The Political Economy of the Learning Crisis in Indonesia

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Andrew Rosser, Phil King, and Danang Widoyoko

Abstract

Indonesia has done much to improve access to education in recent decades but it has had little success in improving learning outcomes. This paper examines the political origins of this problem. It argues that Indonesia’s learning crisis has reflected the political dominance during the New Order and post-New Order periods of predatory political, bureaucratic and corporate elites who have sought to use the country’s education system to accumulate resources, distribute patronage, mobilize political support, and exercise political control rather than produce skilled workers and critical and inquiring minds. Technocratic and progressive elements, who have supported a stronger focus on basic skills acquisition, have contested this orientation, with occasional success, but generally contestation has been settled in favour of predatory elites. The analysis accordingly suggests that efforts to improve learning outcomes in Indonesia are unlikely to produce significant results unless there is a fundamental reconfiguration of power relations between these elements. In the absence of such a shift, moves to increase funding levels, address human resource deficits, eliminate perverse incentive structures, and improve education management in accordance with technocratic templates of international best practice or progressive notions of equity and social justice—the sorts of measures that have been the focus of education reform efforts in Indonesia so far—are unlikely to produce the intended results.

Keywords: learning, learning crisis, political settlements, Indonesia, education, schooling, political economy
The Political Economy of the Learning Crisis in Indonesia

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Executive Summary

Purpose
Indonesia is in the midst of a learning crisis. Although the country has significantly improved access to education in recent decades, it has done little to improve mastery of basic skills in literacy, numeracy and science, particularly among primary and secondary school students. A range of assessments suggest that students learn little at school. This paper examines the roots of this crisis, focusing on its political determinants.

Conceptual Framework
Much analysis of learning outcomes in low and middle income countries has emphasised the impact of factors such as inadequate funding levels, human resource deficits, perverse incentive structures, and poor management. By contrast, this paper employs an analytical framework grounded in ‘political settlements’ analysis. Political settlements are defined as ‘combination[s] of power and institutions that [are] mutually compatible and also sustainable in terms of economic and political viability’ (Khan 2010: 4). The political settlements approach entails identifying the actors who are involved in contesting education policy and its implementation in specific contexts and understanding how particular institutional arrangements serve or harm their interests. It also entails understanding the evolution of education policy and its implementation in terms of continuities and shifts in the balance of power between actors. Finally, it entails recognising that the extent of alignment between the interests of key actors may vary by reform measure: while all key actors may agree on the need for some measures, they may disagree on the need for others.

Argument
The paper argues that Indonesia’s learning crisis has stemmed from the continued political dominance of predatory political, bureaucratic and corporate elites for much of the period since that country declared independence in 1945—and specifically, throughout the New Order (1965-1998) and post-New Order (1998-present) periods. With such elites exercising the dominant influence over education policy and its implementation, the Indonesian government has given priority to training students to be loyal and
obedient to the Indonesian nation, the Indonesian state and, to some extent, their religion rather than promoting acquisition of basic skills in maths, science and literacy. Technocratic and progressive elements, who have supported a stronger focus on basic skills acquisition in line with neoliberal concerns to enhance labour productivity and promote economic growth (in the case of the former) and concerns to promote fulfilment of human rights and social justice (in the case of the latter), have contested this orientation, with occasional success especially during the post-New Order period. But generally such contestation has been settled in favour of predatory elites. Religious elites, some of whom have supported improved acquisition of basic skills in maths, science and literacy in line with Islamic traditions of learning have been co-opted, harnessing them to predatory agendas and disabling them as a significant force for change. Parents and schoolchildren—the principal users/clients of education systems—have been at best a minor player in contests over education policy and its implementation in Indonesia.

**Empirical Focus**

The paper provides evidence to support this argument in two ways. The first is a historical account of the evolution of education policy and its implementation in Indonesia during the New Order and post-New Order periods and the way in which this has been shaped by the nature of the country’s reigning political settlement. It points to significant shifts in education policy and its implementation over time, notwithstanding the continuation of predatory rule. This is because the balance of power between the various elements above has shifted slightly as a result of regime change and economic crisis, opening up opportunities for change. The second is an in-depth analysis of the politics of policy-making in three key policy areas—national exams, the school curriculum, and teacher career trajectories. This traces how contestation between competing elements has had impact in areas of policy that have a particularly important bearing on learning outcomes.

**Implications**

The paper suggests that sustained improvements in learning will only occur if there is a fundamental reconfiguration of the political settlement that has characterised the country’s political economy. In the absence of such a shift, moves to increase funding levels, address human resource deficits, eliminate perverse incentive structures, and improve education management in accordance with technocratic templates of international best practice or
progressive notions of equity and social justice—the sorts of measures that have been the focus of education reform efforts in Indonesia so far—are unlikely to produce the intended results.

However, this does not mean there is no hope for the future. The emergence of more inclusive policy-making spaces as a result of democratisation have created room for technocratic and progressive elements to exercise continued influence over education policy and its implementation. This is especially the case at the national level where these elements are strongest, although perhaps less so at the local level where predatory forces are in general vastly superior. At the same time, intensifying structural imperatives for Indonesia to improve its education system have emerged as the knowledge and technology sectors have become an increasingly important source of global economic growth. In this context, there may be some value in proponents of improved learning outcomes in Indonesia engaging more substantially with actors in the business community around issues to do with learning, particularly in so-called ‘creative industries’ such as information technology, software development, media, and film that are at the forefront of the emergence of a knowledge/technology-based economy in Indonesia. By contrast, there is likely to be less value in seeking to promote improved learning through engagement with parents and schoolchildren given their weakness as a political actor.
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1 Introduction

Indonesia has done much to improve access to education in recent decades. Between 1972 and 2018, its gross enrolment rate increased from 85 per cent to 106 per cent for primary schools, from 18 per cent to 89 per cent for secondary schools, and from 2 per cent to 36 per cent for higher education institutions (World Bank 2020). However, the country has done little to improve mastery of basic skills in literacy, numeracy and science, particularly among primary and secondary school students, leading numerous analysts to declare that the country is facing a ‘learning crisis’ (Akmal 2018; Inovasi 2019). For instance, the country has typically placed towards the bottom of the list of assessed countries and behind neighbouring countries such as Malaysia, Vietnam, and Thailand in international standardised tests of student learning such as PISA, TIMSS, and PIRLS since it began participating in these tests in the early 2000s (Chang et al 2014: 23-24). At the same time, its scores on these tests have improved little, if at all, over time (Pradhan et al 2017). Likewise, a recent study drawing on Indonesian Family Life Survey data (Beatty et al 2018) found that students are not learning sufficient numeracy skills as they progress from one school year level to the next: ‘Even high school graduates’, the study found, ‘struggle to correctly answer numeracy problems that they should have mastered in primary school’ (2018: 1).

This paper examines the origins of Indonesia’s learning crisis, focusing on its political determinants. Analyses of poor learning outcomes in developing countries have often emphasised factors such as inadequate funding levels, human resource deficits, perverse incentive structures, and poor management, suggesting that the principal causes of such outcomes are largely financial, human resource-related, and administrative in nature (Levy et al 2018: 3-4). Recently, however, some scholars have suggested that the main determinants of poor learning outcomes lie more in the realm of politics (see, for instance, Pritchett 2013; Paglayan 2017; Kosack 2009; 2012). Most importantly for our purposes, Hossain and Hickey (2018: 2) and Levy et al (2018) have argued that learning crises in many countries have reflected the nature of ‘political settlements’ in these

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1 For instance, Indonesia’s PISA scores for reading in 2000 and 2018 tests remained the same (371), declining from a high of 402 in the 2009 round. Over the same period average scores in mathematics and science showed negligible improvement (19 and 3 point increases respectively). See OECD (2019: 3).
countries, that is, ‘the balance or distribution of power between contending social groups and social classes, on which any state is based’ (DiJohn and Putzel 2009: 4). Education systems, they have observed, can be harnessed to a range of different agendas, some conducive to improved learning outcomes and others not, depending on the balance of power between competing political and social elements. Broadly, they suggest that where elements who have little interest in promoting good learning outcomes have dominated these political settlements, countries have failed to adopt and implement the education policy reforms that are required to shift education onto a higher quality and more learning-focused trajectory (Hossain and Hickey 2018: 2).

In line with this more politically-focused strand of research, we argue that Indonesia’s ‘learning crisis’ has its origins in the nature of the political settlements that have characterised Indonesia’s political economy for much of its post-independence history and specifically during the ‘New Order’ (1966-1998) and ‘post-New Order’ (1998-present) periods (see Figure 1 for a summary of the main periods in Indonesia’s post-independence history). Political settlements during these periods have differed slightly from one another being more exclusionary in the case of the authoritarian New Order period and more inclusionary in the case of the democratic and decentralised post-New Order era. But in both cases, they have been characterised by the political dominance of predatory political, bureaucratic and corporate elites who have sought to use the country’s education system to accumulate resources, distribute patronage, mobilize political support, and exercise political control rather than produce skilled workers and critical and inquiring minds. As a result, the government has failed to adopt and implement education policies that promote learning in Indonesian schools along the lines assessed by tests such as PISA, TIMSS and PIRLS. It has instead given priority to training students to be loyal and obedient to the Indonesian nation, the Indonesian state and, to some extent, their religion. Contestation of government education policy and its implementation by technocratic and progressive and other elements, who have supported a stronger focus on basic skills acquisition, has generally been settled in favour of predatory elites. At the same time, however, we note that these elements have been better placed to promote change with regards to education policy and its implementation since the fall of the New Order in the late 1990s. This is due in part to the political effects of the Asian economic crisis, the emergence of more inclusive policy-making spaces as a result of democratisation, and intensifying structural imperatives related to the country’s model of capitalist development. This holds out some promise for change in the future.
In presenting this argument, we begin by providing an outline of our conceptual framework for explaining the nature of education policy and its implementation in Indonesia that is based on political settlements analysis (Section 2). We then identify the competing sets of actors that have shaped Indonesia’s education policies, their implementation and learning outcomes during the New Order and post-New Order periods (Section 3), describe their respective interests and agendas with regards to education policy and its implementation (also Section 3), and illustrate how shifts in the balance of power between these actors and processes of conflict and contestation have shaped the nature of Indonesia’s education policies and their implementation during these periods (Sections 4, 5 and 6), focusing on a specific set of national-level policy cases (Section 7). In the final part of the paper (Section 8), we consider the policy-related implications of our analysis vis-à-vis efforts to promote improved learning outcomes in Indonesia.

Figure 1: Key periods of Indonesia’s post-independence history

### Key Periods

**Indonesia’s Post-independence History**

<table>
<thead>
<tr>
<th>Period</th>
<th>Type</th>
<th>President</th>
<th>Regime</th>
</tr>
</thead>
<tbody>
<tr>
<td>1945-1949</td>
<td>War of Independence</td>
<td>Sukarno</td>
<td>Democratic</td>
</tr>
<tr>
<td>1950-1959</td>
<td>Parliamentary democracy</td>
<td>Sukarno</td>
<td>Democratic</td>
</tr>
<tr>
<td>1959-1966</td>
<td>Guided Democracy</td>
<td>Suharto</td>
<td>Authoritarian</td>
</tr>
<tr>
<td>1966-1998</td>
<td>New Order</td>
<td>Suharto</td>
<td>Authoritarian</td>
</tr>
<tr>
<td>1998-present</td>
<td>Post-New Order</td>
<td>Wahid, Jokowi</td>
<td>Democratic</td>
</tr>
</tbody>
</table>

2 Conceptual Framework and Method

To understand the political underpinnings of education policy and its implementation in Indonesia, we employ a political settlements approach. Political settlements analysis (PSA) emerged out of the new institutional economics and critical perspectives in political
economy. It starts with the notion that ‘institutions’—that is, the rules, regulations and enforcement mechanisms that govern economic and social activity—not only shape prospects for economic and social development—as many new institutional economists have shown (North 1994)—but also the distribution of political, economic and social resources. Institutions are consequently subject to contestation between competing sets of actors. In accordance with these ideas, Khan (2010: 4) has defined a political settlement as ‘a combination of power and institutions that is mutually compatible and also sustainable in terms of economic and political viability’. The institutions and the distribution of power, he argues, ‘have to be compatible because if powerful groups are not getting an acceptable distribution of benefits from an institutional structure, they will strive to change it’ (2010: 4). The implication is that institutions are subject to change over time as a result of contestation between competing sets of actors and shifts in the balance of power between them.

The core concepts associated with the political settlements approach are actors, interests, and institutions (Parks and Cole 2010: 6). The latter is understood essentially in Northian terms as described above. With regards to actors and interests, the focus has generally been on elites: in general, non-elite groups are excluded from the analysis on the grounds that they occupy a subordinate position in the power structure and cannot therefore participate effectively in the construction of institutional arrangements (Di John and Putzel 2009). However, some recent contributions (for instance, Hickey et al 2015) have sought to incorporate such actors into the political settlements framework, in recognition of the fact that, while elite actors generally dominate policy-making and implementation processes in developing countries, non-elite actors can play a significant role, particularly when empowered by democratic reform or structural change in the economy and society (see also Levy et al 2018). In these circumstances, non-elite actors can become party to the political settlements that determine the institutional arrangements governing economic and social activity.

The political settlements approach thus implies a view of education policy and how it is implemented as a set of institutions that have consequences not just in terms of overall educational and economic outcomes (e.g. enrolment rates, qualification levels, innovation levels) but also the distribution of resources and opportunity within society. It further construes these institutions as being forged through contestation between competing sets of
actors who have an interest in the nature of a country’s education system and the changing balance of power between them. It accordingly entails identifying the actors who are involved in contesting education policy and its implementation in specific contexts and understanding how particular institutional arrangements serve or harm their interests. It also entails understanding the evolution of education policy and its implementation in terms of continuities and shifts in the balance of power between actors. Finally, it entails recognising that the extent of alignment between the interests of key actors may vary by reform measure: while all key actors may agree on the need for some measures, they may disagree on the need for others.

To understand the nature of these actors and their interests and agendas, we combine this political settlements approach with an understanding of actors, interests and agendas that is grounded in critical approaches to political economy. These approaches have had a strong influence on PSA, particularly as PSA has been developed by scholars such as Khan (2010) and Hickey et al (2015), as well as the study of Indonesia’s political economy (Robison 1986; Rosser 2002; Robison and Hadiz 2004). Such approaches have tended to define sets of actors in terms of broad political and social strata related to class, ethnic, religious, and gender-based divides—rather than individuals, cliques, occupations, or organisations—and to view these as being embedded in relationships of power (Rosser 2020). They have accordingly been concerned not only with elites but also non-elite actors (Scott 1999; Elias and Rethel 2016). With regards to elites, the focus has been on groups such as politicians, large capitalists, government technocrats, donors, and predatory bureaucrats (Di John and Putzel 2009). With regards to non-elite actors, the focus has been on groups such as the poor and marginalised, workers, farmers, and their allies in the NGO movement (Elias and Rethel 2016). We employ such categories in our analysis. Such an approach contrasts with that employed by scholars such as Schiefelbein and McGinn (2017) and Bruns et al (2019). These scholars have focused on ‘stakeholders’ such as teachers, bureaucrats, politicians, trade unions, business. We will employ such categories in our analysis but do so in a way that understands these actors as expressions of deeper political and social forces embedded in power relationships.

In conducting our analysis of these actors, we will examine, firstly, actors’ interests and agendas with regards to education policy and its implementation (including the forms of learning they seek to promote). This entails an assessment of the intent underlying policies.
and implementation, specifically whether they were aimed at improving learning outcomes and, if so, in what ways and for whom. Learning can take a variety of forms, only one of which is the acquisition of basic skills as measured by PISA, TIMSS, and PIRLS. Crucial here are the ideological underpinnings of education policies as they pertain to learning, particularly whether they accord with dominant market-oriented approaches emphasising job-readiness of school graduates; nationalist approaches emphasizing loyalty to the nation; paternalistic approaches emphasising obedience and loyalty to the state; religious approaches emphasising mastery of religious ritual and knowledge of religious texts; and progressive approaches emphasising social justice and rights or citizenship. Coupled with this concern with understanding the intent of policies and their implementation will be an examination of the extent to which ‘intent’ at a national level actually ‘trickles-down’ to the district level in Indonesia’s decentralised education system. Secondly, we will examine actors’ forms of leverage over policy-making and its implementation as a way of assessing power differentials between them. This involves consideration of factors such as actors’ control over investment resources, ability to move these resources across legislative jurisdictions, access to the policy-making process, ability to organize collectively, and ability to mobilize public opinion.

Further, we understand contestation over education policy and its implementation as occurring in a variety of sites, each of which is characterised by distinct institutional arrangements affecting access to policy-making authority. To conceptualise the nature of these sites, we will employ Schiefelbein and McGinn’s (2017) ‘domains of contestation’ model. This distinguishes between ‘political’, ‘civic’, ‘bureaucratic’, and ‘legal’ domains of decision-making, acknowledging that contests over education policy and its implementation occur not only in parliaments and bureaucracies but also in other domains such as courts, civil society organisations, and educational institutions. We will also be mindful that, as Levy et al (2018) have noted in the case of South Africa, the characteristics of the actors, interests and agendas involved in contestation over education policy varies as one progresses downward from national domains of contestation to subnational ones to the educational institution level, reflecting, for instance, differences in the strength of civil society organisations, the presence of independent media, and independent teachers unions at each level.
In assessing the ideological underpinnings of education policies as they relate to learning, we will explore the nature of education as a public good in the Indonesian context. As Gershberg (2020: 19) has noted: ‘Most of the public discourse (including within scholarly and analytic communities) revolves around education as a human capital investment and thus assumes that education is a public good whose aim is to provide technical skill development with long lasting economic benefits to both individuals and society. However, both Pritchett (2013) and Mitchell and Mitchell (2003) show us clearly that this is demonstrably often not the correct view of how or why education policies are adopted.’ Indeed, the different ideological approaches noted above imply different conceptualisations of what constitutes the public good and hence what sort of education should be delivered. Pritchett (2013) and Mitchell and Mitchell (2003) capture this notion through references to the role of education in nation-building and the transmission of cultural legacies between generations respectively. Moore (2015) explores the idea by presenting education as a ‘merit good’—that is, a good that enables human flourishing as well as consumption. We will seek to shed light on why some notions of education as a public good prevail over others by distinguishing between different ideological approaches to education policy as they pertain to learning and linking these to the interests and agendas of specific sets of actors and the contestation and the balance of power between them.

