

## **SMERU'S Rapid Assessment of Education Problems, and the JPS Scholarships and Block Grants Program in Four Provinces**

*Cases in  
Kabupaten Pontianak,  
Kabupaten Tangerang,  
Kabupaten Sleman, and  
Kabupaten Lombok Timur*

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This study is a revised version of a draft report based upon field work conducted in October and November 1999. The original study was carried out by the Social Monitoring and Early Response Unit established by The World Bank with support from AusAID, ASEM, and USAID. The draft report was never published for technical reasons. However, the SMERU Research Institute believes that there are sufficient valuable insights into the operation of the Scholarship and Block Grants Social Safety Net Program and the wider problems of Indonesia's education system to justify publishing this revised version of the report.

# SUMMARY

## Background

Indonesia made extraordinary progress in developing a national education system during the period prior to the economic crisis in mid 1997. This progress was seen in the sharp rise in literacy levels, the average level of education, and enrollment rates (Jones, 1994). The higher level of education of those entering the workforce has increased the level of productivity. The World Bank's most recent World Development Report states that the net primary school enrollment figures for Indonesia have reached 97%. However, while the vast majority of children enroll in school, the proportion of those actually completing primary school education was not more than 80%.

One important development in education in Indonesia was the introduction of the **National Compulsory Education Program** (*Wajar Dikdas*) in 1994, which makes 9 years of education compulsory for all students. It is hoped that this target can be reached by the year 2004. Since the introduction of this program, the enrollment rates for junior secondary school have increased. The figures indicate that participation rates actually fell from 62% in 1988 to 58% in 1994, but then rose considerably to 63% in 1995 and subsequently to 72% in 1997. At the time of the economic crisis, there was considerable concern that the situation would increase school dropout rates substantially, and hence reverse many of the achievements already attained through previous programs. Consequently, the Indonesian Government introduced the social safety net (SSN) scholarship and block grants programs. These programs targeted students from poor families and operational support for their schools. The scholarship program aimed to cover 6% of primary school children (*SD/MI*), 17% of junior high school students (*SLTP/MT*), and 10% of senior high school students (*SMU/MA*). The block grants provided to schools (*Dana Bantuan Operasional - DBO*) were to be allocated to 60% of schools at all levels. The scholarships for each student were Rp.120 000 per year for primary school students (grade 4, 5, and 6), Rp.240 000 per year for junior high school students, and Rp.300 000 per year for senior high school students. These scholarships are given to the student until they graduate from that level of schooling, fail to move up to the next class, or drop out of school. The size of the block grants for primary, junior high, and senior high schools are Rp.2 000 000, Rp.4 000 000, and Rp.10 000 000 per year respectively. The SSN scholarship and block grant programs will run for five years.

## Objectives

This study aims to:

- (i) Gain an overall understanding of the status of the education system prior to the crisis;
- (ii) Identify those factors that caused students to remain at school, drop out, or discontinue their studies after the onset of the crisis;
- (iii) Examine the impact of the crisis on the quality of education and how it may have facilitated further problems;
- (iv) Assess the effectiveness of the SSN Scholarships and Block Grants Program, especially regarding the suitability of the targets, the amount and forms of assistance, the benefits and drawbacks, and the suitability of the mechanisms adopted to implement the programs.

## Research Area

In-depth assessments were conducted in four *kabupaten* located in four different provinces over a period of three weeks during October and November 1999. First, Kabupaten Pontianak (West Kalimantan) was chosen because the Kecamatan Survey results indicated West Kalimantan was the region whose education sector was most greatly affected by the crisis, both in urban and rural areas. Second, Kabupaten Tangerang in West Java represented industrial areas which, as a result of the crisis, have seen mass retrenchments. Third, Kabupaten Sleman in Yogyakarta represented one of the 25 *kabupaten* in Indonesia involved in a trial regional autonomy project for the education sector. Last, Kabupaten Lombok Timur (West Nusa Tenggara) was both the area with the highest poverty index in West Nusa Tenggara and represented eastern Indonesia. The locations were selected based on information obtained from the Kecamatan Survey Report about the impact of the crisis and the poverty index, which was initially used to determine the allocation of scholarships and Block Grants.

Two *kecamatan* were chosen from each *kabupaten* in the study, one from an urban area and the other from a rural or remote area. Following this, two *desa* (villages) were selected in each *kecamatan*. In addition, three primary schools (*SD/MI*), and three junior secondary schools (*SLTP/MTs*) were selected, representing both public and private schools, as well as *Madrasah* (Islamic-based schools). These schools were chosen regardless of whether or not they had received SSN Scholarships or Block Grants program assistance.

## Methodology

- (i) At each administrative level and research area, in-depth interviews were conducted with respondents who included;
- (ii) Primary and junior high school students, both those receiving and those not receiving scholarships;
- (iii) Parents of school students;
- (iv) Committee members at the provincial, *kecamatan*, and school level;
- (v) School teachers not on the committee;
- (vi) Members of the Board of Education Assistance (BP3);
- (vii) Individuals from the Central Independent Monitoring Unit/Provincial Independent Monitoring Unit and Non-Government Organizations;
- (viii) Key informants and community leaders; and
- (ix) Government officials linked with the programs, particularly those from *Bappeda* (Regional Development Planning Board), the Regional/District Education Office, the Ministry of Religion, *BKKBN* (National Family Planning Board), and the Post Office. In addition, before and during field research, information was also obtained from secondary data such as statistical data, reports, research findings, and standard operating procedure manuals. Field research was conducted simultaneously by teams of two researchers in the four study areas over a period of three weeks during October and November 1999.

## Conclusions

**Education Conditions Prior to the Crisis.** The conditions of the education system prior to the crisis is reflected in the following:

- (i) Completion rates in primary schools were still relatively low, around 80% (World Bank, 1997: 68). In Kabupaten Tangerang and Kabupaten Pontianak, the proportion of children who entered primary school in 1993/94 and reached Grade 6 was only around 50%, in Kabupaten East Lombok, 65%, whereas in Kabupaten Sleman, the rate was 89%;
- (ii) School buildings and education facilities for government primary schools were generally inadequate. On one hand, the INPRES Program (President Instruction Scheme) resulted in the construction of more school buildings and consequently higher school participation. On the other hand, dependency on government financial support has increased and, except in a number of popular schools in urban areas which are still able to collect adequate funding from parents, the self-sufficiency of the schools and the participation of the community in education have consequently begun to disappear;
- (iii) In urban areas, the number of teachers is sufficient and in some areas even excessive, yet in rural and isolated areas, where most of the students come from poor families, there are now significant teacher shortages, and the level of the teacher education is relatively low;
- (iv) The school curriculum at present has too many subjects, particularly those drawing on local content, while the learning of basic skills such as reading, writing, arithmetic, and the teaching of manners and discipline are still deficient;
- (v) Allocation of the government textbooks is insufficient, especially those for *Madrasah* and rural primary schools. The students are usually not allowed to take the books home, leaving them with less opportunities to study;
- (vi) Apart from in urban areas, on average there is only one junior secondary school in each *kecamatan*, and transportation to school has been a constant problem;
- (vii) Operational expenses for the urban schools are covered by *BP3* funding, while the rural schools rely more on government support, such as the routine expense budgets, *BOP* and *SBPP*. Private and *madrasah* schools rely more on tuition fees, *BP3* contributions and other contributions; and
- (viii) An accurate data system is not available, and the data available are not used to monitor school's development, or for national education system planning.

**Factors Resulting in Students Continuing at School, Dropping Out, or Failing to Progress to the Next Grade during the Crisis.** Some important factors influencing students to remain studying at school, include:

- (i) The existing institutional mechanisms which support the students to continue their studies;
- (ii) The level of economic prosperity in the family (income levels, time spent with the parents and family members to meet the family's need);

- (iii) Geographical aspects;
- (iv) The available education facilities and infrastructure;
- (v) The labor market, including the available employment opportunities for school-age children (for example: in an industrial area in Kabupaten Tangerang and a fishing village in Kabupaten Pontianak), or employment opportunities requiring higher education; and
- (vi) The socio-economic condition of the community, and its traditional values such as marriage at an early age (Madurese), elopement or divorce which results in children becoming neglected and leaving school (Lombok), and children being married off at an early age by their parents (Sleman). Such cultural influences were actually not often seen in Sleman where community awareness of the importance of education is already high.

**Crisis Impact on Education.** The impact of the economic crisis on the quality of education includes:

- (i) Slightly lower than average *NEM* scores;
- (ii) Drastic increases in school fees is a disincentive for parents with no increase in income;
- (iii) Reduction in teachers' real income, due to less *BP3* revenue and reduced income sources among teachers in urban areas;
- (iv) Less extra-curricular activities such as *pramuka* (scouts), sport, extra lessons, and computer classes; and
- (v) Reduced health and nutrition levels among students, lowering their capacity to absorb the lessons;

These effects have also been felt by private schools and teachers as well as *Madrasah* schools, both heavily dependent on funding from the Educational Management Contribution (SPP) and *BP3*. To make matters worse, in Kabupaten Tangerang a *Bupati* Decree stipulated that every month all primary schools in that region should submit 20% of its *BP3* funding (the amount charged to students) to the Office of the Department of National Education to cover operational costs. Since many students could not afford to pay their monthly *BP3* contributions, the schools increasingly had to bear this cost.

To cope with the crisis, many schools have adopted the following policies:

- (i) New students are allowed to pay the school maintenance contribution in several installments, while the poor students are exempt from paying this contribution;
- (ii) There is more leeway in the payment of the *BP3* contributions, while the poor students are exempt;
- (iii) Registration fees continue to be imposed on all students;
- (iv) Some curricular activities have been suspended to reduce costs;
- (v) Quarterly fees, expenses for school reports, *Ebtanas*, and the fee for graduation certificates (*ijazah*) are still imposed, although these fees can be paid in installments, without exemption for poor students; and

(vi) Various fund-raising activities for orphans and poor students.

**Crisis Impact on Students and Parents.** The crisis has put considerable burden on parents, causing:

- (i) Delayed payment of *BP3* contributions;
- (ii) Inability to purchase textbooks, resulting in students relying more on limited school package text books;
- (iii) Inability to buy school uniforms;
- (iv) Less money to cover transport costs, especially for junior high school students who live far from school; and
- (v) Many students being unable to collect their graduation certificates due to the inability to pay the *EBTANAS* fees.

The impact of the crisis has fallen more heavily on the students whose parents are industrial workers or laborers. The students whose parents are plantation workers or fishermen have fared better due to the increased price of export commodities. The crisis has affected the family's income and the time parents can allocate for their children's education; in the long run this will also have a negative impact on the quality of the children's education.

**Effectiveness of Scholarship and Block Grant Programs.** Some of the important issues in the implementation of SSN Scholarships and Block Grants Program are the targeted recipients, sufficient level of funding, the use and disbursement of funding, and the effectiveness of the Committees in program monitoring and supervision. The implementation of the program in the field varies across the different regions. Several findings include:

**1. Targeting:** (i) the criteria for selecting scholarship and block grant recipients would be better suited to a poverty alleviation program rather than to a program intended to address the impact of the crisis; (ii) the School Committees encountered problems deciding upon the most eligible recipients because the number of potential beneficiaries was far greater than the total number of allocated scholarships and block grants (except in Kabupaten Pontianak); (iii) the allocated scholarships for primary school students have been far from sufficient, but some scholarships have been given to non-potential/non-achieving students who after receiving scholarships have to repeat their grade and even became dropouts; (iv) there are cases (in Kabupaten Tangerang or Kabupaten Sleman) where (contrary to the rules) scholarships have been provided to ensure equal opportunity among those in need of assistance; (v) the introduction of the *IDT* village criteria has resulted in an unbalanced quota of scholarships and block grants between the *IDT* and non-*IDT* areas (especially among junior high schools); (vi) the *BKKBN*'s criteria for categorizing poor families is not applicable in all cases; (vii) the cost for Grade 1 and Grade 3 junior high school students is usually higher than the cost for Grade 2; also the expenses of Grade 1 and Grade 6 are higher than the other grades; (viii) the allocated scholarships for primary schools are too few, and the dropout rate seemed to increase among students above Grade 4. This means that many students were not able to continue studying at the junior high school level, because they dropped out even before finishing primary school; (ix) the provision that scholarships are not transferable except among students of the same grade has resulted in an imbalance among inter-grade recipients, particularly when the number of the allocated scholarships was reduced; and (x) the aim of ensuring a good presentation of girls among

scholarship recipients seems to have been achieved because the nomination process has been carried out according to the Program Guidelines.

2. **Orientation and transparency of the program:** Sufficient information about the program has been made available to program recipients in nearly all observed areas, although the general public has not been well informed. Meanwhile, the transparency of the use of block grant funds has been far from adequate, and in many instances even the members of the School Committees and teachers have been neither consulted or received proper explanations about the use of these funds.
3. **Disbursement of funds:** (i) The funding disbursement process was initially considered complicated due to tight administrative requirements. In addition, there were indications of deducted funds in some areas; (ii) methods used to disburse the program funds include: (a) direct collection by the students accompanied by the school principal and one Committee member; (b) collection by the school principal; or (c) delivery to schools by a Post Office official (in Kabupaten Pontianak); (iii) in some remote areas (in Kabupaten Pontianak), collection of the funds in three separate payments was considered burdensome because of high transport costs involved, it was far more preferable to reduce the number of disbursements to two payments at the most; (iv) payments via bank accounts have been unsuccessful because of the limited number of saving books, and since the money stays in the bank for a very short period this method is considered unprofitable; (v) in some regions the scholarship funds have been managed by the schools, but the students are able to ask for funds as required. Although it is claimed that this arrangement is to ensure that the funds are well managed, steps must be taken to ensure that students are not discouraged from collecting their scholarship money, otherwise it may create opportunities for misappropriation.
4. **Use of funds:** The scholarship money received by students was generally used to buy books, stationery, some textbooks, school uniforms, and sports wear. In some cases parents have also used the money to buy food, to pay a midwife, or to meet other urgent family needs. In one MT in Kabupaten Pontianak, the scholarships were not delivered directly to the recipients, instead the funds were managed by the school to help finance all students, most of whom are in need of financial assistance, for example to pay BP3 contributions, summative test fees, and examination fees. In Kabupaten Tangerang, the funds were used to pay the unpaid BP3 contributions and the contributions of other poor non-recipient students.
5. **Number of scholarships allocated, the size of the scholarships and block grants.** Although the allocated number of scholarship recipients per school – especially in primary schools – has been considered inadequate, the students have received a sufficient amount of money, enabling them to continue their schooling. However, the adequacy of the amount of the scholarship per student varied among different grades. For example, Grade 6 primary school students and Grade 1 and 3 junior secondary school students need more funding because they have to pay enrollment fees, building maintenance contributions, examination fees, certificate fees, and farewell party contributions.

The size of block grants has been to be too small for most primary schools, and too large for senior high schools, especially those with no laboratories and science classes. In most cases, the use of the block grants has not been very effective, apart from in some disadvantaged private schools, public primary schools, and *madrasah*. The grant has been used more effectively in schools located in remote areas. The Team found that the SSN Block Grants Program to some extent overlaps with the Education Operational Support (BOP) and national budget (APBN) for education, increasing the risk of misappropriation of the funds.



**6. Role of Local Committees.** The coordination, management and administration of the program have been very weak at the *kecamatan* and lower government levels. School Committees have invariably been dominated by the school principals, who have made the decisions regarding the use of the block grants. Unfortunately, community participation in the program has been low because the Board of Parents is often considered to represent community. Basically the *Kecamatan* Committees have tended to be dominated by officials from the Department of National Education Office, whereas the Head of the *Kecamatan* has only forwarded the applications to the local government, and the other committees have had a minimal role in the process. In terms of program administration, the Post Offices and the Department of National Education at the *kabupaten* level have been able to carry out their responsibilities reasonably well.

**Based on the above findings, the following suggestions have been made:**

- (i) **Allocation of Scholarships and Block Grant Recipients.** To achieve more appropriate targeting, more scholarships should be made available for Grade 1, 5 and 6 primary school students, and the amount of scholarships for Grade 1 and 6 students should be larger than the scholarships for Grade 5 students. Likewise, the scholarship funds for Grade 1 and Grade 3 junior secondary school students should be larger than those for Grade 2 students. The amount of primary school scholarships should be increased, if necessary by redirecting the funds away from junior and senior high schools students, or from the block grants for junior and senior high schools.
- (ii) **Criteria for the Selection of Scholarship and Block Grant Recipients.** The criteria for selecting the scholarship and block grant recipients should be improved to achieve more appropriate targeting by :
  - Removing the *IDT* village criteria for scholarship and block grant recipients;
  - Adding school performance criteria for block grant recipients, and student's potential or achievement criteria for the scholarship program recipients (for those who meet the other criteria);
  - If the allocation is too small, it is necessary to decide upon "final" criteria, which should be indisputable for the community, while at the same time it should make the work of the School Committees easier, for example by using the *NEM* score;
  - Among communities with low education awareness, the parents should be required to sign a written pledge that they will allow their children to finish that level of schooling when they receive scholarships;
  - Replace the school scholarship quota/allocation system with a bottom-up selection system; and
  - The quota/allocation system should only be applied to determine the number of scholarships at *kabupaten* or provincial levels.
- (iii) **Appropriateness of the SSN Block Grants Program.** Considering that most of the scholarship funds will be received by the schools in the form of students' *BP3* contributions, and that the schools have received operational funds from several sources (including from the routine budget, Education Operational Support (*BOP*), *SBPP*, etc), it is recommended that to avoid overlapped funding sources, the block grants be used to increase the amount of scholarships, and some of this funding be used

as an incentive for the School and Kecamatan Committees. The block grant should only be awarded to private schools and *madrasah*, which have suffered drastic decreases in revenue due to the crisis, or the money should be allocated for public primary schools, particularly those in rural and remote areas. If the Block Grant program is to be continued, the size of the grant should not be the same for all schools, rather it should be adjusted based on the number of students and conditions of the school. However, adjusting the size of the Block Grant, based on the characteristics of the schools will have two disadvantages: it makes the process more complicated, and it may increase the chance of misappropriation. Despite these disadvantages, it was important to readjust the Block Grants in line with the conditions of the schools.

The size of the block grants for high schools should be reconsidered, taking into account whether they have laboratories and science classes, otherwise the size of the block grant should be reduced. Based on the SMERU Team's observations, the size of the block grants for public high schools is too large.

- (iv) **Program transparency.** The important role of School Committees in the implementation of the scholarships and block grant programs needs to be stressed. The habit of leaving decision-making and the control of funds to the school principal needs to be changed. Kabupaten education officials should use every available opportunity to stress the need for school principals to hold open discussions with the members of the School Committee about implementation plans for the block grant programs.
- (v) **Textbooks.** For primary and junior secondary schools, the government textbooks and textbooks from private publishers should not be replaced or changed too often. The books should be assigned for at least 5 years, so that they can still be used by the students' younger siblings or by other students. Sufficient number of textbooks should be available according to the number of students, giving special attention to private schools and *madrasah*.
- (vi) **School Funds.** In the future, it is recommended that school funds should not only be provided by the government, but also increasingly by the community. In the transitional period, various ways of fundraising are still applicable, including: (i) cross-subsidies using school fees or BP3 contributions; (ii) promoting community fundraising by enhancing the community's participation in school activities, for example through *zakat* (tithe), *infaq* (contributions), *shodakoh* (alms), and scholarships; and (iii) other methods of self-sufficient funding. These activities should be carried out in phases, while taking into account the socio-economic conditions of the community. The funds raised should not to be allocated for the operational expenses of government offices (the Department of National Education Office at the *kabupaten* and *kecamatan* levels).
- (vii) **Equitable Distribution and Access to Education.** To ensure that the education system provides equitable distribution and equal access and results, the existing dualism or conflicts of interest in the management of education in Indonesia between the Department of National Education and the Department of Religious Affairs, or between the Department of National Education at the *kabupaten* and *kecamatan* levels, should be improved in the near future. The management system should be simplified so it falls under the responsibility of the Department of National Education. At the *kabupaten* level, the management of the education system should be in the hands of the *kabupaten* office. Such an arrangement will soon be unavoidable when the Law No. 22/1999 regarding regional autonomy becomes effective.

- (viii) **Data.** A more accurate data system is greatly needed. The level of awareness regarding the importance of useful data amongst the relevant education authorities should also be improved. Data should be used for monitoring the school development and the development planning of education at both national and regional levels.

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## LIST OF ABBREVIATIONS

ADB	Asian Development Bank
APK	Angka Partisipasi Kasar
APM	Angka Partisipasi Murni
BP3	Badan Pembantu Penyelenggara Pendidikan
Cawu	Catur Wulan
CIMU	Central Independent Monitoring Unit
DBO	Dana Bantuan Operasional
Depag	Departemen Agama
DikBud	Pendidikan dan Kebudayaan
DIK	Daftar Isian Kegiatan
DO	Drop-Out (putus sekolah)
Ebta	Evaluasi Belajar tahap Akhir
Ebtanas	Evaluasi Belajar Tahap Akhir Nasional
FGD	Focus Group Discussion
GOI	Government of Indonesia
IDT	Inpres Desa Tertinggal
Inpres	Instruksi Presiden
Jabar	Jawa Barat
JPS	Jaring Pengaman Sosial
Juklak	Petunjuk Pelaksanaan
Kandep	Kantor Departemen
Kanin	Kantor Inspeksi
Kanwil	Kantor Wilayah
KK	Kepala Keluarga
KUA	Kantor Urusan Agama
LSM	Lembaga Swadaya Masyarakat
NEM	Nilai Ebtanas Murni
MA	Madrasah Aliyah (setingkat SMU)
MI	Madrasah Ibtidaiyah (setingkat SD)
MTs	Madrasah Tsanawiyah (setingkat SLTP)
PAD	Pendapatan Asli Daerah
P dan K	Pendidikan dan Kebudayaan
PHK	Pemutusan Hubungan Kerja
PIMU	Provincial Independent Monitoring Unit
PLKB	Petugas Lapangan Keluarga Berencana
RAPBS	Rencana Anggaran Pendapatan dan Belanja Sekolah
SD	Sekolah Dasar
SDLB	Sekolah Dasar Luar Biasa
SLTP	Sekolah Lanjutan Tingkat Pertama
SLTA	Sekolah Lanjutan Tingkat Atas
SLTPLB	Sekolah Lanjutan Tingkat Pertama Luar Biasa
SMERU	Social Monitoring and Early Response Unit
SMU	Sekolah Menengah Umum
SMLB	Sekolah Menengah Luar Biasa
UU	Undang-undang
Wajar DikDas	Wajib Belajar Pendidikan Dasar
WB	World Bank
Pontianak	Kabupaten Pontianak
Tangerang	Kabupaten Tangerang
Sleman	Kabupaten Sleman
Lombok Timur	Kabupaten Lombok Timur



# I. INTRODUCTION

## 1. Background

Indonesia had made extraordinary progress in developing a national education system during the period prior to the economic crisis in mid 1997. Many have claimed that by the late 1980s, a level of primary school education had been universally achieved in Indonesia, and that since then this high level of participation has been sustained. The World Bank's latest World Development Report (based on data provided by the Indonesian Government to UNESCO) states that the net primary school enrollment figures for Indonesia have reached 97%. A more careful assessment has revealed that enrollments fell considerably short of "universal". While the vast majority of children have enrolled, the proportion of those actually completing primary school education was not more than 80%.

Increasing the enrollment numbers in the school system is only one quantitative aspect of education, and Indonesia has generally been successful achieving this objective. Yet, it should also be noted that the task of increasing net primary school enrollments (APM)<sup>1</sup> has been possible because of the declining number of children that fall within each of the relevant age-groups. This is a direct result of the falling fertility rate which began in the early 1970s. The quality of education is a different matter, where there tends to be a lack of quality indicators for education. This is apart from the valuable NEM<sup>2</sup> scores for each level of education, which provide comparative information about the educational performance of different regions, districts, and individual schools. There has been very little analysis of the dimensions of educational quality such as the quality of school buildings, the educational background of teachers (including their formal qualifications as well as teaching experience) as well as any other matters directly related to the quality of education.

One important development in education in Indonesia has been the introduction of **National Compulsory Education Program** (*Wajar Dikdas*) in 1994, which makes 9 years of education compulsory for all students. While this target has not been immediately achievable due to insufficient resources such as school buildings and teachers, it is hoped that it will be successfully implemented by the year 2004. Since the introduction of this program, the enrollment percentages for junior secondary school have increased. The figures indicate that participation rates actually fell from 62% in 1988 to 58% in 1994, then rose considerably to 63% in 1995 and subsequently to 72% in 1997. However, the increase in enrollment figures has progressed slowly indicates that even despite the recent economic crisis, achieving the 9 Years Compulsory Education program aims it was never going to be easy.

At the time of the economic crisis, there was considerable concern that the situation would generate substantial school dropout rates, and hence reverse many of the achievements already attained through previous programs. Consequently, the Indonesian Government, the World Bank, and the Asian Development Bank funded several aid programs in order to alleviate these concerns and help reduce any potential negative impact of the crisis. This funding targeted the provision of both scholarships for students from poor families, and operational support for schools in poorer communities. These objectives were instituted under the framework of the Social Safety Net Program (*Jaring*

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<sup>1</sup> *Angka Partisipasi Murni (APM)*, the net school enrollment rate which calculates the sum of students of the standard age enrolled at each school level as a proportion of the population of standard age at each school level. For example,

$$\text{APM (SD)} = \frac{\text{Sum of Primary School Students (aged 7-12 years)}}{\text{Sum of Population of Citizens (aged 7-12 years)}}$$

<sup>2</sup> *NEM (Nilai EBTANAS Murni)*, the Raw Exam Results – National Evaluation of Final Year Studies.

*Pengaman Sosial* - JPS). The scholarship program aimed to cover 6% of primary school children (*SD*), 17% of junior secondary school students (*SLTP*), and 10% of senior secondary school students (*SMUA*), while the Block Grants provided to schools (*Dana Bantuan Operasional* - DBO) were to be allocated to 60% of schools at all levels. Further details are presented in Table 2 (See Chapter II).

A number of studies have been already conducted that monitor the implementation of the Scholarships and Block Grants Program, as well as assessing the impact of the program. The Crisis Impact team at SMERU conducted a rapid assessment of the program which was intended to complement and extend earlier studies. SMERU's research was based on intensive field studies in eight *kecamatan* (two *kecamatan* in each of four *kabupaten*). These *kecamatan* were selected to give a broad picture of both the conditions in the education sector in Indonesia, before and after the crisis, and of the effectiveness of the SSN Scholarships and Block Grants Program.

## 2. Objectives

- (i) To gain an overall understanding of status of the education system prior to the crisis;
- (ii) To identify those factors that caused students to remain at school, drop out, or discontinue their studies after the onset of the crisis;
- (iii) To examine the impact of the crisis on the quality of education and how it may have facilitated further problems; and
- (iv) To assess the effectiveness of the SSN Scholarships and Block Grants Program, especially regarding the suitability of the targets, the amount and forms of assistance, the benefits and drawbacks, and the suitability of the mechanisms adopted to implement the programs.

## 3. Methodology

This rapid assessment was conducted in four *kabupaten* located in four different provinces in October and November 1999: Pontianak (West Kalimantan), Tangerang (representing Jakarta, Bogor, Tangerang and Bekasi, that being the Jabotabek area), Sleman (DI-Yogyakarta), and East Lombok (West Nusa Tenggara). The locations were selected based on information obtained from the *Kecamatan Survey Report*<sup>3</sup> about the impact of the crisis and the poverty index, which was initially used to determine the allocation of scholarships and Block Grants.

Two *kecamatan* were chosen from each *kabupaten* in the study, one from an urban area and the other from a rural or remote area. Following this, two *desa* (villages) were selected in each *kecamatan*. In addition, three primary schools (*SD/MI*), and three junior secondary schools (*SLTP/MTs*) were selected, representing both public and private schools, as well as *Madrasah* (Islamic-based schools). These schools were chosen regardless of whether or not they had received SSN Scholarships or Block Grants program assistance.

The *desa* and schools were not always chosen simultaneously. In some instances, the location of the *desa* was determined prior to the location of the school which enabled the SMERU Team to gather preliminary information about the schools attended by the local children. It is quite common for children to attend schools located in a *desa* which different from their

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<sup>3</sup> Kecamatan Crisis Impact Survey: Sudarno Sumarto, Anna Wetterberg, Lant Pritchett, 1998.

place of residence and consequently this had to be considered during SMERU's investigations. The survey areas, information sources, and method of data collection are summarized in Table 1 and Table 1a.

