

Local Governance Matters: Exploring Changes in District Education Governance and Management

Knowledge Brief

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Introduction

Decentralization reforms introduced in the early 2000s have shifted the responsibility for education service provision to local governments. In 2003, the Government of Indonesia's Education Law outlined the roles and functions in the education sector of each level of government. Districts were responsible for the overall organization of primary and secondary education and the hiring and deployment of teachers. Districts also had the authority to establish new schools, maintain the registration of existing schools and issue their own regulations on education standards. Provincial governments were also made responsible for the overall coordination and supervision of primary and secondary education.

Education performance across districts in Indonesia varies enormously. While disparities in the quality of education services between districts have been narrowing there are still significant differences. For example, the 2010 junior secondary

enrolment rate in Nusa Tenggara Timur was 51% compared to 75% in Nanggroe Aceh Darussalam. And differences between these provinces in UN national examination scores are also large; the average score in the junior secondary national examination was 75% in Nanggroe Aceh Darussalam compared to only 65% in Nusa Tenggara Timur.

While many factors explain differences in education performance a key driver is the quality of local governance. Though levels of poverty, geographical characteristics and the relevance of education for the local economy all play a role, the quality of local governance is also important. It affects a district's ability to hire the most competent teachers, allocate them to schools in a fair and effective way and provide the pedagogical support required to raise learning levels. It also influences the effectiveness of local governments to allocate resources in an efficient and effective way.

The local education governance survey set out to assess the quality of governance in 50 districts across Indonesia. The survey was conducted in 50 districts of 9 Indonesian provinces in 2009 and 2012 (see Box 1). The districts participating in the survey were part of the Basic Education Capacity Trust Fund (BEC-TF). Through the BEC-TF the Ministry of Education and Culture (MoEC) supports the Government of Indonesia's efforts to improve the delivery of decentralized basic education services. The BEC-TF was led by MoEC, supported by the World Bank and funded by the European Union and the Kingdom of the Netherlands. The program aimed to support capacity development in the education sector through the provision

of technical assistance and capacity building grants to district education offices. The survey provided an assessment that helped identify weaknesses in local capacity that could be strengthened through support from the BEC program. The follow-up survey in 2012 was intended to assess how local governance had changed as well as to see if capacity had been strengthened in the areas supported by the BEC program. This brief provides a description of the preliminary findings from the survey and highlights the main changes in education governance that have occurred between 2009 and 2012. A fuller report looking in detail at how governance changes have affected education performance is also under preparation.

Box 1: A brief introduction to the local education governance survey

The local education governance survey aims to assess the quality of education governance in 5 key areas:

1. **Transparency and Accountability.** The practices and regulatory efforts made by local governments to enable transparent, accountable and participatory governance of the education sector.
2. **Education Service Provision Standards.** The level and quality of existing basic education provision.
3. **Management Control Systems.** The systems in place to effectively manage assets, goods procurement, incentives for key professional staff and good practice dissemination.
4. **Management Information Systems.** Systems for data collection, management, storage and analysis that enable effective decision making on the basis of good quality information.
5. **Efficient Resource Use.** Systems in place to effectively plan, budget and monitor resource use.

The information collected in the survey was used to construct a set of indicators to measure the effectiveness of each local government in these 5 areas. For each area, a sub-index is constructed which is a weighted average of a set of individual indicators. Weights are based on whether the underlying indicators are measures of regulation, process or performance.¹ The overall Indonesian Local Education Governance Indicator (ILEGI) is a simple average of these 5 sub-indices and ranges from zero to one. Districts are categorized as having high performance if the ILEGI (or a sub-index) is greater than 60%, medium performance if the index falls between 45% and 60% and low performance if the index value is 45% or below. There are some differences in the indicators selected and the sources of information used when compared with the original report in 2010. For example, the Susenas household survey was used to calculate education enrolment rates for the ILEGI rather than using district level indicators that had only limited coverage.

In each district, key respondents were interviewed in all relevant district departments and heads of key accountability institutions (e.g. BAPPEDA, finance office, education office, head of the education council etc.). Information was collected from different respondents to triangulate the responses received and efforts were made to verify the information through reviews of documentation and through observation.

The survey was conducted in the 50 districts participating in the BEC program located in 9 provinces across Indonesia. An analysis of these districts shows that they have education indicators similar to the national average but have higher poverty rates.

Table 2 at the end of the brief provides a district ranking based on an average of a district's score in 2009 and 2012. This average provides the best measure of a district's overall level of education governance measured by the survey.