Finally, we will situate our analysis historically. The political settlements that have shaped education policy and its implementation during the New Order and post-New Order periods are manifestations of a drawn out historical process as are the policy and implementation issues which have been at stake. Accordingly, we examine the historical legacies of developments that took place during the colonial period and the decades immediately following Independence. It was during these periods that crucial questions around the form and purpose of public education in Indonesia—as well as the place of private education—were debated and acquired enduring institutional structures. And it was during this period that the competing political and social social forces and associated agendas that make up these political settlements took form.

The conceptual framework is summarised in diagrammatic form below.
2.1 A Note on Data Sources

In carrying out the analysis below, we have relied on data from a variety of sources. Indonesia has a very robust public discourse on education matters and has a long history of working closely with the international community in the education sector. This has allowed us to draw on a large and relatively accessible set of documentary resources for analysis including government policy documents, laws, and reports; donor and NGO reports; academic studies (including a large volume of material published in Bahasa Indonesia); websites maintained by organisations active in the education sphere; and newspaper and magazine articles. We have also drawn on insights gained from hundreds of semi-structured interviews with key informants at both the national and local levels carried out for previous
research and consulting projects over several years (see, for instance, Widoyoko 2011; Rosser and Sulistiyanto 2013; Rosser and Curnow 2014; Rosser 2015; Rosser 2016; Rosser and Fahmi 2016). Interviewees have included Ministry of Education and Culture (MoEC) and Ministry of Religious Affairs (MoRA) staff at the central level and their counterparts at the district level; representatives of relevant professional and civic organisations, including teacher trade unions and major stakeholders in the private education sector (e.g. NU and Muhammadiyah); teachers; academic experts in the education sector; and NGO and donor organisation staff. For the specific purpose of this study, one of the authors (Widoyoko) carried out around half a dozen interviews with national education experts and teachers in the district of Pandeglang, Banten province. This district was chosen on practical grounds related to accessibility in the context of COVID-19 and the researchers’ personal networks.

3 The Competing Actors, Interests and Agendas

Broadly speaking, four sets of actors have shaped the nature of education policy and its implementation in Indonesia since 1965, each of which has had distinct interests and agendas (Figure 3).

Figure 3: Actors, Interests and Agendas
3.1 Predatory Political, Bureaucratic and Corporate Elites

This set of actors includes senior state officials at the national and local levels who have used their positions to accumulate wealth and the corporate elites to whom they are connected through family and other personal linkages. Such actors have permeated the state apparatus at both the national and local levels under both the New Order and post-New Order regimes, as numerous studies have shown (McVey 1982; Anderson 1983; Robison and Hadiz 2004). These elites have emerged out of a variety of institutions including the military, the police, the bureaucracy, the major political parties, and, increasingly in recent decades, the country’s major business conglomerates. They have dominated all the key arms of government—the legislature, the bureaucracy, and the judiciary—albeit to a lesser extent since the fall of the New Order given that democratisation has precipitated a slightly more inclusionary politics (Rosser et al 2005). With regards to the education sector specifically, this set of actors has included senior figures in the national parliament’s education and budget committees, various senior MoEC and MoRA officials, their counterparts in local parliaments and agencies, business groups with strong bureaucratic and political connections to these individuals, the Indonesian Teachers Union (PGRI) (which, despite its name and common description as a trade union, is an instrument of the education bureaucracy rather than a trade union), and NGOs that have strong political or bureaucratic connections and which are established to access government funds without necessarily providing anything in return (such NGOs are often referred to as ‘red licence plate NGOs’, a reference to the colour of license plates on government vehicles) (Rosser and Fahmi 2016: 16-19).

These elites have pursued a number of distinct agendas with regards to education policy and its implementation.

- The first has been rent-seeking. This has involved, on the one hand, efforts to limit public funding for education to ensure that government resources are concentrated in areas of public spending that offer better opportunities to accumulate rents (such as infrastructure and subsidies) and, on the other hand, efforts to seize opportunities for corruption and rent extraction from whatever investments the state makes in the education sector (Rosser and Joshi 2013). The latter set of efforts has taken a variety of forms: i) corruption in the award of government contracts for education supplies
and services so as to generate additional income for political and bureaucratic officials and their associates; ii) corruption in the administration of accountability or assessment mechanisms such as those related to institutional and program accreditation, teacher certification, and the national exam; iii) maximisation of the number of positions in educational institutions and the education bureaucracy regardless of whether there is a *bona fide* need for extra positions so as to maximise available patronage resources; iv) appointment of friends, family members and political allies to positions rather than the best qualified candidates; v) support for the charging of illegal fees by staff in educational institutions and misuse of their and local education budgets; vi) extraction of legal and illegal fees from the pay of education personnel without threatening their continued political compliance; and vii) use of promotions, demotions and transfers to reward or discipline educational institution and bureaucratic personnel for providing/not providing political support (Irawan *et al* 2004; Pierskala and Sacks 2020; Rosser and Fahmi 2016; Widoyoko 2011).

- The second agenda, *paternalism*, has sought to use the education system as a mechanism for promoting loyalty to the Indonesian state, quelling political dissent, discouraging anti-social behaviour—and, in so doing, ensuring political and social stability and national security. It has been associated with measures such as: i) mandating the delivery of subjects in schools and universities related to Pancasila (the state ideology), citizenship and behaviour; and ii) imposing requirements for teachers and lecturers, particularly those who have civil servant status, to display ‘mono-loyalty’ to the state. During the New Order period, this entailed joining the PGRI and voting for Golkar, the regime’s electoral vehicle (Leigh 1999; Reeve 1985). In pedagogical terms, it has configured teachers as instructors rather than educators and emphasised the need for behavioural training of students over the acquisition of basic skills. It has also served to treat education as a security issue rather than a purely educational one: indeed, key New Order ideologues explicitly argued that education would be a useful way of promoting economic development not only through its contribution to the country’s human resource development but also via its contribution to political and social stability (Hoemardhani 1975; Moertopo 1981). The paternalistic agenda has been informed by notions such as ‘*masyakarat masih bodoh*’ (literally, ‘society is still stupid’), a shibboleth often used
by New Order officials as a justification for authoritarian rule, and a sense that elites ‘know what is best’ for the people. It has also been informed by an anxiety among sections of the Indonesian political and bureaucratic elite, especially the military elite, about the fragility of the Indonesian nation-state due to the country’s ethnic and religious diversity—and, in particular, the possibility that it could at some point fragment. Its overriding impulse has accordingly been the exercise of control over teachers, lecturers and students rather than the promotion of learning.

- The third agenda, nationalism, has emphasised the importance of education in promoting national economic, social and cultural development and, through this, the country’s autonomy from external (especially ‘neo-colonial’) forces. It has its roots in the centrality of educational institutions in Indonesia’s struggle for independence from the Dutch in the early part of the twentieth century (see Section 3). In accordance with these intellectual and historical roots, the principal concern of the nationalist agenda has been to ensure that Indonesian educational institutions produce good Indonesian citizens, that is, ones committed to Indonesian national identity, the use of the national language, and the development of a national culture, and who support the legitimacy of the the country’s model of economic and social progress. It has also emphasised the need for moral behaviour in relation to issues such as corruption and social conflict and the need for unity in the face of the country’s ethnic, religious and material diversity (Tilaar 2012). Such an orientation, it is held, is required to realise the aspiration of the country’s 1945 Constitution that the education system would serve to ‘build[…] Indonesia as a nation that would be modern, democratic, prosperous, and socially just (mencerdaskan kehidupan bangsa) based on the state philosophy, the Pancasila’ (Soedijarto 2009: 2). In policy terms, it has entailed an orientation towards protection of Indonesian educational institutions from foreign competition and opposition towards other forms of neoliberal reform.

Implications for Learning: Predatory elites and the agendas they have pursued have had little concern with improving learning outcomes in Indonesia in terms of the acquisition of basic skills in mathematics, science and literacy. Indeed, by reducing resources to education, misallocating these resources to corrupt purposes, and deflecting effort from serious study of basic curricula towards other activities—they have worked directly against such learning.
To the extent that predatory elites have promoted learning through the education system, it has been mainly in the form of activities aimed at producing citizens loyal to the nation and the state.

### 3.2 Religious/Islamic elites

Religious/Islamic elites include key figures within the major Islamic organisations, Nahdlatul Ulama (NU) and Muhammadiyah. NU and Muhammadiyah are mass organisations, both having memberships numbering in the tens of millions. They represent the two main streams within Indonesian Islam—traditionalism in the case of NU and modernism in the case of Muhammadiyah. According to Martin van Bruinessen (2013: 22), ‘[i]traditionalists value rituals such as the commemoration of the Prophet’s birth (Mulud), communal recitations of prayer formulas or of devotional poetry in praise of the Prophet, celebrations of the death anniversaries (khaul) of respected religious teachers and other saintly persons, visitations of saints’ shrines and other graves (ziyarah), etc. They tend to be tolerant of the incorporation of local cultural forms of expression in their religious life.’ By contrast, ‘[i]he Modernist/Reformist stream consists of a range of movements that strive to reform religious life by purging it of superstition, blind imitation of earlier generations, and beliefs and practices that are not supported by strong and authentic scriptural references’ (van Bruinessen 2013: 22).

Both organisations have key stakes in Indonesia’s education system. Each runs a large network of schools (pesantren and madrasah), with NU schools tending to service poor rural communities and Muhammadiyah schools tending to service a more affluent and urban demographic. Between them, these two networks of schools dominate the country’s large private education sector. The political power of these organisations is concentrated at the grassroots level, but elites of both organisations have garnered significant influence at the policy level. NU elites have long had de facto control over MoRA (van Bruinessen 2008: 219), a position that has served to keep the organisation in the political fold despite its progressive withdrawal from direct participation in electoral politics under the New Order. Muhammadiyah elites have likewise been granted considerable influence within MoEC (which oversees its private school network). To the extent that religious elites have been co-opted in this way, they have effectively been part of the predatory political, bureaucratic and
corporate elite that have dominated the country’s political economy since independence and, in particular, the administration of its education system. But, at the same time, they have had some important points of distinction in terms of the agendas they have pursued, especially with regards to the nature of curriculum, the autonomy of Islamic schools, and the distribution of public spending on education.

The first distinctive agenda promoted by religious elites has been the validity of scriptual learning as an equivalent to secular models of learning. As Barton (1997) has observed, the education offered by NU and Muhammadiyah schools has not necessarily been based on a sense of fundamental opposition between religious values, on the one hand, and Western technology and culture, on the other. For instance, ‘[E]arlier Modernists’, he notes, ‘were careful to make a distinction between Western technology and Western culture, accepting most aspects of the former but rejecting many elements of the latter’ (1997: 344). Subsequent neo-Modernist intellectuals such as the late Nurcholish Madjid and Abdurrahman Wahid took an even more accommodating stance advocating ‘Western' liberal ideals such as democracy, human rights and the separation of 'church' and state…[and suggesting] that in these ideals Islam shares a common heritage with the West’ (1997: 344). NU and Muhammadiyah schools have nevertheless had a strong orientation towards religious training.

The focus of pesantren education, for instance, has been ‘to produce Muslims with strong Islamic morals, or akhlak, and possess Islamic knowledge’ (Raihani 2001: 38). Pesantren education is officially categorised as a type of ‘informal education’ that services the community autonomously. Madrasah are categorised as part of the ‘formal’ system (i.e. the national curriculum is taught), giving them more of an orientation towards conventional academic training. With notable exceptions, they have generally been considered to offer lower quality education than public schools. Weaker credentials for ‘academic’ learning have, however, been offset by a reputation for the quality of their moral instruction and discipline. Indeed, a broadening of Muhammadiyah’s constituency to the children of urban middle class families during the New Order was driven by a desire to instill ‘values to protect them from the negative aspects of the modern (westernized) world’ (Nilan 2009:

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2 The category of informal education refers to an institution that does not teach the national curriculum. One of the main implications of the designation is that students in non-formal institutions do not gain qualifications that enable them to transfer to the formal system as they progress (Raihani 2001: 21).
A central agenda for NU and Muhammadiyah elites has thus been to ensure a prominent place for religious education within the country’s school system and especially in their own schools.

The second agenda for religious elites has been to gain equitable access to state resources for their respective schools. Pesantren and madrasah are typically established as family-run enterprises in areas where the state does not provide sufficient education options. Financially, they have been reliant on student fees to survive because public spending on education has been directed primarily towards the expansion of a public school system since independence. Many Islamic schools, and particularly those servicing poor communities, are therefore limited in their ability to deliver quality education (ACDP 2013). Under the New Order, state patronage of religious schools was one of the rewards for the political loyalty of NU and Muhammadiyah elites (van Bruinessen 1990; Crouch 1978; Jenkins 1984; McDonald 1980; Robison 1986). During the post-New Order period, stronger technocratic control over resource allocation has often seen resourcing opportunities tied to demands for greater accountability from the sector. As such, the extent to which religious elites have been able to secure access to state resources has hinged upon the willingness and capacity of madrasah and pesantren to accept new models of regulatory compliance. Alternatively, as in the case of a recent bill on pesantren financing, religious elites have sought to challenge existing compliance regimes (designed for public schools) in favour of models that are more sympathetic to the administrative capacity of the Islamic education sector.

Implications for Learning: Religious/Islamic elites have had some concern to promote good learning outcomes in terms of the acquisition of basic skills. Advocates for the Islamic schools sector have persistently cited inequities in school financing models as an impediment to improved learning outcomes. Intellectual traditions among modernist Muslims have likewise emphasised the importance of scientific learning and its compatibility with Islamic learning. However, the bargain struck early in the Republic that saw the majority of religious schools secure autonomy in return for exclusion from MoEC has also seen them isolated from sources of learning expertise. The default position of those co-opted by predatory elites has therefore been to seek opportunities in their designated area of expertise—religious learning.
Technocratic Elements

Technocratic elements include seniors officials in government (particularly within the economic ministries) who are ideologically committed to liberal markets and their allies among ‘mobile capital controllers’ such as donors and sections of international finance (Winters 1996; see also Shiraishi 2006; Basri 2017). Among the former, the key figures have been the members of the so-called ‘Berkeley Mafia’, a group of Western-trained economists who held senior economic posts in government and acted as advisors to President Suharto on economic policy issues during the New Order period. The post-New Order period witnessed a second-wave of ideological counterparts who held senior cabinet positions, including the Vice Presidency.\(^3\) Within MoEC, the key figures have been individuals at the sub-ministerial level with the notable exception of Bambang Sudibyo who was Minister of Education from 2004 to 2009. These figures include: Fasli Jalal (who held various Director-General-level positions in MoEC between 2001 and 2010 and was Vice Minister of National Education from 2010 to 2011), Satrio Soemantri Brojonegoro (who was Director-General of Higher Education from 1999 to 2007), Ace Suryadi (who Director-General for Extracurricular Education from 2005 to 2008), and Johannes Gunawan (who was Secretary, Education Council of the Higher Education Board).\(^4\) On the mobile capital controller side, key actors have included the International Monetary Fund (IMF) and the World Bank, the latter being particularly engaged in education policy issues both before and after the fall of the New Order.

Technocratic elements have sought to create an educational system that meets citizens’ demand for education services and the economy’s need for skilled labour as efficiently as

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\(^3\) This roll-call of senior technocrats includes Boediono, a US-trained economist who occupied a number of key finance portfolios prior to his appointment to the Vice Presidency in the second Yudhoyono government (2009-2014); Sri Mulyani Indrawati, a US trained economist who, among roles, held the position of Finance Minister from 2005-2010 and 2016 til the present; Agus Martowardojo, who was Finance Minister from 2010-2013; Mari Pangestu, a US trained economist who served as Trade Minister between 2004-2011; and Bambang Sudibyo, a locally trained economist who served as both Finance (1999-2000) and Education Minister (2004-2009).

\(^4\) In contrast to the Berkeley Mafia and many of their post-New Order counterparts, MoEC technocrats have typically not held PhDs in economics. For instance, Bambang Sudibyo gained his PhD from the University of Kentucky in Business Administration, Fasli Jalal attained his PhD in Public Health (nutrition) from Cornell, and Satrio Soemantri Brojonegoro is a Berkeley graduate in Mechanical Engineering. What they have shared with the economists is an ability to analyse data in a systematic and scientific way. See World Bank (2004: ix) for a list of key technocratic staff in MoEC.
possible in terms of the cost to the state. To this end, they have promoted market-oriented policy reforms such as:

1) cuts to government spending on education to ensure that it does not undermine fiscal robustness. At the same time, however, they have also promoted increases in government spending on education when they are required to improve education and learning outcomes and are fiscally sustainable;
2) decentralisation of education policy-making from the central government to lower levels of government;
3) enhanced managerial, financial, and academic autonomy for educational institutions, particularly state educational institutions through policies such as school-based management (SBM);
4) greater competition between educational institutions via deregulatory reforms and the creation of competitive mechanisms for budget allocation;
5) greater accountability on the part of educational institutions for the use of public funding through, for instance, the establishment of external agencies to monitor the quality of and accredit educational institutions and their programs;
6) greater efficiency in the distribution of teachers and other education personnel;
7) better alignment between teacher incentives and state policy/market imperatives;
8) more effective mechanisms for incentivising and measuring student performance, particularly the use of standardised testing; and
9) greater alignment between the curriculum and the perceived needs of the economy (through, for instance, the introduction of more applied and vocational elements to the curriculum and a greater focus on basic skills) (World Bank, 2007a; Aprianto 2007; Rahetamalem 2007; Rosser and Joshi 2013; Rosser 2016).