**Table 1. Administrative Area, Sources of Information and Research Methods**

No	Administrative Area	Source of Information (Primary & Secondary)	Research Methods
1.	Province	Bappeda, Level I Provincial Office, Dept. of Education Provincial Office, Dept. of Religious Affairs	In-depth interview, secondary data In-depth interview, secondary data In-depth interview
2.	<i>Kabupaten</i> , Level II	1. Bappeda, Level II 2. Head of Dept. of Education, Level II 3. Officials from the Dept. of Education, level II 4. Officials from the Inspection office for the Dept. of Education, Level II 5. Dept. of Religious Affairs 6. PIMU (Provincial Independent Monitoring Unit) 7. Local NGO leaders	In-depth interview, secondary data In-depth interview, secondary data In-depth interview, secondary data In-depth interview, secondary data In-depth interview In-depth interview In-depth interview
3.	<i>Kecamatan</i>	1. <i>Camat/Camat Sec./Staff</i> of <i>Kecamatan</i> 2. Branch Office of Education (Service Unit) 4. <i>Kabupaten</i> Office of Education 5. Sub-branch, Service Unit of Dept. of Education 6. <i>Kecamatan</i> Post Office officials 7. Family Planning Extension Workers 8. Members of <i>Kecamatan</i> Committee	In-depth interview In-depth interview, secondary data In-depth interview, secondary data In-depth interview, secondary data In-depth interview, secondary data In-depth interview, secondary data In-depth interview
4	<i>Desa</i>	1. Village Head/Secretary/Administrative 2. Community leaders 3. Members of the School Committee 4. School Principals and Teachers 5. School BP3 6. NGO field workers 7. Community members and parents 8. Students	In-depth interview In-depth interview In-depth interview, secondary data In-depth interview In-depth interview & FGD * In-depth interview In-depth interview & FGD * In-depth interview & FGD *

Note: \* = Focus Group Discussion conducted in Sleman, Tangerang, and East Lombok .

Table 1a. Observation Area

No.	Kabupaten, Kecamatan Desa/Kelurahan	Sekolah Dasar (SD) / Madrasah Ibtidaiyah (MI)	Scholarship	DBO **	SLTP / Madrasah Tsanawiyah	Scholarship	DBO **
1. 1.1	Kab.Pontianak, Prop. KalBar KECAMATAN SUNGAI RAYA				SLP Negeri 01 Sungai Raya	V	V
					SLP Negeri 02 Sungai Raya	V	V
					SLP II Immanuel (private)	V	V
1.1.1	Desa Sungai Raya	SDN 06 Sungai Raya	V	V			
1.1.2	Desa Sungai Ambangah (IDT)	SDN 41 Parit Tenaga Baru	V	V	MTs (swasta) Miftahul Huda	V	V
		MI Miftahul Huda (private)	V	V			
1.2	KECAMATAN SUNGAI KUNYIT				SLP Negeri 01 Sungai Kunyit	V	V
					SLP Purnama (swasta)	V	V
1.2.1	Desa Sungai Limau				MTs Darusalam Al Falah	V	V
1.2.2	Desa Sungai Kunyit Laut	SDN 02	V	V			
		SDN 12	V	V			
1.2.3	Desa Sungai Kunyit Dalam (IDT)	MI Darusalam (private)	V	-			
II. 2.1	KAB. TANGERANG, PROP. JABAR KECAMATAN KRONJO				SLTP Negeri I Kronjo	V	V
					SLTP Nurul Amin (private)	V	V
					MTs (private) Nurul Hidayah	V	V
2.1.1	Desa Kronjo	SDN Kronjo I	V	-			
		SDN Kronjo II	V	-			
		MI (private) Nurul Hidayah	V	-			
2.1.2	Desa Waliwis (IDT)	SDN Waliwis II	V	V			
		SDN Bendung	V	V			

Table 1a (Continued) . Observation Area.

No.	Kabupaten, Kecamatan Desa/Kelurahan	Sekolah Dasar (SD) / Madrasah Ibtidaiyah (MI)	Scholarship	DBO **	SLTP / Madrasah Tsanawiyah	Scholarship	DBO **
2.2	<b>Kecamatan Rajeg</b>				SLTP Negeri I Rajeg	V	V
					MTs Negeri I Rajeg	V	V
					MTs (private) Daarul Archam	V	V
					MTs (private) Nurul Iman	V	-
2.2.1	Desa Sukatani (masy.terPHK)	SDN Sukamah III	V	V			
2.2.2	Desa Rajeg	SDN Rajeg II	V	-			
		SDN Rajeg V	V	-			
		MI (private) Nurul Iman	V	V			
III. 3.1	<b>Kab.Sleman, Prop.DI Yogyakarta * Kecamatan Prambanan (Rural)</b>				SMPN Prambanan (& Open Junior High School)	V	V
					Mts Palemsari	V	V
3.1.1	Desa Madurejo	SDN Potrojayan II	V	V			
3.1.2	Desa Sambirejo (IDT)	SDN Karang Sari	V	V			
		SDN Sumberwatu	V	V			
3.2	<b>Kecamatan Depok (urban)</b>				SMP Muhammadiyah I	V	-
					SMPN III Depok	V	V
3.2.1	Desa Catur Tunggal	SDN Ambarukmo	V	V			
		SDN Babarsari	V	-			
3.2.2	Desa Maguwohardjo	MI Al Huda	V	-			
		SDN Depok I	V	-			

Lanjutan Table 1a. Observation Area.

No.	Kabupaten, Kecamatan Desa/Kelurahan	Sekolah Dasar (SD) / Madrasah Ibtidaiyah (MI)	Scholarship	DBO **	SLTP / Madrasah Tsanawiyah	Scholarship	DBO **
IV. 4.1	Kab.Lombok Timur, Prop.NTB Kecamatan Masbagik				SLTP Negeri I Masbagik	V	V
					SLTP Negeri IV Masbagik	V	-
					MTs Dasan Malang	V	V
4.1.1	Desa Sangiang	SDN Sangiang	V	V			
4.1.2	Desa Masbagik Utara	SDN 5 Masbagik	V	V			
4.1.3	Desa Paok Motong	MI Dasan Malang	V	V			
4.2	Kecamatan Pringgabaya				SLTP Negeri Pringgabaya	V	V
					MTs Benyer	V	-
4.2.1	Desa Labuhan Lombok	SDN 2 Labuhan Lombok	V	V	MTs Ketangga	V	V
		MI Labuhan Lombok	V	V			
4.2.2	Desa Bagik Papan	SDN Bagik Papan	V	V			

Note:

\* The team of Kabupaten Sleman – DI Yogyakarta also visited some high schools including SMK Muhammadiyah (private), SMU De Britto (private), and SMU Negeri I Depok.

\*\* Program 1998/1999.

## Pontianak (West Kalimantan)

According to the Survey of Kecamatan, the education sector in Pontianak has been seriously affected by the economic crisis, especially in its urban areas.

- Kecamatan Sungai Raya is the most densely populated urban area in the *kabupaten*, with a total population of 127,606. This *kecamatan* is adjacent to the City of Pontianak, and is a center for industrial and business activity. However, this *kecamatan* also includes rural areas where pepper, latex and coconut are produced. Desa Sungai Raya and Desa Ambangah were the two *desa* in the Kecamatan Sungai Raya selected in order to provide rural and urban representation. The former is an urban area, and the latter is a remote or rural disadvantaged village, mostly inhabited by the Madurese.
- Kecamatan Sungai Kunyit represents a more rural area. Most of the local people earn their living from fishing or from agriculture. This *kecamatan* lies adjacent to Kabupaten Sambas, the location of recent racial conflict between Madurese migrants and the local Dayak people. The population is relatively small, with only 20,455 citizens. The three *desa* selected were: Desa Sungai Kunyit Laut, a coastal village dependent upon fishing; Desa Sungai Kunyit Dalam, an IDT inland village, and; Desa Sungai Limau, which is located between the coast and the hinterland and dependent upon plantation and agriculture such as rubber and pepper for livelihood.

## Tangerang (Jabotabek)

- Kecamatan Rajeg is located about 25km from Tangerang where most of the industrial workers in this area have migrated from other regions. This is an area that has been hard hit by mass layoffs from the footwear, chemical, textiles, and electronics factories located in nearby Kecamatan Pasar Kemis. According to National Board of Family Planning (*BKKBN*) data for the period between December 1998 – January 1999, Kecamatan Rajeg is the poorest area in Tangerang where 32.7% of families classified as *Pra-Sejahtera* (Pre-prosperous).
- Kecamatan Kronjo was chosen as an example of a remote area, even though it is only 30km from Tangerang. It is the second poorest area in the Kabupaten with 5,684 *Pra-Sejahtera* families (which account for 30.8% of the total population). Despite Kronjo being located near the ocean, farming is the largest source of income, followed by fishing. The breakdown of occupations is as follows: farmers (52%), fisherman (28%), factory workers (10%), traders (7%), and government officials (1%). According to local fishermen, they initially benefited from the crisis because of higher prices for their produce. However, more recently they have begun to feel the impact of falling price for their produce, especially for commodities such as prawns.

## Sleman (DI Yogyakarta)

Kabupaten Sleman was selected because it was one of the 25 *kabupaten* chosen for pilot study on the impact of regional autonomy on the education sector.

- Kecamatan Depok, located about 5km from Sleman and adjacent to Kodya Yogyakarta, was chosen to represent an urban area in the *kabupaten*. It has a geographical area of 35.55km<sup>2</sup>, a population density of approximately 2,947 people/km<sup>2</sup>, and a total population of 104,785 people (23,993 households). This *kecamatan* is better known as a “student *kecamatan*” because there is a high concentration of formal education institutions located in this area. These range from kindergartens and primary schools, to both public and private universities. It is also supported by very good physical infrastructure and positive socio-economic conditions.

Most of the population in the three *desa* (Maguwoharjo, Catur Tunggal, and Condong Catur) are migrants from less prosperous *kabupaten* in the region such as Kabupaten Gunung Kidul. The population has settled in the poorer, densely populated urban areas around the periphery of the city, which is along the edge of Yogya's ring road. Typically, the majority of these people are non-permanent factory and construction workers, and *becak* drivers, who work in the low-income sectors and they generally have low levels of education. The economic crisis has deeply affected this community, forcing some to return to their original villages, and those who remain have to be prepared to take any job to support their families.

- Kecamatan Prambanan represents a rural area and is located the furthest from the business center of the *kecamatan*, which is approximately 30km from Sleman. The total population is 43,412 (10,645 households), there is a population density of 1,050 people/km<sup>2</sup> and an area of 41.35km<sup>2</sup>. While this area has a prominent agricultural sector, the majority of the population derive their income as agricultural laborers, factory and construction workers, store attendants, *pembantu* (loosely known as housemaids), as well as those who own small businesses in Kodya Yogya and the adjacent areas. The majority of the workers have to commute about 30-40km to work each day.

There are three disadvantaged (IDT) villages (Sambirejo, Gayamharjo dan Wukirharjo) which are located in the rocky hills of Kabupaten Sleman where there is low rainfall, limiting the villagers to gaining income from subsistence agriculture. Such conditions have forced many locals to find employment outside their villages, and even work as far away as far as Yogyakarta. The only local work available is rock mining and "gaduhan"-based cattle raising (raising another person's cattle and receiving a calf as a fee). The economic conditions of those living in the three non-IDT villages (Bokoharjo, Madurejo dan Sumberharjo) are very similar. Although these villages are located in lowland areas, having both agricultural land and simple irrigation, the dominant occupational groups include farm laborers, factory and construction workers.

Generally, most of the non-IDT villages located in lowland areas close to the *kecamatan* center, have better infrastructure. For example, there are better roads and public transportation in these areas, where as in IDT there are poorly-maintained roads and limited public transportation.

## East Lombok (NTB)

According to the poverty index, which is used to determine the allocation of funding for the SSN Scholarships and Block Grants Program, East Lombok is the area with the highest level of poverty in NTB.

- Kecamatan Masbagik was selected because it is the urban area with the highest number of primary and junior secondary school students who received scholarships and block grants during 1998/1999 and 1999/2000. It is relatively densely populated with 128,114 people (28,952 households) situated in eleven villages, across an area of 167.43km<sup>2</sup>. Generally, there is good access to transport and consequently, the mobility of the population is quite high. As a percentage of total number of people who are of working age, 24,401 people (27.2%) are engaged in the agricultural sector, while 10,467 people (11.6%) are in the non-agricultural sector.
- Kecamatan Pringgabaya was selected to represent a poorer rural area, having a relatively high number of students and schools that have benefited from the SSN Scholarships and Block Grants Program. Kecamatan Pringgabaya covers 251,21km<sup>2</sup> and consists of 13 villages, most of them IDT. In general, the roads are in good condition enabling easy access to other parts of the island. One area within this *kecamatan* has a population that is concentrated in hilly areas near Mount Rinjani. This area generally has poorer infrastructure and limited public transportation.



## II. A GENERAL PICTURE OF EDUCATION AND THE SOCIAL SAFETY NET PROGRAM

### 1. The State of Education, Before and During Crisis

Indonesia has made substantial progress in the education sector over the previous three decades. There has been a significant improvement in the national literacy levels, a steady rise in the average level of education of the population, and a rise in school enrollment figures (APK and APM)<sup>4</sup> across the board (see Jones, 1994). The average level of education of the workforce has also increased, which has facilitated a rise in workplace productivity.

Nevertheless, as was noted in the introduction, there remain many significant weaknesses in the Indonesian education system, many of which are not revealed in official reports. Several of these issues have emerged in the SMERU case studies. Some of the key problems at the primary and junior secondary levels of education are as follows:

- There is a relatively high drop out rate at the primary school level of education. Hence, a substantial proportion (close to 20%) of children do not complete primary school (World Bank, 1997: 68), and there is a strong probability that these children become illiterate, or are quick to lose their reading ability after leaving school.
- The quality of both school buildings and facilities is relatively poor. Through the INPRES (Presidential Instruction Scheme) school building program, many more buildings were constructed and consequently there was a sharp increase in school participation rates. However, there is concern about the quality of many of these buildings, especially the primary schools, moreover, these buildings have been poorly maintained.
- The teachers themselves have a relatively low level of education, and there has been a tendency for the most poorly trained teachers to be assigned to remote locations where many students come from poor backgrounds.
- There is excessive attention paid to nationalism and “development” activities in school curriculums, and priority given to local content rather than basic education which includes the ‘3M’ subjects (*membaca* – reading, *menulis* – writing, and *menghitung* – arithmetic).
- There is no well-organized system of data collection and storage. While a lot of data is being collected, it has not been used effectively to monitor school development, or to contribute to planning. What’s more, there has been very little effort to improve the accuracy of educational data.

In addition, serious difficulties have emerged over the implementation of the *Wajib Dikdas 9 tahun*. The progress been made towards achieving the highly desirable objective of “nine years of compulsory education for all children” has been disappointing, even before the onset of crisis. The latest available data reveals that school enrollments at the secondary school level actually fell between 1988 and 1992 (Oey-Gardiner, 1997). Enrollment figures increased again in 1993, and reached 72% by 1997. However, enrollments then decreased again in 1999 to 69% which was during the crisis. The declining enrollment figures in junior secondary school were not surprising, however they

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<sup>4</sup> APK and APM are net and gross enrollment rates respectively.

may have been even lower if the education SSN Program was not implemented. Nevertheless, this declining trend is not a strong indicator that the *Wajib Dikdas 9 Tahun* will be able to fulfill its objectives by 2004. In March 2000 it was announced that the target year for this program would be extended to 2009.

The crisis has led to a serious decline in the development of junior secondary school education, as well as decreased participation at the senior high school level. Generally, the reduced purchasing power of the *rupiah* has made it difficult for parents to pay school fees and other educational expenses. School revenue has also been effected by increased expenditure, due to sharp rise in the price of materials and school textbooks. The reduced capacity of parents to pay the monthly *BP3* (*Badan Pembantu Penyelenggaraan Pendidikan* – Board of Education Assistance) fees has threatened teacher welfare, where they have few additional sources of income. Fortunately, in April 1999 the basic salary of the government teachers was raised by up to Rp150,000 per month, providing them with greater assistance to maintain a basic standard of living during the crisis period.

## 2. 1998/1999 Scholarships and Block Grants Program

The government has developed a scholarship program for students and made provisions for Block Grants to schools in an attempt to overcome the impact of the economic crisis in the education sector. They have especially focussed on providing the opportunity for students to complete 9 years of Basic Compulsory Education. Both public and private schools are included in this program, as well as primary schools (*SD*), *Madrasah Ibtidaiyah* (*MI*/Islamic primary schools), junior secondary schools (*SLTP*), *Madrasah Tsanawiyah* (*MTs*/Islamic junior secondary schools), senior secondary/vocational schools (*SMU/SMK*), and *Madrasah Aliyah* (*MA*/Islamic senior secondary schools).

The scholarship program is designed to prevent children leaving school, and it is especially focussed on providing resources for poorer children to increase the possibility of continuing their studies to the next level. The government hopes that the SSN scholarships will enable all children, especially females, to complete their education at least until the junior secondary level school. The scholarships provide an amount of money to assist students to pay their school fees, while the Block Grants provide direct financial assistance to these educational institutions so that despite rising costs, the provision of services can be maintained.

Every *kabupaten* and *kotamadya* in every province is included in the scheme. However, the size of each particular allocation depends on the number of students, schools, and the poverty indices in each region. To implement the SSN Scholarships and Block Grants Program, the government has formed committees at the national, provincial, *kabupaten*, *kecamatan*, and school levels, each with their own specific tasks.

The program has been funded by the Indonesian government, as well as through loans from the World Bank and the Asian Development Bank. The national targets of the program, and the funding sources for 1998/1999 are presented in Table 2.

Scholarships are only available for those students who are: (i) enrolled as students in Grade 4, 5 or 6 at *SD/MI*, and Grade 1, 2, or 3 at *SLTP/MTs* and *SM/MA*; (ii) recent drop-outs, or in danger of leaving school due to economic factors; and (iii) not in receipt of any other scholarship.

Table 2. Scholarships and the Block Grants Program, 1998/1999

PROGRAM	SD, MI	SLTP, MTs,	SM/MA
<b>Scholarship</b>			
% of student beneficiaries	6%	17%	10%
Amount of funds per student	Rp120,000	Rp240,000	Rp300,000
Funding sources	GOI	WB, ADB	GOI
<b>Block Grants</b>			
% of school beneficiaries	60%	60%	60%
Amount of funds per school	Rp2,000,000	Rp4,000,000	Rp10,000,000
Funding sources	GOI, WB, ADB	GOI, WB, ADB	GOI

Source: Implementation Guideline for Kabupaten/Kotamadya Committee, Scholarship and Bantuan Operational Support for SD, MI, SLTP, MTs, and MA.

Only registered public or private schools are eligible to receive an allocation of scholarships or Block Grants. However, elite schools are excluded from the program. Block Grants may only be allocated to schools with following minimum student enrollment: a) in Java: 90 for SD, 60 for MI, 60 for SLTP/MTs and SM/MA;b) in the Outer Islands: 60 for SD, 50 for MI, 50 for SLTP/MTs and SM/MA.

The SSN Scholarships and Block Grants Program has been designed to be implemented over a five year period (1998/1999 to 2002/2003). The recipients of scholarships may continue to receive assistance in subsequent years, provided that they are promoted to the next school grade, and continue to meet the other criteria of the scholarship program. Schools can also be re-nominated to receive a Block Grant in the following year, however, they must repeat the application process.

The scholarships and Block Grants are disbursed over one year, from July ending in June the following year. According to the official program guidelines, in 1998/1999 both scholarships and Block Grants were to be collected at local Post Offices (except in isolated and difficult to reach areas) by students or school beneficiaries, without incurring any charges or deduction.

Some important changes have been made in 1999/2000 to the Scholarships and Block Grants Program. These include: 1) the funding allocation has been calculated on different poverty indices; 2) poverty indicators have been added to local indicators; 3) there have been funding distribution regulations; 4) training has been provided; 5) there have been organizational changes; 6) regulations are being monitored; and 7) information services have been provided. The scholarships and Block Grants allocated for 1998/1999 and 1999/2000, in the four kabupaten visited by SMERU Team are presented in Table 3 and Table 4 as follows.

Table 3. Scholarship Allocations for 1998/1999 and 1999/2000:  
Four *Kabupaten* Visited During SMERU's Investigations (in million *Rupiah*)

Kabupaten	Scholarship Budget Year 1998/1999			Scholarship Budget Year 1999/2000		
	SD/MI	SLTP/MTs	SM/MA	SD/MI/ SDLB	SLTP/MTs/ SLTPLB	SMU/SMK/ MA/SMLB
East Lombok	2,360.04	3,567.12	903.6	2,041.92	3,177.12	814.2
Pontianak	2,685.84	3,801.12	1,089.9	2,238.96	3,248.88	925.5
Sleman	646.60	2,158.08	1,101.6	655.70	1,936.30	1,073.1
Tangerang	1,066.80	2,122.08	106.8	1,373.40	2,789.52	276.3

Source: *Kabupaten* Committee in each *kabupaten*.

Table 4. Block Grants Allocations for 1998/1999 and 1999/2000 in the Four *Kabupaten*  
Visited by SMERU (in million *Rupiah*)

Kabupaten	Block Grants, FY 1998/1999 (million rupiah)			Block Grants, FY 1999/2000 (million rupiah)		
	SD/MI	SLTP/MTs	SM/MA	SD/MI/ SDLB	SLTP/MTs/ SLTPLB	SMU/SMK/ MA/SMLB
East Lombok	1,368	316	480	1,074	256	520
Pontianak	1,89	676	630	1,434	524	470
Sleman	798	440	910	798	388	880
Tangerang	724	384	280	1,404	500	560

Source: *Kabupaten* Committee in each *kabupaten*.

### III. FIELD FINDINGS

#### 1. A General Overview of Education

During the course of this study SMERU monitored the general state of the education system based several of the following criteria: the availability of schools (public, private, or *madrasah*) and teachers, student-teacher ratios, student-school ratios, the quality of education based on *NEM* scores, parental attitudes regarding their children's education and progress, the attitude of government officials, the availability of school funding, and the travelling distance for students to school each day.

In theory, data on Gross School Enrollment (APK) and Net School Enrollment (APM) could also be used as indicators. However, as is apparent in many of the following tables (e.g. Table 10) this data must be interpreted with caution, since the available figures for school-age groups (for example 7-12 years or 13-15 years) are only estimates and may be inaccurate.

In general, the Team from SMERU found wide variations between educational institutions, for example, there were differences between the provinces and the *kabupaten*, as well as between the various *kecamatan* within the *kabupaten*. A general depiction of the education system in these *kabupaten* and *kecamatan* is summarized in Table 5 and Table 5a, providing data on the total number of schools, students, and teachers in the regions, as well as the ratios between them.

- **Pontianak.** Based on information obtained from education officials in Kabupaten Pontianak, both the quality and the level of student participation in elementary and junior secondary schools in the *kabupaten* is relatively poor. Only 81.4% of *SD* graduates were able to continue studying at the *SLTP* level, and only around 50.2% then continued on to *SMUA*. However, the number of students who graduated compared to those attended the National Final Educational Assessment (*EBTANAS*) in 1998/1999 was relatively high, 95.2% for *SD* and 95% for *SLTP*.

The student-teacher ratios for *SD* and *SLTP* are relatively strong in this *kabupaten*. At the provincial level there are about 23 students per teacher at the *SD* level, and 29 students per teacher at the *SLTP* level. Kabupaten Pontianak has even better student-teacher ratios, with 21 students per teacher at the *SD* level, and 15 students per teacher at the *SLTP* the. Table 6 provides an overview of general conditions in the schools in the two *kecamatan* visited by the SMERU Team.

Table 5. Number of Schools, Students and Teachers in the Schools Visited by The SMERU Team, 1998/1999

Kabupaten/ Kecamatan	Number of Schools					Number of Students					Number of Teachers				
	SD	MI	SLTP	MTs	Open	SD	MI	SLTP	MTs	Open Sch.	SD	MI	SLTP	MTs	Open Sch.
<b>Kab. Pontianak</b>	846	n.a	135	n.a	n.a	134.128	n.a	29.705	n.a	n.a	6.288	n.a	1.967	n.a	n.a
Kecamatan 1	71	17	18	8	1	18.993	1.898	4.719	1.057	152	n.a	n.a	n.a	n.a	n.a
Kecamatan 2	21	3	2	2	n.a	2.963	455	634	117	n.a	n.a	n.a	n.a	n.a	n.a
<b>Kab. Tangerang*</b>	1.091	289	164	142	18	324.796	45.367	74.779	30.426	2.696	7.564	1.493	3.504	2.730	n.a
Kecamatan 1	51	9	2	6	1	12.349	1.110	1.421	934	212	221	36	50	94	n.a
Kecamatan 2	39	16	1	8	1	13.151	2.030	1.350	1.425	137	223	50	40	116	n.a
<b>Kab. Sleman</b>	558	17	116	20	5	75.990	1.017	36.969	5.664	n.a	n.a	n.a	n.a	n.a	n.a
Kecamatan 1	31	n.a	5	1	1	4.623	n.a	1.761	505	27	n.a	n.a	n.a	n.a	n.a
Kecamatan 2	64	4	12	4	n.a	10.778	192	3.364	1.152	n.a	n.a	n.a	n.a	n.a	n.a
<b>Kab. Lbk. Timur</b>	666	147	58	131	21	144.947	21.807	21.159	21.063	3.165	5.340	1.468	947	2.459	163
Kecamatan 1	78	17	5	15	3	19.938	2.606	2.843	2.247	n.a	682	171	147	244	13
Kecamatan 2	79	14	8	10	2	18.667	1.499	3.823	1.096	n.a	580	103	172	144	18

Sources: Office of Department of National Education at *Kecamatan*, *Kabupaten*, or Provincial levels in each region.

Note: \* Data from 1999/2000.

Table 5a. Student/School, Student/Teacher, and Teacher/School Ratio

Kabupaten/ Kecamatan	Student/Sschool Ratio				Student/Teacher Ratio		Teacher/School Ratio	
	SD	SLTP	MI	MT <sub>s</sub>	SD	SLTP	SD	SLTP
<b>Pontianak</b>	159	220	*	*	21	15	7	15
kecamatan 1	268	262	112	132	*	*	*	*
kecamatan 2	141	317	152	59	*	*	*	*
<b>Tangerang</b>	298	456	157	214	43	21	7	21
kecamatan 1	242	711	123	156	56	28	4	25
kecamatan 2	337	1,350	127	178	59	34	6	40
<b>Sleman</b>	136	319	60	283	*	*	*	*
kecamatan 1	149	352	*	*	*	*	*	*
kecamatan 2	168	280	48	288	*	*	*	*
<b>Lombok Timur</b>	218	365	148	161	27	22	8	16
kecamatan 1	256	569	153	150	29	19	9	29
kecamatan 2	236	478	107	110	32	22	7	22
<b>Recapitulation:</b>								
<b>Kabupaten</b>								
Pontianak	159	220	*	*	21	15	7	15
Tangerang	298	456	157	214	43	21	7	21
Sleman	136	319	60	283	*	*	*	*
Lombok Timur	218	365	148	161	27	22	8	16
<b>Kecamatan 1</b>								
Pontianak	268	262	112	132	*	*	*	*
Tangerang	242	711	123	156	56	28	4	25
Sleman	149	352	*	*	*	*	*	*
Lombok Timur	256	569	153	150	29	19	9	29
<b>Kecamatan 2</b>								
Pontianak	141	317	152	59	*	*	*	*
Tangerang	337	1,350	127	178	59	34	6	40
Sleman	168	280	48	288	*	*	*	*
Lombok Timur	236	478	107	110	32	22	7	22

Table 6. Schools in Pontianak visited by SMERU 1999/2000

No.	Name of School	No. of Students	No. of Teachers	Student and Teacher Ratio	BP3 Fee (Rp) Per month	Condition of school buildings
	<b>Elementary School (SD)</b>					
1.	SDN-06 Sungai Raya	213	20	11	1.000	Fair
2.	SDN-41 Parit Baru	97	10	10	600	Good
3.	SDN-02 Sungai Kunyit	190	14	14	500	Good
4.	SDN-12 Sungai Kunyit	180	11	16	250	Poor
	<b>MI</b>					
5.	MI Miftahul Huda	297	13	23	1.750-2.500	Fair
6.	MI Darussalam	60	7	9	1.000	Good
	<b>SLTP</b>					
7.	SMPN-01 Sungai Raya	754	38	20	2.500	Fair
8.	SMPN-02 Sungai Raya	845	49	17	2.500-3.500	Fair
9.	SMPN-01 Sungai Kunyit	553	29	19	2.500-3.500	Fair
10.	SMPS Immanuel II	444	21	21	21.000-30.000	Good
11.	SMPS-Purnama	81	9	9	4.500	Poor
	<b>MTs</b>					
12.	MTs Miftahul Huda	77	11	7	3.500-5.000	Fair
13.	MTs. Dar. Al Fatah *	58	15	4	0-3.000	Poor

Note: \* Teachers also taught at the local MA, *pesantren* (traditional Islamic boarding school) an Qur'an reading for housewives was organized by Yayasan Pondok Pesantren Darussalam Al Falah.

Observations from the field suggest that in general, there are slight differences in the quality of education available in urban areas compared with rural areas, especially in the case of private school education. In urban areas, such as Kecamatan Sungai Raya, most of the private schools have better buildings and facilities and are attended by students from wealthy families. In contrast, in rural areas such as Kecamatan Sungai Kunyit, many private schools offer both inferior conditions and quality of teaching, and are attended by those students who were not able to gain admission to public schools. These schools often use existing public school buildings and are organized by teachers from the state system. These teachers are either assisting students overcome the shortage of educational opportunities (especially at the junior secondary school level), or are those who are trying to earn additional income. MI and MTs schools are mostly located in Madurese areas throughout Kabupaten Pontianak, where at least some of these schools are housed in school buildings of an acceptable standard.