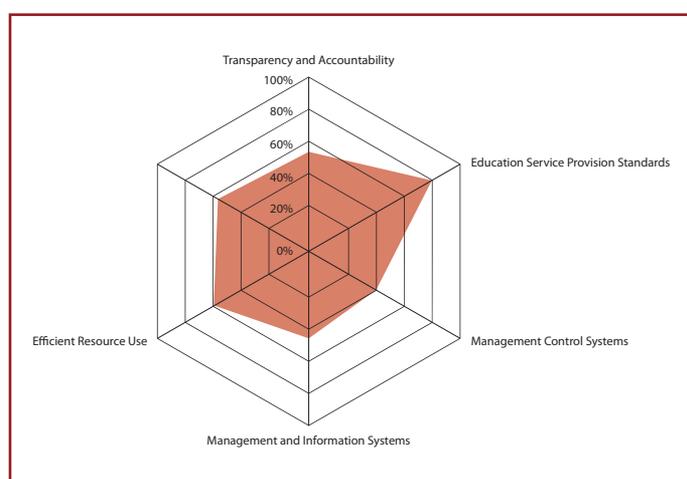
¹ See World Bank (2010). Governance matters to education outcomes. The Indonesia local education governance index (ILEGI): A report card of 50 local governments. Jakarta, World Bank.

The state of education governance in 2012

The results of the 2012 survey found that the overall quality of local governance in the 50 participating districts was in the middle of the performance range. In 2012, the average Indonesian Local Education Governance Index (ILEGI) score was 56%. This implies that, on average, districts were approximately half way towards the conditions associated with good quality governance and management in the education sector.

The quality of local governance varies across provinces and districts in Indonesia. While it is not possible to assess governance conditions in all districts in Indonesia it is clear from the surveyed provinces and districts that the quality of local governance varies considerably. Surveyed districts in Jawa Timur province were categorized as high performing compared to districts in the provinces of Papua and Papua Barat that were assessed to be low performing on average. Taking the average ILEGI score between 2009 and 2012, Table 2 shows that 14 districts are categorized as high performing in terms of the overall ILEGI. Bondowoso and Pacitan in Jawa Timur, Kebumen in Jawa Tengah and Sleman in Yogyakarta all have ILEGI scores in excess of 65% and are districts where the governance environment has the potential to support good education performance. Districts with the lowest levels of governance include Jayawijaya and Paniai in Papua and Manokwari in Papua Barat. In these districts the challenging governance environment in combination with higher rates of poverty and remoteness are likely to drive lower education performance.

Figure 1: Education governance indicators for 50 districts in Indonesia, 2012



Source: Indonesian Local Education Governance Survey, 2012.

The overall ILEGI masks differences across the specific areas of governance measured by the survey (see Figure 1). Local governments appear to perform strongly in terms of the education service provision standards the survey measured. This predominantly reflects the high level of access to primary and junior secondary schools in the surveyed districts. For example, the average primary and junior secondary enrolment rate for the participating districts was 84% in 2010, the latest year for which reliable information is available. However, a significant proportion of the districts had not achieved some of the other standards by 2012. For example, 43% of districts had not achieved the assessed standard associated with the minimum qualification levels of primary school principals.

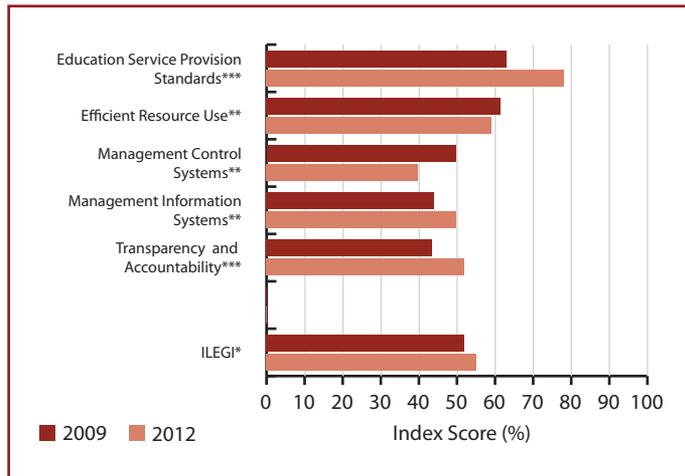
District performance in terms of the effectiveness of management control systems was also relatively weak. The average score across all districts for the management control sub-index was only 40% (Figure 1). Less than 20% of the surveyed districts were classified as high performing and over 40% were assessed to be low performing. The survey found that very few districts incorporated school development plans into their annual work plans and few had incentive systems in place for key education personnel. The documenting of innovative and best practice in order to disseminate these experiences to other schools was also weak in many districts and accounted for the relatively low assessment of the quality of management control systems.