In contrast to predatory elites, technocratic elements have viewed the purpose of education largely in economic and utilitarian terms. They have been cognisant of the role that education can play in promoting nation-building and establishing the foundations for democratic rule. But they have given greater emphasis to how education equips students with the skills and abilities to compete in the labour market, meets skills shortages, increases

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5 We use the term ‘market-oriented’ synonymously with neoliberal, as that term has been defined by scholars such as Harvey (2005).
economic productivity, and promotes investment and economic growth. In other words, they have construed education as part of a system of economic production, the output of which should proceed apace with the demands of economy. To help realise these outcomes, they have, as noted above, supported state investment in education but also argued that such investments should be fiscally sustainable. They have also sought to promote efficiency in the use of public resources through measures of decentralisation, competition/private provision, and corporatisation (Jalal and Mustafa 2001; World Bank 1998; 2004).

The influence of technocratic elements has reflected powerful structural pressures on the Indonesian government emanating from budget constraints and the power of mobile capital controllers, particularly the World Bank and IMF, to relocate investment funds to alternate jurisdictions. It has also reflected their direct access to the policy-making process as a result of their positions within government. The influence of technocrats has accordingly been strongest at times of economic crisis when the country has sought to attract foreign aid and private investment to promote economic growth.

**Implications for learning:** Technocratic elements and the agendas they have pursued have had a strong concern with promoting good learning outcomes in terms of the acquisition of basic skills. In this sense, they have stood in opposition to the agendas of both predatory elites and religious elites, at least to the extent to which the latter have worked against such learning outcomes.

### 3.4 Progressive Elements

Progressive elements include NGO activists and others who have been ideologically committed to causes such as social justice, human rights and corruption eradication. The main actors within this group have been activists at NGOs such as the Jakarta Legal Aid Bureau (LBH Jakarta), Indonesia Corruption Watch (ICW) and the Institute for Policy Research and Advocacy (ELSAM) (a prominent human rights NGO). They have also included critical education scholars such as those based at the Centre for Human Rights at Yogyakarta’s Indonesian Islamic University (Pusham UII), the Institute for Education Reform (an advocacy group based at Paramadina University), and Jakarta State University, and student activists involved in the various Student Executive Councils (BEM or *Badan*
Eksekutif Mahasiswa) at these and other universities. Key scholarly figures have included Soedijarto, HAR Tilaar, and Winarno Surakhmad. Within the actual teaching workforce this agenda has been promoted by figures associated with independent (i.e. non-PGRI) teacher organisations that have emerged in the post-New Order period such as the Indonesian Teachers Union Federation (FSGI), the Indonesian Independent Teachers’ Federation (FGII), and the Indonesian Teachers Association (IGI). In some cases, these elements have worked in conjunction with groups of parents. But the role of parent groups in education policy-making has been constrained by the fact they have been poorly organised, small in scale, and typically concerned with issues at particular schools rather than larger education policy issues (Rosser and Joshi 2013). At the same time, as we will see in more detail below, the main institutional mechanisms for parental participation in education decision-making—school committees and education boards—have been captured by school principals and local political elites, limiting scope for genuine input by parents into education decision-making.

For their part, progressive elements have promoted:

1) citizens’ rights of access to education and equity in terms of the quality of instruction;
2) the idea that education is a public good that is fundamental to a democratic society, and
3) a belief that educational institutions should promote scholarship and learning and serve the wider community rather than simply enhance job outcomes for graduates (although the latter is also seen as important).

Rather than Marxist thought, the theoretical underpinnings of this agenda have largely been couched in the language of human rights, good governance, and concepts of local wisdom, although some have also drawn on the radical nationalist tradition in Indonesian education thinking associated with Indonesia’s independence movement and especially Taman Siswa (see, for instance, Soedijarto 2008; Darmaningtyas et al 2009; Tilaar 2012) (on Taman Siswa, see the following section).

In policy terms, the progressive agenda has been squarely opposed to neoliberal reform of the country’s education system on the grounds that such reform promotes the ‘privatisation’ or ‘commercialisation’ of education and, in so doing, worsens educational inequality (Irawan et al 2004; Darmaningtyas et al 2009). Like the technocratic agenda, it supports
efforts to transform Indonesia’s educational institutions into ‘world class’ institutions. But it understands this less in terms of the narrow metrics associated with standardised tests such as PISA, TIMSS or PIRLS than broader learning objectives, including, in some cases, those associated with the ongoing project of nation-building. It also stands opposed to predatory activity within the education system on the grounds that this undermines educational quality and rejects paternalist agendas on the grounds that they undermine democracy and fulfilment of civil and political rights. To the extent that it draws on radical nationalist ideas, however, it shares some commonality with the predatory agenda in relation to the positive role that education can play in promotion of Indonesian nationhood and citizenship. (Nugroho 2002; Tilaar 2012; Soedijarto 2009).

For the duration of the New Order, progressive elements were generally excluded from the education policy-making process. The purge of Leftist elements from all branches of government and administration in 1965 ensured that progressive actors and institutions had weak links to the military, the bureaucracy and ruling party elites. The fall of the regime in 1998 created a range of new opportunities to influence education policy. Progressive voices have worked to shape public opinion on education issues through the media and challenged a number of key government policies in the courts, especially through policy-oriented forms of litigation such as judicial review requests (Rosser 2015; Nardi Jnr 2019).

**Implications for learning:** While progressive agendas recognise the existence of Indonesia’s ‘learning crisis’ and support initiatives to address it, solutions must first meet equality and equity benchmarks. As such, this agenda stands firmly opposed to predatory agendas that erode public school funding as well as neoliberal initiatives for quality improvement that involve deregulation and privatisation.

In the remainder of this paper, we examine how shifts in the balance of power between these competing sets of actors, interests and agendas—in short, changes in the country’s political settlement—produced corresponding changes in the nature of the country’s education policies and their implementation during the New Order and post-New Order periods. We then explore how conflict and contestation between competing actors, interests and agendas within the context of these political settlements shaped specific policy and implementation outcomes. Finally, we examine the implications of these policy and implementation outcomes for the nature and extent of learning in the country’s education system, especially
at the primary and secondary education levels. Table One provides an overview of the analysis. Before beginning with this analysis, however, we need to provide a brief overview of the evolution of Indonesia’s education system prior to the New Order to establish the historical context for the analysis.
Table 1: Changing political settlement and relative influence of competing agendas on education policy and implementation

<table>
<thead>
<tr>
<th>Period</th>
<th>Political Settlement</th>
<th>Agendas</th>
<th>Implications for Learning</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dominant elements</td>
<td>Elements with some influence</td>
<td>Marginalised elements</td>
</tr>
<tr>
<td>New Order (1966-1998)</td>
<td>Predatory political, bureaucratic and corporate elites</td>
<td>Technocratic elements: Donors, government technocrats</td>
<td>Progressive elements: PKI eliminated, NGOs emerge from 1980s onwards. Religious elites: NU, Muhammadiyah (although given control of MORA and MOEC respectively)</td>
</tr>
<tr>
<td>Post New Order (national) (1998-present)</td>
<td>Predatory political, bureaucratic and corporate elites</td>
<td>Technocratic elements: Donors, technocrats (especially)</td>
<td>Progressive elements: NGOs etc. (increase in influence due to opening of new policy spaces due to democratisation) Religious elites: NU, Muhammadiyah</td>
</tr>
</tbody>
</table>
During first decade, declining thereafter) (varies according to their position in the governing coalition)

<table>
<thead>
<tr>
<th>Post New Order (sub-national, rural kabupaten focus)</th>
<th>Exclusionary political settlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Predatory political, bureaucratic and corporate elites</td>
<td>Religious elites: NU, Muhammadiyah</td>
</tr>
<tr>
<td>Technocratic elements: Donors, technocrats</td>
<td></td>
</tr>
<tr>
<td>Progressive elements: NGOs etc.</td>
<td>Paternalistic Preдаtory</td>
</tr>
<tr>
<td>Religious</td>
<td>Progressive Market-oriented Nationalism</td>
</tr>
<tr>
<td>Predominant focus on learning that served to ensure loyalty to the local states/elites (including via local content [muatan local], use of local languages).</td>
<td></td>
</tr>
<tr>
<td>Increased resources for religious schools promises improvement in learning outcomes in these schools. But, with porkbarreling being the dominant logic at work in this funding shift, this remains to be seen.</td>
<td></td>
</tr>
<tr>
<td>Limited emphasis on basic skills/production of job-ready graduates to serve industry/aid development.</td>
<td></td>
</tr>
<tr>
<td>Critical thinking/freedom of thought etc. discouraged</td>
<td></td>
</tr>
<tr>
<td>Learning undermined through pervasiveness of predation.</td>
<td></td>
</tr>
</tbody>
</table>
4 The Evolution of Indonesia’s Education System Prior to the New Order

When the New Order came to power in 1966, it inherited an education system that was characterized by a fragmented rather than unified institutional and administrative structure (and in particular a separation between the public and religious school systems), and severe problems of educational access and quality. Furthermore it was, in the eyes of the New Order elite, a politically tainted system due to the significant inroads that the PKI had made into the public education sector during the 1960s.

4.1 Fragmentation

The Dutch colonial authorities had established an incipient public education system in the 19th century as a response to the rapid growth of the agricultural export economy after 1830. The scope and complexity of this new economy created demand for a pool of skilled labour in the form of indigenous administrators and clerks, as well as a local governing class that was conversant in the language and culture of the Dutch rulers (Emerson 1966: 405; Suwignyo 2012: 54-94). Initially, the public education system primarily catered to the children of ruling and commercial elites. But it was expanded in 1901 following the announcement by the Dutch government of the ‘Ethical Policy’. This policy identified education as one of the ‘debts of honour’ (Suwignyo 2012: 52) that The Netherlands owed to its colonial subjects. Village schools offering three years of primary instruction were established and Dutch language instruction was added to the curriculum of existing elite primary schools in order that indigenous students could advance beyond the primary level (Suwignyo 2012). In practice, however, the new system remained limited in scope as key elements of the colonial state refused to accept its budgetary consequences. The politically powerful plantation sector lobbied against increases in education spending and tax reforms required to generate the necessary state revenues. For the planters, a better educated Indonesia was a threat to the pool of cheap labour that underpinned the sector’s profitability (Penders 1968: 61). Only for a brief period in the late 1920s did education spending as a percentage of total expenditure signal a genuine commitment to meet policy goals, before crashing back to 1880 levels in the 1930s (Frankema 2014: 7). The failure to provide adequate fiscal support to the ‘noble’ goals of the Ethical Policy meant that the quality of
education in village schools was poor. The three years of primary instruction had little impact on skills such as basic literacy, with most graduates remaining functionally illiterate (Anderson 2005: 16-17).

A second component of Indonesia’s education system had taken root from an entirely different trajectory. The spread of Islamic education institutions, energised by the Wahabi reformist movement of the early nineteenth century and accelerated by an explosion in haj (pilgrimage to Mecca) numbers in the latter half of the nineteenth century, saw a proliferation of Islamic schools or pesantren in many parts of the archipelago. In Java and Madura alone, official statistics registered the existence of over 10,000 pesantren with some 270,000 students by the end of the 19th century (Ricklefs 2007: 70). In the first decades of the 20th century religious reform movements such as the Muhammadiyah invested heavily in the development of private school networks to advance the position of their community and counter the colonial state’s growing patronage of private Christian schools. Yet while the religious education sector exhibited significant mass, it is perhaps more accurate to describe it as an ecosystem than a system. Schools were largely independent with neither levels of attendance nor forms of instruction standardised. The majority of institutions (i.e. pesantren) were devoted to the teaching of Quranic recitation. This pattern of Islamic learning would, nonetheless, congeal into a distinct system that would evolve to constitute a major component of the Indonesian education system by the time of Independence in 1945.

The rise of the Indonesian nationalist movement in the first decades of the twentieth century triggered the emergence of a third component of the country’s educational system in the form of independent schools. Some, such as the Taman Siswa (Garden of Students) schools, promoted a strong nationalist agenda and alternative (anti-colonial) learning philosophy. Founded by Ki Hadjar Dewantara in 1922, the Taman Siswa schools, which mainly serviced upwardly mobile commoners, clerks and petty bureaucrats, focused on the study of material associated with the emerging national culture. Local languages, history, music, plays, and dances were emphasized while the teaching of Western songs and culture was avoided (McVey 1967). In most cases, the key protagonists within these schools were well-educated members of local elites who were conversant in both the language of the coloniser and that of liberation education philosophies.
Following independence, the Republican government was faced with the task of developing a unified national education system that could accommodate all three distinct education traditions. The 1945 Constitution (Undang-Undang 1945 or UUD 1945), which was issued by the revolutionary Republic in August of that year, stated that the government would ‘arrange and implement a single national education system’ (Article 31[2]). However, political and ideological differences as well as limited fiscal capacity saw the design of the new system largely based on the colonial state model. On the one hand, the Dutch public system was the only one that possessed a cadre of trained teachers who were capable of referencing Indonesian education quality against an international benchmark (Suwignyo 2012: 48). On the other hand, the dominant secular-nationalist political class of the time feared that the integration of exclusionary Islamic practices (be it forms of religious observance or modes of learning) into the new national system may act as a lightning rod for secessionist movements in the non-Muslim eastern parts of the archipelago (Elson, 2009). The eventual compromise to be reached in the late 1940s was to divide control over educational affairs between two separate ministries. State schools and private schools that taught the national curriculum would be housed under MoEC while religious schools providing a mixture of the national curriculum and Islamic studies (madrasah) as well as Islamic schools that provide scriptural instruction only (pesantren) became the responsibility of MoRA. Under the cursory supervision of the latter, the private Islamic education sector enjoyed a high level of autonomy, but a comparatively low-level of resourcing.

4.2 Problems of Access and Quality

The 1945 Constitution enshrined a right to ‘instruction’ (pengajaran) for all citizens (Article 31[1]). Consistent with this objective, the country’s first basic law on a national education system, promulgated in 1950, provided that school would be compulsory for all children over eight years of age and free of charge. It also declared that the three year Dutch primary school would become the six year sekolah rakyat. The school system expanded dramatically following independence in terms of numbers of schools, students and teachers (van der Kroef 1957; Mooney 1962: 137). However, the proportion of children at school in all age cohorts decreased during the 1950s due to a rapid growth in population (Murray Thomas 1969: 500). Barriers to schooling disproportionately affected the poor as public
primary school attendance was not free in practice. In one set of rural villages surveyed in the late 1950s, only a third of eligible children enrolled in public primary schools, and only half of them remained in class by the fourth year (Witton 1967: 142). Students who did not attend school or dropped out typically did so because their parents could not afford the direct costs of schooling (e.g. purchase of books and materials and contributions to school upkeep and equipment) and the indirect costs of schooling (e.g. foregone income from child labour or increased child care costs associated with the care of younger siblings) (Witton 1967: 112-114; 151, 181). The schools themselves suffered perpetually from a shortage of textbooks and qualified teachers (Mooney 1962: 139).

Problems of quality stemmed from under-resourcing, teacher shortages, shortages of teaching materials, and lack of adequate teacher training. It also stemmed from the fact that nationalism came to pervade both national education policy and school-level activities, crowding out learning activities. As Kelabora (1983: 43) has observed:

The hoisting of the national flag, Red and White; the singing of the national anthem, "Indonesia Raya", and other national songs; the use of the national language, Bahasa Indonesia, as the medium of instruction; respect for the national heroes throughout the ages; and participation in the National Days were prescribed to schools and implemented as early as September 1945. The Education Act of 1950, which was drafted during the years of the Revolution, embodied the spirit of nationalism. According to the Act, the aim of education was "to form capable human beings with a high moral character and citizens who are democratic as well as responsible for the welfare of society and fatherland"…Within the framework of Indonesia's revolutionary language the implication was clear. Every Indonesian was seen as a son or daughter whose sacred duty it was to defend the country. Yet, most Indonesians needed to be educated and shaped to become citizens and it was clearly implied by the Education Act of 1950 that this was the task of the national education system.

Indeed, so strong was the emphasis on nationalism in education policy and school activities during this period that, according to Bjork (2013: 56), it often ‘eclipsed the schools’ instructional objectives’.

4.3 Capture by the Left

The Indonesian Communist Party (PKI), which grew strongly during the post-independence years to become the largest communist party in the world outside of China and the Soviet
Union, had a keen interest in education policy and its implementation. Its anti-imperialist doctrine took aim at any ‘remnants of Western colonialism still found in the archipelago’ (Murray Thomas 1981: 371), a description applicable to various aspects of the new national education system—including its Dutch-trained personnel. It also recognized that the education system was a useful vehicle through which the party could progress efforts to build a mass base. In 1957, it succeeded in gaining control of the Ministry of Education via the appointment of the left-leaning Prijono as Minister of Education. He oversaw a range of efforts to implant pro-communist figures into Ministry positions and restructure learning activities to promote left-wing ideologies (Kelabora 1976). At the same time, educational activities promoted by PKI front organisations at the ground level rapidly expanded. The party recruited heavily amongst principals and teachers in the public system, particularly in poor and heavily populated areas of Java. It also developed a strong affiliation with the pre-war Taman Siswa school network, the PGRI and established its own institutions for teacher training and higher education (Murray Thomas 1981). The appeal of PKI education initiatives rested on the promise of equality of opportunity and equity in access. While such values were enshrined in the secular-nationalist public system, they were not a practical element of it. Access for the poor remained restricted and the tertiary level the preserve of elites. Through its front activities, the PKI demonstrated a commitment to providing educational access to the poor and creating opportunities for upward social mobility. It was a progressive agenda that was popular with the rural poor, but it was deemed to be a grave threat by established, conservative elites.