School buildings in this *kabupaten* generally tend to be timber constructions, apart from some junior secondary schools and recently established primary schools. While many of these buildings are not in good condition, they can still be used for learning and teaching activities. However, some of the public primary schools and MTs are in very poor condition, and contend with a serious shortage of equipment.

The survey suggests that the quality of education in *madrasah* schools is generally inferior to public schools. This is attributed to the following factors: (i) an excessive number of subjects in the school curriculum reducing the capacity of students to absorb the information; (ii) a shortage of teachers, especially in general knowledge



subject areas; (iii) an insufficient supply of text books and teaching materials; (iv) the dependence of private schools on student school fees, where the majority of students come from poor families with a limited capacity to pay; (vi) the relatively poor quality of teachers who do not have an official background in education (Teachers' Training College); and (vii) a lack of coordination between the Department of Education and the Department of Religious Affairs.

- **Tangerang.** Schools in the Kecamatan Rajeg and Kronjo rank poorly compared with the general state of education in West Java. This is reflected in the 1998/1999 *NEM* scores of West Java junior secondary schools, published by the West Java Regional Office of the Department of Education. *SLTP* Negeri Rajeg was ranked number 1,179 out of 2,528 public and private junior secondary schools in West Java, while *SLTP* Negeri I Kronjo was ranked number 2,118. The average *NEM* scores for students in both these schools were 5.35 and 5.06 respectively – both were categorized as D (poor). Out of a total of 256 public and private secondary schools in Kabupaten Tangerang, *SLTP* Negeri I Rajeg was ranked number 125, and *SLTP* Negeri I Kronjo number 218.

There are also many indications that the quality of primary school education in both *kecamatan* is relatively poor<sup>5</sup>. Apart from sub-standard buildings and inadequate conditions, many schools have an insufficient number of teaching staff. Some schools only have two regular teachers and one School Principal and many schools are forced to recruit part-time teachers. In one IDT village, there were two primary schools share the same sub-standard school building, which only has three classrooms, all of them being in poor condition. The other three classrooms collapsed two years ago. Students have to sit on the floor, on the desks, or share one chair between several students due to the lack of resources. In other schools, there are gaping holes on the floor and collapsing ceilings. SMERU visited 4 public primary schools in Kecamatan Kronjo and found that they were only situated in two locations (two schools share the same building). Although each school has its own School Principal and teaching staff, many decisions regarding the office of the teachers, class time tables, and other issues were applicable for both. Table 7 gives a summary of the condition of each school in the two *kecamatan* investigated by the SMERU Team.

- **Sleman.** Kabupaten Sleman was selected for one of the pilot studies on regional autonomy and its effect on education. The state of the education system in Sleman appears to be one healthiest in all of the *kabupaten* in Yogyakarta. In addition, its educational facilities and infrastructure have provided a strong basis for equal opportunity in accessing basic education. However, the standard of the physical infrastructure for education in the relatively isolated IDT villages (such as in Desa Sumberwatu or Desa Sambirejo), is still considered adequate.

An important aspect of education in this *kabupaten* is the declining trend of enrollment figures in primary schools in recent years. The data collected about student cohorts from 1992/93 to 1998/1999 verify these findings. Similar trends have been observed amongst primary school cohorts at the *kabupaten*, *kecamatan* and school levels. According to sources in the Office of Education, this decline in elementary student enrollments in Kabupaten Sleman and other *kabupaten* in Yogyakarta is due the success of the Family Planning program in reducing the birth rate. The result of this trend has been school closures and mergers in various locations.

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<sup>5</sup> The SMERU team noted a relatively small number of cases where 4<sup>th</sup> grade elementary school students were unable to read. This was denied by some teachers and *Kabupaten* officials, and yet was confirmed by teaching staff in one local private junior secondary school who regularly came across such cases.

Table 7. Schools in Tangerang Visited by SMERU 1999/2000

No.	Name of School	Number of Classes	Number of Students	Teachers			Monthly BP3 Fee	Condition of School Buildings
				No. of Teachers	Fixed Staff	S1		
<b>SD:</b>								
1.	SDN-1 Kronjo	11	390	6	6	0	1.500	Bad
2.	SDN-2 Kronjo	10	348	5	5	0	1.500	Bad
3.	SDN-2 Waliwis	6	213	4	4	0	1.500	Bad
4.	SDN Bedung	6	429	3	3	0	1.500	Bad
5.	SDN-2 Rajeg		182	4	4	0	4.000*	Fair
6.	SDN-5 Rajeg		184	4	3	0	4.000*	Fair
7.	SDN-3 Sukatani	12	474	6	3	0	2.000	Fair
<b>MI:</b>								
8.	MI-2 Nurul Hdyh	7	236	6	0	1	2.500	Good
9.	MI Nurul Iman	6	111	6	2	0	3.000	Bad
<b>SLTP:</b>								
10.	SLTP-1 (NK I)	27	978	40	20	5	10.000	Good
11.	SLTP 2 (NR I)	26	1190	40	34	0	10.000	Good
12.	SLTP 3 (private)	7	336	16	5	7	10.000	Good
<b>MTs:</b>								
13.	MTs 1 (NR)	11	475	26	11	19	10.000	Fair
14.	MTs Nurul Hidayah	10	372	22	22	3	12.500	Good
15.	MTs Nurul Iman	1	20	10	0	6	7.000	Bad
16.	MTs-3 Darul Arkham	9	305	14	0	9	9.000	Fair

Source: Mapping and inventory of schools in Kecamatan Kronjo and Kecamatan Rajeg, Tangerang, 1999/2000.

Note : \*includes quarterly payment.

**Box 1.**  
**Family Planning, Declining New Enrollments,  
and School Closures or Mergers**

Since 1994 the number of primary school students enrolled in the Kabupaten Sleman has been falling. For the sake of efficiency, some schools have decided to merge or to close. As a result, in 1994, the number of primary schools was reduced from 25 to 9. In 1996 approximately 35 schools were reduced to 17. The following year only 2 schools were merged, however during 1998, another 23 schools were further reduced to 10. Both public and private schools, including *madrasah*, have been working hard to attract new students through improving the standard of the education they offer.

Some schools have put more effort into increasing their *NEM* scores to boost their reputation. Interestingly, some *MI* in Sleman has been working closely with local kindergartens. The *MI* teachers provide religious lessons for kindergarten children as a way of attracting them to enroll in *MI*. Such an arrangement has been working well since 1995, when the success of Family Planning program in this area began to have an adverse affect on the number of primary school enrollments.

- **East Lombok.** Most of the primary schools in East Lombok are in very poor condition. Buildings and classrooms are sub-standard, and some are so damaged that they can no longer be used. As a result, some schools have to conduct classes on the floor in the *mushalla* (house of prayer), or in the mosque. In other schools, two classes may share a single room. In contrast, the conditions of the buildings and infrastructure in junior secondary schools in East Lombok are quite adequate. Differences arise between primary schools and junior secondary schools this region due to different funding sources. Public primary schools are funded by the Local Budget for Education at *kabupaten* level (*DIK APBD Level II*). The amount available funding is relatively small and depends on the *kabupaten's* limited resources. However, junior secondary schools, are funded from the Provincial and State Budgets, receiving a larger allocation of resources. Private schools must find their own sources of funding, usually from different foundations, community contributions, and school fees. Tables 8 and 9 provide an overview of the state of education in East Lombok during the period of 1995/1996 until 1998/1999.

While the public schools generally have a satisfactory number of teachers, schools in more remote areas generally experience shortages. Generally, this shortage has been limited to those teaching specific areas of the curriculum, such as: local language, art and craft, physics, and mathematics. Private schools have found it difficult to attract sufficient numbers of teaching staff, because teaching salary levels depend on the each school's financial resources, as well as their supporting foundations.

**Table 8. Education in East Lombok**

No	Level of Education	Total			
		1995/1996	1996/1997	1997/1998	1998/1999
1	<b>Primary School</b>				
	a. Schools	803	808	811	813
	b. Classrooms	4,636	4,636	4,618	4,749
	c. Students	161,482	143,517	144,879	166,754
	d. Regular Teachers	5,405	5,376	5,357	5340
	e. Dropouts	4,673	5,213	4,895	*
	f. Gross Enrollment Rates (%)	104.9	107.4	111.2	113.1
2	<b>Junior Secondary School</b>				
	a. Schools	183	187	199	209
	b. Classrooms	893	921	968	1,135
	c. Students	37,682	40,233	43,368	45,387
	d. Teachers	857	898	937	947
	e. Dropouts	1,311	1,927	2,619	*
	f. Gross Enrollment Rates (%)	52.8	55.4	58.9	62.9
3	<b>Senior Secondary School</b>				
	a. Schools	73	73	79	78
	b. Classrooms	353	364	407	668
	c. Students	16,172	17,049	18,072	17,387
	d. Regular Teachers	557	572	560	579
	e. Dropouts	667	843	550	*
	f. Gross Enrollment Rates (%)	27.0	27.6	27.9	27.2

Source: Regional Office of Department of Education, NTB Province, 1998.

Note: \* n.a.

The rate of teachers attending class been high in both in private and public schools, even despite the low remuneration levels in private schools (*Madrasah Ibtidaiyah* and *Tsanawiyah*), where they earn Rp15,000–Rp20,000 per month. Very few teachers have access to additional income sources related with their profession, for example, giving private lessons. The only exception is that for some *madrasah* teachers are able to take Qur'an reading lessons. In some schools, there are a number of teachers who conduct business activities outside of school hours, while others still live with their parents in order to limit their daily living expenses.

**Table 9. Schools in East Lombok visited by SMERU 1999/2000**

No	Name of School	Number of Classes	Number of Students	Teachers			Monthly BP3 Fee	Condition of school buildings
				No	Fixed Staff	S1		
<b>SD:</b>								
1	SDN-05 Masbagik	6	324	11	11	*	*	Poor
2	SDN Sangiang	6	355	10	10	*	*	Fair
3	SDN Labuhan Lombok	9	480	13	13	*	*	Fair
4	SDN Bagik Papan	6	305	9	9	1	*	Poor
<b>MI:</b>								
5	MI Dasan Malang	7	323	15	2	*	*	Good
6	MI Labuhan Lombok	6	186	6	1	*	*	Good
<b>Junior Secondary:</b>								
7	SLTPN-01 Masbagik	16	1,395	67	52	12	*	Good
8	SLTPN-04 Masbagik	*	*	*	*	*	*	Good
9	SLTPN-01 Pringgabaya	22	1,693	61	49	19	*	Good
<b>MTs:</b>								
10	MTs Dasan Malang	9	259	23	22	8	2,500	Fair
11	MTs Ketangga	10	224	13	9	1	2,000	Fair
12	MTs Bagik Papan	3	52	8	8	3	250	Poor

Source : Data from each school, June and July 1999.

Note : \* n.a.

\* monthly contribution, quarterly contribution not included;

Source: schools.

**The traveling distance between home and school.** This tends to impact the ability of many students to take in the subject matter taught in lessons, and also accounts for large quantities of lost study time. In Tangerang, some students have to walk or ride a bike between 2–3 km to and from school. In some locations in *Kabupaten Pontianak*, students have to use boats to travel to school, even though the actual traveling distance is not extensive. As a result, there are secondary school students who decide to change their education program to the Open Secondary School (*SLTP Terbuka*) which is only held for 2 days a week at the school. The teachers take turns teaching lessons for the remainder of the school days at a location near the student's home.

**School operational funds.** The amount of funding for schools is determined by the School Budget (*RAPBS*). The main contributors to the *RAPBS* are community members and students' parents and guardians, providing 87% of the funding in 1998/1999 and 81% in 1999/2000. Meanwhile, the government is only responsible covering the remainder of the funding. For example, the *RAPBS* for one Primary School in Tangerang in 1998/1999 was Rp15,188,500, of which the government only provided Rp1.9 million (see also Table 19 and Table 19a).

Prior to the introduction of the SSN Scholarships and Block Grants Program, in many cases, schools were trying to find ways to assist the poor or orphaned students. This included exempting these students from paying the *BP3* fees, obtaining special funding through *BP3*,

and through acquiring resources from those students from more prosperous families (who were asked to contribute Rp100 per month to support those in need). Other sources included contributions from mosques and other scholarship programs. In West Java the regional government has also raised funds through *reriuangan sarumpi*.<sup>6</sup>

The size of the monthly BP3 contribution paid by students from both public and private schools varies greatly, particularly across urban areas. In Pontianak, for example, it ranges from Rp150 to Rp1,000 per month for primary schools. The exceptions in this *kabupaten* are MT schools, where BP3 ranges between Rp1,500 and Rp2,500 per month, and in some elite private schools it reaches Rp15,000 per month. For junior secondary schools, the BP3 fee is between Rp2,500 and Rp5,000 per month, apart from one private SLTP where the rate was Rp30,000 per month. On average only 60% of the students are able to pay their fees by the due date.

In Tangerang, the *Bupati* has instructed all primary schools to hand over 20% of their total BP3 monthly revenue to the Kecamatan Office of Education, allegedly for the coordination of BP3 activities.<sup>7</sup> 20% of the amount given to the Kecamatan office is then to be delivered to the relevant authority at *kabupaten* level. The amount passed on to these offices is based on the BP3 fees charged to all students, not the actual revenue that is collected. This is despite some schools only receiving 60 % of BP3 fees. One school declared that the amount submitted to the regional offices was 20% of the 80% of their total BP3 revenues. While other schools complained that the submitted 20% is calculated based on the 100% of total BP3 fees charged to students.

**The attention and interest of parents.** The time and attention parents commit to their children's education appears to vary between *kabupaten*. Based on SMERU's observations, in Kabupaten Sleman, parents are highly concerned about their children's education and progress. In contrast, parents in Tangerang show little interest, especially in regards to their child's educational performance, and the possibility of their children continuing on to a higher level of education. This is similarly the case in Kabupaten Pontianak amongst various sections of the population. In most cases, school reports are handed over directly to the students instead of to the parents. However, in Yogyakarta, the schools invite the parents to come to school to collect the reports. SMERU's observations in East Lombok found that in general, parents' interest in their children's school performance was also very low. At the same time, there were high expectations in this region that children would continue on to higher levels of education. The employment situation in each area also influences the attitudes of both parents and students. Furthermore, both groups are also affected by cultural influences. Overall, it is not surprising that many students are prepared to quit school to work as laborers, especially if there are few employment opportunities in the region for those with a higher educational background (for example, in Tangerang and East Lombok, many factories accept workers with primary school education).

- **Pontianak.** In coastal areas, children can find work by helping fishermen to sort prawns and fish. They earn between Rp3,000 and Rp5,000 each day. This kind of work is usually undertaken in the afternoon or evening. In the farming and inland areas, young children help their parents in the rice-fields, tapping rubber, or by looking after their younger siblings at home when their parents are absent. There is still a lack of awareness, amongst parents in this area, of the importance of schooling. This is particularly the case within the Madurese community, where daughters are married off at a very young age, sometimes even before they have finished primary school. In the Chinese community, if children indicate

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<sup>6</sup> *Reriungan sarumpi* is a local tradition of community sharing the burden. In this case students from better off families contribute Rp200/month. The money collected is administered by a *kecamatan* officer in charge of educational affairs and is used to assist those students in need.

<sup>7</sup> SK Bupati Tangerang No. 05/1993.

a strong interest in continuing their studies, parents are generally supportive. However, those who do not continue at school are encouraged to find employment.

- **Tangerang.** The parents in this *kabupaten* pay very little attention to their children's school performance, and their children's educational development. Apart from the low educational background of many parents, long working hours as farmers or fishermen also effects their attitudes toward education. Some schools report that parents who are newcomers to the region display greater interest in their children's education. For example, they ask about the school's development and their children's progress. This could be the result of a better educational background and the greater mobility of these migrant parents, compared to the local people.
- **Sleman** There appears to be a high level of interest amongst parents regarding their children's education, in the villages of the visited by SMERU in the Kabupaten Sleman. There is also great desire for children to achieve a higher level of education. However, because many of the families are poor, they are frustrated by limited economic resources. There is a strong drive amongst parents to support their children's education, and this is evident in their attempts to: 1) borrow money from neighbors or relatives; 2) postpone payment of school fees/BP3 fees for up to 12 months; and 3) visit the school to seek a reduction (or if possible, an exemption) of the BP3 fees. In addition, parents are prepared to try to enroll for their children in a good quality school. Children who manage to achieve high NEM scores are given the freedom to select schools of their own choice. Consequently, some parents have to pay higher education expenses and transport costs when their children are accepted at a better school, especially if it is quite a distance from their village.
- **East Lombok.** In East Lombok, although many parents wish their children to achieve a higher level of education, they pay inadequate attention to their children's school performance. For example, few parents review school reports when these are distributed, unless they themselves have a higher level of education.

**Choice of school.** As a rule children and parents tend to choose public schools since these schools offer a better standard of education than most private schools, and are generally much cheaper. However, this may not apply in all cases. Public schools that are already considered to have high educational standards will only accept students with high grades (mid to upper rank). These schools also require a larger contribution from students for school facilities and extra-curricular activities, such as computer classes. However, there are some exceptions to this, where for example, many Moslem parents and students prefer to choose MI and MTs due to their strong religious orientation.

- **Pontianak.** There appears to be some differences between schools in the urban and rural areas in this *kabupaten*. In the urban areas, such as Kecamatan Sungai Raya, private schools offer a better standard of education, and therefore are the preferred institution for students from well-off families. In rural areas, such as Kecamatan Sungai Kunyit, private schools generally of lower quality of education and school conditions. As a result, these private schools are a last resort for those who have failed to gain a place in public schools. Normally, private schools in urban areas have their own permanent school buildings, whereas in rural areas they often use existing public school buildings. However, some MI/MTs schools have reasonably good school buildings, especially those located in the Madurese communities around Pontianak.
- **Tangerang.** In Tangerang, the MI and MTs schools have rapidly flourished, reflecting the high demand for local Moslem schools. In *Desa Kronjo*, many public primary school students also attend MI schools in the afternoon. During the National Final Educational Assessment

(EBTANAS) many students choose between taking the examinations in *MI* schools or in public schools. According to local informants, such a decision appears to be made not on the basis of economic factors, but rather because of strongly held Islamic beliefs. Both types of schools offer the same basic subjects, however *MI* schools allocate more time for Islamic subjects. The classroom hours at the public schools have had to be decreased to make time for a lunch break to cater for those students who attend the *MI* school in the afternoon.

**Availability of school textbooks.** In some relatively poor regions, for example in Tangerang, textbooks are provided by schools but are kept at school, only being used during school hours. The students are not obliged to own these books, and homework is given by copying exercises from the textbooks. In both the *kecamatan* visited by SMERU in Tangerang, all public primary schools, *MI*, junior secondary schools, and *MTs*, only provide textbooks for use during class time, not for use at home. In the junior secondary schools, students are allowed to borrow books from the school library. Consequently, each student is charged Rp600 per year to cover repairs and the replacement of damaged books. However, the number of available textbooks in these schools is insufficient, where two students frequently have to share the same book. These problems directly effect the quality of education in these regions, especially when compared with those areas that have a higher standard of living, where all children are able to afford textbooks.

### a. Enrollment Rates, Completion of Primary School and Dropout Rates

This section examines the data collected from the three regions during SMERU's investigations, and includes enrollment information as well as the drop out rates in these regions. The enrollment figures are separated into the Gross Enrollment Rate (APK)<sup>8</sup> and the Net Enrollment Rate (APM).

It is important to obtain the clearest possible picture about school participation rates in the years prior to the crisis. In order to examine this issue, the SMERU Team collected data on enrollment from every school they visited. Efforts have also been made to obtain enrollment data from the relevant education offices at the *kecamatan* and *kabupaten* levels, for all schools in the *kecamatan* included in the study. This approach, however, has not been very effective. Data on enrollments, broken down into grades over a period of several years, was only available in two *kecamatan* in Kabupaten Sleman.

- **Pontianak.** Across the entire Province of West Kalimantan, the APM reached 94%, while the APK exceeded 108%. However, at the junior secondary school level, the APM was still very low, approximately 45%, while the APK was only 63%.
- **Tangerang.** Data obtained from the each of the Kecamatan Office of Education indicated that gross enrollments in primary schools and *MI* in 1999/2000 in Tangerang were quite high, 115% in Kecamatan Rajeg and 85% in Kecamatan Kronjo. However, the data at the *kabupaten* level revealed that enrollments during the 1998/1999 period were much lower, both for *SD/MI* schools and for *SLTP/MTs* schools. The enrollment rate in *SD/MI* schools at Kecamatan Rajeg was 77,5%(gross) and 67,7%(net), while at Kecamatan Kronjo it was 63,3% and 57,4% respectively.

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<sup>8</sup> The Gross Participation Rate shows the difference between the number of students at each level of schooling (Primary School = 7-12 years; Junior High School = 13-15 years; Senior High School 16-18 years) and the total number of children in each respective age group for these school levels.

$$\text{Gross Participation Rate} = \frac{\text{Number of students (Primary school)}}{\text{Number of children aged 7-12 years old.}}$$

At the junior secondary school level, *kecamatan* data revealed that in 1999/2000 gross enrollments in Kecamatan Kronjo were only 65% and in Kecamatan Rajeg the rate was 53%. However, the *kabupaten* data indicated that in 1998/1999 the enrollment rates in SD/MTs in Kecamatan Kronjo were 40,9%(gross) and 36,6% (net), while in Kecamatan Rajeg they were 43,8% and 39%, respectively.

The SMERU Team decided to check the accuracy of this data for two reasons: firstly, the sets of data obtained from the Department of Education at *kecamatan* and *kabupaten* levels were conflicting; secondly, according to government authorities, school management, and local communities, very few school-age children were not attending school. Thus primary school enrollments (both net and gross), should not have been as low as suggested in the figures obtained from the Department of National Education at *kabupaten* level. One possible explanation for this discrepancy is that the population data for certain age groups is inaccurate. The team from SMERU found at least one student who was not attending school, and also a number of fishermen whose children were helping their parents in the field from an early age. However, several sources in *Kecamatan Kronjo* claimed that these cases were uncommon. Furthermore, the latter should not be included in the data as they are voluntary transmigrants who had not been registered as local citizens.

- **Sleman.** According to both the net and gross enrollment data, there has been very little change in the conditions of education when comparing the periods before and after the crisis. The enrollment figures, particularly the at Basic Compulsory Education Program level, indicate relatively high figures (see Table 10). The APK at the primary school level in 1994/1995 was 105.8% and in 1998/1999 it reached 108%. In the meantime the APM in 1994/1995 was 88.9% and this increased to 91.1% in 1998/1999.

While the percentage of the Net and Gross Enrollment rates tends to decrease at higher educational levels (Junior Secondary and Senior Secondary Schools) in Kabupaten Sleman, overall, the percentage is still relatively high. For secondary schools, the APK between 1994/95 and 1998/1999 was over 85%, whereas the average APM for the same period was over 62%. Based on these indicators, generally speaking the access for school-age children to primary school education has been reasonably good in this *kabupaten*. As a result, equal opportunity to access education has largely been achieved. However, this conclusion should be made with caution, especially when evaluating the achievement of the Basic Compulsory Education Program that was launched by the government as a part of the sixth 5 Year Development Program.

**Table 10. Gross Primary School Enrollment Rate (APK) and Net Primary School Enrollment Rate (APM) in Kabupaten Sleman 1994/1995 – 1998/1999**

Gross and Net Enrollment Rate (%)	1994/95	1995/96	1996/97	1997/98	1998/99
1.Net Enrollment Rate					
- Upper Secondary	47.98	49.0	53.6	52.9	54.1
- Lower Secondary	66.8	60.2	68.4	65.7	63.0
- Elementary	88.9	87.6	90.4	92.1	91.1
2.Gross Enrollment Rate					
- Upper Secondary	65.0	67.0	74.1	74.7	68.0
- Lower Secondary	87.0	89.7	91.6	89.0	84.5
- Elementary	105.8	105.8	108.6	110.9	108.0

Source: Inspection Office of Department of Education, Kabupaten Sleman.



The available cohort data is presented in Table 11, and shows the proportion of one cohort of students who entered the first year of primary school and then continued to study until Grade 6. In the case of Kabupaten Sleman, the figures refer to the total enrollment rates in the Kecamatan Prambanan and Kecamatan Depok, whereas in other areas they refer to the total enrollment rates over time, in a number of schools.

**Table 11. Proportional Cohort of Students Entering Primary School Reaching Grade 6 in a Survey Sample of Primary Schools, 1991/1992 – 1995/1996 (%)**

Admission Year	Pontianak <sup>1)</sup>	East Lombok <sup>2)</sup>	Sleman <sup>3)</sup>	Tangerang <sup>4)</sup>
1991 / 1992	56	n.a	n.a	49
1992 / 1993	69	n.a	n.a	48
1993 / 1994	52	65	89	51
1994 / 1995	67	70 *	96 *	56
1995 / 1996	78 *	n.a	n.a	72 *

Source: Data from each school.

Note: \* Up to Grade 5.

- 1) Cohort data of admission year 1991/1992 and 1992/1993 based on figures from 2 schools, 1993/1994 from 3 schools, and 1994/1995 and 1995/1996 from 4 schools.
- 2) Cohort data of admission year 1993/94 based on figures from 3 schools, and admission year 1994/1995 on figures from 4 schools.
- 3) Based on figures from all schools at the surveyed *kecamatan*.
- 4) Based on figures from 3 schools.

If the above data is accurate, then it demonstrates the importance of providing information about the proportion of students that have actually completed primary school during the 1990s. However, before commenting on the results, several of weaknesses in the research approach need to be clarified. Firstly, the data is not, strictly speaking, cohort data. We are not certain as to exactly how many of the same students enrolling in Grade 1 have managed to successfully reach Grade 6. This is because the calculations are based on the simple class enrollments in the each grade over several consecutive years. If no students repeat any classes, and no students have entered these schools at grades above Grade 1, then the number of students in Grade 6 in year (x + 6) should be the same students registered in Grade 1 of year x.

In the case of the primary schools, SMERU's estimates are quite reliable, due to the very low number of students repeating grades, and small numbers of new students. The effect would be even less significant if the number of those repeating a grade changes little from year to year, and the number of newcomers, and those pupils leaving school are balanced.

Concerning the exit and entry of primary school students, it is reasonable to assume that student entry and exit would be approximately equal. This is apart from those areas with high levels of in-migration or out-migration rates, or those areas where students are likely to move to schools located outside the area. Kabupaten Sleman was the region observed as having a high migration rate, which results in students changing schools. Apart from Kabupaten Sleman, it is realistic to assume that in the other areas investigated, there is a balance between the number of students entering and exiting schools due to migration. It was also noted that students at higher levels of education are the ones who tend to move to schools located in different regions.

Another weakness in the data is that in most cases the information is only based on a small number of schools. There may be special factors affecting the cohort continuation rates in these schools, and consequently the results must be interpreted with caution. Nevertheless, the data should be given greater credence if it is congruent with the other findings in the research.

The data presented in the Table 11 highlights several important issues about the percentage of primary school-age children in Indonesia that have completed primary school education. The data from the two *kecamatan* investigated in Kabupaten Sleman shows a reasonably high percentage (90% or more) of students who have completed primary school. However, in the other three regions, the available data (which is based on only a small number of schools in each region) indicates that only between half and three quarters of primary school students have actually finished their primary education. This figure was well below the official national continuation rate for students going to high school. Admittedly, these regions are not statistically representative of the national state of education. Nevertheless, the findings should be a matter of high concern because the state of education may well reflect more widespread low levels of completing primary school.

The impact of the monetary crisis is not reflected in such data because it only indicates the number of students continuing their education over a period of six consecutive years who started before the crisis. For a number of cohorts (those enrolled in primary schools from 1991/1992 to 1992/1993) these six years covered the pre-crisis period, however, the following cohorts also included some of the crisis period.

Table 12 highlights the effect of the crisis on continuation rates at the primary school level. This table compares the continuation rates for two consecutive years of Grade 1, 2, 3 and 4 during the period immediately prior to the crisis, with the continuation rates for the same grades and period, during the crisis. Thus, a brief comment about the overall pattern of continuation in school is necessary to clarify the data. Apart from the pre-crisis period in Kabupaten Pontianak and Kabupaten East Lombok, the data indicates that there have mainly been problems with the continuation from Grade 4 to Grade 6, not with the continuation rates in earlier grades. This is a reasonable deduction because the problems with school continuation rates do not start until the later years in primary school when employment opportunities begin to be available. In addition, the probability of marriage for some students is unlikely, prior to the last years of primary school.

**Table 12. Continuation Rates of Primary School Students Before and After the Crisis (%)**

Kabupaten	Grade 1 To Grade 3	Grade 2 To Grade 4	Grade 3 To Grade 5	Grade 4 To Grade 6
<b>Pontianak</b> <sup>1)</sup>				
Year 1994/1995 – 1996/1997	79	87	83	86
Year 1996/1997 – 1998/1999	99	98	92	71
<b>Tangerang</b> <sup>2)</sup>				
Year 1994/1995 – 1996/1997	90	84	78	61
Year 1996/1997 – 1998/1999	112	100	80	70
<b>Sleman</b> <sup>3)</sup>				
Year 1994/1995 – 1996/1997	97	95	93	91
Year 1996/1997 – 1998/1999	100	102	99	96
<b>East Lombok</b> <sup>4)</sup>				
Year 1994/1995 – 1996/1997	78	100	79	73
Year 1996/1997 – 1998/1999	90	87	90	69

Source: Data from each school.

