratories in the government sector. Priority should be given to ensure that all government mainstream basic education facilities reach MSS level. In private schools and madrasahs, the government should provide additional classrooms or specialist rooms:
 - a) where this is justified in terms of efficiency, such as where the additional accommodation cannot be provided in suitably close government facilities and the choice is between adding to an existing private facility or building a new government school/madrasah which would be underutilized; and
 - b) where the facilities in a private school/madrasah do not meet the MSS standard, but the private school/madrasah meets all formal requirements, is essential to the delivery of basic education in the area, and the foundation responsible for the private school/madrasah is judged by the responsible district authorities to not have sufficient funds to build the facilities.
- Other items of capital expenditure, such as furniture and other essential items of minor capital equipment should be provided to government schools/madrasahs to MSS standard. They should also be provided to the same standard, as required, to private schools/madrasahs which meet the conditions specified in point (b) above.
- After all mainstream¹ government and private schools/madrasahs delivering basic education have facilities which meet MSS, any additional capital funds available to government should be spent on government schools/madrasahs only. This may change when MSS is taken to a higher level, as the next step towards achievement of the NES. For example, if the new version of MSS includes toilets in primary schools, the government should be obliged to provide them to all government schools/madrasahs which do not yet have them, and to private schools/madrasahs which meet the conditions specified in point (b) above).

¹ Mainstream basic education facilities do not include schools formally designated as "small" (*kecil*), one-roof schools, and special education schools.

Funding of education personnel

- The government is responsible for the funding of all teaching and support positions, both permanent and temporary, in government schools/madrasahs which provide basic education, in accordance with staffing regulations. Where a government school/madrasah does not have sufficient permanent teachers, the government should be responsible for paying the salaries of the contract teachers, up to staffing levels required by MSS. Not all teachers in government schools need to be permanent teachers. Contract teachers are required to deal with issues such as reduction in student numbers and temporary filling of positions held by teachers who are on leave, and the inability of education systems to ensure teacher distribution which is 100% efficient. Priority should be to ensure that staffing levels comply with MSS.
- In private schools/madrasahs, the government is responsible for the salaries and allowances of the government teachers who are assigned to teach in those schools/madrasahs. The foundations which manage the private schools/madrasahs are responsible for paying the teachers permanently employed by them and for the basic wages of their contract staff. Permanent and contract teachers who work in private schools/madrasahs, both those paid by government and those paid by the foundations, are entitled to receive a government functional allowance if they are not certified but meet the functional allowance regulations, or the professional allowance if they are certified and meet all requirements. The government contribution should be limited to staffing levels consistent with the needs of MSS.
- Where either government or private schools/madrasahs do not have sufficient teachers with S1 qualifications to meet MSS requirements, and where this staffing problem cannot be solved by the transfer process, the government scholarship program should prioritise teachers in those areas to get support to obtain the S1 qualification, targeted in a way which ensures that all the schools/madrasahs reach the MSS level in relation to teacher qualifications.
- The government is responsible for the provision of in-service training for teachers in the government sector, and for the provision of some training for teachers in the private sector.

Operational non-personnel budgets

- All basic education providers, both government and private, are entitled to receive an operational non-personnel budget from government sources.
- This budget has to be adequate to meet the delivery of basic education programs to MSS standard, with the full compulsory curriculum delivered at the lowest possible cost and with the provision of all teaching/learning resources required by MSS.

Personal costs associated with basic education

There is a range of items which constitute the category of personal costs of education. These include expenditure on school uniforms, exercise books, transport, and pocket money for students' snacks. Indonesia has many poor families for whom this expenditure is very onerous. The national government provides scholarships to assist poor families with this expenditure (*Bantuan Siswa Miskin* or *BSM*). The program covers both government and private schools and madrasahs.

Evaluation of international practice supports the use of conditional cash transfers as the most effective way of supporting poor families with personal costs of education. The BSM program fits this category, since its intent is to transfer cash to poor families who are struggling to educate their children, and the cash transfer is conditional on the children attending school.