5   The Political Economy of Education Policy, its Implementation, and Learning During the New Order Period

5.1   Political Settlement

The ‘New Order’ regime came to power following a failed coup attempt involving elements in the PKI and the military. Led by Major-General Suharto, it was dominated by predatory military and bureaucratic officials and the dominant sections of the domestic and foreign

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6 This section draws heavily on Rosser (2016).
capitalist class. After seizing power, Suharto and other leaders of the Indonesian military moved to consolidate their authority in a range of ways. They disbanded the PKI and orchestrated the murder of active and suspected members, resulting in the death of as many as 1 million people (McDonald 1980). They also purged leftist elements from the state apparatus including the education system: an estimated 32,000 teachers and principals were dismissed from their positions (Murray Thomas 1981: 376) while many of the nation’s leading intellectuals were imprisoned or became political exiles (Hill 2014). The quelling of any dissent from the left was followed by a dramatic simplification of the political party system, fusing separate and mutually antagonistic political parties into new coalitions, and intervening extensively in their affairs. In so doing, the regime reduced the national parliament to a rubber stamp. At the same time, political and bureaucratic authority was increasingly centralised in Jakarta and concentrated at the President’s residential address. At his discretion, current and former military officials were handed senior positions in the national bureaucracy, cabinet, parliament, and state-owned enterprises such as Pertamina (the state oil company) and Bulog (the national logistics agency), permitting them to use these positions for rent-seeking activities. The judiciary was subordinated to political and bureaucratic authority, ensuring that it remained politically compliant and embedded in the New Order’s predatory networks. Finally, they co-opted Islamic elites by granting them influence over key ministries such as Education and Religious Affairs and state-linked bodies such as the Indonesian Ulama’s Council (MUI). Along with the simplification of the political parties, which saw all existing Islamic parties forced into an awkward amalgam, this had the effect of neutralising the influence of religious elites.

Facing an economic crisis at the time of its accession to power, one of the first steps of the New Order was to re-engage Indonesia with creditors in the West. The regime accepted large amounts of foreign aid and policy advice from the IMF, the World Bank, and the Inter-Governmental Group on Indonesia (a consortium of the country’s main bilateral donors), and sought to attract domestic and foreign capital – which had fled under the previous regime – back into the country. In so doing, they forged an effective alliance with controllers of mobile capital. In this context, they granted broad authority over macroeconomic and fiscal policy to the ‘Berkeley Mafia’. Over time, they also nurtured the emergence of a group of large private business conglomerates, many of which were owned by ethnic Chinese entrepreneurs or politically well-connected indigenous entrepreneurs and involved in large-scale industrial projects with foreign investors. The best known of these
were the business groups owned by the friends and relatives of President Suharto. Many of these enterprises secured state protection for their investment projects and privileged access to state facilities such as state bank credit, forestry concessions, licenses, and government supply and construction contracts (see Robison 1986; Schwarz 1994; Winters 1996; Rosser 2002).

In contrast, progressive elements played little role in policy-making and implementation, reflecting the New Order’s strategy of ‘disorganising’ civil society (Robison and Hadiz 2004). This strategy had several components: (i) emasculation of the political parties; (ii) the establishment of corporatist organisations with monopolies on the representation of specific social groups that, although ostensibly meant to represent these groups, in practice served to control them and limit their impact on policy (MacIntyre 1990: 23–31); (iii) the imposition of restrictions on press freedom and academic freedom (Lubis 1993; Hill 1994); and (iv) efforts to ensure ideological uniformity through the promotion of Pancasila, the state ideology, and the imposition of requirements for social organisations to adopt Pancasila as their ‘sole foundation’ (Morfit 1981). In this context, it became more or less impossible for progressive elements to establish well-organised, well-funded, and politically independent organisations representing their interests. A significant NGO movement emerged during the 1980s and 1990s with the support of foreign donations and donor funds. But only a few NGOs were able to establish broad organisational structures and all were constrained by the New Order’s political controls (Robison and Hadiz 2004; Rosser, Edwin, and Roesad 2005: 58).

Figure 4 provides a diagrammatic summary of the nature of the political settlement under the New Order.
5.2 Education Policy and its Implementation

The emergence and consolidation of this political settlement produced marked changes in Indonesia’s education policies and their implementation. For the duration of the New Order period, they were dominated by paternalist, predatory and nationalist agendas, influenced to some extent by the technocratic agenda, and informed relatively little by religious and progressive agendas.

For a start, government spending on education was limited in line with both predatory interests in keeping a lid on spending in areas that produced relatively modest rents and technocratic concerns about budget discipline. The New Order invested heavily in expanding the school system during the oil boom years of the 1970s and early 1980s when it had substantial discretionary investment resources at its disposal. The public school system grew to the point where universal primary education was achieved in the 1980s, driven by a Presidential Instruction (InPres) program that saw an average of two primary schools built for every 1000 children (Breierova and Duflo 2003: 6). Female participation skyrocketed, teacher numbers multiplied, and the nation was able to produce its first literate generations.
At the same time, family planning initiatives arrested the population growth rate that had neutralised the potential impact of earlier school expansion programs. But the New Order nevertheless wound back education spending significantly following the end of the oil boom as government technocrats sought to bring the budget under control (World Bank 1998: 148), leaving schools bereft of the funds needed to extend access further and ensure quality education and allowing growing demand for education to be met through low quality private providers.

Second, there were strong paternalistic interventions in curriculum, manpower and other policies that were designed to indoctrinate rather than educate students and staff and to further enforce political control over the population. The school system was one of few national institutional structures that reached all the way down to the village level, making it an extremely important link between political and bureaucratic elites and the masses. While the door was largely closed to progressive input on Indonesian education policy, the success of the PKI in mobilising support around education issues was not lost on the New Order. Paternalistic interventions took a variety of forms. As civil servants, teachers were required to support Golkar, the New Order’s electoral vehicle; display ‘mono-loyalty’ to the state; and both take and teach compulsory courses in the state ideology, Pancasila. If they failed to perform these responsibilities, they risked demotion or transfer to less attractive schools, particularly in remote areas. The main teacher union, the PGRI, was integrated into Golkar and re-tooled to work on the regime’s behalf with teachers compelled to become members (Bjork, 2013: 57). The national curriculum was reformulated to reflect military and state ideology, particularly in the fields of history and civics. In these ways, schools became mechanisms through which the New Order mobilized votes at election time, stymied the emergence of political opposition, and more generally maintained political control (Schiller 1999: 11; Bjork 2003: 192-193).

Third, Indonesia’s education system became a vehicle through which predatory elites accumulated resources and distributed patronage. Local community members such as parents, who had previously played a central role in the management of Indonesian schools, were pushed aside in favour of politico-bureaucratic elements who bought their positions at schools in exchange for the opportunity to make money through corruption and fees (Irawan et al. 2004: 50; Rosser and Joshi 2013). Political and bureaucratic elites awarded school principal, supervisor and bureaucratic positions to political allies in exchange for their
support. Contracts for the provision of supplies and the construction and repair of buildings and other infrastructure were given to companies with strong elite connections or that paid the highest bribes. Teachers, principals and education bureaucrats accordingly became incorporated into networks of corruption and patronage as both generators and beneficiaries of the rents that education budgets and expansion of the education system and the education bureaucracy made available. As Bray (1996: 21) has noted, most schools established Education Implementation Assistance Boards (BP3) which brought together principals, teachers and parents to help with school management. But such bodies did little to give parents a significant say in school-level governance because principals and teachers generally controlled them.

Lastly, the New Order continued the efforts of previous governments to build national identity through the use of Bahasa Indonesia as the language of instruction and curricula and rituals emphasizing nationalist principles. As Leigh (1999: 47) observed:

"Indonesianness" is primarily created through learning the shared language of Bahasa Indonesia. During the Soekarno years and in the early years of the New Order, the primary task of teachers was to teach the national language. This is still a major task of the schooling system, Bahasa Indonesia having the largest number of allocated hours within the compulsory curriculum of senior secondary school. Besides the shared language, there is also a shared official national history and a shared ideology. When school children chant the five principles and when they study the compulsory curriculum of Morals of Pancasila (Pendidikan Moral Pancasila — PMP) for all their years at school, a process takes place in which the boundaries of legitimate action are internalized. Just as language shapes thought, the subject PMP becomes the guide to correct action. Over time, children assimilate what is acceptable behaviour — even what are acceptable thoughts. National unity is breathed in on a daily basis as a paramount principle.

By the 1990s, the deepening of Indonesia’s linkages to international capital markets and growing reliance on mobile capital controllers following the end of the oil boom signalled a resurgence of technocratic influence in the education space. Supported by World Bank findings that the Indonesian education system had a serious problem with regards to quality and learning (World Bank 1989), decentralisation of control over some education policy levers and deregulation at the tertiary level were the first indications of a shifting power balance. From 1996 onwards the Bank itself became increasingly active in direct project financing for quality improvement initiatives, often with a regional focus (Yeom et al 2002: 33).
60). However, these moves did not equate to fundamental reform. By and large, the principal concern of education policy remained to address the access problem—now with a focus on post-primary access as evidenced by the extension of the government’s compulsory education program to 9 years in 1989/1990. Questions relating to the teachers’ pedagogical skills, subject knowledge, and incentives, the international benchmarking of learning outcomes, and institutional autonomy would have to wait for the implosion of the regime.

By the end of the New Order period, then, Indonesia had an education system characterised by expanding access but very low quality. As the World Bank (1998: ix) observed in a report published shortly after the fall of the New Order, there were multiple technical, financial and policy-related reasons for this low quality:

Many teachers are poorly trained, and the incentive structure does not promote effective teaching or the most equitable distribution of teachers. In addition, schools in poor communities have insufficient resources, a problem that is becoming increasingly visible as buildings begin to deteriorate. The supply of textbooks and materials is inadequate, and many of these materials need improvement in content and presentation. A related problem is that the curriculum is overloaded, especially considering that student learning time is already low, particularly in grades 1 and 2. The curriculum is not yet sufficiently integrated across subjects and grades or with textbook content, teacher training, and assessment. Insufficient monitoring and assessment of student achievement and evaluation of investment programs means that the above problems are often not brought to the attention of policymakers or public.

But as the analysis above has illustrated the underlying problem was the nature of the country’s political settlement.

5.3 Learning

The impact of this situation on learning outcomes was profound. Few studies of student acquisition of basic skills were conducted during the New Order period. But those that were indicated low levels of student achievement in mathematics, science, and language/literacy (World Bank 1998: 23). These findings were confirmed in the late 1990s when Indonesia began participating in international standardized tests such as PISA, TIMSS and PIRLS. Overall, according to the World Bank (1998: viii), by the end of the New Order ‘graduates
were leaving the basic education system inadequately prepared for postbasic education and a lifetime of learning and employment’.

6 The Political Economy of Education Policy, its Implementation, and Learning During the Post-New Order Period

6.1 Political Settlement

The onset of economic crisis in 1997 and subsequent collapse of the New Order in 1998 shifted power in favour of government technocrats and donors and away from predatory elites at the national level. In so doing, it created a political context more conducive to market-oriented education policy reform. On the one hand, these developments led to a transition towards a democratic and decentralised political system more compatible with technocrats’ and donors’ emphasis on managerial and financial autonomy for educational institutions and the principle of academic freedom. On the other hand, the economic crisis dramatically strengthened the structural leverage of foreign donors, at least for the period of the crisis. By precipitating widespread corporate bankruptcy, the crisis undermined the economic base of predatory politicians, bureaucrats, and their corporate clients; and, by simultaneously increasing the country’s public debt and undermining sources of government revenue, it forced the government to negotiate a rescue package with the International Monetary Fund (IMF) and accept increased aid. While the IMF package did not address education policy issues beyond the introduction of new social safety net programs for schoolchildren, it created an environment in which government technocrats and international donors were able to exercise greater influence over government policy, including education policy, than they had under the New Order.

Within this context, the World Bank pushed hard for reform of Indonesia’s education system working closely with government technocrats in the National Development Planning Agency (Bappenas) and MoEC. In September 1998, it published a major report on Indonesia’s education system that called for, among other things, increased autonomy for

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7 This section draws heavily on Rosser (2016).
educational institutions, decentralized education management, and an affordable strategy for realizing universal free basic education (World Bank 1998). Immediately afterward, it then co-funded with Bappenas the establishment of a series of Task Forces to prepare reports on key education policy issues including school-based management and decentralization, public-private partnerships, education financing, and education reform (Jalal and Musthafa 2001: viii-x). Echoing many of the concerns raised by the Bank in its 1998 report as well as many new concerns, these reports provided the intellectual rationale and research base for a major shift in education policy in favour of neoliberal reform.

Over the next few years, donors provided loans and grants to the Indonesian government to support the reform agenda, in particular in areas such as school-based management, educational institution autonomy, and teacher management and upgrading and issued further reports encouraging market-oriented reform of the education sector (e.g. World Bank 2004; 2007). Subsequently, further pressure on Indonesia to liberalise its education sector emerged as a result of World Trade Organization negotiations on trade in services as part of the Doha Round and Indonesia’s participation in negotiations related to the creation of an ASEAN Economic Community. Finally, the emergence of new global discourses emphasising the role of the knowledge and technology sectors in promoting national international competitiveness during this period shone a light on emerging structural imperatives for change. Embraced by senior figures in the Indonesian government, including Presidents Yudhoyono (2004-2014) and Widodo (2014-present), at the level of rhetoric about education issues, these discourses implied that Indonesia needed to improve the quality of its education system if its economy was to continue to grow strongly in the future and, in particular, that it should do so through increased opening up to international education businesses.

However, technocratic elements within government and their donor allies continued to encounter strong resistance to their agenda for three main reasons. First, although the collapse of the New Order weakened the predatory political, military, bureaucratic, and corporate elements that dominated the New Order, it did not eliminate them. As Hadiz (2003: 593) among others has argued, these elements were ‘able to reinvent themselves through new alliances and vehicles’ such as political parties with the result that they maintained instrumental control over the state apparatus notwithstanding the shift to a more democratic political system. In the education sector, for instance, senior staff at the
Ministries of Education and Culture and Religious Affairs continued to be recruited largely from the public universities under these Ministries’ control, including in most cases the Minister himself; and education-related cabinet positions at the national level continued to be given to members of the major Islamic organisations, Muhammadiyah and Nahdatul Ulama, with the former usually being given MoEC and the latter MoRA. At the same time, newly empowered local governments were captured in many regions by predatory elements within local arms of the military and bureaucracy, the local business community, and criminal networks (Hadiz 2010). For instance, local district education offices continued to be staffed largely by former state school teachers and members of the PGRI, which has maintained its close connection to the state despite withdrawing from Golkar (Rosser and Fahmi 2018). Such exclusionary political settlements contrasted markedly with the more inclusionary political settlement at the national level. The result has been continued capacity on the part of predatory elements to influence education policy and its implementation and, in some cases, undermine reform in the process, representing an important line of continuity between the New Order and post-New Order periods.

Second, the collapse of the New Order also increased the scope for popular elements promoting progressive ideas to influence education policy. Democratisation removed key obstacles to organisation by groups such as NGOs and university students, making it easier for them to engage in collective action. It also created an incentive for politicians and their political parties to promote redistributive education policies because of their electoral popularity, with newly empowered local political figures often taking the lead in this respect (Rosser and Sulistiyanto 2013). Finally, it entailed the establishment of the Constitutional Court which proved to be both relatively accessible to NGOs and ordinary citizens and sympathetic to progressive causes, reflecting the liberal outlook of its judges and the inclusion of a Bill of Rights in the 1945 Constitution as part of the process of Constitutional reform that occurred between 1999 and 2002 (Mietzner 2010). This created a new entry point into the policy-making process for progressive elements, albeit one that could only block or frustrate neo-liberal reform rather than actively promote adoption of alternative policies.

Third, Indonesia’s democratic transition enhanced the influence of religious elites over education policy. The ability of large Islamic organisations to influence voting patterns at election time, including through political parties aligned with them such as the National
Awakening Party (PKB) (which is aligned with Nahdlatul Ulama) and the National Mandate Party (PAN) (which is aligned with Muhammadiyah) emboldened demands for a redistribution of public funds to support their schools. In many cases, this extra funding could have been justified on educational grounds, given the relative underfunding of many Islamic schools in the past, but this has been less the logic at work than a political one concerned with securing political support and building patronage networks. Initially, this influence was most perceptible at the sub-national level in the form of *quid-pro-quo* arrangements between successful candidates and local religious elites. For example, in return for the endorsement of influential religious figures, an elected regional head might allocate discretionary spending (e.g. District School Operation Funds or BOSDA) towards particular madrasah. But as we will see in detail below, this influence has also had a significant impact at the national level.

Figures 5 and 6 capture diagrammatically the nature of the political settlements at the national and sub-national level during the post-New Order period.

Figure 5: Political settlement during the post-New Order period (National)

**Political Settlement during the Post-New Order Period, 1998-present**

*Technocratic elements gain some ground at the expense of predatory elites, but their agenda is opposed both by these elites and reinvigorated progressive elements opposed to market-based reforms. Shift to democratic system strengthens religious elites’ independent influence on education policy*
6.2 Education Policy and its Implementation

This more inclusionary political settlement produced a number of important changes in Indonesia’s education policies and their implementation. First, it led to a marked increase in government spending on education. The collapse of the New Order saw a renewed push by both technocratic and progressive elements to persuade the government to increase its education spending (Triaswati et al 2001: 104-105; World Bank 1998: 113; Soedijarto 2008). The amendment of Indonesia’s 1945 Constitution between 1999 and 2002 provided an opportunity for these elements to push their demands for change forward, particularly those seeking a big increase in government education spending. Soedijarto, a professor from Jakarta State University, one of the country’s main teacher training colleges, and the head of the Association of Indonesian Education Scholars (ISPI), was a key figure in these
meetings. He was a ‘functional group’ representative for the education sector on the People’s Consultative Assembly (MPR), the body with the authority to amend the 1945 Constitution. Soedijarto initially proposed that the Constitution should require governments to spend at least 4 percent of GDP on education but eventually a consensus emerged within the MPR that 20 percent of the budget was a more reliable and workable basis for calculating spending levels (Soedijarto 2008: 350-351). While technocratic elements supported increased public spending on education, it is unlikely that they were on board with this amendment—in fact, as we will see below, within a few years, prominent technocratic figures in government were openly opposing its implementation citing concerns about its fiscal implications. Nevertheless, following the Constitutional amendment, the national parliament revised the country’s main education law by passing Law No. 20 on a national education system in 2003. Article 49 of this Law stipulated that the national government and local governments should allocate 20% of their respective budgets for education.