Note: <sup>1)</sup> Data from 4 schools.

<sup>2)</sup> Data from schools in all *kabupaten*.

<sup>3)</sup> Data from schools in 2 *kecamatan*.

<sup>4)</sup> Data from 4 schools.

Although there are some exceptions, in many cases the school continuation rates were actually higher during the crisis, compared with the period before the crisis. In Kabupaten Tangerang and Kabupaten Sleman, the school continuation rates for all grades were higher after the onset of the crisis. This also occurred in Kabupaten Pontianak, excluding Grade 4 to Grade 6. The slight difference between the original estimates and the actual enrollment rates is partly due to the SNN Scholarships and Block Grants Program. It could also be the result of changing patterns in employment, which in the past have increased the demand for primary school dropouts. If employment opportunities decrease, then often students are encouraged to stay at school, despite the extra burden of this decision for parents during the crisis.

## **b. Factors Influencing New Student Enrollment, Dropouts, and Non-Attendance at School**

The factors influencing students to remain at school, or to discontinue their studies before reaching higher levels of education, vary between regions. For example, in Kabupaten Pontianak, students may stop attending classes due to the influence of local attitudes over the importance of schooling. There may also be a low level of awareness on the part of parents about the importance of education for their children, as well as high local demand for labor. Other noted factors in this *kabupaten* that have contributed to the drop out rate include the following: (i) children are accustomed to working from a very young age; (ii) children become dropouts due to the embarrassment of failing a grade; (iii) traditional customs influence local communities, for example, in the Madurese community girls are married at very young age, and among the Chinese, those not interested in continuing at school are trained to work instead; and (iv) the inability to pay school expenses and problems surrounding access to transportation.

Based on information provided by the Heads of the Department of Education at the *Kecamatan* level, school principals, teachers, BP3 management, as well as informal community leaders, there is one main factor that influences student enrollments, dropouts, and absences in East Lombok. This is a low level of awareness within the community about the importance of continuing school education in order to improve the prospects for their children's future. The SSN Scholarship Program is now an important consideration for both parents and schools when deciding whether to further a child's education or not. The possibility of receiving a scholarship has encouraged some families to send their children to school, although there is no guarantee that their children will be nominated for the scholarship. Some schools have even encouraged parents to send their children to school by promising the child will get a scholarship. These schools assume that if more poor students are admitted to their schools, they will receive a larger allocation of scholarships and block grants.

The relatively high dropout rate in East Lombok is mainly attributed to the following factors: a) the lack of adequate employment opportunities for students who have managed to continue with their schooling until the level of high school or college; b) the traditional custom in some regions to marry off young girls soon after their first period; c) the local custom of easy marriage and divorce, which has led to an increase in the number of deserted children who, in turn, are more likely to dropout of school.

There are also other factors in the regions that contribute to both absenteeism and high dropout rates from school. These include, the economic pressure to work either in the farming or the fishery sector, the long travelling distance to school, the cost of transport, and, the impact of seasonal demands for labor (for example, the rainy season, planting season, fishing season).

If the income earned by a child significantly contributes to the family income, then quite often the introduction of the scholarship program is not considered important by the family. As a result, in a number of cases scholarships have been turned down by parents, despite repeated offers from the school involved. Thus, in these difficult circumstances, parents may adopt a pragmatic approach, presuming that even if their children continue their schooling it will be still difficult for them to find jobs after they complete their education. Consequently, some parents prefer their children to find a job immediately, or, arrange for their child to be married.

## 2. The Impact of the Crisis on Education Sector

In general, the impact of the crisis has not been significant in plantation areas and fishing villages. Both of these have benefited from the crisis due to the increased prices of export commodities such as pepper, rubber, palm oil, prawns and fish. The people in the fishing villages in Kabupaten Tangerang, for example, have only recently begun to suffer from the crisis after a recent fall in prices.

The crisis has more heavily affected workers in the industrial sector, rice farmers with smallholdings, farm laborers, and small traders. Retrenched workers and industrial laborers have also been hard hit by the crisis.

### a. Enrollment Rates

The SMERU Team found that the APM and APK indicated that because of the crisis, there were different trends between primary and junior secondary schools, and between different *kabupaten* in those areas investigated by SMERU. This was reflected by significant changes in new enrollments between 1997/1998, 1998/1999, and 1999/2000.

- **Pontianak.** The impact of crisis on new enrollments has not been significant since almost all school-age children are sent to school. Nevertheless, a decline in the number of new enrollments in this area has been noted due to the following factors: (i) a declining number of school-age children resulting from the success of the local Family Planning Program; (ii) relocation of one school displaced by a project in a location close to another primary school, causing the prospective students to choose between the two schools; and (iii) a mass exodus from rural villages to coastal areas or other safe areas due to recent ethnic clashes in West Kalimantan. As of now, school re-grouping is being considered, particularly among the primary schools. Several villages are also to be re-grouped because there has been a sharp loss of inhabitants, such as in Kecamatan Sungai Kunyit.
- **Tangerang.** The Gross Enrollment Rate of the junior secondary schools has dropped from 56% to 49.6% between 1997/1998 and 1998/1999, but the Net Enrollment Rate slightly increased over the same period. This rather strange finding appears to reflect inaccurate data in Tangerang, particularly at Kecamatan Kronjo.

The impact of the crisis on education has also been reflected by the continuation rate to junior secondary school. Based on data from the Office of the Department of Education in Kabupaten Tangerang, the continuation rate from Grade 6 *SD/MI* schools to Grade 1 *SLTP* has gone down from 72% to only 54.3% between 1997/1998 and 1998/1999.

- **Sleman.** The crisis appears to have had no real impact on education. In fact, every year the number of new enrollments in primary schools has been increasing. Trends in the enrollment rates in primary schools in Yogyakarta as a whole were as follows: 88.9% (1994/1995), 88.95% (1995/1996), 87.6% (1996/1997), 92.1% (1997/1998), and 91% in 1998/1999. However, within the study area, one public primary school in Desa Madurejo, Kecamatan Prambanan,

has experienced a decline in new Grade 1 students. In 1998/1999 the number of students per class has come down to 21, compared to 35 in 1996/1997 and 22 in 1997/1998.

### Box 2

#### A poor IDT Village Girl Continues to Study in the Face of Adversity

Sami, a Grade 1 high school student, is from a low-income family in one of the IDT villages in Yogyakarta. Her father works as a part-time laborer in the marble industry with an average daily wage of Rp5,000/day, which supports seven members of the family. Her mother sometimes sells firewood for additional income and collects grass to feed their cattle. Sami is the third daughter of five children. For different reasons, her two elder siblings stopped attending junior secondary school. The eldest child left school because the money was needed to pay for the education of her younger siblings, while the elder brother dropped-out because he didn't think he would be able to catch up in class, after suffering a broken arm shortly before the examination day.

After finishing primary school, Sami did not enroll immediately at junior secondary school; instead, she began to help her parents to collect fodder. Later she worked as a housemaid for 5 months in a neighboring *kecamatan*. One day, the School Principal of a *Madrasah Tsanawiyah*, an Islamic Junior secondary school, called by and suggested that Sami continue her studies. The school resolved to exempt her from paying most of the contributions and fees. All she had to pay was half of her school fees. Despite this generous assistance, her parents were not able to pay her tuition fees for nearly 2 years. After her graduation, Sami's parents still had no means to pay for their daughter's education at the next level. She again helped her parents collecting grass for the next 8 months. Then Sami found work with a family who owned a *satay* food stall, and they were prepared to support her Upper Secondary School education. Her employer was willing to pay all her school expenses, provided that she worked in the food stall. After a few months, Sami found it hard to work and study at the same time. She left her job but is now continuing her schooling, despite not being able to pay her school fees.

- **East Lombok.** Instead of decreasing, student enrollment rates in East Lombok have actually been increasing during the economic crisis for the following reasons: a) the number of school-age children has increased, as has the number of school rooms; b) the number of students graduating from every school level has increased, as has the number of those who would like to continue to higher education level; c) the level of parents' awareness about their children's education appears to have grown; and d) motivated by the expectation of obtaining Scholarships and Block Grants assistance, schools have actively encouraged parents to send their children to school.

In terms of the Net Enrollment Rates and the Gross Enrollment Rates, there has been a significant decrease in primary school enrollment rates during the 1999/2000 school year; but at secondary school level, both rates have showed an increase. The complete data is presented in the following Table 13.

When the declining proportion of the total number of primary school-age (7-12 years) in 1999/2000 is compared to the previous year, and this is compared to the total of population in the 7-12 year age-group, the declining Net Enrollment Rate is rather a reflection of an increase in the population of this age-group, i.e. from 147,399 to 168,191. At the same time, the number of students enrolled only increased from 145,563 to 150,211. The same trend was evident in the Net Enrollment Rate of *SD* and *MI* students and also in the Package A Study Group (*Kejar Paket A*, an education package equal to primary school).

If it is assumed that the economic crisis in East Lombok began to take effect in the 1997/1998 school year, the available data indicate that there has been no significant negative impact on education sector as a result of the crisis. This is indicated by: a) the increased number of students in all three levels of education (elementary, lower secondary, and upper secondary schools); b) the decline in the number of dropouts; and c) the data on Gross Enrollment Rates.

The increased number of students in all three levels was probably a result of the following: a) an increase in the school-age population that may have led to higher enrollments; b) increased number of graduates at each level (*SD* and *SLTP*) who continued to higher education level. This has also been supported by significant increase in the number of school buildings and classrooms.

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**Table 13. Development of Net Enrollment Rates and Gross Enrollment Rates for the 9-years Basic Compulsory Education Program in East Lombok (%)**

Level of School	Year					
	1994/ 1995	1995/ 1996	1996/ 1997	1997/ 1998	1998/ 1999	1999/ 2000
<b>Primary School</b>						
1. <i>SD</i> + <i>MI</i>	90.8 (104.5)	92.9 (104.9)	93.9 (107.4)	96.7 (111.2)	98.8 113.1	89.3 (102.0)
2. Incl. Package A	91.2 (104.9)	93.4 (105.5)	94.8 (108.3)	97.5 (112.1)	99.5 (113.9)	89.6 (102.3)
<b>Junior Secondary School</b>						
1. <i>SLTP</i> *)	34.0 (47.5)	38.8 (52.8)	44.0 (55.4)	48.3 (58.9)	49.9 (63.6)	54.7 (71.8)
2. <i>SLTP</i> **)	34.5 (48.1)	39.6 (39.6)	45.7 (45.7)	49.4 (49.4)	51.5 (51.5)	56.0 (73.0)

Source: Planning Consolidation Project Section, NTB Regional Office of Dept. of Education, 1998; and statistics for the 9-years Compulsory Education Program, NTB Regional Office of Dept. of Education, 1999.

Note: \*) = Net Enrollment Rates for *SLTP* + *MTs* + *SLTP Terbuka*.  
 \*\*) = Net Enrollment Rates for *SLTP* + *MTs* + *SLTP Terbuka* + Package B (an education package equal to junior secondary school).  
 () = Figures in brackets are Gross Enrollment Rates.

## b. Dropout Rates and Non-Attendance

In all regions visited, despite access to various sources of information, the SMERU Team found it was difficult to determine the actual impact of the crisis on the dropout rate. Some dropout cases were clearly due to other factors such as local culture and workforce demand. However, it is also possible that the level of dropout could have been influenced by the SSN Scholarships and Block Grants Program.

Field findings indicated that in Pontianak and East Lombok non-attendance among students was still evident in the fishing villages and in rural and remote areas. However, this was not only because of the crisis. Non-attendance normally occurs according to the season, such as during the peak fishing season in fishing villages, or during planting and harvesting in rural areas. In urban areas of Pontianak, there has been lower student attendance although this has not been significant. According to School Principals, this has occurred because some students have to work especially in sawmills and because some have no transport money. In this kind of situation, the percentage of unpaid BP3 contributions is generally relatively high.

- **Pontianak.** Some schools have experienced higher dropout rates due to the crisis, although the SSN Scholarship Program has helped to reduce the impact. Nevertheless, dropout rates due to cultural factors and local customs are still quite high. Overall, in Pontianak the dropout rates at elementary/MI schools have reached 5.8% and 6,5% at junior secondary schools (see also section 3.1).
- **Tangerang.** Considering that the number of students in any one class always fluctuates between each grade, it is difficult to analyze the dropout phenomena. For example, the dropouts in one junior secondary school are described in Table 14.

**Table 14. Number of Enrolled Students, Students Failing and Dropouts in One Junior Secondary School in Tangerang**

Admission Year	Grade I			Grade II			Grade III			Number of Passing Students
	No of Students	Fail	DO	No of Students	Fail	DO	No of Students	Fail	DO	
1995/1996	445	1	22	354	1	23	250		1	211
1996/1997	352			424		35	333		2	331
1997/1998	376	1	4	445			389		6	383
1998/1999	432			362	1		418		1	417
1999/2000	416			422			354			354

Source: School records, one junior secondary school in Tangerang.

**Table 15. Dropout Rates in Sleman**

School year	Primary School (%)	Junior Secondary School (%)
1. 1994/1995	0.02	0.29
2. 1995/1996	0.22	0.28
3. 1996/1997	0.19	0.51
4. 1997/1998	0.20	0.55
5. 1998/1999	0.20	0.67

Source: Kandep Dikbud Kab. Sleman.

- **Sleman.** The number of dropouts occurring after the crisis has been higher compared with the period before crisis. As is highlighted in Table 15, the crisis has not had much effect on the dropout rates in primary schools, but the dropout rates in junior secondary schools have risen significantly since the crisis. Nevertheless, the dropout rates at both levels are relatively low.

The crisis appears to have affected the number of dropouts at the junior secondary school level. Generally, the cost of education for junior secondary schools is higher than the cost for attending primary schools; therefore, the financial capacity of the parents has a significant influence on the dropout rates.

- **East Lombok.** *Kabupaten* statistics indicate that while the number of dropouts at the primary school level generally decreased during the crisis, they have tended to increase at the secondary school level. Nevertheless, according to school principals in several primary and junior secondary schools in two *kecamatan* visited by SMERU, the number of dropouts at both levels has tended to decline. There are several contributing factors such as: a) an increased parental awareness about the importance of education; b) scholarships have successfully reached the intended beneficiaries (low-income families or those students in danger of becoming dropouts); c) there has been a recent move within certain communities to end the custom of marrying off young daughters (a penalty of Rp100,000 to Rp300,000 has been imposed although this is yet not fully effective). In addition, despite the crisis there are several villages where people have actually begun to enjoy better living conditions because they have obtained steady jobs in the informal sector. This has enabled them to continue sending their children to school until the end of secondary school.

### c. Level of Teacher Motivation and Welfare, and Their Impact on the Quality of Education

The gross salary of public primary school teachers ranges from Rp350,000 to Rp1 million/month. This amount is considered reasonable, where most teachers are not forced to find additional sources of income, even during the crisis. However, the situation is very different for private school teachers, whose salaries are based on their actual number of teaching hours as well as the school revenue generated from tuition fees, BP3 contributions and other sources. The amount they earn is far lower than their counterparts in public schools; it is sometimes even less than the minimum daily wage. The salary or honorarium of part-time public or private school teachers ranges between Rp60,000 and Rp75,000. The Team found in one case that teachers in a new *MTs* received only Rp12,500 per month. Many teachers have relied on additional income from second jobs, even before the crisis erupted. Some work in other schools as part-time teachers, others venture into small businesses, or give private lessons.

SMERU found that the rate of teacher attendance at classes has not changed significantly during the crisis, where in general teachers have continued to work according to their schedules. Students also gave no indication of any changing pattern in teacher attendance as a result of the crisis. Considering that efforts to earn additional income are not a new phenomenon, any significant impact of the crisis on the quality of teaching is impossible to detect.

- **Pontianak.** Teachers in remote areas have been hit hardest by the crisis because, unlike their colleagues in urban areas, they have fewer opportunities to earn additional income, such as giving private lessons. Nevertheless, the rate of teacher attendance has remained high, apart from teachers or school administrators living long distances away from the school



occasionally missing class because of public transport problems. In general, there has not been a negative impact of the crisis on teaching standards as is clearly indicated by the continuously high number of graduating students and steady average of *NEM* scores.

The level of teacher motivation and activity has also been relatively good. For example, only 2% of the approximately 800 primary school teachers in Kecamatan Sungai Raya have been frequently absent from school, and at junior secondary school level the percentage has also been relatively insignificant.

- **Tangerang.** Public school teachers, both permanent and temporary worker, receive Rp25,000 per month as an incentive from the local government. However, there is no similar incentive for *madrasah* teachers, where despite the same high level of responsibility, they have always received salaries, which are significantly lower than public school teachers. The remuneration of part-time *madrasah* teachers is around Rp3,000 to Rp4,000/hour. In some *madrasah*, the payment of part-time teachers' salaries has sometimes been delayed due to the late payment of students' fees. Despite this, there has been little effect on teacher morale or their motivation to teach.

The mandatory number of teaching hours for primary/MI school teachers is 18 hours, while teachers in secondary schools/MTs teach for 24 hours. Any additional teaching hours are considered overtime. This arrangement also applies to those secondary school teachers who teach in the Open Secondary School.

To cope with the impacts of the crisis, pressure from the Board of Teachers in one public junior secondary school resulted in changes to the teaching schedule to allow each teacher two days absence per week to earn additional income. This was also a strategy to reduce transport expenses. However, to avoid any overall reduction in teaching hours, each teacher now has to work from morning until afternoon on those days when they are present. Although the teachers claim that there has been no impact on the quality of their work, and those students interviewed had not noticed any difference, the SMERU Team suspects that the work pressures will eventually affect teaching standards.

- **Sleman.** Even before the crisis, many teachers in Kabupaten Sleman had other sources of income from either agricultural work, home industries, or small business. In addition, some schools already have their own Savings and Loan Cooperatives (*Koperasi Simpan Pinjam – Kospin*). During difficult times, or when members are in need of cash, *Kospin* are able to provide low-interest loans (about 1% per month) of up to Rp2 million. Other sources of loans (particularly for civil servants) include banking institutions such as Bank Pembangunan Daerah and other private banks. *Madrasah* teachers can also apply for loans from the Department of Religious Affairs Cooperative (*Koperasi Departemen Agama - KIPAS*) which provides loans of up to Rp2 million at very low interest.

In one private senior secondary school in Desa Sewon, the teachers' salaries did not exceed Rp100,000 per month, and most teachers received substantially less. This school operates under the auspices of a religious foundation that is unable to fully fund the activities of the school. Despite their limited salaries, teachers remain enthusiastic about persuading poor lower secondary school graduates to continue their education to senior secondary school level. Every new school year, two teachers are assigned to visit local schools and the nearby homes, especially those of poor families, to persuade children to continue their education. Most private school teachers in Desa Sewon have additional jobs or other sources of income to compensate for their low incomes.

Because of the late payment of student fees, many private schools have found it difficult to pay teachers' salaries and the costs of school maintenance. To relieve the burden on the school, besides increasing the amount of *BP3* contributions, government assistance through the SSN Scholarships and Block Grants program has sometimes been used to cover some of the unpaid student tuition fees and *BP3* contributions, and especially with the purpose of paying teachers' salaries.

- **East Lombok.** In general, nearly all teachers have been very active with normal working hours, which range from 16 to 32 hours per week. SMERU found no evidence of teachers failing to attend school or reducing their teaching hours due to economic hardship. Those schools with fewer teachers would normally have significantly high teaching hours, while in those with an adequate staffing ratios each teacher is required to teach 16 hours per week.

Some teachers from public primary and junior secondary schools, who teach in the morning, also teach in *madrrasah* schools in the afternoon. Based on the existing salary system, teachers who have civil servant status receive significantly higher incomes than those teachers in private schools (depending on years of service), and also have less need to find additional sources of income. The gross salaries of government school teachers in the two *kecamatan* investigated, ranged from Rp389,000 per month to Rp950,000 per month. In comparison, part-time private school teachers (*MI* and *MTs*), who have been seriously affected by the monetary crisis, only receive Rp10,000 to Rp20,000 per month or between Rp2,000 to Rp2,500 per hour.

Nevertheless, teachers in most of private schools visited by SMERU have stated that neither they nor their wives have second jobs. There were only few also taught in other schools (elementary, lower secondary or *Madrrasah* schools), where they receive approximately the same level of remuneration. From the 12 schools visited, in only one school were teachers involved in informal sector activities. One teacher described how he and his wife make coconut fiber brooms after school hours until late at night. Both produce up to 250 pieces each month and this enables them to earn Rp500,000 per month in additional income.

#### d. Education Quality

The quality of education can be determined by either examining the existing educational process or through an analysis of the results achieved. The education process includes teaching materials, methodology, school facilities, administrative support, infrastructure, and other resources, as well as the supporting environment. Education results refer to the achievements of schools over a specific period of time, which can be determined through academic test results such as *EBTANAS*.

One of the yardsticks commonly used to evaluate the quality of education is the *NEM* scores for individual students. These scores can be averaged to provide an overall *NEM* score for a particular school or a particular area. By comparing the *NEM* scores achieved by particular schools and regions over the last few years some tentative conclusions can be drawn about the impact of the crisis on the quality of education. Table 16 provides the *NEM* scores from before and after the crisis in those *kecamatan* and *kabupaten* visited by SMERU.

- **Pontianak.** In urban areas, the standard of education has been declining. One possible reason for this decline is the increased price of school textbooks. For example, primary - level textbooks that cost Rp2,000 prior to the crisis have increased to cost between Rp7,000 and Rp10,000. Few students are able to afford to buy books, and this has to affect students' learning process. Meanwhile, in rural areas, students seldom buy any

books at all other than the set textbooks. This decline in educational standard was evident in the field investigations, the results of school exercises and homework, as well as formal test results. For example, the average *NEM* score for social science subjects was 2.7 in one particular area. Such low scores were not evident before the crisis. Despite this, many junior secondary school staff have claimed that there has been no serious decline in the quality of education.

**Table 16. Junior Secondary School *NEM* Scores at the *Kecamatan* and *Kabupaten* Level\*, 1995/1996 – 1998/1999**

<i>Kabupaten/Kecamatan</i>	1995/1996	1996/1997	1997/1998	1998/1999
<b>Pontianak</b>				
- <i>Kecamatan Sungai Raya</i>	4.5	**	5.0	4.7
- <i>Kecamatan Sungai Kunyit</i>	5.7	**	5.3	4.5
<b>Tangerang</b>				
- <i>Kecamatan Kronjo</i>	4.4	**	4.8	4.7
- <i>Kecamatan Rajeg</i>	4.2	**	n.a	4.8
<b>Sleman</b>				
- <i>Kecamatan Prambanan</i>	5.8	5.8	6.0	6.0
- <i>Kecamatan Depok</i>	6.2	6	5.8	6.0
<b>East Lombok<sup>9</sup></b>				
- <i>Kecamatan Masbagik</i>	4.8	4.7	5.4	4.9
- <i>Kecamatan Pringgabaya</i>	4.9	4.9	5.3	4.7

Source: Information Center, Research and Development Agency, Department of National Education, December 1999.

Note: \* excluding MTs.

\*\* n.a.

- Tangerang.** The average *NEM* scores at the provincial level for both public and private junior secondary schools published by the Department of National Education, West Java reveal a significant decline between 1996/1997 and 1997/98 in Tangerang. The number of schools classified as satisfactory (Class B, with scores between 6.5 and 7.49) decreased from 70 schools (19 public and 51 private schools) in 1996/1997, to only 14 schools (2 public and 12 private schools) in the following year. Medium rank schools (Class C, between 5.50 and 6.49) decreased from 358 schools (235 public and 123 private schools) in 1996/1997, to only 186 schools (79 public and 107 private schools) in 1997/1998. Meanwhile, the lowest rankings Class D (between 4.50 and 5.49) and Class E (below 4.49) have both shown significant increases.

Although the data obtained does not prove conclusive that the monetary crisis has contributed to lower *NEM* scores, this pattern suggests that the crisis has had a certain impact upon the education system in Tangerang.

On the other hand, data from several primary schools in one *kecamatan* suggest that the crisis has had little or no influence on *NEM* scores at this level. The average *NEM* score in these schools in 1994/1995 was 5.3, which increased slightly to 5.4 in 1995/1996 before dropping to 4.9 in 1996/1997. Then it rose again to 5.7 in 1997/1998. However, this increase may be a result of the different testing procedures that have now been introduced. Currently, the “essay” test has been omitted, which many believe has made the tests easier.

<sup>9</sup> The Office of the Department of Education gives different *NEM* (which also include MTs).

- **East Lombok.** The data in Table 17 indicates that while *NEM* scores have fluctuated slightly each year from 1996/1997 to 1999/2000, they do not reflect any obvious influence of the economic crisis on education. In 1998/1999, there was actually a slight increase in *NEM* scores, confirming the view expressed by many teachers and school principals that the crisis has had no significant negative impact on *NEM* scores.

**Table 17. Primary and Secondary School *NEM* scores, *Kecamatan* Masbagik and Pringgabaya, East Lombok, 1996/1997 – 1998/1999**

No	<i>Kecamatan/</i> School Level	Year			
		1996/ 1997	1997/ 1998	1998/ 1999	1999/ 2000
I	<b><i>Kecamatan Masbagik</i></b>				
	1. Primary Schools	5.9	5.7	6.1	5.6
	2. Junior Secondary Schools	5.5	4.9	5.6	5.5
II	<b><i>Kecamatan Pringgabaya</i></b>				
	1. Primary Schools	6.1	6.1	6.1	5.9
	2. Junior Secondary Schools	5.3	4.8	5.0	5.0
III	<b><i>Kabupaten</i></b>				
	1. Primary Schools	5.9	5.8	6.1	5.5
	2. Junior Secondary School	5.3	4.8	5.2	5.0

Source: NTB Regional Office, the Dept. of Education, NTB, 1997-1999.

In some primary schools (both public and *MI* schools), the availability of scholarships seems to have improved the performance of some students.<sup>10</sup> In general, the economic crisis has not affected education quality. Satisfactory teacher attendance in spite of the shortage of books and equipment and limited facilities may have been another contributing factor.

- **Sleman.** There has been no indication of declining student attendance as a result of the crisis. Nevertheless, teachers report that more recently, some students seem to have less capacity to absorb the lessons. In *Kabupaten Sleman*, according to teachers, the crisis has affected the students' spirit. Some arrive late and appear to be disinterested during classes. Teachers in one elementary school reported that several students from an *IDT* area fainted during a recent school ceremony because they had no breakfast that morning. It appears that the level of achievement of some students has declined recently. For example, in one school in *Kabupaten Sleman* the average class scores in Grade 5 have fallen to below 6, from the previous average of 7.

#### e. The Impact of the Crisis on Educational Expenses

All parents throughout Indonesia are faced with the burden of spending a considerable sum of money to send their children to school. When children are enrolled for the first time in any school, they are required to pay an initial enrollment fee, widely known as "building money" or "desk money". The size of this payment depends on many factors – the type of school, the area in which it is located, and its reputation. In addition, there are many other expenses that paid on a monthly or even daily basis. These include the

<sup>10</sup> In one particular school both students and teachers spoke about the impact of an announced school policy to cancel scholarships if recipients failed to achieve a satisfactory level of performance in their quarterly school report.

monthly *BP3* levy, transport fares, the *OSIS*<sup>11</sup> contribution, and daily pocket money. At the secondary level, which includes junior secondary schools, there are also additional extracurricular expenses, including payments for computer classes and various vocational skills training classes. Other significant expenses incurred on a regular basis include: (1) stationary and textbooks; (2) school uniforms (apart from the regular uniform, there are also special uniforms for scouts, sport, appropriate clothing for *madrasah* schools), shoes, and school bags; (3) test and examination fees, including those for quarterly tests, class progress reports, national EBTANAS examinations, certificates, and photographs. In spite of the continuing crisis, parents still need to find sufficient funds to cover all these expenses. A rough estimate of the annual amount required is presented in Table 18 and 18a. The information was obtained through interviews with students, parents, teachers, stores selling school uniforms, and peddlers selling food and drinks near schools in two of the studied regions (Kabupaten Tangerang and Kabupaten East Lombok).

**The School Budget and *BP3*:** *BP3* contributions have always been the main source of school funding. As outlined before, parents and the community through the *BP3* contributions provide a large portion of the School Budget (RAPBS) in many schools, while the government's share tends to be much smaller. Although the contribution from parents has declined since the crisis began, parents and the community remain the largest contributors in most schools. Examples of RAPBS in primary and junior secondary schools are presented in Table 19 – 19b.

It is certainly apparent that an increasing number of students have delayed paying their *BP3* contributions because of the ongoing crisis. In fact, in the poor areas of Kabupaten Tangerang such delays were already occurring even before the crisis, where in one area some students even delayed paying their *BP3* fees until they had finished their schooling. In rural areas, delays are often related to seasonal factors, since many farmers are unable to pay the tuition fees until after the harvest. Consequently, children from these families are unable to collect their school reports or certificates until after the harvest when their fees are paid.

Rising prices and increased school expenses as a result of the crisis, have forced many schools to charge a higher *BP3* levy. Many parents object to this increase because of their own difficult economic position. The actual amount of the *BP3* levy varies between schools and from one region to another. Some examples of the *BP3* contributions, from the last three years across the four *kabupaten* investigated by SMERU, are presented in Table 20.

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<sup>11</sup> *OSIS* =Intra-school Student Organization.

Table 18. Estimates of Yearly Expenses for Primary School and Junior High School Students in East Lombok

Type of Expense	SD dan MI		SLTPN dan MTs	
	SD	MI	SLTPN	MTs
<b>Tuition Fees</b>				
Enrollment Fee	***	***	***	- 20,000
Re-enrollment Fee	***	***	***	-
Desk Contribution	***	***	***	- 15,000
Building and Maintenance Contribution*	***	***	***	- 30,000
Sub Total				- 65,000
<b>Expenses/month</b>				
BP3	100 - 1,000	- 1,000	3,500 - 6,000	825 - 2,000
OSIS				
SPP	- 100	- 250		2,000 - 3,500
Sub Total	100 - 1,100	- 1,250	3,500 - 6,000	2,825 - 5,500
<b>Extracurricular Expenses</b>				
Computer/month	***	***		***
Art and craft/cawu	***	***	- 10,000	***
Sub Total			- 10,000	
<b>Test and Examination Fees/Test</b>				
Semester Tests	***	*** 1,500	***	1,000 2,500
Final Examinations **	***	***	***	***
Certificate **	***	***	***	***
Ebtanas + Photo	***	*** 8,500	***	***
Report	***	***	***	3,000
Sub Total		10,000		1,000 5,500

Table 18 (continued)

Type of Expense	SD dan MI		SLTPN dan MTs	
	SD	MI	SLTPN	MTs
<b>Uniform Expense</b>			-	
School Uniform (2 )	20,000 - 100,000	30,000 - 100,000	60,000 - 110,000	120,000 - 180,000
Female School Uniform (2)				
Scouts Uniform (1)	- 25,000	- 30,000	30,000 - 75,000	- 75,000
Physical Education Uniform (t-shirt)	7,500 - 25,000			25,000 - 35,000
Shoes	20,000 - 50,000	15,000 - 45,000	15,000 - 45,000	15,000 - 35,000
Bag	15,000 - 25,000	-	22,000 - 60,000	25,000 - 50,000
Sub Total	62,500 - 225,000	45,000 - 175,000	127,000 - 290,000	185,000 - 375,000
<b>Study Expenses</b>				
Religious Education Textbooks		45,000		- 40,000
Other Textbooks			45,000	- 75,000
Exercise and Drawing Books	22,500 - 30,000	18,000 - 80,000	22,000 - 80,000	30,000 - 60,000
Stationary	5,000 - 40,000	5,000 - 20,000	10,000 - 40,000	- 24,000
Desk		-	30,000	
Sub Total	27,500 - 70,000	23,000 - 145,000	32,000 - 195,000	30,000 - 199,000
<b>Other</b>				
Food and Snacks	- 250,000	- 125,000	- 250,000	
Transport			- 125,000	
Sub Total	- 250,000	- 125,000	- 375,000	
Total I	90,100 - 546,100	68,000 - 456,250	162,500 - 876,000	218,825 - 650,000

Note: \* New students (grade 1).

\*\* Graduating students (grade 6 SD, grade 3 SLTP).

The above figures for uniform expenses are for female students at MTs, whereas uniform expenses for male students at MT s and SLTP are between Rp.100.000 and Rp.150.000.

\*\*\* Information not available.

**Table 18a. Estimates of Yearly Expenses for Primary School and Junior High School Students in Tangerang**

Type of Expense	Sekolah dasar				SLTP							
	Negeri		MI		Negeri		Swasta		MTs			
<b>Tuition Fees</b>												
Re-enrollment	*	-	*	*	-	*	*	-	*	*	-	*
Building and Maintenance Contribution**	*	-	24,000	5,000	-	*	160,000	-	250,000	70,000	-	*
Sub Total	*	-	24,000	5,000	-	*	160,000	-	250,000	70,000	-	*
<b>Expenses/month</b>												
BP3	1,500	-	4,000	2,500	-	3,000	10,000	-		10,000	-	
Sub Total	1,500	-	4,000	2,500	-	3,000	10,000	-		10,000	-	
<b>Extra-curricular Expenses/month</b>												
Computer		-	-		-	-		-	5,000		-	-
Other	*	-	*	*	-	*	*	-	*	*	-	*
Sub Total	*	-	*	*	-	*	*	-	*	*	-	*
<b>Test /Examination Fees</b>												
Semester Test		-	3,500	3,000	-		*	-	*	*	-	*
Final Examination***		-	42,000	5,000	-		*	-	*	*	-	*
Certificate ***	*	-	*	*	-	*	*	-	*	*	-	*
Sub Total	*	-	45,500	8,000	-	*	*	-	*	*	-	*
<b>School Uniform</b>												
Uniform	50,000	-	165,000	*	-	*	*	-	*	*	-	*
Shoesu	15,000	-	60,000	*	-	*	*	-	*	*	-	*
Bag	17,500	-	30,000	*	-	*	*	-	*	*	-	*
Sub Total	82,500	-	255,000	*	-	*	*	-	*	*	-	*
<b>Syudy Expenses</b>												
Text Books	*	-	*	*	-	*	*	-	*	*	-	*
Exercise Books and Stationary		-	15,000	*	-	*		-		30,000	-	58500
Sub Total		-	15,000	*	-	*	*	-	*	30,000	-	*
<b>Other</b>												
Food and Snack	500	-	1,000	500	-	1,000		-			-	37,500
Transport	0	-	1,000	*	-	*		-			-	12,500
Sub Total	500	-	2,000	500	-	1,000		-			-	50,000
Total I	84,500	-	345,500	*	-	*	*	-	*	*	-	*
Total II												

Notes: \* Data not available/couldn't be calculated ; \*\* New students (class I), \*\*\* Graduating students (Class 6 SD, Class 3 SLTP).



Table 19. School Budget (RAPBS) for One Primary Schools in Tangerang

No.	Analysis					1998/1999	1999/2000
<b>I.</b>	<b>Income</b>						
<b>A.</b>	<b>From the government</b>						
1	Educational Organizational Assistance– SD						
	School teaching materials					Rp	480,000
	School administration					Rp	250,000
	Weekly sport and Art					Rp	25,000
	Welfare for School staff					Rp	262,500
	Management of EBTANAS					Rp	46,000
	Guidelines, Management and Reporting					Rp	34,000
	Data					Rp	10,000
2	INPRES						
	Educational Operational Assistance (BOP)					Rp	700,000
	Sports and Scouts Funds					Rp	100,000
3	World Bank Funding					Rp	
	<b>Sub Total A</b>					Rp	1,907,500
<b>B.</b>	<b>From the Community, Parents/Guardians</b>					Rp	
1	Routine					Rp	6,318,000
2	Exam Fee					Rp	1,191,000
3	New Student Fee					Rp	790,000
4	End of year costs					Rp	1,932,000
5	Buildings					Rp	3,050,000
	<b>Sub Total B</b>					Rp	13,281,000
	<b>T o t a l</b>					Rp	15,188,500
	<b>% A / Total</b>						<b>12.56</b>
	<b>% B / Total</b>						<b>87.44</b>
<b>II.</b>	<b>Expenditure</b>						
1	Upgrade of Teaching activities					Rp	4,280,800
2	Maintenance and replacement of equipment					Rp	5,392,680
	Educational tools						
3	Upgrade of Curriculum and Student Activity					Rp	946,340
	Guidelines						
4	Teacher and principal welfare					Rp	2,471,080
5	School Households and BP3					Rp	1,149,900
6	Cost of Guidelines, Monitoring, Supervision					Rp	947,700
	And Reporting to the Coordinator of BP3 in the <i>kecamatan</i>						
	Totaling 15% x the total BP3 budget						
	Which is provided by the community						
	<b>Total</b>					Rp	15,188,500
							14,950,600

Source: Primary School involved in the study.

**Table 19a. School Budget (RAPBS) and Planned Expenditure of Block Grant (DBO) Funds in 1999/2000,  
an Example of One State Junior Secondary School (SLTP) in Tangerang**

No.	Activities	Routine Budget	Block Grant	Other	Total
1	Maintenance, Renovation and Acquisition of Equipment	5,194,000	1,000,000	22,868,000	29,062,000
	- Renovation of (Classroom laboratories/ class rooms, Staff and student toilets, school hall, performance halls)				
2	Upgrade of Teaching Facilities (PBM)	13,932,500	3,000,000	13,932,500	30,865,000
	- Teaching aids/KBM (paper, Photocopy paper, ruled exercise books, carbon paper, chalk, wooden Rulers, wooden compasses)				
	4,700,000				
	- Quarterly Exams for Secondary School Students (Cawu) and daily tests (photocopy paper, paper, carbon paper, refills, liquid paper, paper clips, cardboard for presentations, good quality paper for assignments,)				
	26,165,000				
	<b>TOTAL</b>	<b>19,126,500</b>	<b>4,000,000</b>	<b>36,800,500</b>	<b>59,927,000</b>
	% of the Total	31.9	6.7	61.4	100.0

Source: One Junior Secondary School in Tangerang.

Note: Wages for teachers and principals, as well as civil servant rice allocation is not included.

Table 19b. School Budget (RAPBS) and Planned Expenditure of Block Grant (DBO) Funds for 1999/2000, an Example of One State Junior Secondary School (SLTP) in Pontianak

No.	Kegiatan	Routine Expenses	Block Grants	OPF	BP3	Total
1	Daily office requirements	1,500,000			1,500,000	
2	Purchase of Office Stock/Equipment	950,000				
3	Subscriptions for services and utilities	1,263,000				
4	Purchase of Educational Aids	39,375,000				
5	Other Maintenance costs	7,968,000		1,060,000		
6	Teaching aids				626,000	
7	Assistance/Aids for the Vice-Principal				1,800,000	
8	Teacher Welfare (Full time teachers/Casual Teachers, and Administration)				20,824,000	
9	Teacher activities			100,000	2,000,000	
10	School Management				2,000,000	
11	Welfare Services				250,000	
12	Extra Curricular Expenses				1,500,000	
13	EBTA / EBTANAS				2,500,000	
14	Block Grant (DBO)					
			4,000,000			
	<b>TOTAL</b>	<b>51,056,000</b>	<b>4,000,000</b>	<b>1,160,000</b>	<b>33,000,000</b>	<b>89,216,000</b>
	<b>% of TOTAL</b>	<b>57.2</b>	<b>4.5</b>	<b>1.3</b>	<b>37.0</b>	<b>100.0</b>

Source: One State Junior Secondary School in Pontianak.

Note: Wages, civil servant assistance and rice allocation, stipends/vacation/overtime are not included above  
Rp 283.132.000, - from routine funding.

From the data above -> DBO is separate to the budget and expenditure and is not included in activities 1 -13, -> therefore, it does not contribute to the total budget.

Table 20. Average Monthly BP3 Contribution

No.	Type of School / Kabupaten	Average BP3 Monthly Contribution (Rp)		
		1997/1998	1998/1999	1999/2000
I.	<b>Kab. Pontianak</b>			
1.	Public Primary School	n.a	150–1,000	250–1,000
2.	MI	n.a	1,000–1,500	1,000–2,000
3.	Public Junior Secondary School	2,000-2,500	2,000–2,500	2,500–3,500
4.	Private Junior Secondary School	n.a	2,500–4,500	3,000–5,500
5.	MTs	n.a	2,500–4,000	3,000–6,000
II.	<b>Kab. Tangerang</b>			
1.	Public Primary School	1,000	1,000–1,500	1,500
2.	MI	1,000	1,000– 1,500	2,500
3.	Public Junior Secondary School	9,000	9,000	10,000
4.	Private Junior Secondary School	6,000	8,000	10,000
5.	MTs		7,500–12,500	7,000–12,500*
III.	<b>Kab. Sleman</b>			
1.	Public Primary School	n.a	n.a	n.a
2.	MI	n.a	n.a	n.a
3.	Public Junior Secondary School	n.a	n.a	n.a
4.	Private Junior Secondary School	n.a	n.a	n.a
5.	MTs	n.a	n.a	n.a
IV.	<b>Kab. East Lombok</b>			
1.	Public Primary School	n.a	n.a	200–1,000**
2.	MI	n.a	n.a	n.a
3.	Public Junior Secondary School	n.a	n.a	2,000–%,000**
4.	Private Junior Secondary School	n.a	n.a	2,000–4,000**
5.	MTs	n.a	n.a	n.a

Source: Data from each school.

Note: These amounts do not include quarterly fees and other payments.

\* Rp7,000 in a new MTs with only 18-20 students.

\*\* BP3 and OSIS (*Intraschool Student Organization*).

n.a = Data not available.

- **Pontianak.** During the crisis, not all schools have been forced to increase the BP3 contribution. If this did occur, it amounted to approximately Rp1,000. The BP3 fees for primary schools range between Rp250–Rp1,000 and for junior secondary schools, the rate is approximately Rp2,500–Rp3,500. Some public primary schools in remote areas decided to impose a BP3 levy of only Rp500 per family. Consequently, these schools have only been able to collect around Rp200,000 per year. By comparison, schools in more prosperous areas have been able to collect up to Rp6 million per year.

Private junior secondary schools and MTs have been especially affected by the impact of the crisis due to students' inability to pay tuition fees, and parents' requests for exemptions. One MTs school was compelled to exempt all students from paying their

tuition fees, promising staff that the school would pay their salaries annually drawing on a fund collected from *zakat* during the Moslem holiday (*Hari Raya Islam*). Therefore, 11 teachers resigned leaving only those who have other jobs or who also teach in other schools.

- **Tangerang.** Even before the monetary crisis, only a few schools in the Kabupaten Tangerang area were able to collect more than 70% of all BP3 payments. Since the crisis began, the monthly BP3 revenues have further declined to a collection rate of 50% – 60%. In one public primary school that was visited, only 30% of payments have been received.

Despite these difficulties, a *kabupaten* decree (No. 01/1993) has remained in effect requiring schools to remit 20% of BP3 funds to the local *kecamatan* office of the Department of National Education. The amount demanded is calculated on the basis of 100% payment of the BP3 levy, whereas these payments have not always been made. Consequently, schools and teaching staff have to find a solution to this problem. Teachers at one government primary school claim that they have to shoulder this burden themselves by deducting money firstly from the Principal's salary, with the balance divided equally among the other teachers. These funds are allegedly used to pay some of the operational expenses of the *kabupaten* and *kecamatan* Offices of the Department of National Education, such as telephone and electricity bills, business travel and administration. SMERU estimated that if funds are remitted from all 39 schools in this *kecamatan*, the amount collected would reach Rp5 million each month. Yet, neither the schools nor the local communities are given any information about the use of these funds.

- **Sleman.** Several schools have recently increased the BP3 levy to reduce the burden on the schools when funding teachers' remuneration or overtime payments (or their salaries in the case of private and *madrasah* schools), transport expenses, and building maintenance expenses. In one disadvantaged private school, 90% of its students come from poor families (laborers, construction workers and small farmers) who are not able to pay their tuition fees until the following school year. The school has little choice but to increase tuition fees, yet staff must still try to prevent their students from dropping out. Although the financial burden shouldered by the school was considerable, nevertheless the school has continued to admit students who have failed to find a place elsewhere because of financial difficulties. The teachers have had to sacrifice a portion of their salaries to support several of those students. In addition, there are also several teachers have also been paying the tuition fees of some of those students in addition to the above contributions. The government SSN Scholarships and Block Grants program has relieved many schools, and particularly teachers (private and *madrasah* school teachers), from this financial burden.

Delayed payment of school tuition fees has occurred during the crisis, reaching about 10%. There has never been a percentage as high as this before in the region, where only one or two students have delayed paying their fees.

- **East Lombok.** A visit to 12 elementary and junior secondary schools in East Lombok revealed that there are many different types of payments which parents are required to make each year. These are outlined in Table 21.

Table 21 indicates that the annual revenue collected by public schools from parent's contributions is less than the amount collected by the private schools. However, school activities in private schools are very much dependent upon tuition fees and community contributions. Even the salaries of the teachers are paid from these sources. According to school management, both the type and amount of these contributions has remained

relatively unchanged despite the crisis. The essential problem has been a sharp decline in the number of payments. Before the crisis, 80% of parents paid their contributions every year, but since the crisis began the figure has ranged between 40% and 60%.

**Table 21. School Levies in East Lombok**

No	Type of Levy	Primary Schools		Secondary Schools	
		Public	Private	Public	Private
1	BP3 and OSIS fees	2,400–12,000	500–1,000	24,000–60,000	24,000–48,000
2	Examination fees *)	0	1,000–13,500	0	45,000–50,000
3	Quarterly test fees	0–3,000	4,500–9,000	0	3,000–10,500
4	Building money	0	45,000	0–18,000	5,000–20,000
5	Monthly contribution	0	0	0	2,000
6	Others **)	0–2,400	0	0	0

Source: Primary Data.

Remarks: \*) = Only paid by students of Grade 6 Primary Schools and Grade 3 Lower Secondary School.

\*\*) = Contribution for repairing school fences, etc.

**Textbooks.** According to the parents interviewed by SMERU, irrespective of the crisis, almost no one purchases printed textbooks because the school provides them. Since the crisis, began parents have been even more reluctant to buy textbooks because these are now even more expensive than previously. In urban areas, a few students may buy certain kinds of books, particularly science textbooks or those books containing exercises designed to prepare students for the final *EBTANAS* test. Parents only provide writing books for their children but the number and frequency is very much dependent on the type of school and the level. Older students, and those who are more studious, usually require more writing books, and parents often buy books by the dozen to be used during one quarter of school year. Students attending *Madrrasah* (MI and MTs) usually need more writing books than public school students do, because they have more subjects. On average, an elementary student needs 4 dozen writing books every year, and secondary school students 6 dozen per year.

**School uniforms.** In general, the purchasing power of parents and the physical growth of their children are key factors determining when, and how often, students buy school uniforms. Some students may buy a new uniform each year, others only once every few years, while a small minority may buy several uniforms within the same year. Many students, however, wear old uniforms passed down from their older brothers or sisters to save some money. On average, primary school students wear their uniforms for about two years, but junior secondary school students' uniform might last for a longer period.

Poor students in Sleman obtained uniforms through various contributions. Some schools have also asked foster parents to help relieve the burden on poor families. According to respondents, before the economic crisis, on average a set of uniform cost Rp20000. At the time of the study it was between Rp30,000 and Rp60,000 per set, excluding additional items of clothing required by girls attending *Madrrasah* schools. In addition to uniforms, parents have to provide shoes and school bags which also cost a considerable amount, and places an extra burden on poor families. For scholarship recipients, the money received is sufficient to buy most of these items. When visiting to some primary schools, it was not uncommon to find small number of students from poor families not wearing shoes (only sandals or bare-footed) although they have uniforms.

**Transport.** The way in which students travel to school varies between regions and depends on the availability of local transport, the distance between home and school, and the amount of money parents can afford. Some children just walk or ride bicycles. Others take whatever

forms of public transports that are available, such as *angkot* (urban transportation vehicles), *becak* (3-4 children in one *becak*), *cidomo* (in East Lombok), or boat (in Pontianak).

In general, the school attendance rates of students who have to walk to school because there is no available public transport, even those who walk over 2 km, do not seem to be affected.

**Building, maintenance, and desk contributions and re-registration fees.** Despite the crisis, many junior secondary schools are still imposing these levies. For school year 1999/2000, apart from children from poor families, new students in one school in Kabupaten Tangerang were required to pay around Rp250,000. There are indications that some of the scholarships have been used to cover these costs. Re-registration fees are also being imposed on all students at all levels.

The purpose of soliciting building and maintenance contributions is to maintain the condition of school buildings. Nevertheless, many primary school buildings remain in very poor condition despite an average levy of Rp50,000. In fact, a considerable amount of extra funding would be required to improve the physical condition of these schools, which has unfortunately been beyond the resources of the local community or the local government, especially during the crisis. For example, during 1999/2000 only one in 56 schools in Kecamatan Rajeg, Kabupaten Tangerang received any renovation funds. One public primary school visited by SMERU only had three classrooms that were in a very poor state of repair. Three other classrooms almost collapsed but still no funding was made available.

**Laboratory classes and extra-curricular expenses.** The impact of the economic crisis has forced many schools to abandon some of their extra-curricular activities such as art classes and field trips, and to reduce the number of instructors for *Pramuka*. It has also affected the supply of sportswear usually available to students in junior secondary schools, and led to a simpler end-of-year celebrations for final year students. In one secondary school in Pontianak, *Pramuka* activities used to be attended by nearly all students, but now only half the number are participating. An afternoon private class in this school, which was a mock *EBTANAS* (Rp2,000 per student), was only being attended by 67 of the total 190 students. Before the crisis this activity was attended by nearly all students.

**Quarterly and annual school reports, EBTANAS and school certificate expenses.** To relieve the burden on the students and their parents, some schools have allowed these fees to be paid in installments. In almost all areas visited by SMERU, teachers have reported that during the crisis there have more students that are unable to collect their school certificates because they are unable to pay their fees

**Others.** Despite the monetary crisis, most parents have continued to provide their children with daily pocket money even though in many cases the amount may be less than usual. Students throughout Indonesia are used to having this pocket money to buy school snacks every day, so it would be very difficult for parents to reduce or to cut it off. The amount varies, for example in Kabupaten Tangerang children receive between Rp500 and Rp1,000 each day.

**Conclusion.** The increase in education expenses during the crisis has seriously affected the ability of families to pay *BP3* levy on time. It has also reduced the capacity of parents to buy school uniforms and books. Revenue from the *BP3* levy has declined to roughly 50%. Given that most school operational funds are dependent upon these various payments by communities, parents, and guardians, schools are now facing a serious dilemma. On the one hand schools now require additional funding to meet rising costs, but if the *BP3* contribution is increased, students from poor families will find it even more difficult to meet their obligations. The increase in school expenses would also lead to sharp decline in the number of private lessons to help students prepare for the *EBTANAS* examinations.

## IV. SCHOLARSHIPS AND BLOCK GRANTS PROGRAM

A variety of scholarships for primary and secondary school students were already available before the crisis, including those from GN-OTA. The GN-OTA (National Foster Parents Movement) scholarships normally provide assistance of Rp60,000 a year to eligible students in the form of clothes, shoes and writing books. There are also a variety of other scholarships such as Outstanding Performance (*Supersemar*) scholarships, those from private institutions and NGOs, as well as scholarships from companies or foundations such as the Danone and the Fortune Foundations in Kabupaten Pontianak, and foster friends (*teman asuh*) and *rerungan sarumpi* in West Java. However, besides being too few in numbers, the continuity of many of these scholarships has been unreliable. For example, each school receives an allocation for of between 1 – 8 students for both the Outstanding Performance Scholarships and the GN-OTA assistance, or only about 1% of the currently enrolled students in one school year. The scholarships are still available, although at the time of survey students had not received any assistance during the 1999/2000 school year. As more scholarships are available for more students through the SSN Scholarships and Block Grants Program, and its sustainability was affirmed, the SSN program received a positive response.

Unlike scholarship funds, the operational funds for schools come from the government routine budget (*DIK*). However, not all schools receive these funds. Based on education operational funding sources, public primary schools receive operational funds from the *Anggaran Pendapatan and Belanja Daerah Tingkat II* (Regional Government Budget at the Kabupaten Level – *APBD Level II*), whereas public secondary schools are funded by the *APBD Level I* (Provincial budget) and *APBN* (National budget). Therefore, it should not be surprising that many primary schools are in worse conditions compared to public secondary schools. The financial strength of the *APBD Level II* is relatively low. In addition, one can find primary schools in almost all villages. The SSN Block Grants program provided by the government for schools to maintain their education services for the less-privileged members of society can only cover a small fraction of the much needed funding. For example, one secondary school in Kabupaten Tangerang received only 6.7% of their total budget of Rp60 million (which does not include employees' salaries and rice allowances for teachers and school principals), but another primary school received far less than that (See Table 19 and 19a).

The implementation of SSN Scholarships and Block Grants program varied across regions and schools. When the field survey was conducted, the SSN Education program for 1998/1999 has been completed, while the 1999/2000 program was just being started (funding would be available from 1 November 1999 for 40 days). The following field findings describe the implementation of SSN Scholarships during the 1998/1999 program and provide some accounts of the first stages and planning of the 1999/2000 program.

### 1. Selection Process and the Accuracy of Program Targets

Generally, each school will nominate as many students as possible according to the number of poor students. However, the number available scholarship is much lower than the number of applicants. In some primary schools, the number of the recipients is less than 20% of the eligible candidates. In the junior secondary schools the percentage was higher, approximately 50% of the total proposed number.



Apart from Kabupaten Pontianak, it is generally considered that scholarship programs have accurately targeted the scholarship beneficiaries. Even those who were not awarded a scholarship were still considered the right targets and could be classified as poor and in need of assistance.

A comparison of the number of scholarships, with the number of enrolled students and nominated scholarship candidates, is presented in Table 22 and 23. Table 22 highlights that compared to the number of students in Kabupaten Tangerang, the percentage of scholarship beneficiaries is still far below the designated national percentage (6%). Yet, in Kabupaten Pontianak the percentage is in accordance with this rate. However, at the junior secondary level (Table 23), the percentage of beneficiaries in Kabupaten Pontianak has been almost four times higher than the national percentage (17%). This has resulted in some non-targeted beneficiaries receiving scholarships, such as the children of schoolteachers, bank employees, and even the children of members of Local House of Representatives and of a Deputy School Principal.

Several schools have been complaining about low scholarship allocations, especially for primary schools, on the following grounds: (i) the number of eligible candidates has been far higher than available scholarship allocations; (ii) the school has to conduct a two-phase selection process, and has found it difficult to determine those who are most eligible; (iii) parents who have registered and submitted a statement about their level of poverty have found it hard to accept that the funding was limited, and (iv) there is some suspicion that the school has carried out corrupt activities with the funds.

Although the selection process is described in the Implementation Guidelines, sometimes it has been modified at the local level based on other (school) factors, such as: the involvement of non-committee members; the involvement of parents and teachers; changing performance criteria; rotation of scholarship beneficiaries; exploiting *passing grade* rules for new junior secondary school students, and; amongst others, the submission of poverty statement from the Head of the Village. Among the 4 provinces visited, East Lombok is the only province that has actually implemented the program according to the Guidelines.

**Table 22: Total Number of Scholarship Recipients, Students and Proposed Beneficiaries in Primary Schools/Madrasah Ibtidaiyah Schools 1998/1999 Visited by SMERU Team**

No.	School	Number of Students		Scholarship Recipients		Total (%)
		Number	Proposed	Number	Proposed (%)	
		1	2	3	3/2	3/1
1.	<b>Kab. Tangerang</b>					
	SDN 1 (KI)	350	8	8	100.0	2.3
	SDN 2 (KII)	261	8	8	100.0	3.1
	SDN 3 (W II)	214	50	11	22.0	5.1
	SDN 4 (B)	163	25	9	36.0	5.5
	SDN 5 (RII)	170	54	4	7.4	2.4
	SDN 6 (R V)	173	57	4	7.0	2.3
	SDN 7 (S III)	341	71	7	9.9	2.1
	MI 1 (NH II)	190	na	4	na	2.1
	MI 2 (NIR)	91	40	2	5.0	2.2
2.	<b>Kab. Pontianak</b>					
	SDN 1 (SR 6)	212		13		6.1
	SDN 2 (SA 41)	108		16		14.8
	SDN 3 (SK 2)	197		12		6.1
	SDN 4 (SK 12)	177		12		6.8
	MI 1 (MH)	259		18		6.9
	MI 2 (D)	57		4		7.0
3.	<b>Kab. Sleman</b>					
	SDN 1 (P II)	139	94	10	10.6	7.2
	SDN 2 (K)	82	20	12	60.0	14.6
	SDN 3 (S)	75	65	11	16.9	14.7
	SDN 4 (A)	160	90	11	12.2	6.9
	SDN 5 (B)	393	30	14	46.7	3.6
	MI 1 (A)	70	17	2	11.8	2.9
4.	<b>Kab. Lombok Timur</b>					
	SDN 1 (S)	424		48		11.3
	SDN 2 (M 5)	320		17		5.3
	SDN 3 (LL 2)	480		77		16.0
	SDN 4 (BP)	305		50		16.4
	MI 1 (DM)	373		21		5.6
	MI 2 (LL)	186		25		13.4

Source: Data from each school.

SDN = State Primary Schools.

MI = Islamic-based Primary Schools.

**Table 23: Total Number of Scholarship Recipients, Students and Proposed Beneficiaries in Junior Secondary Schools/ Madrasah Tsanawiyah Schools Visited by SMERU 1998/1999**

No.	School	Number of Students		Scholarship recipients		Total (%)
		Number	Proposed	Number	Proposed (%)	
		1	2	3	3/2	3/1
1.	<b>Kab. Tangerang</b>					
	SLTP N 1 (NK I)	1,040	250	151	60.4	14.5
	SLTP N 2 (NR I)	1,209	189	175	92.6	14.5
	SLTP S 1 (NA)	261	41	38	92.7	14.6
	MTs 1 (K)	216	40	31	77.5	14.4
	MTs 2 (NR)	412	100	60	60.0	14.6
	MTs 3 (DAR)	416	100	50	50.0	12.0
2.	<b>Kab. Pontianak</b>					
	SLTP N 1 (SR 1)	779		506		65.0
	SLTP N 2 (SR 2)	845				-
	SLTP N 3 (SK 1)	553		366		66.2
	SLTP S 1 (P)	76		55		72.4
	SLTP S 2 (Im II)	419		101		24.1
	MTs 1 (MH)	68				-
	MTs 2 (DAF)	86		15		17.4
3.	<b>Kab. Sleman</b>					
	SLTP N 1 (P I)	74	201	151	75.1	31.9
	SLTP N 2 (D 3)	400	60	50	83.3	12.5
	SLTP S 1 (M I)	204	30	20	66.7	9.8
	MTs I (P)	535	196	170	86.7	31.8
4.	<b>Kab. Lombok Timur</b>					
	SLTP N 1 (M I)	1,395		240		17.2
	SLTP N 2 (M IV)	81		18		22.2
	SLTP N 3 (P)	1,693	997	765	58.9	45.2
	MTs 1 (DM)	259		49		18.9
	MTs 2 (B)	52	14	8	26.9	15.4
	MTs 3 (K)	224		99		44.2

Source: Data from each school.