Second, this more inclusionary political settlement led to a marked decentralisation of authority over education policy-making and its implementation. The country’s decentralisation laws devolved policy-making authority over education to the district/municipality level, except with respect to higher education which remained centralised. They also transferred a substantial amount of resources from the centre to the districts. The extent to which individual districts benefitted financially from decentralisation varied enormously from district to district, with those in resource rich areas and areas where there were good sources of local revenue doing the best. But in general, district governments became much better placed, both in terms of policy-making authority and financial capacity, to pursue their own goals and objectives in relation to education policy and its implementation than in the past (Kristiansen and Pratikno 2006). The central government also introduced a policy of school-based management (SBM), supporting this with a new school grant scheme—also aimed at realising the country’s long-held ambition of achieving free basic education—called School Operational Assistance (BOS). The move to SBM also saw the introduction of school committees (komite sekolah) and district-level Education

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8 Andrew Rosser, Interview, Jakarta, November 2012.
Boards (Dewan Pendidikan) as mechanisms to facilitate parental participation in school and district decision-making (Irawan et al 2004: 73).

Third, this more inclusionary political settlement—and in particular the enhanced position of technocratic elements within it—propelled Indonesia’s education policies in a much more market-based direction than had been the case under the New Order, particularly in the first decade following the Asian economic crisis. Key changes in this respect included the decentralisation measures noted above. Others were:

1) the introduction of measures to give educational entities, especially in the public sector, greater financial and managerial autonomy through changes to their legal status;
2) the introduction of a policy on ‘international standard schools’ giving select public schools permission to charge fees, adopt international curricula, and carry out other activities aimed at promoting greater education quality;
3) the introduction of a new teacher certification system aimed at improving teacher subject knowledge and pedagogical skills;
4) the opening up of the country’s higher education sector to foreign providers, albeit on a highly restricted basis;
5) the introduction of changes to the country’s national exam transforming it into high stakes test; and
6) the introduction of new accreditation and minimum service standard requirements, transforming the role of the Ministry from policy generator to compliance officer as well.

At the same time, however, the more inclusionary character of this new political settlement—combined with the continuing political dominance of predatory elites—also laid the basis for effective resistance to many of these policy changes. As noted in Box One below, the 20 percent budget policy attracted significant resistance from predatory elites and technocratic elements concerned about, in the case of the former, the possibility that it may reduce government spending in sectors more central to their interests and, in the case of the latter, the fiscal implications. In the end, this had serious implications for how the 20 percent target was reached. Similarly, reforms seeking to transform the country’s education system along market-oriented lines attracted significant resistance from predatory elites seeking to defend their control over education institutions, access to rent-seeking opportunities, or
access to benefits accruing as a result of increased education spending. These reforms also attracted resistance from progressive elements due to concerns they would have unequalising effects, benefiting the middle classes and harming the poor. Foremost among the reforms resisted by predatory elements, progressive elements, or both was the Education Legal Entity (Badan Hukum Pendidikan or BHP) Law, which sought to enhance the managerial autonomy of public educational institutions by changing their legal status. This reform was effectively defeated through strategic litigation brought by a combination of NGOs, parent groups, student activists, and business groups. Another resisted reform was a new teacher certification program, which provided teachers with large pay rises in exchange for participation in training and other activities intended to improve their subject knowledge and pedagogical skills. This reform was watered down in face of resistance from the PGRI and bureaucrats in local education agencies to the point where many teachers received pay rises without the desired improvements (Rosser and Joshi 2013; Rosser 2015; Rosser and Fahmi 2018). Perhaps not surprisingly, it did little to lift teacher capabilities with regards to subject knowledge and pedagogy (de Ree et al 2018).
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**Indonesia’s Education Budget: Contesting the 20 Percent Requirement**

Following the amendments to the 1945 Constitution and the passage of the 2003 education law, the government did not immediately increase its spending to the required level. Technocratic elements within the government such as Sri Mulyani Indrawati, Indonesia’s Minister of Finance from 2005 to 2010, expressed concern that an increase was fiscally unsustainable, would diminish spending in other key areas and encourage rent-seeking (Apriato 2007). ⁹ as did the World Bank (2007b). Vice President Jusuf Kalla, one of the country’s wealthiest business people, also expressed concern about a big increase in education spending, arguing that ‘theoretically we can increase the budget now. However, this policy would reduce the budget for other important sectors, such as road construction, electricity, and water. The health sector is also important’ (DetikNews 2007).

Due to the government’s failure to increase spending to the 20% level, several groups including the PGRI and ISPI filed a series of petitions with the Constitutional Court between 2005 and 2008 to annul successive budget laws and force the government to fulfil the constitutional mandate for the education budget. While these cases did not produce judgments forcing the government to revise the budget laws, they did yield a recommendation from the then Head of the Constitutional Court, Jimly Asshiddiqie, that the government ‘find a way or formula in order to fulfil 20% budget for education’ (HukumOnline 2007). In response the government incorporated a range of expenditure items into the 20 percent calculation that had not previously been considered items of expenditure associated with the education portfolio. These included the salaries of teachers and lecturers, departmental or agency training programs, and spending on schools and higher education institutions that sit under non-education line ministries. (For instance, the Ministry of Defence oversees a military academy, staff command training, a high school and a university and the Ministry of Home Affairs oversees the Institut Pemerintahan Dalam Negeri (IPDN), a higher education institution that trains civil servants).

To support this move, in 2008, a teacher and a lecturer from South Sulawesi, rumoured to be backed by Jusuf Kalla, filed a petition at the Constitutional Court aimed at ensuring that teacher salaries could be included in the education budget calculations (Rosser and Joshi 2013). The Constitutional Court judged in their favour, ruling that the education budget should include teacher’s salaries and other education costs of ministries and other government agencies. The inclusion of salaries and other education programs enabled the government to allocate 20% of its budget to education without substantially increasing education spending.

Progressive elements have been highly critical of this outcome. For instance, a prominent public intellectual from the NGO community and Taman Siswa, Darmaningtyas, lamented the court verdict, saying: ‘Calculating salary and other ministries’ spending on education will not add significantly to the existing education budget. Because teachers’ salaries is the biggest component in education budget, the government would not have sufficient budget for education programs. This contributes to the low quality of Indonesian education’. ¹⁰

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⁹ For a more recent statement of Indrawati’s concern about the size of the education budget, see Yunelia (2018).
¹⁰ Danang Widoyoko interview with Darmaningtyas, 17 October 2020.
The BHP and teacher certification cases encapsulated a pattern that would become something of a norm. Major technocratic policy initiatives such as the introduction of ‘international standard’ schools, school-based management, permission for foreign universities to establish branch campuses in Indonesia, teacher redistribution, institutional accreditation, and standardised testing became domains of contestation between rival agendas, resulting in the stymieing of market-oriented reform (Chang et al 2014). In some cases (e.g. teacher redistribution, SBM), this stymieing of reform came about because reforms enacted at the centre ran up against the interests of predatory local elites who, as the case study in Box Two below illustrates, had their own interests in relation to the education sector. To provide one example, the newly established school committees have generally been captured by school principals and teachers while Education Boards have generally been captured by local political and bureaucratic elites and/or parents from middle class backgrounds (Rosser and Fahmi 2018). In other cases (e.g. the BHP law, the teacher certification scheme, the international standard schools policy), the stymieing of reform was because reforms proposed or enacted at the centre ran up against the interests of national-level predatory and progressive actors with influence over national policy settings (Rosser and Curnow 2014; Rosser 2015). In the most recent example of this latter pattern, the PGRI, universities and other education stakeholders successfully pressured the second Widodo administration to remove education provisions from the contentious 2020 ‘Omnibus’ bill. Designed to stimulate the Indonesian economy in the wake of the coronavirus pandemic, this bill would have contributed to a further marketisation of Indonesia’s education system by, for instance, providing a stronger legal basis for the entry of foreign universities into the country’s higher education sector, allowing higher education institutions to operate on a for-profit basis, and making it easier for teachers with foreign qualifications to work in Indonesia (Ghaniya 2020).
In Pandeglang district, Banten province, education is a strategic sector for political candidates seeking to build patronage networks and distribute material benefits to voters at the grassroots. At election time, teachers and other staff in the education bureaucracy are recruited as vote brokers and campaign team members. The education bureaucracy typically mobilizes principals and teachers to support the incumbent *bupati* (District Head). Those individuals who are part of a successful re-election campaign are rewarded with promotion to a higher rank in exchange for their support. Conversely, local education authorities arrange punitive measures for principals and teachers who are reluctant to support or even oppose the incumbent. Punishment may take the form of a demotion or transfer to a remote area. Such logics are quite distinct from those underpinning technocratic efforts to redistribute teachers in a more efficient manner.

The deep involvement of teachers and principals in Pandeglang elections has seen them colloquially referred to as ‘Partai ASN’ or the civil servant political party. One of the key points in the vast literature on vote buying and political patronage in Indonesia is that candidates require the means to provide goods and money to hire campaign teams and brokers in advance (Aspinall 2014; Muhtadi 2019). The value of ‘Partai ASN’, by contrast, is that its support does not require any up-front outlays and the salaries of the ‘campaign team’ are already being paid by the government.

The education sector also provides programs and subsidies that may be leveraged for the purposes of political clientelism. Principals often serve as gatekeepers for access to cash subsidy programs such as BSM (*Bantuan Siswa Miskin* or Disadvantaged Student Support) while teachers have served as conduits for the distribution of social aid directly to the homes of students as part the ‘kunjungan murid’ (student visitation) program. During the Covid-19 pandemic, such home visits became an important program, not only for educational purposes, but also for the consolidation of patronage networks.

In the 2020 local elections in Pandeglang, the challenging duo of Fathoni-Tamamy adopted similar tactics to leverage support in the Islamic education sector. Tamamy is the son of Bazari Syam, the head of the Banten office of MoRA. This office directly controls public madrasah and exercises influence over the much larger private madrasah and pesantren sector. Using his father’s influence, madrasah teachers became key actors in the challenger’s campaign team, mirroring the tactic employed by the incumbent within the public system. However, the number of public madrasah (whose staff hold civil servant status) was much fewer than the number of public schools. The upshot was that the challenger in this instance was unable to reach as many voters as the incumbent.

Such politization of the education sector has gravely influenced teacher management and career trajectories. If teachers wish to be promoted or deployed to better schools, joining a winning election campaign team is the fastest route forward. By contrast, there is no promotional incentive for teachers who are committed to improving learning outcomes for students but wish to remain apolitical. For such teachers, the strong view is that responsibility for teacher management should be transferred back to the national government.

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11 The analysis in this box is based on material derived from interviews with education activists and political observers with knowledge of politics in Pandeglang, November 2020.
Finally, the growing influence of religious elites at the national level led to the enactment of a law on *pesantren* in 2019. This law was an apparent *quid pro quo* for the decision by Ma’ruf Amin, then head of Nahdlatul Ulama, to support Joko Widodo in the 2019 presidential elections and run alongside him as his Vice-Presidential candidate. This law proposed a substantial redistribution of public funds to private religious schools that do not teach the national curriculum (i.e. pesantren). The law provides not only a legal basis for the extension of BOSDA\textsuperscript{12} payments to pesantren, but a range of public subsidies for teacher salaries and incentives, school operational funding (BOS) transfers to pesantren that do not teach the national curriculum, and the establishment of endowment funds (Azzahra, 2020). At the time of writing the necessary implementing regulations for the Pesantren Law had not been finalised. But regardless of the outcome of debates over how disbursements are to be calculated, the law will require a substantial reallocation of resources from within the national education budget.

6.3 Learning

The impact of this political situation on learning has been to significantly hold back improvements in learning outcomes as measured by international standardized tests. This is revealed perhaps most clearly in the country results in PISA. For instance, in the 2018 iteration of this test, only 30% of students demonstrated minimum (Level 2) proficiency or better in reading (compared to the OECD average of 77%), only 28 percent demonstrated such proficiency in mathematics (compared to the OECD average of 76 percent), and only 40 percent demonstrated such proficiency in science (compared to the OECD average of 78 percent) (OECD 2019: 2). Moreover, the country’s performance showed no sign of improvement over time. As the OECD (2019: 3) noted, since Indonesia began participating in PISA in 2001, its ‘performance in science has fluctuated but remained flat overall, while performance in both reading and mathematics has been hump-shaped. Reading performance in 2018 fell back to its 2001 level after a peak in 2009, while mathematics performance fluctuated more in the early years of PISA but remained relatively stable since 2009.’ It is

\textsuperscript{12} BOSDA is a form of district level school operational funding over which district heads have discretionary power.
possible that these results have been affected by increasing student participation in the test (OECD 2019: 3). But they nevertheless indicate that overall learning outcomes have remained very poor. In this respect, Indonesia stands in marked contrast to many neighbouring countries including, perhaps most importantly, Vietnam, which has excelled in PISA despite being much poorer than Indonesia in income per capita terms during the relevant period.

7 Specific Policy Cases

In this section, we examine how conflict and contestation between competing elements within the context of the aforementioned political settlements have shaped the evolution of education policy and its implementation in Indonesia during the New Order and post-New Order periods in relation to three specific issues, each of which is likely to have had a significant bearing on education quality and learning outcomes. These issues are: i) the national exam; ii) the school curriculum; and iii) teacher career paths. The purpose of the analysis here is to draw out more concretely the role of conflict and contestation in linking the political settlements to specific policy and implementation decisions so as to complement the macro-scale analysis presented in the preceding sections.

7.1 The National Exam

This case study explores the role of conflict and contestation in shaping government policy and implementation related to national exams during the New Order and post-New Order periods. It gives particular attention to the post-New Order period because national exams were reformulated at this time as part of a learning/quality improvement agenda.

7.1.1 Background

Historically, national exams in Indonesia have been designed to control grade progression rather than serve as diagnostic tools for measuring learning outcomes. More specifically, they have functioned to control access to a public education system where post-primary
demand has exceeded supply. As such, all permutations of the national exam system have created winners and losers among students. The winners have been able to advance their education through the (significantly cheaper) public system. The losers have dropped out or opted for the more expensive (and often lower quality) option of private schooling.

The forerunner to the state-administered National Exam or *Ujian Nasional* (UN) of contemporary Indonesia was first introduced in the early 1980s. The Final Year National Study Evaluation (EBTANAS) was predicated on the need to standardise testing for quality control purposes (Mardapi 2000: 253). However, for the first few years of its life the EBTANAS personified the New Order’s view of education as a nation-building activity as the only subjects to be assessed were Bahasa Indonesia and Civics (known as Pancasila Moral Education or PMP). In subsequent years additional subjects in the sciences and humanities were added in accordance with school capacity. There were, initially, no losers because schools retained discretion over grade advancement and it was in everyone’s interest for students to progress (Yamin 2009: 94).

In 1985 the autonomy of schools to determine student pathways (i.e. via entrance exams) was challenged by a new student ranking formula that was partially based on EBTANAS results. This system challenged an established feature of the supply-constrained public education system wherein seats in preferred public schools were effectively sold to the highest bidders. Because public school operation in Indonesia has always been underwritten by a degree of off-budget funding, there has always been a price premium attached to those pathways deemed most advantageous for students. These premiums have in turn flowed on to support a wide supporting cast of principals, teachers, contractors, and local education office officials (Darmaningtyas 2004: 49; Rosser 2018).

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13 The primary school gross enrollment rate (GER) has been around 100% since the mid-1970s. At the same time only around 20% of those students were advancing to junior or senior high school (Suharti, 2013: 25). It was not until the mid-1990s that junior high school GER reached 50%, an achievement not matched at the senior level until 2003. For the relevant data, see (https://www.bps.go.id/statictable/2010/03/19/1525/indikator-pendidikan-1994-2019.html).

14 Indonesia has not always had a state administered "national exam", but equivalent school-based exams have always been employed to control progression.

15 One indication of the centrality of these nation-building subjects to the annual exam ritual was the fact that average results for these two subjects in the EBTANAS in the mid-1990s were always above 6.00, whereas average results in other subjects fluctuated between 4.00 and 6.00. See Mardapi (2000: 257).
In theory, the EBTANAS-based student rankings policy posed a threat to predatory elements within this system. It could reveal, for example, that the top tier public schools were not performing as well as their reputation claimed. It limited the ability of principals to cherrypick the students of wealthier parents whose ‘voluntary’ contributions to school budgets and teacher remuneration were informally indexed to their income. And it threatened a range of actors who acted as brokers for seats in secondary public schools or universities. But despite the threat, an open challenge to the policy by these potential losers was not an option in the context of authoritarian rule.

The good news for proponents of the status quo was that the organs of the New Order state—including its district education office staff and teachers—were more concerned with demonstrating policy success than they were with by-the-book implementation. With each district determined to demonstrate the success of its students in the national exams, and each school eager to promote its success in the exam within the local educational marketplace, 100% pass rates in the EBTANAS soon became the norm (Darmaningtyas, 2005). EBTANAS may have been a national policy, but the formulation of questions and grading was conducted at the sub-national level, a design that enabled education districts to rig the system. The integrity of the system promptly collapsed as students were assisted to pass, results were doctored at the catchment level, and a thriving black market in leaked answer sheets developed (Mardapi 2000: 261). Opposition to the policy was unnecessary as it did not create any new ‘losers’. The old system of preferred pathway schools simply adapted to the new policy and once a year MoEC pegged the New Order bogeyman of the oknum as the culprit for any scandals. The real losers continued to be the children of poor and disadvantaged families who could not afford to access those pathways but were the least likely to complain.

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16 On occasion the Ministry provided a shock to the system, such as when computerised result readings were introduced in 1992 in South Sulawesi, over 10,000 students (third of the total) failed the exam as opposed to 100 the previous year. In this and similar cases of mass failings, protests took the form of student hooliganism and vandalism. (Tempo 1993).

17 The term oknum simple translates as ‘person’, but under the New Order became a common euphemism for corrupt officials.

18 As observed by the World Bank (1989: 35): ‘the system culls students who perform less well and directs them to inferior schools, or they drop out. This has the effect of continuing or compounding the disadvantages of students from poor quality primary schools and is detrimental to quality improvement and equity’.
The collapse of the New Order in 1998 created the conditions for a reset of national exam policy. At the forefront of this process were technocrats within the education ministry who enjoyed the support of major international organisations such as the IMF and World Bank. Throughout the 1990s the World Bank, in particular, had provided loans for a number of projects aimed at decentralising education services and increasing the role of market forces (Engel 2007: 272). The onset of the Asian Financial Crisis in Indonesia in 1998 strengthened this neoliberal agenda and provided the opportunity for these organisations to push for a raft of policy reforms that were expected to result in ‘quality improvement and cost reduction in public service delivery, including education’ (Kristiansen and Pratikno 2006: 514). The goal of this agenda was to reconfigure the education system to serve the future needs of a global economy rather than a nation-building project. This new goal would be achieved via a combination of decentralised service delivery and the development of new quality assurance institutions and processes at the centre. A revised exam system formed part of the latter.

In 2002 a new iteration of the national exam was announced. The *Ujian Akhir Nasional* (UAN) or Final National Assessment signified a re-centralisation of control over exam processes. Exams that had formerly been administered by schools and designed in-part at the district level would now be standardised and administered by a central technical unit specified in the 2003 Law on Education and formalised by a Government Regulation in 2005. National exam results in three subjects (Indonesian, English, and Mathematics) would be the sole determinant of grade progression for junior and senior high school and the pass level was set to rise incrementally each year.

The new system was a manifestation of what Sahlberg (2012) has termed ‘the Global Education Reform Movement’. It embodied a number of key elements of this reform movement, such as a focus on standardisation and core subjects. The new exam was one of a series of test-based reforms in the sector that were designed to create rankings and thereby stimulate competition. (Other major policy reforms saw schools ranked by a new accreditation agency and teachers subjected to new competency tests). In line with the orthodoxy of this reform movement, from 2001 forward Indonesia became a regular participant in international standardisation tests, beginning with PISA in 2001, PIRLS (2006), and TIMMs (2011). Participation in these assessments was listed in the 2005-2009
Strategic Plan as part of the Education Ministry’s quality improvement agenda (Ministry of National Education 2005: 25).

The new exam regime provoked strong opposition from a range of stakeholders, not least the parents of tens of thousands of students who failed the exam and were forced to repeat and (for senior high students) forgo acceptance into tertiary institutions. Schools and teachers lost their power to influence progression pathways, placing the policy at odds with calls from the main teacher union to reconfigure national exams away from a high stakes model that encouraged ‘teaching to the test’ (Kompas 2000). More broadly, all critics of the policy were unanimous on the point that the process of education was the biggest loser as the measure of educational attainment for Indonesian students was reduced to a set of numbers achieved via three two hour exams.

7.1.2 Whittling Away the Neoliberal Agenda: Progressive Legal Challenges and District-Level White-anting.19

Broadly speaking, contests over national exam policy between the introduction of a high-stakes test in 2002 and its final demise in 2019 involved two distinct yet complementary agendas. The first was led by progressive NGOs that challenged the legal validity of the exam policy through the courts, often on grounds related to the right to education. The second was spearheaded by the PGRI for whom the neoliberal agenda represented not only a weakening of education officials’, principals’ and teachers’ control over student progression but diminished their role as nation-builders. The combined effect of these two agendas would see the national exam become a classic case of policy-making on the run as the state endeavoured to defend a neoliberal agenda that was at odds with key stakeholders in the education sector.

The first phase of opposition to the national exam was led by progressive NGOs such as Indonesia Corruption Watch and the Indonesian Legal Aid Institute. Between 2004 and 2008, these high profile organisations supported a series of legal cases brought before the courts by a new set of ‘losers’: middle class Indonesians who found the progression of their

19 ‘White-ant’ is a colloquial Australian term meaning, according to the Macquarie dictionary, ‘to subvert or undermine from within (an organisation or enterprise’. We use it here because it is an apt description of the the examined dynamics.
children’s education suddenly halted by a policy over which they had no input or influence. For two decades this group had invested in the ritualised aspects of the national exam in return for a relatively uncomplicated progression pathway. Overnight, this system was turned on its head as tens of thousands of students had their progress barred by a highly impersonal policy. The introduction of the high stakes exam was broadly coterminous with other policies aimed at improving student learning outcomes (and therefore their ability to pass the exam). However, the impact of the exam policy was instantaneous whereas new policies related to curricula, education financing, or teacher professionalisation could only have a gradual effect on student learning outcomes. The shock at the top level of schooling was compounded by rapid increases in the supply of state junior and senior high schools from the mid-1990s onwards. This, along with the doubling of tertiary GER between 2002 and 2012 meant that at that precise moment when supply constraints on participation in more advanced levels of schooling were lifting, a government policy was curtailing demand.

Citizen legal challenges promptly attacked the legal inconsistency of the UAN with both the the 2003 Basic Law on Education and the Indonesian Constitution. These court cases highlighted the ability of reformist coalitions in the post-Suharto era to identify favourable ‘judicial pathways’ (Rosser 2015; Rosser and Joshi, 2018) for the challenging of government policy. Equally significant was the skill of these reformist coalitions in engaging other powerful actors that had remained dormant under the New Order (e.g. the media, parliamentarians).

Throughout the governments of Megawati Sukarnoputri (2001-2004) and Susilo Bambang Yudhoyono (2004-2014), the neoliberal agenda of education technocrats held firm on the issue of the national exam by offering various concessions to opponents. Repeat exams were authorised on numerous occasions and the weighting of the exam as a component of a final pass grade was adjusted. But such amendments failed to address substantive educational and rights-based concerns that formed the basis of popular opposition. Insofar as each policy amendment represented a mini-political settlement between the government

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20 Education ministers are typically political appointments but technocratic influence over education policy also comes from related ministeries, particularly Finance and National Planning (the latter frequently mediating on donor education projects). During the second SBY government, for example, an executive education sub-committee was chaired by the government’s most senior technocrat, Vice President Boediono.

21 Most notably in 2005 when pressure from universities to clear the backlog of failed students saw almost all repeat candidates pass with flying colours (Centre for Assessment and Learning, MOEC).
and its critics, they were highly unstable ones as evidenced by the pattern of popular outrage and political bloodletting that came to characterise the exam period every year.22

By the second decade of the 2000s, highly publicised cases of malfeasance in exam implementation put further pressure on the neoliberal agenda as evidence of cheating eroded the value of the exam as an exercise in quality control (see Box Three). Attempts to patch over the holes with technology or new supervisory mechanisms were akin to placing a finger in a dyke. The complicity of teachers, principals, and local education officials in undermining the integrity of the exam suggested district level white-anting of a central government policy.23 For them, the high stakes exam model posed a threat to hierarchies in local education markets that have long served the interests of local elites and middle classes (Tempo 2010). For teachers, the exam challenged their lawful right to determine student progression. A 2012 survey conducted by the main teacher union showed that 70% of teachers, principals, and school supervisors wanted the UN to be revised or dispensed with altogether (Liputan6.com 2019). The paucity of supporters for the high stakes exam model outside of the ministry meant that the ability to manage the annual UN ritual with a minimum of popular outrage became the single most important measure of ministerial competence.

Box Three

Cheating in the National Exam

To meet exam performance targets set by local administrations, teachers commonly establish tim sukses (success teams) at the school level. These teams not only organize formal classes to train for the exam, but play an important informal role in organizing how to rig the results. Prior to a shift to computer-based testing, a typical scenario involved a team member distributing the answer key to students immediately prior to or even during the exam. The distributed key would provide correct answers for 80% of the problems to ensure a pass grade. While the decision to gradually shift to a computer-based format in 2015 reduced the ability of local actors to influence results, it coincided with a decision to reduce the weighting of national examination scores as a component of graduation assessment. This enabled teachers to alter their strategy to one where grades from school-based tests and assessments would be inflated to the point where students would graduate so long as they obtained a minimal score in the national exam.24

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22 The 2013 iteration was particularly infamous as implementation was delayed in various districts/provinces due to planning and logistical errors (Kompas 2013).
23 A 2015 study using a integrity index methodology indicated that a third of schools posted ‘suspicious’ exam results that were indicative of cheating. See Berkhout et al (2020).
24 Information drawn from interviews Interview with teachers from SMA 7 Pandeglang and SD Sukasari 3 Pandeglang, 26 November 2020. See also Ramadani (2011) and Nink Eyz (2013). For an analysis of the impact of computer-based testing upon exam results, see Berkhout et al (2020).
The opposition of teachers and their representative organisations to the national exam was successful in forcing substantial modifications to the exam model. In 2010, the main teacher union, the PGRI, endorsed a proposal by the MoEC to return to an EBTANAS model wherein the national exam would comprise but one element of a final assessment grade issued by teachers (Okezone 2010). In 2011 the results of the national exam were reduced to 60% of the final grade pass mark, with the remainder made up by the results of school grades. A few years later this was revised down to 50%. Effectively, a decade of anguish over the national exam had returned it to the point where it had stood at the end of the New Order. But the new policy created a vicious cycle that was a disincentive to student learning as schools bumped up scores in school based tests in order to boost aggregate grades upon which progression was based. In order to disguise any gross discrepancies between school test scores submitted to the ministry and those of the UN, it was nonetheless still necessary to ‘assist’ students in gaining high scores in the latter.

When the Joko Widodo government was voted into power in 2014, the condition of the national exam as originally conceived in 2002 was terminal. In the education sphere, the new administration revived a range of technocratic and nationalist shibboleths centred around issues of access, equity, the reaffirmation of national identity, and morality. Continual poor performance in international standardised tests indicated that the system championed by the technocrats of previous administrations was not producing better learning outcomes. The MOEC’s 2015 strategic plan noted that the UN still lacked reliability and validity as a means of measuring quality (MOEC 2015: 20). For the remainder of the decade it is fair to say that the exam largely persisted because it had been reduced to a form that satisfied a sufficiently broad coalition of interests. The reduction in the exam’s weighting as a component of a final pass mark restored some authority to schools and teachers. Predatory actors had settled into the routine opportunities afforded by the exam roll-out, and institutionalised cheating appeased both schools and parents. It

25 The relevant regulation is Peraturan Menteri Pendidikan Nasional Republik Indonesia Nomor 45, 2010.
26 ‘Education for all’ was the first and key point of the first five year education plan of the Jokowi administration. ‘Quality improvement’, the catchphrase of planning documents for the previous decade was notable for its absence from the document See MOEC (2015: 5-6).
remained, however, an annual controversy covered generously by the press and something of an albatross around the neck of every new Minister of Education.

7.1.3 Conclusion

In 2019, the newly appointed Minister of Education, Nadiem Makarim announced that from 2021 the national exam would be abolished and replaced by a ‘minimum competency assessment and character survey’ (Dzulfikar 2020). The authority to assess student performance for the purposes of progression would be restored to the school level. Inspired by PISA and reflecting an enduring technocratic influence, the new test would seek merely to map student learning at key stages in the education process (Dzulfikar 2020). While the announcement was presented as a terobasan (breakthrough) in education policy, it was effectively a capitulation. For two decades the national exam had been an unpopular policy for everyone except its architects. Pedagogy experts had criticized it for narrowing learning experiences. It had inflated the costs of education as parents were pushed into enrolling children into the ubiquitous cram centres that prepared students for the exam. Universities had never taken the results seriously and managed their own entry exams.

The instability of the national exam format over the first two decades of the millenium and its inability to serve as a driver of improved student learning outcomes reflected a lack of consensus between key stakeholders in the education sector. For progressive actors, the exam abrogated the state’s responsibility to ensure equity of access. New opportunities (judicial pathways, the press, the ballot box) provided the means to demand greater accountability in the relationship between citizens and the state. Bureaucratic predatory elites undermined the integrity of the system as they sought to preserve their control of a key link in the relationship between themselves and clients (schools and parents). Teacher unions were never supportive of the high stakes model. While a succession of influential MOEC technocrats were successful in defending the exam agenda for more than a decade by offering a range of concessions to opponents, the increasingly nationalistic and religious tenor of education policy reform under the Jokowi administrations eventually made the UN impossible to defend as issues of equality, equity and morality supplanted concerns over the quality of learning outcomes.
7.2 The Curriculum

This case study examines the role of conflict and contestation in shaping curriculum policy and its implementation in Indonesia. We argue that curriculum reform in Indonesia under the New Order (1966-1998) failed to drive improvements in learning outcomes because it was primarily an exercise in regime maintenance rather than learning enhancement. The collapse of that regime in 1998 opened up an opportunity to address urgent concerns about the quality and relevance of student learning outcomes. Technocratic elements within successive governments came to dominate the policy-making process at the national level, with a high degree of cohesion over the goal of improving learning outcomes to meet perceived labour market demands. However, at the implementation level, curriculum reform has been shaped by a range of competing political agendas. Overall there has been a ‘poor fit’ (Levy et. al. 2018) between national and district level political and institutional contexts and various relationships of accountability (Spivack 2021) between actors within the system have been marked by a high degree of incoherence. The sum result has been a very weak correlation between curriculum reform and the improvement of learning outcomes at the school level.

7.2.1 The New Order

Curriculum reform during the 32 years of the authoritarian New Order was largely an exercise in indoctrination. While revised curricula were framed with reference to then-fashionable education theories (e.g Management by Objective [Curriculum 1975], Active Student Learning [Curriculum 1984], School-level autonomy [Curriculum 1994]), such technocratic flourishes were only admitted insofar as they did not contradict the overriding agenda of regime maintenance (Ardanareswari 2019). This agenda was most clearly manifested in changes to content that were designed to indoctrinate students with a set of values and behavioural norms that legitimised the authoritarian state. The 1975 Curriculum introduced compulsory Pancasila studies (PMP or Pancasila Moral Education) to each level of the system. The 1984 Curriculum inserted a compulsory subject on the ‘History of Armed Struggle’ that presented the regime’s account of its sacrifice and munificence.27 In the same

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27 The architect of the subject was the then Minister of Education, Nugroho Notosusanto, a military historian who held the honorary rank of Brigadier General in the army.
year senior high school and university students were obligated to complete an additional extra-curricular course on Pancasila (Morfit 1981). While the weighting of explicit ‘values’ units (PMP and Religion) within the curriculum was typical of other ethnically and religiously pluralistic developing countries such as Malaysia and The Philippines (World Bank 1989: 36), ideological instruction permeated a much larger portion of the curriculum via language and social science subjects.

The dominance of the New Order’s paternalistic agenda sustained a highly centralistic approach to curriculum development. The centralised production of textbooks was part of an effort to ‘teacher proof’ (Bjork 2013: 57) the system and enforce a model of learning uniformity that was considered to be a vital ingredient of national unity. Critical thinking was undermined by a learning process that presented all knowledge as dichotmous: there were right and wrong answers and no in-between (Leigh 1999). Education was framed as a process of knowledge transfer in which teachers were simply the downstream mouthpiece. Tellingly, changes to the national curriculum for the duration of the New Order were never presented as a response to problems stemming from structural issues. Each new iteration of the curriculum was presented as a disempurnakan (perfected) version of that which preceded it. One consequence of this was an accretion of overlapping subject matter. Reforms carried out in the 1990s that introduced locally-developed content exacerbated the problem. By the end of the decade the curriculum was considered to be overloaded and unintegrated (World Bank 1998:36).

The exclusionary political settlement of the New Order meant that curriculum policy development was a closed shop. While high profile education experts such as Mochtar Buchori and Winarno Surakhmad boldly took the regime to task over issues such as curriculum design (Curaming and Kalidjernih 2012), their middle class readership remained small in number and highly dependent upon the state for their welfare (van Klinken and Berenschot 2014). Domestic capitalists, another important stakeholder in debates around education outcomes, were likewise ‘dependent upon the state as the engine of employment and investment’ (Robison 1996: 82). Thus while curriculum development under the New Order theoretically worked at two levels—an internal process led by the Ministry’s Curriculum Development Centre (CDC) coupled with an external process of consultation with key stakeholder groups—in practice the CDC’s control of the process was uncontested (Yeom, Acedo and Utomo, 2002: 62).
The only real challenge to the New Order state’s control of curriculum policy levers was the size and diversity of the education sector itself. In 1981, for instance, the major daily *Kompas* reported that many rural schools were still using the 1968 curriculum on account of the fact that the resources required for the 1975 version never arrived (Ardanareswari 2019). Only 5000 curriculum manuals were printed for the 1984 curriculum to service over 130,000 state schools and an unspecified number in the private sector (World Bank 1989; Badan Pusat Statistik 1986). Not surprisingly, most teachers never saw one or experienced training designed to support new innovations such as Active School Learning (Curriculum 1984). As such, one may speak of different forms of curriculum, as the one being taught in a New Order primary school was not necessarily the same as the current official version. The challenge presented by the sheer size of the sector—i.e. getting the official curriculum operationalised in all schools—would be a focus of one of the first major curriculum innovations introduced following the collapse of the New Order in 1998: decentralisation.