SLTP = Junior Secondary Schools.

MT = Islamic-based Junior Secondary Schools.

- **Pontianak.** The decision regarding the number of scholarship beneficiaries per school was made based on quota decided by the *Kabupaten* Committee. This quota was calculated based on the stipulated criteria in the Implementation Guidelines. Based on the received quota, student selections would be conducted based on the standard format containing student's information, including names, status/condition of the student, gender, family economic conditions, distance from the school, other sources of income, and whether the students have been selected or not. In order to make appropriate selections, some schools have also involved the teachers, homeroom teachers or the management staff of the foundation in the selection process, or have otherwise asked for a statement of poverty from Head of the Village. Yet, there is evidence that the allocation of scholarships has not reached the targeted objectives due to some biases. These are outlined below.
  1. There was the general impression that the committee prioritizes the children of the Department of National Education officials. Some people dubbed the *Aku Anak Sekolah* scholarship with “Department of National Education Scholarship Program” (*Program Beasiswa Dikbud*). Biases in the selection of students occurred due to the inability of many Islamic schools (*MI, MTs*) and private schools to comply with the administrative requirements. Unlike in urban areas or large cities, the Islamic schools and private schools in rural areas are mostly second-rate schools accommodating poor families. Consequently, these schools deserve more assistance through this SSN in education field.
  2. The introduction of “*IDT village*” criteria has caused some ineffectiveness in achieving program objectives. Firstly, the number of those located in *IDT* villages who are targeted by the program has become larger than those in non-*IDT* villages; secondly, several schools in non-*IDT* villages have far poorer students, compared to those living in *IDT* villages; thirdly, some students who go to school in the *IDT* villages do not live there, and in one or two cases students from *IDT* villages go to school in non-*IDT* villages. The School Principal admitted that this situation has made it difficult for the School Committee to select candidates, because all students from poor families have already received scholarships. It was revealed that some students were the children of former members of the Regional House of Representatives, deputy principals or bank employees. It was proposed that the criteria of “classified as *IDT village*” should not be used.
  3. The quota of scholarship funding for the 1999/2000 program is small compared with the previous year. This has resulted in smaller allocations for Grade 4 primary school students and Grade 1 junior secondary school students, because the allocation for Grade 5 and Grade 6 primary schools and Grade 2 and 3 junior secondary schools could not be reduced. It was only replaceable by students of the same grade, for example, in cases where the recipient has to repeat, move to another school or the parents are now considered capable of paying the school expenses. Some principals proposed that the inter-grade transfer of scholarships should be made possible, and to be endorsed by a circular from the Central Committee to avoid any possible suspicions of non-compliance and *KKN (Corruption, Collusion and Nepotism)*.
  4. The scholarships are not available for Grade 1 primary school students. In fact, these students need more funding to be enrolled in school, such as to pay the school building contributions, *BP3* levy, as well as for school uniforms, shoes, bags, and school books.
  5. For the implementation of the 1998/1999 program, the criteria used were not only the level of poverty of the students, but also their performance. Students with a strong academic performance could be nominated even if they were from a wealthy

family. Ideally the performance criteria should only be applied at the final decision making stage if there are too many students who satisfy all criteria. This is fair for the students who deserve a scholarship but are unable to obtain one. Meeting the poverty criteria must be mandatory.

6. The scholarship allocation for primary schools (6% of the total number of primary schools in Indonesia) is considered too small relative to the allocation for secondary schools (17%) and high schools (10%).

The lack of opportunities for school officials to attend training programs has resulted in many the wrong students being targeted for scholarships in 1998/1999. However, more training programs have been conducted during 1999/2000 to reduce or eliminate the possibility of incorrect targeting. Nevertheless, due to the inflexible Implementation Guidelines (for example, scholarships can only be transferred among students of the same grade), School Committees have been reluctant to make their own policy - for example by transferring the scholarships for Grade 5 and Grade 6 students to Grade 4 students.

Kabupaten Pontianak was provided with a high quota in 1998/1999 as a result of the riots in Sambas that forced many refugees to leave their villages and seek shelter and safety in the Kabupaten Pontianak. During the planning of the program, the refugees were just arriving and therefore special allocations were designated for the children of the refugees. However, later when the scholarships were disbursed, some incorrect targeting and surplus allocations were evident.

In order to be more accurate when allocating scholarships, some respondents proposed that the selection of recipients should be based on bottom-up proposals, not just based on criteria specified in the guidelines. The program allocations would preferably be decided at the Provincial level. Subsequently, the Provincial level should decide the allocations for the *kabupaten*, and the *kabupaten* should decide the allocations at the school level. Alternatively, the Central Committee can determine the program allocations, and then this information can be sent to the *Kabupaten* Committee. The Central Committee can then report back to the Provincial Committee.

- **Tangerang.** The selection of the scholarship recipients in 1998/1999 first involved selecting a number of students who deserved to be nominated to the Committee at the level higher than the School Committee (*Kecamatan* Committee for *SD/MI* schools, and the *Kabupaten* Committee for *SLTP/MTs* schools). Many schools had to produce shorter lists after they were made aware of the limited number of scholarships available from the *Kecamatan* Committee. Thus, the final list of nominated students would match the estimated number of available scholarships.

During the first stage of selecting the eligible students, the principal usually involved the teachers, especially the homeroom teachers. Some primary schools involved the *BP3* members, while the junior secondary schools the Intra School Student Organization (*OSIS*)/Teachers Working Team (*BP*). These people were considered persons who are familiar with the actual living conditions of the students and their families. During the next stage, the school principal was the sole decision-maker at nearly all levels of primary schools. In the junior secondary schools, especially public schools, the principals involved other teachers from the Committee because the secondary schools had a larger allocation of scholarships (some obtained up to 175 scholarships, compared with the primary school quota which was only for between 2 – 11 students). Consequently, it was too difficult for the Principal to make the final selection alone.

The criteria used by schools to nominate the scholarship recipients include: (1) children with single parents (or orphans) in poor families; (2) students who had unpaid BP3 contributions, and; (3) the nature of the parents' employment. These groups of students are known as *AUSKM* or *Anak Usia Sekolah Kurang Mampu* (Poor School-Aged Children). Beside these criteria, schools also applied additional criteria such as the level of student's academic performance, in order to select scholarship recipients from amongst the poorer students. In the junior secondary schools where students come from different geographical areas, monitoring the economic conditions of the students has not been easy. Students from poor families have to provide a statement of poverty which originates from the Head of the village.

The criteria regarding the type of employment held by the students' parents was intended to provide information about the students' family economic conditions and has assisted the Committee to locate eligible students whose parents have lower incomes. In Kecamatan Kronjo, a fishing village, the scholarship recipients have generally been chosen from families whose income is derived from fishing and manual labor, whereas in Kecamatan Rajeg, an agricultural area, students from families of farm laborers and workers were targeted. As a result of these criteria, the children of retrenched workers have never been considered as eligible recipients.

Based on the existing regulations, the *SD/MI* students of Grade 4 and 5 who received scholarships for the 1998/1999 program and entered Grade 5 and 6 the following year, automatically received another scholarship under the 1999/2000 program. This was the case for *SLTP/MTs* students who were in Grade 1 and 2 in the previous year and are now in Grade 2 and 3. However in practice, not all schools have actually applied this policy. Several schools replaced some or all of the scholarship recipients, based on the number of the *AUSKM* students being far higher than those included in the quota during the previous program. Therefore, the scholarships have been rotated amongst these students so that the benefits of the program have been able to be enjoyed by more students. This approach has also been the measure used to avoid social jealousy amongst the students. Some *SLTP* only continued awarding scholarships to a small number of the previous year's beneficiaries because the following year there were more new Grade 1 *AUSKM* students. Despite such efforts, the additional quota, which includes the number of scholarships already available for the graduated Grade 3 students, is still inadequate.

Schools applying revolving scholarship systems for the 1999/2000 program have been using a similar approach. However, a different approach has been used for newly enrolled Grade 1 *SLTP/MTs* students. All newly enrolled students from poor families are entitled to receive scholarships by submitting a poverty statement issued by the Head of the Village. In addition, those who satisfied the *passing grade* specified by the Office of the Department of National Education were automatically awarded the scholarships. The *passing grade* for these students is no different from the grade for regular students.

After the disbursement of the 1999/2000 scholarship program funds, many schools have waived the scholarship recipients from paying BP3 contributions and other financial obligations, including those for computer classes. However, the new students who are also scholarship recipients, still have to pay enrollment fees. The enrollment fees and BP3 contributions were to be settled after the scholarship money was disbursed. Nevertheless, one school insisted that all students should pay their financial obligations, without exception, because the school was worried that the students might not actually receive the scholarships.

In general, the targeting of scholarship beneficiaries has been accurate, where all of them are from poor families. Unfortunately, due to the limited scholarship quota, there are still many of poor students who could not be included in the program. There was one case where a student could not continue on to the next level of education because his family was poor and his application had been turned down because his elder brother was one of the beneficiaries and they went to the same school.

It should be noted that the criteria for classifying families as poor has been too closely identified with the condition of their homes. In one case, there was a student from a family who had suffered from the economic crisis (the parents are retrenched factory workers) did not receive a scholarship because his family lived in a housing area. This student may now have to leave school.

The accuracy of allocating scholarships at the *SD/MI* level has been better than at the *SLTP/MTs* level because most of the students live within the vicinity of the school. This has meant that teachers and *BP3* staff are familiar with the actual conditions of the students and their families. Nevertheless, a village official informed SMERU that some *SLTP* candidates had requested a statement of poverty, although their families were living comfortably. As their neighbor, he could not reject such request.

- **East Lombok.** The selection process for the 1998/1999 scholarship beneficiaries has been carried out according to the Implementation Guidelines of the *Kabupaten/Kotamadya* Committee through School Committee meetings. The School Committee carried out the process in several steps to determine the eligible candidates. Firstly, the School Committee assigned one member, accompanied by some teachers, to visit the family in person and determine the living conditions of the candidate. Secondly, it assigned the homeroom teachers from Grade 4, 5 and 6 to select the eligible students. Thirdly, the Heads of the Villages were asked to make a list of the parents whose children were still attending school, and who meet the eligibility criteria.

After the list of names of proposed candidates was prepared, it was sent to the *Kecamatan* Committee. The *Kecamatan* Committee then decided on the number of available scholarships, and consequently, not all proposed students would receive the scholarships. The School Committee then had to explain to the parents of those who missed out, that the students receiving the scholarships were the ones who really met all criteria. Some of the parents were disappointed but they could accept the fact that others were in greater need. However, they continued to hope that their children would receive a scholarship the following year. These high expectations were not only evident amongst poor parents, but also amongst those who were relatively well off. They believed that the opportunity to receive a scholarship in the future would increase the determination and motivation of their children.

**Box 3**  
**Poor Students Who did not Receive Scholarships (Kabupaten Tangerang)**

**Case 1**

M finished his primary school with a high *NEM* score. However, his parents were too poor to send him to secondary school. When interviewed, M was at home. His elder brother was about to go to school. While M wished he could continue his study, his parents had decided to only send the elder child, to school. They did not have enough money to send them both. When M and his brother were going to enroll in a secondary school, their parents only had Rp250,000, which was a loan from a neighbor. The enrollment fee/school building contribution was about Rp300,000. M had to accept his fate. According to the teacher, his brother has now been proposed as one of the SSN Scholarship candidates.

**Case 2**

Iin has four children,; three of them are already married. The only child she has to support is the youngest, now in Grade 3 *SLTP*. Before the crisis, this family had a reasonably good standard of living from selling *satay* in Jakarta. From the business they could afford to make a down payment of Rp9 million for a house, including a plot land attached. The monthly installment was Rp300,000 to be paid over 15 years. From her savings, this family could manage to build additional room for a *warung makan* (food stall) next to their house. Because of the crisis, their business turnover in Jakarta fell drastically, forcing them to close the business and later open a *warung makan* in their house. Unfortunately, the *warung* that relied heavily on the customers around their housing area did not work well. Many of her neighbors were retrenched workers from the local factories. Again, lack of potential customers forced Iin to close her *warung*. To support the family now Iin sells peanut crackers, which are consigned to some food stalls. Sometimes she made *pepes ikan* or *botok* that can barely support her family. Under such difficult conditions, Iin has not been able to pay the monthly installments for the last 2 years. Because her son needs Rp400 to Rp600 everyday for transport costs, she has asked her son to stop going to school. However, because of his strong desire to continue with his education, he has asked his teacher if he could be listed as one of the scholarship beneficiaries. Unfortunately, the selection had already been made. Iin's son decided to stay with his parent's friends who live simply, but have a house close to school. Now he is able go to school with worrying bout transport costs.

**The Accuracy of Block Grant Targets.** The accuracy of the targeted recipients varies among the surveyed regions. According to the Guidelines, in Kabupaten Pontianak the targeted recipients have been inaccurate, while in East Lombok there was better targeting even though the allocation was far less than the number of schools needing assistance:

- **Pontianak.** During the first year of implementation of the *DBO* program (1998/1999), almost all primary and junior secondary schools in Kabupaten Pontianak received block grant assistance, except schools those with less than 50 students those which were unregistered. Consequently, even “expensive” schools also received block grant assistance. The criteria in the Implementation Guidelines which allowed “expensive” schools to receive assistance was based on the school conditions in Jakarta (which of course are more expensive compared to other regions). For example, according to the Guidelines, “expensive” schools are schools that charge tuition fees at least Rp75,000 at the secondary school level. No schools in Kabupaten Pontianak charge this much, not even the most



expensive schools. The highest tuition fees were between Rp15,000 and Rp30,000 per student per month, while most of them only charged between Rp500 and Rp3,000.

In the second year of the program (1999/2000), the number of the block grant beneficiaries was reduced. According to the field survey, cases of inappropriate targeting were no longer evident. To be able to make objective selections, all candidates were required to attach school pictures and School Annual Budget Plan.

The accuracy of the block grant targeted beneficiaries could be assessed based on the use of the funding. Appropriate block grant recipients usually use the funding for education programs at school or to cover urgent expenses. Amongst the inappropriate recipients, the funds were used for non-urgent matters, for example to buy musical instruments, sound system, and as an incentive for teachers.

- **East Lombok.** The selection of the block grant beneficiaries followed the stipulated provisions in the Implementation Guidelines. The registration of the primary schools was conducted by the *Kecamatan* Committee, while the *Kabupaten* Committee organized registration for the junior secondary schools. However, because the quota of recipients was determined by the Central Committee, both *Kabupaten* Committee and *Kecamatan* Committee had difficulties selecting the most eligible candidates. Nearly all schools in the two *kecamatan* visited are not in good condition, especially the private *SD* and *SLTP/MTs* schools. Basically, all of them need financial assistance. A ranking system was developed for selection purposes, and those ranking highest were selected.

Table 23 shows that the number of schools receiving the SSN Scholarship funding is far less than the number of existing schools. In addition, the number of beneficiary schools for the block grant assistance during the 1999/2000 program has been cut down, although many schools are still in an unsatisfactory condition.

The Block Grant beneficiaries in East Lombok were considered accurately targeted, despite a case of one junior secondary school obtaining a block grant just after it finished building the school. The school explained that it has been financing the school construction for two years without any assistance or funding from the government. The *Kecamatan* Committee recommended that this school should receive the Block Grant for other activities.

The criteria stipulating the minimum or maximum number of enrolled students have created funding allocation problems. Many schools eligible to receive the SSN Block Grants Program, mainly private schools, have failed to obtain the assistance simply because the number of enrolled students did not meet the criteria. According to the Guidelines, schools with small numbers of students are not eligible to receive the assistance. During crisis, such schools found it more difficult to rely on tuition fees and *BP3* contributions. Consequently, these schools would become increasingly incapable of maintaining school buildings or facilitating school activities. In addition, the successful Family Planning program has had an impact on new enrollment rate in primary schools. Thus, it has been even more difficult to satisfy the Block Grants program requirement of a minimum of 60 students. Such a case was found in Kabupaten Sleman. In order to solve the problem, the *Kabupaten* Committee split the block grant funding between the beneficiary schools and other schools in need. As a result, the actual program beneficiaries only received half of the total grant available.

## 2. The Introduction of the Program and Transparency

The program introduction activities were conducted over one week at the central level of government and the members of the Provincial Committees attended. Sufficient information about the program was made available for program recipients in nearly all monitored areas, especially in Kabupaten Sleman and Kabupaten Pontianak. However, there was still not enough information provided for the general community and for those who did not receive funding. Program transparency was also inadequate, where the list of funding recipients was not posted on the announcement board in the schools as instructed in the Implementation Guidelines. It was argued that while the community's enthusiasm for the program was widespread, the number of students applying for the scholarships was far bigger than the available quota. Consequently, the schools decided not to announce the names of the students in order to avoid dissatisfaction amongst those students who did not receive a scholarship. Other reasons include not posting the names of the students receiving scholarships so that the beneficiaries did not feel inferior when their names were announced publicly.

There has been good transparency on the part of the Post Offices. There were no difficulties for the SMERU Team in obtaining complete data from the Post Offices, often without even asking for the information. Compared with the transparent distribution of scholarship funds, the use of the Block Grant funds was less transparent in nearly all the studied regions, even amongst the School Committees. The only exception to this was in Kabupaten Sleman.

- **Pontianak.** The distribution of scholarship funding has been tightly controlled because the funds were either sent directly to the students by the Post Office, or collected by the principal based on an Authorization Letter from student. If the principal collected the scholarship funds, this occurred with the full knowledge of the other School Committee members and the parents of the students. However, in context of the Block Grant funding, the School Committees were not transparent to those teachers who were not members of the Committee.

Due to the non-transparent use of the grants, some Local Government officials, as well as the Department of National Education suggested that the Block Grants program should be terminated and the allocation of funding be transferred to the Scholarship program. The rationale behind this recommendation has been: i) public schools have already received Education Operational Assistance/BOP (*Bantuan Operasi Pendidikan*). For the school year 1999/2000 the assistance was to be between Rp1.5 million and Rp500,000 per school. Overlapping assistance may occur because of these two kinds of assistance. This may also become a potential source of corruption; ii) the block grant has been designed to support operational costs of school. Basically, all less-resourceful schools should receive such assistance, where it is unfair if some are excluded; iii) in non-urban areas, most children from poor families go to Islamic or private schools, which operate without BOP funds. These schools are actually the ones that need the block grants.

- **Tangerang.** The introduction to the program at the Provincial level (West Java) was divided into three periods, 5 days for each period, covering all *kabupaten* Committee members. Subsequently, at the *kabupaten* level, similar introductions were held for *Kecamatan* Committees, *SLTP/MTs* Schools, and *SMUA/MAs* School Committees. At the *kecamatan* level, the *Kecamatan* Committees conducted the program for *SD/MI* schools within the area. The financial support for the program for *SD/MI* schools was Rp2 million per *kecamatan*, Rp4 million for *SLTP/MTs* schools, and Rp6 million for *SMUA/MAs* schools. The funds were used for the operational expenses in the training, which includes incentives for Committee members/training instructors, food

and accommodation during training, and also honoraria for the School Principals/training members.

Information about the program for students and parents has been provided in different ways, in accordance with the policy of each school. Some methods included: 1) the parents of the student beneficiaries were invited to the school when the funding was made available, to inform them that their children were entitled a scholarship, as well as to discuss the use of the scholarships; or 2) the school only informed student beneficiaries without advising the parents. A small number of schools have been quite transparent through detailing the amount of scholarship given to each student, as well as the source and uses of the scholarship. Other schools only advised the students that they were scholarship recipients and therefore did not have to pay BP3 fees anymore. Those school managing their students' scholarships tended to provide this kind of information.

In general, information about the program reached many students and members of community, which at least made them aware of the program. Public advertisements on many television networks also contributed to the increased the awareness of the program (I'm a School Kid or *Aku Anak Sekolah*) at almost all levels in community. The requirement for the AUSKM students needing a statement of poverty from the Village Head has indirectly become the of information dissemination about the program. The high level awareness about the program is reflected by the magnitude of the community's interest in registering their children as AUSKM students.

Naturally, it has become common to identify the SSN Scholarship recipients with being poor, especially amongst the students themselves. The scholarship beneficiaries and non-beneficiaries call the SSN Scholarship "a scholarship for poor students", in order to distinguish it from other scholarships, such as Performance Scholarship (*Beasiswa Prestasi*). Such perceptions help the program to more accurately target recipients, because the non-poor families are generally ashamed to apply for this scholarship. For example, a SLTP student who felt that one of his parents had a steady job as a fisherman, refused the scholarship and suggested that the scholarship should be transferred to an orphaned student.

Transparency about those schools receiving block grants has been considered quite good. The school principal was able to request information from higher committees about the allocation and distribution of the grants. The schools that did not receive the grants were also able to identify the names of those schools who were given the block grants, and they were able to accept the reasons as to why their applications were turned down. However, the transparency at the School Committee level was still inadequate. The school principal was the only person who had access to the information about the allocation and use of the block grants, and in one or two cases the principals' trusted associates also had access to this information.

- **Sleman.** The introduction of the 1998/1999 Scholarship and Block Grants Program has been carried out in Sleman within a limited timeframe. The effective introduction of the program can be measured by examining: 1) the level of knowledge of students and parents about the scholarship; 2) the recruitment of public figures and ordinary community members to join the Committees; and 3) level of understanding of the processes involved in selecting the recipients. Not all of the four sources interviewed by the SMERU Team were satisfactorily aware of the program, particularly those who ordinary members of community. However, most of the informal leaders, primary students, and parents of scholarship recipients generally had a good understanding of the program.

In general, transparency in the implementation of the SSN Scholarship and Block Grants program was considered good. This is reflected by several indicators such as: 1) the level awareness of Committee members, both at the *kabupaten* and school levels, of the selection of scholarship and block grant recipients; 2) the allocation process and mechanisms for collecting and distributing the scholarship and block grant funds; 3) data consistency between funding allocation and funding disbursement at the Post Office; and 4) use of the scholarship and block grant funds by schools and students. Other parties, including the members of the *Kabupaten* Committee, admitted that there were a few schools which were not quite transparent about the details and the use of their block grants.

- **East Lombok.** Not all levels of community were reached in this *kabupaten* because the introduction of the program at each committee level was only conducted within one day. Consequently, many community members were unaware that the scholarship program had been implemented. Some relatively well off families received the information through electronic media (TV). Most parents obtained information about the program from their own children. One School Committee provided a very good orientation program for parents although only on a small scale. It should be noted that the transparency about the use of the funds was still inadequate.

While the awareness of the SSN Block Grants Program was limited, the management of the program in some schools was considered quite good, apart from one school where its Committee members were unaware of the use of the block grants.

### 3. The Establishment and Effectiveness of the Committees

According to the Implementation Guidelines, all provinces have three levels of Committees: the *Kabupaten* Committee, *Kecamatan* Committee, and the School Committee. The Committee members at each level consist of various community members, including government officials and general members of community. The School Committee includes teachers and parents (BP3). However, apart from Kabupaten Sleman, this constituency was just considered a formality. There was the strong impression that the chairperson and members of the Committee were selected because of their official positions. Decision making process have frequently been dominated by members from the Department of National Education and the Office of Education, as well as one or two committee members from the *kabupaten* and *kecamatan* levels, and the school principals.

Considering the large number of Committee members, the Team found that the Committees worked more effectively if the appointed members and the Chairpersons of the Committees were assigned mutually supporting tasks and responsibilities. Each member has been expected to do his/her tasks according to the specified field. This has avoided the delegation of tasks from committee members to their subordinates. It is suspected that some Committees have been ineffective because the Implementation Guidelines have been too rigid and there have not been enough incentives for the Committee members.

In their role as Committee members at the *Kecamatan* level, all Post Offices in the areas visited by SMERU have been very effective. Despite limited number of personnel (1-3 persons), they have been working professionally and transparently, which also includes their administrative work. This is the result of their clearly specified tasks and authority.

In almost every school and province visited, the operations of the Board in the BP3 have been less effective. Basically, they have been informed about the schools receiving scholarships, but they have had no role in the decision-making process because the decisions were made by the

schools. In one primary school in Kabupaten Tangerang, the BP3 has been very active and was able to produce a well-prepared list of proposed candidates. However, they were not involved in the final decision-making process.

In the junior secondary schools, in addition to the school principals, many teachers have also been involved, for example through acting as the Committee Secretary. In the primary schools, only the principals had a significant role. Some teachers who listed as members of the Committee did not even know that they had been appointed as Committee members.

- **Pontianak.** On many occasions, community members were not involved in the School Committee because the Chairman of the BP3 was considered to be the community representative. Usually the role of the BP3 on the Committee was quite insignificant, and only a formality to meet the requirements of establishing a School Committee. On the other hand, some teachers who were not Committee members were assigned to “screen” the eligible students.
- **Tangerang.** Generally, the Committees were structured according to the Implementation Guidelines. Yet, the head of the local government office frequently appointed the personnel or local office representatives in relation to their own functions and tasks. The selection of Committee members from the NGO representatives and public figures was undertaken by other previously appointed members of the Committee. In West Java the public figures involved were members of the Indonesian Ulemas Council/MUI, where it was hoped that they would have more influence over the community, as well as LPM IKIP which is an education foundation familiar with the local education problem. In Kabupaten Tangerang, the selected public figures were also from the Indonesian Ulemas Council. At the time of SMERU's visit, the members from the NGOs had not yet been selected. The Pemuda Pancasila was invited but did not attend. Meanwhile, at the school level, the appointment of the School Committee members, other than the BP3, has been very much been at the discretion of the school principal.
- **Sleman.** At several levels, the Committees have been established according to the Implementation Guidelines. This is indicated by: 1) the decree which was issued regarding the establishment of the Committees (from the *kabupaten* level down to the school level) and the appointment of Committee members; and 2) the several meetings held, followed by the public awareness program.

The effectiveness of these different Committees can be measured by: 1) the accuracy in targeting scholarships and block grant beneficiaries; 2) the implementation of committee meetings and program information activities; 3) the use of the scholarship funds by the students and the block grants by the schools.

- **East Lombok.** There is the impression that the Committees have been established based on their members' occupations. Consequently, the structure of the Committees was similar to that of a government organization. For example, those public officials (such as Local Planning Board (*Bappeda*) Chairman, Head of Department of National Education at the Provincial Level or the *Bappeda* Chairman and Head of Department of National Education at the *Kabupaten* Level) who have been appointed as the Head of the Committee and the Committee Deputy/Secretary, have appointed some officers in the organizations to carry out tasks which are actually the responsibility of the Committee members. Similar case was also found at the *kecamatan* level. In other words, the Committees have been established according to the Guidelines, but the effectiveness, efficiency and workload depends on certain technical offices. Based on several sources of information, some institutions such as Health Service Unit, Department of Religious Affairs, BKKBN, and BAPPEDA did not play significant

roles in the Committee. According to the Guidelines, the number of *Kabupaten* Committee members should total 16 people, but the East Lombok *Bupati* issued a decree, which allowed for the appointment of 27 persons. Another regulation issued by the Directorate General of Regional Development (*Dirjen Bangda*) stipulated that the Committee should consist of 20 persons.

#### 4. Funding Allocation, Processes of Disbursement, and the Use of Funding

Apart from Kabupaten Tangerang, in all of the areas visited the funding allocation for the SSN Scholarship and Block Grants for the 1999/2000 Financial Year has decreased, compared to last year's allocation as shown in Table 3 (see Chapter II). Allocations per *kabupaten* and *kecamatan* are presented in Table 24.

The scholarship allocation at the provincial level was determined directly by the central government (committee) based on several criteria, including the number of *Keluarga Pra Sejahtera* and *Keluarga Sejahtera I (KPS/KS1)* families. Subsequently, the allocation for junior secondary schools and high schools were decided by the *Kabupaten* Committee based on (i) the number of *KPS/KS1* from the National Family Planning Board, and the number of *IDT* villages from the regional government; (ii) the amount of *BP3* contributions of each school; and (iii) the number of students.