7.2.2 The Reform Era

Fittingly, the first curricular reform of the post-Suharto era was to address his historical legacy. A key motivation for ‘Curriculum Supplement 1999’ (an amendment of the 1994 Curriculum) was to revise content regarding the rise of the New Order and the role of the military in politics. It was an early sign of the shift to an inclusionary political settlement around the issue of curriculum design, as the decision was a highly symbolic acknowledgement of the role of progressive coalitions (particularly university students) in forcing Suharto’s resignation. The far more substantial reform, however, was the launching of a new curriculum in 2004. Popularly referred to as the KBK or Competency-Based Curriculum, it was designed to accommodate provisions contained in a sweeping regional autonomy package that granted districts significant control over education provision and to meet stipulations laid down in the 2003 Law on the National Education System (UU Sisdiknas 2003). The design of the new curriculum was led by the Ministry’s Curriculum Centre, which had commenced work in 2000 as a continuation of reforms to the 1994 curriculum (Soedijarto *et. al.* 2010: 95). It contained the hallmarks of the technocratic

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28 In 2006 the KBK was rebadged as the School-Based Curriculum (KTSP) as the full legal implications of the 2003 Law on National Education were institutionalised. See Abdullah 2007.
agenda, especially New Public Management theory, as student learning outcomes were tied to a range of defined competency standards and associated indicators. The preamble to the policy set education provision within a framework of regional and global competitiveness, in which ‘the quality improvement of our human resources must be the first priority’ (Departmen Pendidikan Nasional 2003). It was in stark contrast to the New Order priority of ‘creating the true Pancasila individual’.29

The speed of the shift was startling. Only a few years prior, the ‘divergence of opinion with regard to educational philosophy among key stake holders’ (UNESCO 1999: 86) had been identified as a primary obstacle to curriculum development. Now a curriculum had been launched that was closely aligned with a global education orthodoxy based around standardisation, core competencies and the use of corporate management practices. While it is tempting to seek out the smoking gun that triggered this package of policy reform, the more realistic scenario was a confluence of factors. Comparable developments in neighbouring countries were one reference point, as was input from multilateral agencies such as the World Bank which had long pressed for market-oriented reforms to the education sector (Datta et al. 2011; Kristiansen and Pratikno 2006). The political vacuum created by Suharto’s fall created the space for experienced technocrats to operate relatively unhindered. The ensuing package of reforms included the introduction of a new high-stakes exam system and the establishment of an independent Board of National Education Standards (BNSP). In addition to the state system, technocratic agendas made significant inroads into the private education sector as MoRA was increasingly engaged in donor-supported schemes for quality improvement in the madrasah sector. At the project level in general, key external donors such as AusAID, USAID and the World Bank moved quickly to improve enabling conditions for curriculum policy reform, particular administrative capacity building at the district and school level.

The key to effective curriculum reform was not, however, capacity building. Of foremost importance was getting the right balance between centre and districts. On paper, the new model whereby the centre would retain control over curriculum policy development and standards with the districts controlling implementation played to the strengths of both

29 As stated in one the first formal New Order statements on the goal of the national education system. See Ketetapan MPRS No. XXVII/1966.
actors. In practice, however, reform measures have suffered from the ‘poor fit’ (Levy et al. 2018) between the technocratic consensus at the national level and the political and institutional context at the district and school level. This can be illustrated by way of two prevalent examples. At the school-level, the curriculum overhauls prompted a high degree of confusion and hesitancy amongst teachers. Three decades of didactic policy control from the centre had left them utterly unprepared for the level of agency that post-New Order curricula granted them in terms of content development and competency assessment (Yani 2005). At the same time, institutional and political reform at the centre was not matched by similar processes in the districts. Established hierarchies and practices in local institutional contexts not only weathered reformasi, but in many cases were strengthened (Hadiz 2010). The net result was that the intent to drive learning improvements via curriculum reform was undermined by a lack of capacity amongst frontline providers and a political and institutional setting that was resistant to change (Chang et al 2014:15). Local parliaments, for example, were reluctant to approve budgets for teacher training as such disbursements provided few opportunities for rents and entailed complex reporting obligations. Not surprisingly, the main curriculum development activity for teachers was the age-old practice of sharing centrally formulated templates and teaching plans to ensure that the workplace was compliant, regardless of whether the curriculum was being operationalised or not (Kompas 2012).

The second example of the ‘poor fit’ centred around curriculum resourcing. At the national level, the decentralisation of curriculum resourcing served to reduce expenditure and was posited as a solution to the intractible problem of adequate textbook production and distribution. But at the district level, tendering processes for government contracts were deeply embedded in local political institutions and the bureaucracy. Predatory coalitions of elected officials and bureaucrats controlled production and distribution deals for curriculum resources such as textbooks. Corruption cases revolving around ‘pengadaan buku sekolah’ (textbook tendering) became a weekly staple in the press, with a number of high profile District Heads being indicted on charges of corruption. The implication for learning outcomes was that the main quality assurance mechanism for a textbook was the size of the kickback a publisher could muster. As was the case with the tendering for national exam support services, providers often sought to maximise their margins by using the cheapest available materials. Worse still, the practice had the effect of driving up the cost of
schooling for parents as school principals were often complicit in the system. Students went from being consumers (the neoliberal ideal) to a captive market (the predatory reality).

In such instances of a ‘poor fit’ as described above, Levy and Walton argue that ‘there exists the possibility of improving the development outcome by reshaping lower-level institutional arrangements and policy choices to align better with the political and institutional arrangements which prevail at higher levels’ (Levy et al. 2018: 15). In reality, MoEC possessed limited power to shape lower-level policy choices. Kleden’s (2017) study of district education planning processes, for example, reveals that district-level compliance with national policy targets is generally retrospective (i.e. spend first, fit the spending to policy targets later). It is not uncommon, for instance, for district education budgets to be approved prior to receiving the targets by which the central ministry seeks to assess performance. The other main lower-level institutional arrangement delegated to support the desired development outcome (i.e. improved quality of education) is the School Committee. As noted earlier, although these bodies consist of the school principal and ‘elected’ parents and community representatives, they have proven to be a weak accountability mechanism due to the tendency for them to be ‘captured’ by principals who are part of local predatory coalitions.

The sum effect of the poor fit described above was a growing popular perception that the national curriculum had just become another ‘project’ (Sudjianto 2013). In Indonesia, this term is a euphemism for policies or programs that are foremost designed to meet the interests of political elites, often by providing opportunities for graft. This perception was strengthened when the same administration that introduced the KTSP in 2006 announced (with minimal consultation) that it would be replaced in 2013 with the Character-Building Curriculum. Popularly known as K-13, this new curriculum sustained the dominant neoliberal agenda of the post-New Order period with a renewed effort to lift student performance against standardised international benchmarks (PISA, TIMMs, PIRLS). Where it diverged from its predecessor was in providing for a restructuring of units of study to accommodate the interests of an increasingly assertive nationalist and religious agenda at the national level (Jakarta Globe 2012, 2012b). Prior to the formal announcement of the new curriculum, Religious Affairs Minister Suryadharma Ali was pushing for additional religious education on the pretext that the moral values of younger generations were slipping (LBKN Antara 2012). The response from legislators of a more nationalist bent was
to champion a ‘revival of the values of Pancasila’ (LKBN Antara 2012b). Implicit in the representation of the new curriculum as an exercise in morality reform was a critique of a technocratic agenda that had moved too far from the earlier orientation of the country’s education system.

The popular backlash against the announcement of yet another curriculum overhaul was not limited to watchdog groups wary of further abuses of the education budget.30 The most vocal critics were middle-class parents and educationalists who opposed the removal of English and science at the elementary level (Jakarta Globe 2013, 2013b). Local governments pushed back strongly (and successfully) against plans to streamline content by removing local language subjects, while the Secretary General of the Indonesian Federation of Teachers summed up the mood of many teachers in remarking that ‘instead of changing the curriculum, better change the minister’ (Tempointeraktif 2012). The response of the incoming Minister of Education for the new Joko Widodo government, Anies Baswedan, was to procrastinate and obfuscate. He declared that schools would have up until 2016 to transition to the new curriculum. Those that had already transitioned for three semesters were asked to carry on, but those that had applied the new curriculum for two or less were asked to go back to the 2006 KTSP. Ultimately he failed to make his own deadline before being replaced in a mid-term reshuffle. His successor advanced the transition deadline to 2018 (Kompas, 2018). Meanwhile the implementation of the Movement for the Strengthening of Character Education by the MOEC from 2016 onwards signalled an attempt to impart the spirit of K13 into classrooms without necessarily changing the curriculum (MOEC 2016). One blogger summed up the situation nicely by comparing the K13 to a car full of schools, teachers, and students that was put out on the road before passing a roadworthy test (Kompasiana 2016).

7.2.3 Conclusion

Between 1999 and 2013 Indonesia underwent two major curriculum reforms and a number of minor revisions. While the failure of this curriculum reform to produce a measurable

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30 Predatory interests at both the central and district level were the main beneficiaries of the new policy with observers noting that it triggered the usual rush by government officials to secure rents from the publication of textbooks. See Savitri (2012) and Darmaningtyas (2012).
impact upon student learning outcomes was frequently linked to a range of proximate causes (i.e. resourcing bottlenecks, lack of teacher training), these issues were largely manifestations of deeper structural problems. In the preceding account these problems were discussed in terms of the ‘poor fit’ between central and district political and institutional contexts. In a nutshell, it could be said that central policy-makers failed to appreciate the fact that the rapid pace of institutional and political change in the metropole and major cities has been far slower (and even regressive) at the district level. Rather than stimulating improvements in learning quality (or even an appreciation for the need to pursue this agenda), curriculum reform created a range of rent seeking opportunities for predatory actors at the local level and generated a largely apathetic response from teachers.

7.3 Teacher Career Trajectories

Teachers are a crucial determinant of educational quality and student learning. Facing a severe shortage of teachers at independence, the Indonesian government recruited millions of teachers over subsequent decades and, in particular, during the 1970s and early 1980s when it was awash with petrodollars and the New Order was endeavouring to build the country’s education system as part of its efforts to distribute patronage, generate rents, mobilise political support, and exert political control. Decentralisation in 2001 saw another large increase in teacher numbers as regional governments used their newfound powers to recruit staff for schools over which they had newly been granted authority (Rosser 2018). As Pierskalla and Sachs (2020: 1290) have noted, this increase ‘was driven by several factors’ including ‘fiscal incentives inherent to the intergovernmental transfer system’ which rewarded ‘district governments with higher allocations for greater numbers of civil servants’ and the central government’s Operational School Assistance program (BOS—Bantuan Operasional Sekolah) which ‘subsidizes the school-level hiring of contract teachers.’ By the middle of the second decade of the 21st century, Indonesia had around 3 million teachers, giving it one of the most generous teacher-student ratios in the world (The Economist, 2014).

But while the country has over several decades recruited a teacher workforce, it has done little to ensure the quality of this workforce. Studies suggest that Indonesian teachers have low levels of subject knowledge and pedagogical skills (Jalal and Mustafa 2001; World
Bank 2015) and often fail to turn up to work (Chang et al. 2014; McKenzie et.al 2014). The reasons for this situation are many and varied. They include poor quality teacher training (both pre-service and in-service), low teacher pay (teachers were generally considered to be poorly paid prior to the introduction of the teacher certification program), and the failure of the teacher certification program to significantly lift teacher capabilities with regards to subject knowledge and pedagogy (Chang et al 2014; Jalal and Mustafa 2001). Importantly for our purposes, these reasons also include performance disincentives created by the nature of teacher career trajectories. A highly bureaucratic approach to promotion, widespread politicization of senior appointments in the school system and education bureaucracy, and widespread corruption within the education bureaucracy have combined to create a context in which promotions and appointments are either sold to the highest bidder or given to political allies. Ambitious teachers have consequently had little incentive to excel in subject knowledge and pedagogy and great incentive to cultivate linkages to senior administrative and political figures instead. Alternatively, they have had reason to pursue external income generating opportunities through moonlighting such as by running businesses or taking teaching opportunities at other educational institutions even if this means abandoning teaching responsibilities at their home institution (Widoyoko 2011; Ilfiyah et al 2015).

Technocratic efforts to reform Indonesia’s education system during the late New Order and post-New Order periods did not directly address these problems in any serious way, the focus of donors and government technocrats vis-à-vis teacher management instead being on improving teacher competencies through the teacher certification program and measures to effect a more equitable and efficient distribution of teachers (Chang et al 2014; Al Samarrai et al 2012). At the same time, decentralization delivered greater control over teacher management to predatory elites at the local level. In this context, as we will see in detail below, struggles over policies related to teacher career trajectories have had a different dynamic to many other education policy issues examined in this report. Struggles over the legal status of educational institutions, international standard schools, the national exam, and the curriculum were triggered by predatory and progressive resistance to neoliberal reforms driven by technocratic elements. By contrast, struggles over teacher career trajectories have been driven by i) competition between different sections of the predatory elite over the control of patronage networks and associated rents in the wake of decentralization; and ii) technocratic pushback against policy changes supported by predatory elites that had
negative implications for the government budget and teachers’ incentives to enhance their performance.

This case study examines how such struggles have shaped policies with regards to teacher career trajectories for civil servant teachers (guru PNS) and honorary teachers (guru honor), the two main categories of teacher in Indonesia’s education system. The former hold permanent positions, receive relatively good salaries and pension benefits compared to many other Indonesian workers, and are virtually un-sackable. The latter, by contrast, are casually employed and do not have civil servant status or the benefits that go with it. Most are employed directly by schools but some are employed by regional governments (Rosser and Fahmi 2016). The focus is on three specific issues: i) promotion requirements for civil servant teachers, ii) appointments to senior positions in the regional education agencies, and iii) the upgrading of guru honor to civil servant status. These have been chosen because there has been open contestation in relation to relevant matters of policy and practice, enabling us to see the political dynamics at work.

7.3.1 Promotion Requirements for Civil Servant Teachers

Indonesian civil servant teachers are employed at levels that mirror the general central government bureaucratic hierarchy. To gain promotion, teachers need to accumulate sufficient ‘credit points’ to meet the requirements for the next level. Minister of Bureaucratic Reform Decree No.16/2009 identifies nine levels that are relevant for teachers: IIIa-IIIId followed by IVa-IVe. Teachers are typically appointed at Level IIIa. Traditionally, it has been easy for teachers to accumulate the required credit points to gain promotion through to Level IVa, but further advancement has been difficult (Jalal and Mustafa 2001: 138; Suhardjono 2006). This is because teachers have had to produce a ‘written scientific paper’ (karya tulis ilmiah, KTI) to earn the points required to meet the requirements for Level IVa.31 Few teachers have been capable of doing this. The central government first

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31 Teacher’s work is seen as falling into four broad areas: (1) education (pendidikan), (2) study process (proses pembelajaran), (3) professional development (pengembangan profesi) and (4) supports for study process (penunjang proses pembelajaran). The KTI is considered a professional development activity. According to Suhardjono (2006), teachers could potentially accumulate the required credit points for promotion related to professional development through other professional development activities such as by producing creative works and engaging in curriculum development activities. But the required technical guidelines for such activities are so far ‘not yet operational, forcing a large proportion of teachers to use a written scientific paper (KTI) as their professional development activity’. 
introduced this requirement in 1993 (Minister of Bureaucratic Reform Decree No 84/1993). In 2009, it lowered the level at which the requirement became applicable from IVa to IIIb (Minister of Bureaucratic Reform Decree No 16/2009). The requirement was subsequently reinforced through joint regulations between the head of the State Personnel Body (BKN) and the Minister of Education (Peraturan Bersama antara Mendiknas dan Kepala BKN Nomor 03/v/PB/2010 dan Nomor 14 Tahun 2010 Tanggal 6 Mei Tentang Petunjuk Pelaksanaan Jabatan Fungsional Guru dan Angka Kreditnya).

Because few teachers have had the ability to produce a KTI in line with specified requirements, many teachers have failed to progress in their careers beyond level IVa/IIIb (Ludiyanto 2019). The number of affected teachers is very large. For instance, in 2010, Republika (2010) newspaper reported that according to official data sources: ‘In December 2009, there were 569,611 teachers at Level IVa and only 13,773 teachers at Level IVb. Meanwhile, there were 311,283 teachers at Level IIId who would soon be elevated to IVa.’ In 2015, Sulistyo, the head of the PGRI, claimed that the KTI requirement would prevent 800,000 teachers and supervisors from gaining promotion from IVa to IVb (Mulyana 2015; see also PGRI 2015). Another consequence of the KTI policy has been widespread manipulation and collusion in promotion processes involving school staff and local education agency officials. A significant number of those who apply for promotion reportedly plagiarise their KTI (JPNN 2019; Suhardjono 2006; Hartik 2017). Box Four explains how such manipulation and collusion works. As Jalal and Musthafa (2001: 138) have observed, ‘[a]n easy promotion’ thus ‘does not really mean that a teacher has an outstanding record of achievement or vice versa’ (see also World Bank 1998: 27-28). The policy has also spawned a small industry in training programs, competitions, workshops/conferences, publications and other activities designed ostensibly to support teachers in conducting research and preparing KTI. Many of these are funded by MoEC and administered or overseen by Ministry officials. The result is that predatory officials at the local and national levels have had a strong vested interest in the KTI policy.
Box Four

Collusion and Manipulation in Promotion Processes

In practice, not all teachers follow the required procedures for promotion. Many teachers adopt a strategy that involves payments to colleagues to assist in the fulfillment of promotional requirements. At the school level, supporting a teacher to meet such requirements is a source of additional income for lowly-paid contract teachers. These teachers organize a supporting team (known as a ‘success team’) to assist the candidate in assembling all the necessary pre-requisites for promotion.

Interviews with teachers in Pandeglang district revealed a figure of Rp 1 million (approx. $US70) as the price of a basic promotion. The supporting team will write the required scientific paper, mostly by copying and pasting from a existing research papers or online sources. This is followed by the organisation of a ‘seminar’ for the teacher to present their research paper, an event that is a purely a procedural requirement. This is the price and procedure for promotion from IIIa to IIIId.