- **Pontianak.** The decreased allocation of funding for the SSN Scholarship and Block Grants program has manifested a specific problem for the regional government, especially for the local offices of the Department of National Education. This was mainly because the condition of the schools in this region are relatively similar, except amongst the relatively large and prosperous private schools (supported by private businesses), or amongst the relatively more financially secure Christian/Catholic schools. Some of the non-flexible provisions in the Implementation Guidelines have created difficulties for the program implementers whenever they have to make adjustments to different field conditions, particularly when deciding the most eligible program beneficiaries. Currently Grade 4 primary schools and Grade 1 junior secondary and high schools receive smaller allocations.
- **Tangerang.** The *Kabupaten* Committee decided the size of the scholarship allocation for primary/MI schools in each *kecamatan* and this was subsequently distributed by the *Kecamatan* Committee based on the same 4 criteria used by the *Kabupaten* committee. The number of scholarship beneficiaries at the primary/MI schools level was far smaller compared to the number of junior secondary/MTs beneficiaries. This was in accordance with the national policy on scholarship allocations, where for primary/MI schools the funding must be allocated to 6% of the total number of students, while for the junior secondary schools/MTs schools this figure reaches 17%. Based on this policy, the allocation for the *Kecamatan* Kronjo and *Kecamatan* Rajeg, particularly for primary/MI schools, was below the national level (only 2%).

Although the number of scholarship beneficiaries in Kabupaten Tangerang has increased, the funding is still inadequate. It was estimated that the program has covered only approximately 40% of the eligible students. This estimate is supported by data from several junior secondary/MTs schools, indicating that the number of scholarships available only targeted 30% – 55% of the total no of suitable applicants. This condition was even worse in the primary/MI schools because there were only 3 – 14 beneficiaries in each primary/MI schools (see Table 22 and 23).

However, a comparison of the allocations between different primary/MI schools indicates that the allocation has been appropriate. The schools receiving the largest allocation (SD 3 and SD 4 at Kecamatan Kronjo) were the poorest schools. Nevertheless, if the

allocation (8 students per *SD*) is compared to the number of students who needed the scholarships, it is clear that the allocation was too small, especially for the above two schools. In 1998/1999 these schools received an allocation of 11 and 9 scholarships respectively. The following year the number increased to 14 and 11 students, but it was estimated that the number of poor students totaled 80% of the students. Conditions worsened when low *BP3* contributions only amounted to Rp2,500 per month. As a result of the crisis, since July 1999 late payments have reached up to 50% – 73% per month. At the time of SMERU's investigations in November 1999, only one student from both schools had managed to pay his monthly *BP3* contribution for October 1999.

**Table 24. Total Allocation of SSN Scholarship and Block Grants to Students and Schools per *kabupaten* and *kecamatan*, 1998/1999 and 1999/2000**

<i>Kabupaten/</i> <i>SD/MI School and</i> <i>SLTP/MTs School</i>	Number of schools 1999/00	Number of students 1999/00	Number of schools receiving Block Grants		Number of students receiving scholarships	
			98/99	99/00	98/99	99/00
<b>PONTIANAK</b>						
E/School	957	140.849	945	717	22.382	18.658
<i>Kecamatan 1</i>	88	20.897	87	55	2.068	1.549
<i>Kecamatan 2</i>	24	3.418	24	18	336	305
S/School	181	33.551	169	131	15.838	13.537
<i>Kecamatan 1</i>	26	5.776	22	12	2.580	2.074
<i>Kecamatan 2</i>	4	751	4	4	451	451
<b>Tangerang</b>						
E/School	1.091	324.796	*	*	8.890	11.445
<i>Kecamatan 1</i>	51	12.349	*	*	466	631
<i>Kecamatan 2</i>	39	13.151	*	*	497	726
S/School	164	74.779	*	*	8.842	11.633
<i>Kecamatan 1</i>	2	1.421	*	*	364	*
<i>Kecamatan 2</i>	1	1.350	*	*	362	*
<b>SLEMAN*</b>						
E/School	*	*	*	*	*	*
<i>Kecamatan 1</i>	*	*	*	*	*	*
<i>Kecamatan 2</i>	*	*	*	*	*	*
S/School	*	*	*	*	*	*
<i>Kecamatan 1</i>	*	*	*	*	*	*
<i>Kecamatan 2</i>	*	*	*	*	*	*
<b>East Lombok</b>						
E/School	*	*	*	*	*	*
<i>Kecamatan 1</i>	95	*	72	48	*	*
<i>Kecamatan 2</i>	93	*	91	80	*	*
S/School	*	*	*	*	*	*
<i>Kecamatan 1</i>	20	*	0	1	*	*
<i>Kecamatan 2</i>	18	*	10	4	*	*

Sources: *Kabupaten* Committee, *Kecamatan* Committee, School Committee.

Note: Uncollected data/data not available.

Meanwhile, the allocation for the Secondary/MTs schools was considered sufficient, if not too large compared to the actual financial conditions of the students and their parents. Most of the parents could still afford to provide pocket money and enough for transport expenses for their children. This is consistent with the background of the students. Students who were able to continue to study at the secondary school level usually belonged to reasonably well off families who could afford to pay relatively high enrollment fees.

- **East Lombok.** At both school levels in Kabupaten East Lombok there were fewer 1999/2000 recipients than in the previous year. The findings indicate that the number of eligible candidates was far bigger than the available allocation. This has forced the School Committee to eliminate many candidates who badly needed the scholarships.

**Funding Allocation for the Block Grant Program.** Similar to the scholarship program, the allocation of the Block Grant funds for the selected schools was determined by the *Kabupaten* Committee for junior secondary schools, and the *Kecamatan* Committee for primary schools. The role of the *Kecamatan* Committee in accurately selecting the beneficiaries for block grants in their region has been quite good, especially the role of the Head of the Department of Education at *kecamatan* level who was also the Chairman of the Committee.

**Funding Disbursement Process.** In principle, the Post Office preferred to make bulk distributions of the scholarships in order to avoid too many students visiting the Paying Post Office. In addition, this method reduced the burden of the cost of transport for the students. Among the areas visited, only Kabupaten Sleman implemented the disbursement process according to the 1998/1999 Implementation Guidelines, where the students were required to visit the Post Office themselves to collect their scholarships. In Kabupaten Tangerang and Kabupaten East Lombok, the scholarships were distributed in bulk. In Kabupaten East Lombok, the school principal collected the funds from the Post Office with an Authorization Letter from the scholarship recipients that was approved by the School Committee and witnessed by one School Committee member. In Kabupaten Tangerang, the principals asked the students to sign receipts to be presented to the Post Office. Although the funds were collected in bulk, the disbursement of the scholarship funds in East Lombok was considered satisfactory.

Even though a circular from the Department of National Education stated that the scholarship and block grant funds for the 1999/2000 program would be disbursed by November 1, 1999, the funds could not be collected until the 10<sup>th</sup> of November. It was suspected that the delay originated with the Inspecting Post Offices at the *kabupaten* level. Similar events occurred last year, although the SMERU Team requires further confirmation from the *kabupaten* and provincial Post Offices regarding this matter.

- **Pontianak.** Funding disbursement was carried out in three ways, mainly: a) the students came to the Post Office to collect scholarships; b) a Post Office officer brought the scholarships to the students; or c) the School Committee collected the funds in bulk on behalf of the students. In Sungai Kuyit, a Post Office official came to schools to deliver the scholarship funds directly to the students. However, due to the limited number of staff (only two staff members), not all Post Offices were able to provide such service. The Post Offices preferred a bulk collection. The students also found it too much of a burden to pick up the scholarship themselves at the Post Office because of limited time and transportation facilities. Therefore, collective disbursement was considered more convenient by the Post Office, School Committee, as well as by the students.
- **Tangerang.** The Paying Post Office at Kecamatan Kronjo was located near the center of the *kecamatan*. The Post Office at Kecamatan Rajeg was located in another *kecamatan* but the access to the *kecamatan* center was quite easy. The Post Office suggested collective distribution because it would be difficult for them to serve almost 900 students per *kecamatan* when they only have one or two staff members.

While the distribution of the funds to the schools may have provided the opportunity for the misappropriation of funds by the school itself, this method has some advantages. These include reducing the workload of the Post Office, as well as the burden on the students, especially those living far from the Post Office. To ensure the students actually



received the money, the Post Office at Kecamatan Rajeg took the initiative, and prepared a declaration to be signed by the principals that the money would be submitted to the recipients.

After collecting the scholarship money from the Post Office, each school had different policies in regards to the disbursement of the funds to the recipients. This may have affected the use of the scholarship funds. In general, many schools preferred to use the money to cover the financial obligations of the beneficiary students. Methods of disbursement from the schools to the students include:

- The money was given directly to the students after deducting the cost of their financial obligations, such as *BP3* contributions, quarterly fees, unpaid dues (for some months) and advanced payments for the rest of the school year. The use of the remainder of the money very much depended on the students themselves. However, they were encouraged to spend their scholarship money on educational expenses. Nearly all students interviewed used the remainder of the scholarship money to meet their school-related costs, which included buying shoes, uniforms and stationary. Some also used the money to buy clothes.
  - The recipients received no cash because the money was used to cover unpaid dues starting from the time when the students enrolled at the school. It was also used to cover tuition fees for the rest of the school year. The balance was to be passed on to other students who had a large amount of outstanding dues.
  - The school managed the scholarship funds after deducting the total amount of the recipients' financial obligation, in order that the objectives of the scholarship could be achieved. Otherwise, the students may have used the money for consumption purposes. The scholarship funds were managed by the school in a similar manner to a savings account for the students, available as needed to buy school bags, uniforms, or for transport costs. In terms of achieving the objectives of the program, this method was considered quite good since the expenditure was controlled. The disadvantage of this approach is that placed extra burden on the teachers in charge of the students. It also limited the students in their use of the scholarship funds, because not all of them had enough courage to ask for the funds. Another disadvantage of this approach was that it provided the opportunity for schools to use the funds, temporarily or permanently, for other purposes.
- **East Lombok.** The disbursement process at the Post Offices in East Lombok was relatively fast (within a single day), provided the money was available at the Paying Post Offices. To manage the speedy disbursement of the scholarships, the *Kecamatan* and *Kabupaten* Committees sent a circular informing the schools of the collection schedule.

The first disbursement of the scholarship money to primary and junior secondary school students was conducted through a school meeting attended by the School Committee and parents of the recipients. The next disbursement was given directly to the students. The scholarship funds for primary school students were mostly retained by the parents, whereas for junior secondary school students some funds were retained by parents, and others by the students themselves. Decisions regarding the use of the scholarship were entirely dependent on the students and their parents. The School Committee only provided information and guidance about spending the scholarship funds wisely, supporting school activities.

**Disbursement of the Block Grants.** In general, the school principals went to the Post Office to collect the funds. In some cases, the principals assigned a Committee member or the Treasurer to collect the money. Collecting the Block Grant funds was easy because the sum of funding was quite small and it was completed in three stages. The funds could only be collected if the withdrawal slip was approved and signed by three persons: the Committee Chairman or principal, BP3, and the Committee Treasurer. Based on these procedures, it should not have been difficult to withdraw the money from the Post Office, apart from when there was not enough money available and withdrawal was postponed until the funding was available. In Kabupaten Pontianak, when the money was available at the Post Office, the Post Office would directly notify the Department of Education and Culture at the *kecamatan* level, which would then notify the recipient schools. Unlike scholarship funds, the Block Grant funds were transferred to a Batara Bank savings account opened by the principal. The funds could then be used according to the needs of each school. It should be noted that in many schools in Kabupaten Tangerang, the Principal withdrew the entire sum of funds as soon as the funds were available.

**Use of Scholarship Funds.** Each region investigated in the study had different priorities for the use of the money. The most common uses were to pay the financial obligations of the students, such as to pay BP3 contributions, test/examination fees, school certificates, building maintenance contributions, and transport costs, as well as to buy school uniforms, shoes, stationary.

- **Pontianak.** According to the program objectives, the scholarships could be used to pay BP3 contributions, or to fund school requirements which includes school uniforms, shoes, bags, writing books, textbooks and other school-related needs. Nevertheless, there have been several schools which have “required” their students to pay tuition fees and BP3 contributions for the whole year or for the on-going quarter, as well as to settle other unpaid dues. Some parents directed their children to only use the money for their study expenses, or for savings. However, the Team found that some used the money to pay for the family’s living costs or for other urgent needs, such as to pay a midwife, for house repairs, or to buy bicycles.

There were some indications that in the MI and MTs, the recipients did not receive the whole amount of the scholarship. For example, in response to an appeal from the parents, one MT exempts all students from paying their tuition fees and BP3 contributions. Consequently, the schools were unable to pay the teachers’ monthly salaries. The principal promised to pay an unspecified amount once a year. The expected sources of funding for this expense were *infaq* (contributions), *shodaqoh* (alms), and *zakat mal/zakat fitrah* (contribution during the Islamic Eid) from the local community members. Because of this policy, 16 teachers had to resign. Only senior teachers and others having other sources of income could afford to continue teaching. In such a situation, the scholarships received by the MTs schools were not handed over to the student recipients, but instead were used to meet the needs of all enrolled students, based on the principle of “sharing the fun and the pain together”. The money was used to replace the exempted BP3 contributions, as well as to buy writing books, pens, and exercise books for the final exams. By doing this, the schools were able to maintain the level of school enrollments.

- **Tangerang.** The students used their scholarship money to pay BP3 contributions, for transport costs, as well as to buy writing pens and school uniforms. Several junior secondary schools used the funds to pay quarterly fees, *Ebtanas* fees and long standing BP3 contributions. The new students were to pay building maintenance contributions that were subsequently deducted from their 1999/2000 scholarships. The recipients of the 1999/2000 scholarships were exempt from paying their BP3 contributions. They received

school uniforms from the School Cooperatives. The uniforms were to be paid after the scholarships were disbursed.

- **East Lombok.** Normally it was the parents of primary students who bought the school necessities, together with their children. The junior secondary students also preferred to purchase school requirements with their parents or by themselves. The money was used to buy school requirements such as uniforms (for school, sport and *pramuka*), shoes, books and writing pens. Some also bought food and drinks for their friends. There was a big difference between the cost of school uniforms for male and female *SLTP* and *MTs* students. Female *MTs* students required more materials for their uniform (consisting of long skirts, long-sleeved shirts, and veils) compared to *SLTP* female students. In addition, male *MTs* students are required to wear long trousers, unlike the *SLTP* male students who wear short trousers. The *MTs* students are required to wear long trousers during school days as well as for *pramuka* activities. Based on interviews with *SLTP/MTs* respondents, the scholarship funds kept by their parents were used for other purposes, including for the family's daily living costs. One female *MTs* student mentioned that her scholarship money was retained by three different persons: her mother, grandmother and aunt.

The students and parents informed SMERU that there were a number of schools imposing a levy on scholarship recipients. A small amount of funds was to be set aside for the School Committee. Based on a mutual agreement between the *BP3* and the parents, the recipients were to contribute as follows: a) a contribution of Rp1,000 – Rp1,500 deducted from each disbursement for the Committee's transport costs, because the students did not have to go to the Paying Post Office themselves; and b) a one-time contribution of Rp10,000 for the construction of school's flag pole.

These policies were actually in contradiction of the Implementation Guidelines. Each recipient was expected to collect his or her own money in the Post Office. However, these guideline had some disadvantages for both the students and the Paying Post Office, mainly: 1) the students would have had to pay transportation expenses which were at least equal to the amount of the transportation money for the Committees; 2) some villages had limited means of transportation, so the students would have had to spend hours going to the post office to collect their funds, consequently missing classes; 3) the Paying Post Office has limited number of staff, so it would have been too burdensome for each beneficiary to go directly to the Post Office to collect the funds. In light of these circumstances, it was more practical for all parties that the collection of the scholarship funds was delegated to the principal in his or her capacity as the School Committee Chairperson.

**Use of Block Grant Funds.** The authority of the principals in deciding the use of the Block Grants was obvious, not only in Islamic and in private schools, but also among public primary schools. In the absence of transparency and accountability, it was difficult to control the use of the funds, despite satisfactory administration of the funds according to the regulations. A staff member of the Department of National Education suggested that to ensure the proper and correct use of the block grant funds, the evidence of procurement and inventory receipts at schools should have been cross checked.

In Kabupaten Pontianak, the block grant funds could only be used for small upgrades to the schools, assistance or subsidies for students, procurement of teaching aids and tools, and school activities/*Kegiatan Belajar Mengajar (ATK)*. It was revealed that the School Committees had difficulties in setting priorities for spending the funds due to several reasons: a) the amount of funds was too small (especially for primary schools) compared to real needs; b) according to the Guidelines the funds were to be collected in two disbursements, meaning that the amount available in each disbursement was only Rp1 million which would then be

used for at least four activities. The School Committee expects more flexible program implementation in the future regarding the disbursement of the funds, so that the funds can be used as needed.

In Kabupaten Tangerang, the funds were used to cover three types of expenses, mainly small school upgrades (to buy building materials and pay the construction workers), the procurement of office stationary, and school activities (sports equipment). In one school, the payment of BP3 contributions was very low, and most students had not paid their quarterly fees. Therefore, the school could not pay its monthly contribution to the Office of the Education at the *kecamatan* level. This school has no choice but to use the funds to cover these expenses. There was the impression that the grant was for the school, but how the funds were to be used was at the discretion of each school. Therefore, other Committee members outside the School Committee were either unaware of the decision making process or simply not involved. The school principals mostly determined the policy regarding the use of each block grant.

**Decision Making and the Use of Funds.** The above findings indicate that the use of scholarships and block grant funds in Kabupaten Tangerang have been very much decided by the schools. Although several schools have involved parents in the decision making process, many schools have not included other parties because most of the community members such as those in Kecamatan Kronjo and Rajeg (particularly the poor ones) tended agree to any suggestions without any question due to a lack of knowledge and experience in the area. In addition, having been exempted from paying the BP3 and quarterly contributions, they were too grateful to make any further demands. In Kabupaten Pontianak, the decisions regarding the use of funds was generally at the discretion of the school principal as the Chairman of the Committee. Some schools delegated this task to the Committee members and the principal had little involvement. In Kabupaten East Lombok these decisions were made at a group meeting and subsequently, became a Working Program based on provisions in the Implementation Guidelines.

**Constraints on the Disbursement of Funds.** Several areas in Kabupaten Pontianak have experienced some constraints with the disbursement of funds, especially those in remote areas. Collecting the funds not only involved extensive transport costs, but was also consuming because of limited access to water transportation. For example, the cost of transport to the nearest Post Office is Rp75,000 per trip and it takes 3 days for a return trip. Therefore, it was proposed that for these remote areas the funds could be disbursed in one phase instead of in three phases. The 1999/2000-program policy regarding bulk collection of funds had widespread support.

## 5. Appropriateness of Scholarship Allocation for Schools and Students

The number of scholarships and total amount of the block grants was determined according to various criteria, including: 1) the number of *Keluarga Pra-Sejahtera/KS1*; 2) and their average BP3 contribution per month for each student; and 2) the number of *IDT* villages in the each area. In light of this *IDT* criteria, some economically prosperous schools have also been awarded large block grants and scholarships simply because they were located in a disadvantaged region. On the other hand, some *desa/keurahan* in the urban areas with large populations of poor families were not classified as *IDT* villages hard hit by the crisis and they only received a small amount of block grants.

The amount of scholarship per student (Rp10,000 per month for *SD/MI* students, and Rp20,000 per month for *SLTP/MTs* students) was considered sufficient. However, the number of allocated scholarships per school, especially for primary schools, was considered inadequate compared to the number of students who needed them. Amongst the secondary

schools, there were some *SLTP* that received large numbers of scholarships (especially among public schools) whereas others received relatively few scholarships.

Some factors contributing to the above conditions include: a) the result of evaluations of the percentage of *IDT* villages as stated in Form SD 01 regarding the Criteria of Eligible Nominated Beneficiaries of SSN Scholarships and Block Grant funds at the *Kecamatan* level. The conditions of the non-*IDT* regions are not always better than those in *IDT* regions, and vice versa; b) the same conditions also apply for the evaluation of the percentage of the *Pra-Sejahtera* and *Keluarga Sejahtera 1* families, stipulated in Form SD 01 regarding the Criteria of Eligible Nominated Beneficiaries at the *kecamatan* level.

- **Pontianak.** In Kabupaten Pontianak, the amount of scholarship money was deemed sufficient to meet the student's needs. The money from the scholarship was usually spent on buying writing books, shoes, and to pay *BP3* contribution. Only in urban area was the money used to buy textbooks. Most of the students from rural areas rely on the package books provided by the schools. One primary school student was able to buy a golden ring worth Rp50,000, and one junior high school student saved Rp120,000. This was because the students already had their school gear before they received the scholarships. Some students from Grade 6 primary schools or Grade 3 junior secondary schools deliberately saved some of their scholarship money so that they could enroll in Junior High or High School.
- **Tangerang.** Assuming that the scholarship money was safely received by the recipients, the adequacy of the amount (Rp10,000/month for *SD/MI* students and Rp20,000/month for *SLTP/MTs* students) depends on various factors. These factors include the distance to school, financial obligations, and the level of schooling. In general, the size of the allocation for primary school students was deemed sufficient because most of them do not live far from their schools and consequently they do not incur transport costs. In addition, the *BP3* contribution for the primary school students was relatively small (Rp2,500/month), so the rest of the money could be used for other purposes, such as to buy stationary, school uniforms and shoes. As for the junior secondary school students, the travelling distance to school and level of enrollment (Grade 1, 2 or 3) are significant factors in the adequacy of the scholarship. Students whose house is far from school needed more money for daily transport, while Grade 1 and Grade 3 of junior secondary school students have more educational expenses. A new Grade 1 student needs a considerable amount of money for enrollment, especially if the student is enrolled in a well-known or popular school. The enrollment fee for *SLTP* is between Rp160,000 and Rp250,000, excluding for uniforms and shoes. Grade 3 students have to pay additional expenses for *Ebtanas*, school certificates and other school program activities. For example, during the school year 1998/1999 Grade 3 students had to pay Rp150,000 per student for examination fees and study tours. However, for Grade 2 students the amount of the scholarship has been quite sufficient because they only have to pay *BP3* contributions of around Rp10,000 per month. Some schools charge Rp5,000 per month for computer classes. Nevertheless, the scholarship has indeed helped relieve the burden on poor families and it would be even more useful if the students received the whole amount of the scholarship with no deductions.
- **East Lombok.** The condition of the community at the *Kecamatan Masbagik* and *Pringgabaya* could not be evaluated based on the *BKKBN's* criteria of *KPS* or *KS-1*. Some respondents from School Committees suggested that the scholarship allocation per school should have been decided based on the Committee's field survey. The School Committees directly visited the families of the candidates to observe their living conditions, therefore the total sum allocated for scholarships per school could have been determined based on

the proposed number of needy students in each school. This approach would have produced an objective number of proposed recipients. To support such approach, the School Committees suggested that an operational fund be made available.

The amount of scholarship money received by the *SD/MI* students was Rp10,000 per month, to be paid in three separate payments of Rp30,000, Rp30,000 and Rp60,000. Unlike other provinces, nearly all sources of information in Kabupaten East Lombok indicated that the amount of the scholarship was insufficient to meet the daily expenses of the recipients, including pocket money and transport costs. The uses of the scholarship funds are shown in Table 25.

**Table 25. Annual Components and Range of Expenditure of Scholarship Funds  
Kecamatan Masbagik and Pringabaya, East Lombok**

No.	Items	Volume	Price
1	School uniform	2 sets	50,000 – 160,000
2	<i>Pramuka</i> Scout uniform	1 set	25,000 – 50,000
3	Sport uniform	1 piece of knitted shirt	7,500 – 25,000
4	Shoes	1 pair	14,500 – 60,000
5	Book package	3 dozens	30,000 – 40,000
6	Exercise book		36,000 – 80,000
7	Drawing book		3,000 – 6,000
8	Stationery		10,000 – 40,000

Source: Respondens at Kec. Masbagik.

## 6. Proportion of Female Scholarship Recipients

In general, there were more female beneficiaries than male beneficiaries in the SSN Scholarships program.

- Pontianak.** There was no gender bias detected in the selection of the scholarship beneficiaries. The number of beneficiaries was selected according to the criteria stated in the Implementation Guidelines. In Kecamatan Sungai Kunyit the female *SD* beneficiaries reached 51.8%, while at Kecamatan Sungai Raya the figure was 48.8%. In several schools, the number of scholarships for female students was even higher than these figures. For example, in one private *SLTP* in Sungai Kunyit the percentage of females receiving scholarships was 60%, and in one public *SD* in Sungai Raya the figure was 66.6 %.
- Tangerang.** One of the objectives of the SSN program has been to motivate female students to continue their education. However, but this objective has received insufficient attention because the selection criteria have focussed on addressing poverty issues, while disregarding gender discrimination. Therefore, there has been no clear pattern between male and female recipients. In some schools, the number of male recipients was higher than females, but in other schools the opposite occurred. In one school the percentage varied between two consecutive school years (1998/1999 and 1999/2000).
- Sleman.** In Kabupaten Sleman, the number of female recipients at the *kabupaten* and *kecamatan* levels has consistently been prioritized. However, amongst Vocational Schools (*SMK*), previously known as Vocational Technical Schools (*STM*), the selection was carried out differently because over 90% of the students are males.

- **East Lombok.** Information from the School Committee, and data on scholarship beneficiaries compiled by the East Lombok Office of Education, indicates that 60% of the beneficiaries were female and 40% male. The high percentage of female beneficiaries resulted from the Committee's high awareness of the objectives of the program, particularly in regards to the proportion of female students who should receive the funds. So far the SSN Scholarship program has enabled female students to continue their education and preventing them from marrying at an early age. A Focus Group Discussion revealed that most female students have strong will to pursue higher education but are often hindered by their parents' economic situation and low level of education.

Many parents expressed their desire for their daughters could attend high school/MA so that they could work as government employees. Many respondents after finishing high school/MA would like to become small traders, selling goods in the market and following traditional work practices based on their background. The expectations of female students seemed to be greatly influenced by their parents' economic condition and awareness of the importance of education.

## 7. Appropriateness of the Amount and Form of the SSN Block Grants

Based on the Implementation Guidelines, each school level in the provinces is entitled to receive similarly sized Block Grants, that being Rp2 million for *SD/MI* schools, Rp4 million for *SLTP/MTs*, and Rp10 million for *SM/MA*. It was noted that in Kabupaten East Lombok the block grants for *SM/MA* with no laboratories were too large. According to the local School Committee and NGOs, the government's policy about the provision of similarly sized block grants to all provinces was irrational. Most primary schools are in poor condition, but they only receive Rp2 million, whereas the secondary schools and high schools have already received allocations from the *APBD* Level I and *APBN*, received much larger grants. They suggested that it would be more appropriate if the block grants for primary schools were Rp6-8 million, for junior secondary schools Rp4-6 million, and for high schools Rp5-8 million.

The problems of the SSN Block Grants include: (i) the similar size of block grants for all education levels, disregarding number of students or school conditions. For example, a school with 50 students or 800 students received the same sized block grant. Schools with poor building infrastructure are not distinguished from schools with buildings in good condition; (ii) the amount of the SSN Block Grant for primary schools was insufficient compared to those for junior secondary and high schools. Indeed, in certain areas, the size of grant needed by all levels of schooling was relatively similar.

Several respondents suggested that: i) the size of block grants should be based on the number of students in the category of small (>100 students), medium (100 – 350 students), and large (<350 students) schools; ii) the size of the grants should also be based on the physical conditions and activities of each school (has science classes or laboratories). A strong recommendation from Kabupaten Pontianak and Kabupaten Tangerang, was that the SSN Block Grants should be formally awarded as additional scholarship funds and formal incentive for teachers (School Committee).

## 8. Role of the Program in Reducing Dropout (DO) Rates

Even though the SMERU team received information from various parties when they were in the field, evaluation on the role of the SSN program in reducing DO rates should be carried carefully and supported by accurate data. The dropout rates have to be correlated with the general conditions of education in each area, prior to the crisis. As an illustration, in Kabupaten Sleman where the awareness of the importance of education has generally been quite high on the part of parents and teachers, the crisis has not stopped the parents from

supporting their children's education even if they have to borrow money or work harder. In this respect, the SSN Scholarship or Block Grant program has had no impact on the reduction of the DO rates. However, where parents' attention to their children's education has been inadequate (such as in Kabupaten Pontianak), even a slight problem has been used as a good reason to immediately terminate the child's education. In such cases, the SMERU Team suspects that the SSN Scholarship Program may have had a significant impact in reducing dropout rates.

The field findings have indicated that the SSN Scholarship Program has had some influence in reducing the DO rates in all regions except Kabupaten Sleman. The program was also considered very useful in helping poor students to pay tuition fees/BP3 contributions and to buy school necessities, as well as to help the schools to buy textbooks and other teaching aids.

- **Pontianak.** The local teachers informed SMERU that the SSN Scholarship Program has reduced the DO rates. Most of the DO students were those who could not afford to pay BP3 contributions over a long period of time. They felt ashamed and finally decided to stop attending classes. In Kabupaten Pontianak, the program has helped these students to settle their financial obligations and buy school necessities, hence preventing them from becoming dropouts. However, among certain ethnic groups, the tendency to stop attending school before finishing primary school is part of their custom. In such communities, the SSN Scholarship Program did not affect the dropout rate.
- **Tangerang.** Despite minimum quantitative data, several government agencies, schools, students and parents indicated that the SSN program was quite effective in reducing the number of dropouts. At these schools, the beneficiaries were poor, school-age students (AUSKM group), who were unable to pay the BP3 contribution. With the introduction of SSN program, any payments and other financial obligations of these students were covered for the rest of the school year. This has motivated the students to attend school regularly without feeling ashamed of being unable to pay their dues. In one school, a student who was prevented from attending school due to lack of transport money now could go to school regularly after receiving scholarship.