Government regulations lift the bar for promotion from IIIId to IVa and the costs rise accordingly. To be promoted to IVa, teachers must write a paper from PTK (on PTK see the final paragraph in 7.3.1). Moreover, a teacher also must publish a research paper in a journal. For this process, a teacher is not only supported by the school-based ‘success team’, but must obtain support from Tim Kabupaten (the District Education Office Team) that verifies and approves the promotional credits accumulated by the candidate. Such support comes at a cost of around IDR 10 million to 15 million ($US 700 - 1500).

The step from IVa to IVb follows a similar pattern: more difficult criteria and higher costs. As a result, most teachers who attain the rank of IVa consider their career trajectory to have arrived at its final destination. As teachers get older and discretionary spending is redirected to their children’s education and other household needs, they become reluctant to invest more for a higher rank. While they do face the risk of demotion if they remain at the same rank for more than eight years, there is evidently no clear policy on this issue.

Technocratic elements have long expressed concern about the negative effects of the credit point system and the KTI policy specifically in terms of the disincentives it provides to teachers to improve their performance. For instance, in a 1998 report on Indonesia’s education system, the World Bank (1998: 27-28) argued that the credit point system had ‘not been effective in enhancing teacher quality for several reasons.’ These include that the KTI policy has entailed ‘a bias toward university teachers’ (sic) in that primary and junior secondary teachers, particularly those working in rural areas, are rarely in the position to publish papers, develop curricula, or even attend training.’ Another source of push back against the policy has come from the PGRI, marking a rare moment of discord between the

32 Interview with a contract teacher in Pandeglang, November 2020.
33 Interview with a high school teacher in Pandeglang, November 2020.
organisation and the predatory elite within the education bureaucracy with which it is so deeply entwined. The PGRI has argued that: ‘Making the research and publication of academic papers a mandatory activity for teachers to do in order to achieve promotion and more benefits is a terrible and wrong policy and could render teachers unable to teach’ (Sulistyo as quoted in Jong 2015). Furthermore, ‘…the regulation is not accordance with the article number 1 [Law] Number 14/2005 about the teacher and lecturer that state the main duty of the teacher is to educate, teach, guide, practice and evaluate the young learners in the formal education, in the level elementary and secondary level. Main duty of the teacher is different from the lecturer, in conclusion the requirements to get the promotion to be placed into higher level cannot be the same as for the lecturer. If this pattern is forced, many of them will be apathies, ignorance and even stress, rather than improving their qualities’ (sic) (PGRI 2015). The PGRI has accordingly called for the regulations providing for the KTI requirement to be cancelled (ACDP 2015) and for the government to adopt a simplified system that makes it easier for teachers to be promoted (JPNN 2019).

For their part, MoEC officials have defended the KTI policy, arguing that it plays an important role in improving the capabilities of the teacher workforce and enhancing student learning outcomes (Jong 2015). In 2010, for instance, Ahmad Dasuki, the Ministry’s Director for the Teacher Profession told the media that the policy was ‘aimed at making teachers accustomed to writing scientific papers from the outset’ in the hope that they would ‘produce scientific works that are useful for improving the study process and in so doing impacting on the quality of school graduates.’ (Republika 2010; see also ACDP 2015). In 2017, media reports suggested that Muhadjir Effendy, the Minister of Education, would water down the KTI requirement so that teachers would only be required to carry out a piece of ‘class-based action research’ (penelitian tindakan kelas, PTK) (Hartik 2017). The use of PTK appears to have been motivated by a belief that such a form of research would be easier for teachers to conduct (Hartik 2017). However, it is unclear whether this amounts to a change in policy: according to Sumini (2010), PTK has been a permissible form of KTI since 1995. Whatever the case, subsequent media reports suggest that teachers have remained disinterested in carrying out PTK, suggesting that the policy has had little effect (RadarSolo 2018).
7.3.2 Appointment to Senior Positions in Education Administration at the Local Level

Prior to decentralisation in 2001, senior positions in the education administration at the local level—including positions in the local education agency, school supervisor (pengawas) positions, and school principal (kepala sekolah) positions—were typically given to civil servant teachers who had risen up through the ranks. Such appointments were effectively controlled by officials in MOEC. Decentralisation saw district heads gain greater control over these appointments, leading in some cases to the appointment of non-teachers to these positions. This trend became apparent in the early days of decentralisation (see, for instance, Kompas 2003). Where it has occurred, it has disrupted pre-existing patronage networks controlled by MoEC officials, replacing them with new networks controlled by local politicians. It has also had implications for teachers’ career progression. It has prevented them from moving into better paid and more powerful school administrative and bureaucratic positions in the local education agency. This in turn has limited potential for them to move into local executive positions such as district head (bupati) and vice district head (wakil bupati) to the extent that local education agency heads are well placed to run for such positions.

These changes triggered pushback from predatory elements within the national arm of the PGRI and MoEC. Figures from both these organisations have argued that positions in school administration and the local education agency should be understood as part of the career paths pursued by teachers (jabatan karier). For instance, in 2003, Sudharto, the national head of the PGRI, called on the national parliament to enact a law covering teacher-related matters in general and teacher careers specifically to address the matter (Kompas 2003). In 2010-2011, the PGRI made a concerted effort to promote recentralisation of teacher administration in part on the grounds that local appointments had become politicised to the detriment of the education system (Kompas 2010; Republika 2011a; 2011b; Dewan Perwakilan Rakyat 2011). In 2014, Syawal Gultom, a senior MoEC official echoed the PGRI’s concerns stating that the Ministry was ‘trying to improve the recruitment system from the school principal role to head of the local education agency. This was to ensure that school principal and education agency head appointments were truly based on career abilities as a teacher’ (Wartakota 2014). The national arm of the PGRI (2015) continued to call for recentralisation of teacher governance in its 2015 ‘position paper’. PGRI head Unifah Rosyidi also did so during an oration delivered in 2019 when being confirmed as a
professor at Jakarta State University (UNJ), one of the country’s leading teacher training colleges. This speech prompted a commitment from the Ministry ‘to investigate the potential for centralised teacher governance’ (Media Indonesia 2019).

But so far, MoEC has been unable to effect the regulatory change predatory elements at the national level have desired. In 2019, the Ministry’s Secretary General Didik Suhardi gave some idea as to why when he told Media Indonesia (2019) newspaper that recentralisation of teacher governance represented a major decision because it related to regional autonomy; it would accordingly involve a joint decision with the legislature and other parties. This is unlikely to be forthcoming given the strong support for decentralisation within Indonesia’s regions and the potential for any steps towards recentralisation to fuel separatist in the regions. As such, regional elites have continued to be able to appoint non-teachers to the aforementioned positions. To give one example, in 2020, the Governor of West Java, Ridwan Kamil, appointed Dedi Supandi, a youth activist, as head of the West Java education agency, the third successive non-teacher to be appointed to the role. The West Java arm of the PGRI appears to have remained silent on the appointment (presumably reflecting its close association with the provincial education agency). But there were howls of protest from independent teacher organisations better able to speak out, albeit to no avail (Didikpos.com 2020). Supandi has remained in the head’s role since his appointment, although his tenure may prove short-lived since he has become embroiled in a corruption scandal related to his activities in a previous role (Supriadi 2020).

7.3.3 Upgrading of Honorary Teachers to Civil Servant Status

The increase in teacher numbers following decentralisation in 2001 was mainly due to an increase in the number of guru honor. For instance, as Pierskalla and Sacks (2020: 1290) have noted: ‘From 2006 to 2010, 377,000 new teachers were hired, 60% of them as contract teachers.’ The dramatic increase in the number of guru honor created new challenges with regards to teacher career paths because, on the one hand, guru honor became an increasingly important part of the teacher workforce and, on the other hand, they had no clear opportunities for professional development or career progression. Under government law and regulation, guru honor did not progress through the bureaucratic levels mentioned earlier, nor could they be promoted into school principal, supervisor or senior educational agency positions. Most importantly for our purposes, they were denied access to the salary
and pension benefits afforded to civil servant teachers including those associated with the teacher certification scheme.

Beginning in the early post-New Order period, *guru honor* have held strikes and protests to challenge the insecure nature of their work and demand that they be automatically upgraded to civil servant status without having to go through the general civil servant recruitment process (Fidrus and Sufa 2006; Boedwardhana 2006; Gunawan and Adi 2018). They have also demanded that they be granted access to the teacher certification scheme (*Jakarta Post* 2015). Numerous organisations have emerged to represent their interests in this respect with some of the most prominent being the Indonesian Honorary Employees Community (KTSI), the Honorary Teachers’ Communication Forum (FKGH), and the Indonesian Honorary Teachers’ Association (IGHI). Although the PGRI has historically backed the concerns of civil servant teachers over those of *guru honor*, it has also openly backed the latter’s campaign (PGRI 2015), perhaps recognising that it was losing ground to other teacher representative organisations for their support. In 2015, a group of *guru honor* challenged their exclusion from the certification scheme in the Constitutional Court but were unsuccessful (*Jakarta Post* 2015). The implicit threat in these protests was that, unless political leaders met the demands of *guru honor*, the latter would vote for their political rivals at upcoming elections. Indeed, there is evidence to suggest that *guru honor* representative organisations explicitly negotiated deals with political candidates trading votes for political support in their quest for civil servant status (Rosser and Fahmi 2016).

Faced with such protests, the central government initially capitulated. In early 2004, then Education Minster A. Malik Fadjar stated that he would upgrade honorary teachers to civil servant status as soon as possible (*Media Indonesia* 2004). In 2005, the government issued Government Regulation No. 48/2005 on the Appointment of Honorary Staff to Become Probationary Civil Servant, providing the legislative basis for the conversions. According to Huang *et al* (2020: 6): ‘The 2005 regulation served as a precedent. Contract teachers still demand to be automatically promoted as civil servants to date. From 2010 onwards, contract teachers were gradually promoted into civil service tenure.’ According to one source, more than one million *guru honor* were granted civil servant status between 2005 and 2014 (Pratama 2020). The government has rationalised this move by arguing that it will help the country deal with a looming teacher shortage driven by large numbers of retirements of teachers hired during the 1970s/80s (Indrasafitri 2010; *Jakarta Post* 2016).
In the midst of these developments, technocratic elements expressed concern about the budgetary impact of these decisions. They also raised questions about how the upgrading of guru honor to civil servant status would incentivise improved teacher performance and help the government address teacher distribution problems (see, for instance, Chang et al 2014: 163-164 and OECD/ADB 2015: 274).

In this context, the government responded by seeking to link the conversions to its Teachers on the Frontline (GGD) program, which was aimed at incentivising teachers to work in remote and disadvantaged areas. As the Jakarta Post reported (Sundaryani and Parlina 2016):

Following the biggest rally ever held by the teachers from Wednesday until Friday in Jakarta, Culture and Education Minister Anies Baswedan promised to grant them an immediate status change if they were willing to join the so-called Teachers on the Frontline (GGD) program. Under the program, qualified teachers are sent to teach in remote regions such as Papua, the country’s most remote and poorest province or in other poor provinces in Kalimantan and Sulawesi. "We have requested the Administrative and Bureaucratic Reform Ministry to hire 3,500 teachers to teach in remote regions and we are prioritizing those who have teaching experience," Anies said. However, Anies expressed doubt that contract teachers would apply for the program as many had demanded civil servant status in the region they were already settled, mostly in Java. The former Paramadina University rector emphasized that the education sector’s most pressing issue right now was how to redistribute the large number of teachers so that there were enough teachers in every region.’

More recently, the government has sought to address cost concerns by introducing the Government Official with a Contract (Pegawai Pemerintah dengan Perjanjian Kontrak) (PPPK) scheme in 2018. This scheme ‘opens up an opportunity for appointing a teacher to be a PPPK employee in case the intended teacher exceeded the maximum age set by the law to become a civil servant. The President added that a PPPK employee will have the same rights as a civil servant’ (Indonesia Government News 2018). According to Kompas newspaper (Kasih 2020), the government intends to recruit one million guru honor through the scheme with the recruitment process starting in 2021. The central government has committed to covering the cost of the PPPK schemes, explicitly saying that regional governments should not be discouraged from requesting the teachers they need because of local budget constraints. MoEC has justified the PPPK scheme on the grounds that:
‘Teachers who perform well will get their contracts extended. When they fail to perform, they will be laid off. So there's an incentive to perform well, like a stick-and-carrot mechanism’ (Ministry official quoted in Jong 2015).

8 Conclusion

This paper has examined the roots of Indonesia’s learning crisis. In contrast to analyses of poor learning outcomes that have emphasised factors such as inadequate funding levels, human resource deficits, perverse incentive structures, and poor management, it has argued that the roots of Indonesia’s learning crisis lie most fundamentally in the realm of politics. Specifically, it has argued that Indonesia’s ‘learning crisis’ has its origins in the political dominance of predatory political, bureaucratic and corporate elites during the New Order and post-New Order periods. With such elites exercising the dominant influence over education policy and its implementation, the government has given priority to training students to be loyal and obedient to the Indonesian nation, the Indonesian state and, to some extent, their religion rather than promoting learning along the lines assessed by tests such as PISA, TIMSS and PIRLS. Technocratic and progressive elements, who have supported a stronger focus on basic skills acquisition, have contested this orientation, with occasional success especially during the post-New Order period. But generally such contestation has been settled in favour of predatory elites. This does not mean there is no hope for the future, however. The emergence of more inclusive policy-making spaces as a result of democratisation and intensifying structural imperatives for Indonesia to improve education quality have created room for technocratic and progressive elements to exercise continued influence over education policy and its implementation. This is especially the case at the national level where these elements are strongest, although perhaps less so at the local level where predatory forces predominate.

What, then, are the implications of this analysis for efforts to promote improved learning outcomes in Indonesia? Most fundamentally, it suggests that these efforts are unlikely to produce significant results unless there is a fundamental reconfiguration of the political settlement that has characterised the country’s political economy since the beginning of the New Order. Specifically, there needs to be a marked shift in the balance of power between predatory elites, on the one hand, and technocratic and progressive elements, on the other, in
favour of the latter. As we have seen, technocratic and progressive elements have had different views with regards to how Indonesia’s education system should evolve and the sorts of learning it promotes. But they have had common cause in seeking to refocus education policy and its implementation away from servicing a predatory agenda towards a learning focus. In the absence of a shift in power in their favour, moves to increase funding levels, address human resource deficits, eliminate perverse incentive structures, and improve education management in accordance with technocratic templates of international best practice or progressive notions of equity and social justice—the sorts of measures that have been the focus of education reform efforts in Indonesia so far—are unlikely to produce the intended results.

In the past, such shifts have occurred in Indonesia as a result of major politico-economic ruptures such as the collapse of the Guided Democracy and New Order regimes. But they can also occur through more incremental processes. The best prospects for a shift through this mechanism probably lies in the intensifying structural imperatives for Indonesia to improve its education system that have emerged as the knowledge and technology sectors have become an increasingly important source of global economic growth. Structural imperatives have been a trigger for economic reform in Indonesia in the past, most notably during the economic crises of the mid-1960s, mid-1980s and late 1990s. In the mid-1980s, Indonesia introduced a range of deregulatory reforms following the collapse of the oil boom that were driven by demands from predatory elites to open up state controlled sectors of the economy such as banking and finance to the private companies they controlled (Rosser 2002). At this point, however, there is little sign that structural imperatives for improvements in the country’s education system have translated into greater support for change among such elites. Rather than build wealth through education-driven innovation and serious participation in the knowledge and technology sectors, they remain focused on seizing control over natural resources; securing privileged access to state contracts, licenses and concessions; and appropriating wealth from labour through measures to reduce terms and conditions of employment.

Nevertheless, there is probably some value in proponents of improved learning outcomes in Indonesia engaging more substantially with actors in the business community around issues to do with learning. There are two reasons for this. First, the
business community has the political clout to promote change in education policy and its implementation—especially vis-à-vis learning—should it choose to do so. Second, recent years have seen significant growth in so-called ‘creative industries’ such as information technology, software development, media, and film. To the extent that businesses in such industries are at the forefront of the emergence of a knowledge/technology-based economy in Indonesia, they may have different interests vis-à-vis the quality of Indonesia’s education system compared to businesses in industries such as manufacturing and mining that are reliant on unskilled labour and exploitation of natural resources. Serious potential for business lobbying for an improved education system awaits a marked change in the sources of wealth acquisition. But it may be possible to lay some groundwork for this moment in the meantime.

Concomitantly, there is likely to be less value in seeking to promote improved learning through engagement with parents and (school) students. Much analysis of the politics of learning in developing countries that has a policy focus expresses hope that parents and children—as the principal users/clients of education systems—will exercise ‘voice’ in a way that serves to put pressure on education providers and the state to improve quality. Yet, as the analysis above has illustrated, parents and students have been at best a minor player in contests over education policy and its implementation in Indonesia, with the dysfunctional character of school committees being perhaps the clearest indication of their weakness in this respect. To be sure a few individual parents—typically from middle class backgrounds—joined forces with NGOs and other progressive elements to engage in litigation that defeated market-oriented policies such as the BHP law, the national exam, and the ‘international standard schools’ policy (Rosser and Curnow 2014; Rosser 2015). But the wider pattern has been one of inaction.

Looking much longer term, even if there is a marked shift in the balance of power from predatory elites to technocratic and progressive elements, it is likely that there will continue to be struggle over the nature of education policy and its implementation in Indonesia, with important implications for learning outcomes. This is because, as noted, technocratic and progressive elements have distinct visions of how Indonesia’s education system should evolve and the sorts of learning it should promote. It is hard, if not impossible, to discern the parameters of the political settlement that will replace the current one and specifically what
the balance of power will be between technocratic and progressive elements. Nor is it clear how future struggles between these elements will play out. However, it is clear is that these political underpinnings will be fundamental in shaping the nature and extent of learning that occurs in Indonesian schools and, in turn, the country’s prospects for a more prosperous future.

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