The policy of nominating new school-age students from poor families as scholarship beneficiaries has been appropriate because these students need financial assistance to enroll in the higher levels of education. The assistance may not have met all their needs, but it has motivated these new students to keep attending school. At the same time, it has reduced some of the burden of their parents. Under this program, the primary and secondary school students in this category have been able to obtain scholarships as long as their NEM scores meet the requirements. Two primary school students almost failed to continue their studies due to their inability to pay enrollment fees, but with a letter from the School Principal acknowledging their financial difficulties they were able to enroll by paying their enrollment fee of Rp250,000 in installments. In the meantime, they were exempted from other dues, including the BP3 contribution, computer classes, and school uniform costs. These expenses could be paid after the scholarship was disbursed.

- **Sleman.** SMERU's findings in Kabupaten Sleman indicate that the SSN Scholarship Program did not really have an impact on the dropout level in Kabupaten Sleman. Nevertheless, the program was considered very useful to boost school activities, cover the operational costs, and help a number of new school-age students from poor families to pay their education expenses, reducing the burden on parents who had to work harder or borrow more money because of the crisis. The commitment to not to give up easily and become a dropout in spite of all difficulties faced by the parents and teachers before the introduction of the program has also helped to maintain low dropout levels.



- **East Lombok.** The 1998/1999 Scholarship Program had a significant role in reducing dropout level in this *kabupaten*. Undeniably, some recipients became dropouts, but it was not solely due to the economic factors. For example, some students preferred to earn money by working as food peddlers, manual laborers, in the market, or at the harbor, without their parents' knowledge. The SSN Scholarship Program has indeed increased the parent's motivation to continue sending their children to school, according to their capacity to do so.

After being informed of the benefits of the scholarships, many parents hoped that their children would continue receiving scholarship until they reached university. In anticipating the increasing dependency on program assistance, the parents were informed that the initial objective of the program was to assist the community in coping with the impact of the crisis, particularly in terms of their children's education. Such dependency increases in the absence of additional income sources. The junior secondary school students expressed their strong desire to continue studying at higher levels of education, even though their parents may not be able to afford it. To solve this problem, some students earned their own money by selling food or working as laborers in the market, as long as they could continue studying.

Committee members have some ideas about how to anticipate the time when they will be terminated in 2003, which include: a) approaching the business community in Kabupaten East Lombok and asking them to allocate some of their profits for the economically disadvantaged students who still want to continue their education; b) appealing to the better-off parents to contribute by paying higher *BP3* contributions as a cross-subsidy; c) raising scholarship funds through *zakat*, *infak* and *shodaqoh* every year for poor students. This last approach has been carried out in some schools for several years, and is still being applied.

## 9. Program Coordination, Management, and Administration

The coordination, management and administration of the program implementation have been considered weak. In general, the coordination of the scholarship program was only intensive during the preparation of the program, training for program implementers, and funding disbursement. After the scholarships were available, the administration of the program was limited to answering questions about Implementation Guidelines. However, many were not interested in the Guidelines. As of now, many problems in the field have not been completely solved due to weak coordination. In the absence of supporting funds at both the *kecamatan* and school levels, the weaknesses program coordination, management and administration have been made more acute. The coordination was flexible with no set schedules.

The coordination among the higher government agencies in the implementation of the SSN Scholarships and Block Grants program has not been effective. This was reflected in the limited available data in various agencies, such as in the Department of Religious Affairs, Bureau of Statistics, and the Office of the Department of National Education at *kabupaten* and *kecamatan* levels. The only agencies that have shown good performance and reasonably good management in the implementation of SSN program are the Department of National Education at the *kabupaten* levels and the Post Office.

It was recommended that the SSN Scholarships and Block Grants Committees should consist of a smaller number of members in order to work more effectively and with better coordination. Nevertheless, even the smaller Committees did not demonstrate good levels of coordination. In addition, although the SSN Scholarship and Block Grant program is a national program, in reality its implementation relies heavily on its local Committees without involving other parties. For example, the National Family Planning Board

(BKKBN)/Family Planning Extension Worker (PLKB) have seldom been involved. The involvement of related agencies in this national program has been limited to their role as organizing committees or as members of committees. The non-committee member agencies have not been involved, and therefore they have not been concerned about the program.

In terms of program administration, the Implementation Guidelines were complete based on a report stating the problems in the field. As a result, the Committees at nearly all levels are unaware of the real problems and conditions in the field. The administration of the program between *kecamatan* within a single *kabupaten* has varied greatly. For example, in Kabupaten East Lombok, the program management and program administration in Kecamatan Pringabaya was deemed far better than in Kecamatan Masbagik.

In general, program implementation at the Committee level (except for the School Committee) and at the Paying Post Offices has been well administered. At the school level, however, the administration has been very weak, particularly regarding the documentation of local decisions (for example: meeting minutes with the BP3 members). This is because they did not follow the Implementation Guidelines, creating the impression of noncompliance. The implementation of the program in many schools has not been well documented, or well administered where more than half of schools visited had no written records. For example the program documentation has not been well integrated and finding certain files is difficult.

## 10. Strengths and Weaknesses

The strengths of the SSN Scholarship and Block Grant program are as follows: i) the program has increased the awareness of parents, teachers, and the community of the importance of education; ii) the procedures have been easy to use and clear; iii), while the field study has not been able to detect a strong indication that the program has reduced the dropout rates, in general many students have received assistance during the crisis; iv) the block grants have assisted in covering the school's operational expenses, especially in non-urban schools which in the past have only received funding for operational expenses from the BP3 contributions (between Rp100 and Rp3,000/student/month), so the block grant of up to Rp900,000 per school has been beneficial; v) considering that the funding has been directly transferred from the Post Office to the School Committees, the possibility of misuse of the funds has been reduced.

The weaknesses of the program are: i) involving too many committees, including those at the central, provincial, *kabupaten*, and *kecamatan* levels, down to those at the school levels. Committee members received no incentives or operational funds, particularly those at the *kecamatan* and school levels. Consequently, they could not work effectively; ii) the available scholarship funding was not able to meet the students' actual needs; iii) each school across the regions received similarly sized block grants, regardless of number of the students or school activities. This distribution pattern was often considered unfair, both among schools and regions; iv) it is possible that the SSN Block Grant overlapped with the Education Operational Assistance (BOP) from the local governments; v) there was weak accountability and transparency may have increased the opportunity for the corrupt use of the block grants; vi) there were difficulties in the disbursement of funds to schools in remote areas, especially those with high transport costs and extensive traveling time; vii) few local modifications could be accommodated through participatory planning and implementation; viii) there was a weak monitoring and control system at the bottom levels of the program administration, despite involvement of community representatives and parents.

## V. EFFORTS TO IMPROVE THE EDUCATION SYSTEM IN THE FUTURE (EQUITABLE OPPORTUNITIES, ACCESS AND RESULTS)

### 1. Data

Useful data is a very important factor for the future planning and monitoring of the education system. Apart from Kabupaten Sleman, the awareness of the importance and the use of data at school and *kecamatan* levels were quite low. It is difficult to obtain data, particularly time series data. Every month each school has to fill in forms detailing the number of students, teachers, and physical conditions of the school. Despite such efforts, the data collected has never been used properly as a tool to support planning or policy-making. The data is used only when there is a specific project, such as a mapping project.

The accuracy of the data collected is still questionable. The SMERU team suspicious of the low Net and Gross Enrollment Rates recorded in Kabupaten Tangerang. After further investigation, the Team encountered four different figures between the *kabupaten*, *kecamatan* and Family Planning Extension Worker (*PLKB*).

In order to have a better education system in future, it is necessary to improve the system of data collection and increase awareness of the importance of data at all levels, including amongst the government agencies, such as the education offices at *kecamatan* level, and the school principals.

### 2. Funding

The introduction of the SSN for education has led to relatively high dependency on the funding amongst schools and students. Therefore, it is important to consider alternative sources of funding in anticipation of the assistance being terminated. Schools that have been supported by various types of funding, including those from the Education Operational Assistance (*BOP*), Contribution for Education (*SBPP/Sumbangan Bantuan Penyelenggaraan Pendidikan*), and the *BP3* contributions, will not be adversely affected if the SSN Block Grant program is terminated. However, in terms of the actual needs of the schools, it is suggested that the *BOP* fund should be increased. The amount required can be estimated by reviewing: (1) the school conditions; (ii) the number of students per school; (iii) the types of school activities; (iv) any fund-raising by the schools themselves (such as the *BP3* contributions, etc); and (v) other specific conditions.

The selection criteria for scholarship recipients should be simplified through a bottom-up approach. This way the scholarships can be restricted and only provided for poor students. Using this bottom-up approach, the number of beneficiaries will be smaller and focused on the right targets. The criteria of students with a strong academic performance can be used as the final requirement after all other criteria (poverty, orphaned, many siblings) have been satisfied. In the future, fundraising can also be undertaken by: (i) increasing community participation in school programs at the local and national levels; (ii) introducing cross subsidies in schools and *BP3* contributions; (iii) conducting other self-managed businesses, taking into account the principles of transparency.

In the future, the government can not expect the community to be its sole source of funding, particularly those with relatively low-incomes. Nevertheless, considering that many Islamic private schools survive to date and operate well, it can be concluded that the *Madrasah*'s

funding system is a useful model. The funding system uses *infak*, *shodaqoh*, *zakat* and other forms of contributions. As an illustration, from the five *Madrasah* schools (MIT and MTs) visited, one MTs managed its school well by using the above funding system, and two *Madrasah* (MIT and MTs) have been doing fairly well through individual or institutional support. The other two *madrasah* have not been able to manage well because of limited funding and the absence of other sources. The proposed solutions for alternative funding sources include applying the *madrasah* system, community contributions (e.g. BP3), education insurance, and company contribution.

Should the responsibility of funding lie with communities, especially in the context of public schools, in addition to transparency, the generated funding should not be used to finance government agencies (referring to the Kabupaten Tangerang case, where 20% of the collected BP3 contributions had to be submitted to the education offices).

### 3. Institutional and Education Systems

The two existing education systems under the Department of National Education and the Department of Religious Affairs have resulted in different standards of education. This is obvious in the lower quality general subjects taught in religious schools. It is also frequently reflected in the administrative gap and management aspects of the education programs. For example (i) there has been the tendency for institutions and students under the Department of National Education to be given priority for the SSN Scholarship and Block Grant program; (ii) education institutions under the Department of National Education also received priority in obtaining government textbooks; (iii) there has been a lack of administrative capability and flow of information/data collection at schools under the Department of Religious Affairs; (iv) there has been the tendency for program implementers to prioritize the public education system, while in fact many of the poor students who need scholarships are from religious schools (MI, MST).

Despite there being no overlap of responsibilities between the local Department of National Education and the Office of the Department of National Education at the *kecamatan* and *kabupaten* levels, neither have been working efficiently. Based on these facts, and considering the limited government funding, it is recommended that these three education institutions should be merged under the umbrella of the Department of National Education, with three integral functions: Curriculum Division, 3 M Division, and Religious Education Division.

### 4. Quality of the Teachers

The quality of the teachers is very much influenced by their level of education and welfare, the changes to the curriculum, the number of subjects taught, the nature of each subject, the teacher's motivation, their comprehension of the subject, and their opportunities for training.

The decrease in the quality of teachers has been the result of the frequently modified and changed curriculum, too many subjects, and the wide range of aspects that require discussion and further study according to each field, which very often are not followed by relevant training. To solve this problem, some regions have conducted monthly meetings through the Principals Working Group (*K3S/Kelompok Kerja Kepala Sekolah*), as a refresher for principals and officials from the local Office of Department of National Education. At the *kecamatan* level, this has been carried out through a meeting of the Teachers Working Group (*KKG/Kelompok Kerja Guru*). The placement of teachers has also been a recognized as a problem where, in urban areas, there is an excessive supply of teachers; however, in rural and remote areas the teacher-student ratio is low.

## **5. Curriculum and Provision of Textbooks**

Most teachers agree that there are too many subjects offered, particularly subjects with local content. Each student has to choose three subjects, but quite often there are timetable clashes between these subjects. It has been proposed that each student should choose only one “local content” subject of interest. With too many subjects to teach, the main concern of many teachers has been to meet the curriculum targets, without further evaluating whether the students have understood the subject or not.

Besides the excessive number of subjects, there are also too many “sub-subjects”, which actually are unnecessary for primary school students because they are too detailed. Core subjects are really all that is needed at this level. The main problems with the present curriculum are: (i) too many teaching materials to be used within a limited teaching time; (ii) an absence of upgrading/training programs for the teachers, resulting in inadequate comprehension of the subjects taught; (iii) students having too much homework and other workloads because all teachers tend to give assignments. Therefore, the present curriculum should be simplified, and the teachers should be able to select their teaching materials, taking the local conditions into consideration.

One subject, which so far has been overlooked, is the “manners and discipline”. Many teachers have suggested that this subject be reintroduced. In addition, 4 (four) periods per week should be allocated for religion classes for primary and junior secondary school students, instead of only 2 periods.

The government textbooks are considered inadequate, especially for the Islamic and private schools in rural areas. This has occurred because the coordination between the two departments (the Department of National Education and the Department of Religious Affairs) that were supposed to take care of the education affairs has not been effective, also because both have different education systems.

## **6. Supporting Facilities**

Besides textbooks, other teaching aids such as globes, demonstration kits, are still inadequate. Many teachers are unfamiliar with the demonstration kits because of their lack of training in the uses for the kits and their application, coupled with the teachers’ low motivation for self-improvement. Consequently, these kits are not even used and the resources wasted.

Most of the available supporting facilities in the schools are standard facilities which do not reflect the special requirements of each school, and therefore not relevant for the students.

## **7. Other Issues**

Respondents from several areas have indicated that the parents’ awareness of the importance of education in providing a better future for their children, has reduced the drop out rate and has prevented early marriages. People have realized that education should be the first priority for ensuring a better future. Another important factor reducing the dropout level is the dedication of the teachers. However, the opportunities for employment should not be ignored. In Kabupaten Tangerang, for example, many factories readily employ primary school graduates, and this has clearly lowered the local community’s motivation to allow their children to continue with higher levels of education. In the future, more serious attention should be given to these issues.

## VI. CONCLUSIONS AND RECOMMENDATIONS

### 1. Conclusions

**Education Condition Prior to Crisis.** The conditions of the education system prior to the crisis is reflected in the following:

- (i) Completion rates in primary schools were still relatively low. In Kabupaten Tangerang and Kabupaten Pontianak, the proportion of children entering primary schools in 1993/1994 who reached Grade 6 was approximately 50%, in Kabupaten East Lombok the rate was 65%, whereas in Kabupaten Sleman the rate was 89%;
- (ii) School buildings and education facilities for primary schools were generally inadequate. On one hand, the INPRES Program (President Instruction Scheme) resulted in the construction of more school buildings, followed by higher school participation. On the other hand, dependency on the government financial support has increased and as a result the self-sufficiency of the schools and the participation of the community in the education have begun to disappear, except in some popular schools in urban areas which are still able to collect adequate funding from parents;
- (iii) In urban areas the number of teachers is sufficient and even excessive, yet in rural and isolated areas, where most of the students come from poor families, there are now significant teacher shortages, and the level of the teachers' education is relatively low;
- (iv) The School curriculum at present has too many subjects, particularly those drawing on the local content, while basic instructions such as reading, writing, arithmetic, and the teaching of manners and discipline is still deficient;
- (v) Allocation of the government textbooks is insufficient, especially those for *Madrasah* and rural primary schools. The students are usually not allowed to take the books home, the books are only used at school, leaving the students with less opportunities to study;
- (vi) Apart from in urban areas, on average there is only one junior secondary school in each *kecamatan*, and transportation to school has been a constant problem;
- (vii) Operational expenses for the urban area schools are covered by *BP3* funding, while the rural area schools rely more on government support, such as the routine expense budgets, *BOP* and *SBPP*. The private and *madrasah* schools rely more on tuition fees, *BP3* contributions and other contributions; and
- (viii) An accurate data system is not available, and the data available are not used to monitor school's development, or for national education system planning.

**Factors Resulting in Students Continuing at School, Dropping Out, or Failing to Progress to the Next Grade during the Crisis.** Some important factors influencing the students to remain studying at school, include:

- (i) The existing institutional mechanisms which support the students to continue their studies;
- (ii) The level of economic prosperity in the family (income levels, time spent with the parents and family members to meet the family's need);

- (iii) Geographical aspects;
- (iv) The available education facilities and infrastructure;
- (v) The labor market, including the available employment opportunities for school-age children (for example: in an industrial area in Kabupaten Tangerang and a fishing village in Kabupaten Pontianak), or employment opportunities requiring higher education; and
- (vi) The socio-economic condition of the community, and its traditional customs. Cultural biases not in favor of educational progress, such as marrying daughters off at an early age, tend to disappear in communities where the level of awareness of the importance of education is high.

**Crisis Impact on Education.** The *madrasah* and the low status private schools have been worst affected by the crisis because their ability to pay teachers was heavily dependent on the tuition fees, and other factors such as *BP3* contributions. If the crisis is protracted, some of these schools may face the threat of having to shut down, which in turn will affect their students. Some of these factors can be expected to adversely affect to quality of education, especially over the longer term. The impact of the economic crisis on the quality of education includes:

- (i) Slightly lower than average *NEM* scores;
- (ii) Drastic increases in school fees is a disincentive for parents with no increase in income;
- (iii) Reduction in teachers' real take home pay, due to less *BP3* revenue and reduced income sources among teachers in urban areas;
- (iv) Less extra-curricular activities such as *pramuka* (scouts), sport, extra lessons, and computer class;
- (v) Reduced health and nutrition levels among students, lowering their capacity to absorb the lessons; and
- (vi) Insufficient numbers of school textbooks for all students.

To make matters worse, in *Kabupaten* Tangerang a *Bupati* Decree stipulated that every month all primary schools in that region should submit 20% of the its *BP3* funding (the amount charged to students) to the Office of the Department of National Education to cover operational costs. Since many students could not afford to pay their monthly *BP3* contributions, the schools had to bear the burden.

To cope with the crisis, many schools have adopted the following policies:

- (i) New students are allowed to pay the school maintenance contribution in several installments, while the poor students are exempted from paying this contribution;
- (ii) There is more leeway in the payment of the *BP3* contributions, while the poor students are exempted;
- (iii) Registration fees continue to be imposed to all students;
- (iv) Some curricular activities have been suspended to reduce costs;

- (v) Quarterly fees, expenses for school reports, *Ebtanas*, and the fee for graduation certificates (*ijazah*) are still imposed, although these fees can be paid in installments, without exemption for poor students; and
- (vi) Various fund-raising activities for orphans and poor students.

**Crisis Impact on Students and Parents.** The crisis has put considerable burden on parents, causing:

- (i) Delayed payment of the *BP3* contributions;
- (ii) Inability to purchase textbooks, resulting in students relying more on limited school package text books;
- (iii) Inability to buy school uniforms;
- (iv) Less money to cover transport costs, especially for junior secondary school students who live far from the schools; and
- (v) Many students being unable to collect their graduation certificates due to the inability to pay the *EBTANAS* fees.

The impact of the crisis has been fallen more heavily on the students whose parents are industrial workers or laborers. The students whose parents are plantation workers or fishermen have fared better due to the increased price of export commodities. The crisis has affected the family's income and the time parents can allocate for their children's education; in the long run this will also has a negative impact on the quality of the children's education.

**Effectiveness of Scholarship and Block Grant Programs.** Some of the important issues in the implementation of SSN Scholarships and Block Grants Program are the targeted recipients, sufficient level of funding, the use and disbursement of funding, and the effectiveness of the Committees in program monitoring and supervision. The implementation of the program in the field varies across the different regions. Several findings include:

- (i) **Targeting:** (i) the criteria for selecting scholarship and block grant recipients would be better suited to a poverty alleviation program rather than to a program intended to address the impact of the crisis; (ii) the School Committees encountered problems deciding upon the most eligible recipients because the number of potential beneficiaries was far greater than the total number of allocated scholarships and block grants (except in Kabupaten Pontianak); (iii) the allocated scholarships for primary school students has been far from sufficient, but some scholarships have been given to non-potential/non-achieving students who after receiving scholarships have to repeat their grade and even became dropouts; (iv) there are cases (in Kabupaten Tangerang or Kabupaten Sleman) where (contrary to the rules) scholarships have been provided to ensure equal opportunity among those in need of assistance; (v) the introduction of the *IDT* village criteria has resulted in an unbalanced quota of scholarships and block grants between the *IDT* and non-*IDT* areas (especially among junior secondary schools); (vi) the *BKKBN*'s criteria for categorizing poor families is not applicable in all cases; (vii) the cost for Grade 1 and Grade 3 junior secondary school students is usually higher than the cost for Grade 2; also the expenses of Grade 1 and Grade 6 are higher than the other grades; (viii) the allocated scholarships for primary schools are too few, and the dropout rate seemed to increase among students above Grade 4. This means that many students were not be able to continue studying at the junior



secondary school level, because they became dropouts even before finishing primary school; (ix) the provision that scholarships are not transferable except among students of the same grade has resulted in an imbalance among inter-grade recipients, particularly when the number of the allocated scholarships was reduced; and (x) the aim of ensuring a good presentation of girls among scholarship recipients seems to have been achieved because the nomination process has been carried out according to the Program Guidelines.

- (ii) **Orientation and Transparency of the Program:** Sufficient information about the program has been made available to program recipients in nearly all observed areas, although the general public has not been well informed. Meanwhile, the transparency of the use of block grant funds has been far from adequate, and in many instances even the members of the School Committees and teachers have been neither consulted or received proper explanations about the use of these funds.
- (iii) **Disbursement of Funds:** (i) The funding disbursement process was initially considered complicated due to tight administrative requirements. In addition, there were indications of deducted funds in some areas; (ii) methods used to disburse the program funds include: (a) direct collection by the students accompanied by the school principal and one Committee member; (b) collection by the school principal; or (c) delivery to schools by a Post Office official (in Kabupaten Pontianak); (iii) in some remote areas (in Kabupaten Pontianak), collection of the funds in three separate payments was considered burdensome because of high transport costs involved, it was far more preferable to reduce the number of disbursements to two payments at the most; (iv) payments via bank account have been unsuccessful because of limited number of saving books, and since the money stays in the bank for a very short period this method is considered unprofitable; (v) in some regions the scholarship funds have been managed by the schools, but the students are able to ask for funds as required. Although it is claimed that this arrangement is to ensure that the funds are well managed, steps must be taken to ensure that students are not discouraged from collecting their scholarship money, otherwise it may create opportunities for misappropriation.
- (iv) **Use of Funds:** The scholarship money received by students was generally used to buy books, stationary, some of the textbooks, school uniforms, and sport wear. In some cases parents have also used the money to buy food, to pay a midwife, or to meet other urgent family needs. In one MTs in Kabupaten Pontianak, the scholarships were not delivered directly to the recipients, instead the funds were managed by the school to help finance all students, most of whom are in need of financial assistance, for example to pay BP3 contributions, summative test fees, and examination fees. In Kabupaten Tangerang, the fund was used to pay the unpaid BP3 contributions and the contributions of other poor non-recipient students.
- (v) **Number of Scholarships Allocated, the Size of the Scholarships and Block Grants.** Although the allocated number of scholarship recipients per school – especially in primary schools – has been considered inadequate, the students have received a sufficient amount of money, enabling them to continue their schooling. However, the adequacy of the amount of the scholarship per student varied among different grades. For example, the Grade 6 students of the primary schools and Grade 1 and 3 of the junior secondary schools need more funding because they have to pay enrollment fees, building maintenance contributions, examination fees, certificate fees, and farewell party contributions.

The size of block grant has been to be too small for most primary schools, and too large for senior high schools, especially those with no laboratories and science classes. In most cases, the use of the block grants has not been very effective, apart from in some disadvantaged private schools, public primary schools, and *madrasah*. The grant has been used more effectively in schools located in remote areas. The Team found that the SSN Block Grants Program to some extent overlaps with the Education Operational Support (BOP) and national budget (APBN) for education, resulting in the risk of the misappropriation of the funds.

- (vi) **Role of Local Committees.** The coordination, management and administration of the program have been very weak at the *kecamatan* and lower government levels. School Committees have invariably been dominated by the school principals, have made the decisions regarding the use of the block grants. Unfortunately, community participation in the program has been low because the Board of Parents is often considered to represent community. Basically the *Kecamatan* Committees have tended to be dominated by the Office of Department of National Education officials, whereas the Head of the *Kecamatan* has only forwarded the applications to the local government, and the other committees have had a minimal role in the process. In terms of program administration, the Post Offices and the Office of Department of National Education at the *Kabupaten* level have been able to carry out their responsibilities reasonably well.

## 2. Policy Recommendations

- (i) **Allocation of Scholarships and Block Grant Recipients.** To achieve more appropriate targeting, more scholarships should be made available for Grade 1, 5 and 6 primary school students, and the amount of scholarship for Grade 1 and 6 students should be larger than the scholarship for Grade 5 students. Likewise, the scholarship funds for Grade 1 and Grade 3 junior secondary school students should be larger than those for Grade 2 students. The amount of primary school scholarships should be increased, if necessary by redirecting the funds away from junior secondary and high schools students, or from the block grants for junior and senior high schools.
- (ii) **Criteria for the Selection of Scholarship and Block Grant Recipients.** The criteria for selecting the scholarship and block grant recipients should be improved to achieve more appropriate targeting by :
- Removing the *IDT* village criteria for scholarship and block grant recipients;
  - Adding school performance criteria for block grant recipients, and student's potential or achievement criteria for the scholarship program recipients (for those who meet the other criteria);
  - If the allocation is too small, it is necessary to decide upon "final" criteria, which should be indisputable for the community, while at the same time it should make the work of the School Committees easier, for example by using the *NEM* score;
  - Among communities with low education awareness, the parents should be required to sign a written pledge that they would allow their children to finish that level of schooling when they receive scholarships;
  - Replace the school scholarship quota/allocation system with a bottom-up selection system; and

- The quota/allocation system should only be applied to determine the number of scholarships at *kabupaten* or provincial levels.

- (iii) **Appropriateness of the SSN Block Grants Program.** Considering that most of the scholarship funds will be received by the schools in the form of students' BP3 contributions, and that the schools have received operational funds from several sources (including from the routine budget, Education Operational Support (BOP), SBPP, etc), it is recommended that to avoid overlapped funding sources, the block grants be used to increase the amount of scholarships, and some of this funding be used as an incentive for the School and *Kecamatan* Committees. The block grant should only be awarded to private schools and *madrrasah*, which have suffered drastic decreases in revenue due to the crisis, or the money should be allocated for public primary schools, particularly those in rural and remote areas. If the Block Grant program is to be continued, the size of the grant should not be the same for all schools, rather it should be adjusted based on the number of students and conditions of the school. However, adjusting the size of the Block Grant, based on the characteristics of the schools will have two disadvantages: it makes the process more complicated, and it may introduce more chance of misappropriation. Despite these disadvantages, it was important to readjust the Block Grants in line with the conditions of the schools.

The size of the block grants for high schools should be reconsidered, taking into account whether they have laboratories and science classes, otherwise the size of the block grant should be reduced. Based on the SMERU Team's observations, the size of the block grants for public high schools is too large.

- (iv) **Program Transparency.** The important role of School Committees in the implementation of the scholarships and block grant programs needs to be stressed. The habit of leaving decision-making and control of funds to the school principal needs to be changed. *Kabupaten* education officials should use every available opportunity to stress the need for school principals to hold open discussions with the members of the School Committee about implementation plans for the block grant programs.
- (v) **Textbooks.** For primary and junior secondary schools, the government textbooks and textbooks from private publishers should not be replaced or changed too often. The books should be assigned for at least 5 years, so that they can still be used by the students' younger siblings or by other students. Sufficient number of textbooks should be available according to the number of students, giving special attention to private schools and *madrrasah*.
- (vi) **School Funds.** In the future, it is recommended that school funds should not only be provided by the government, but also increasingly by the community. In the transitional period, various ways of fund raising are still applicable, including: (i) cross-subsidies using school fees or BP3 contributions; (ii) promoting community fund raising by enhancing the communities participation in school activities, for example through *zakat* (tithe), *infaq* (contributions), *shodakoh* (alms), and scholarships; and (iii) other methods of self-sufficient funding. These activities should be carried out in phases, while taking into account the socio-economic conditions of the community. The funds raised should not to be allocated for the operational expenses of government offices (Office of Department of National Education at the *kabupaten* and *kecamatan* levels).
- (vii) **Equitable Distribution and Access to Education.** To ensure that the education system provides equitable distribution and equal access and results, the existing dualism or conflicts of interest in the management of education in Indonesia between the Department of National Education and the Department of Religious Affairs, or

between the Office of Department of National Education at the *kabupaten* and *kecamatan* levels, should be improved in the near future. The management system should be simplified fall under the responsibility of the Department of National Education. At the *kabupaten* level, the management of the education system should be in the hands of the *kabupaten* office. Such an arrangement will soon be unavoidable when the Law No. 22/1999 regarding regional autonomy becomes effective.

- (viii) **Data.** A more accurate data system is greatly needed. The level of awareness regarding the importance of useful data amongst the relevant education authorities should also be improved. Data should be used for monitoring the school development and the development planning of education at both national and regional levels.