Changes in governance between 2009 and 2012

Education governance has improved between 2009 and 2012 but overall these improvements have been small. It is possible to explore how governance has changed in recent times using the 2009 and 2012 rounds of the Indonesian local education governance survey. Overall performance has increased by 3 percentage points but performance remains firmly in the middle of the range (Figure 2). While the overall change in the ILEGI is small there have been significant changes in the sub-components of the index.

In the 50 participating districts, education service provision standards have improved significantly. This has been the result of general improvements in access as well as the qualification levels of key personnel in the education system. For example, the proportion of supervisors, school principals and teachers with a four-year university degree has increased dramatically over the three years. This is largely the result of the continued implementation of the national teacher certification program. The program has motivated teachers to obtain a university degree in order to be certified and obtain a professional allowance equivalent to their basic pay.

Figure 2: Changes in education governance between 2009 and 2012



Note: Asterisks indicate the level of statistical significance of a test between the 2009 and 2012 indices - *** - significant at the 1% level, ** - significant at the 5% level, * - significant at the 10% level.

Source: Indonesian Local Education Governance Survey, 2009 and 2012.

Improvements in transparency and accountability are also evident between 2009 and 2012. On average, participating districts are now performing in the middle instead of the bottom of the range. Underlying this positive trend are a number of important factors. Improvements are seen most strikingly in efforts by local governments to encourage greater community participation in decision making and oversight activities. For example, between 2009 and 2012 the proportion of districts that allowed public participation in parliamentary accountability and audit reporting sessions increased from 14% to 52%. Similar improvements in access were seen in the number of districts allowing public access to budget sessions in local parliaments. Improvements were also seen in the reporting procedures of local education offices. In 2012, nearly all of the district education offices were producing and making available progress reports on planned activities and budget disbursements.

While service standards and measures of transparency and accountability have been improving, the management control systems component of the ILEGI has declined. Efforts by local governments to systematically document and catalogue good practice seem to have weakened between 2009 and 2012. For example, in 2009 two-thirds of districts made efforts to identify and document good practice whereas in 2012 this

had fallen to less than half of all participating districts. This is of particular concern given the importance that local solutions play in improving the quality of education and the large number of well documented innovations that are taking place across Indonesia.

The efficient resource use component of the index also registered a decline but the factors underlying this shift are more mixed. In 2012, fewer districts involved their education councils in drafting the education strategic plan than in 2009. In terms of budget planning, the number of districts reporting gaps between planned and realized spending of less than 10% in the last three years also fell from 46% to 32%. This suggests that the effectiveness of the planning and budgeting process has deteriorated. However, the large adjustments in revised budgets due to revisions to intergovernmental transfers suggest that this may be the result of central government action rather than a reflection of local planning and budgeting processes.²

Local governments have also registered some important gains in the processes which determine how public resources are used. Some indicators in the efficient resource use component of the ILEGI have shown significant progress. For example, the proportion of districts that include measurable outcome indicators as part of their annual budgets increased from 72% to 92%. Improvements to the functioning of local planning and budgeting processes are also evident. Between 2009 and 2012 the proportion of districts that set budget priorities and ceilings before sector offices (e.g. the education office) start their own planning exercises increased from 44% to 74%. These improvements reflect, in part, efforts by the central government to introduce performance based budgeting and medium term expenditure frameworks.

The Basic Education Capacity Program

While the ILEGI provides a comprehensive assessment of the overall local governance environment, it can also shed light on district progress on the BEC program. A small subset of the 56 indicators used by the ILEGI was also included as part of the key performance indicators used to monitor progress on the BEC program. While the ILEGI does not measure all of the key performance indicators it is useful to see how these indicators have changed during the period the BEC program supported capacity building efforts.

² See for example the Wahana Aplikasi Pendidikan dan Informasi yang Baik (WAPIK) website that documents good practice in schools across Indonesia (<http://www.wapikweb.org/>).

Table 1: Progress on Selected BEC Key Performance Indicators

BEC key performance indicator	ILEGI area	ILEGI proxy indicators	Performance (% districts)	
			2009	2012
KPI 2: Publicly available information on education budget	Transparency and accountability	Financial reports are publicized in the local mass media	28	29
KPI 6: Community based accountability reviews take place	Transparency and accountability	Community is able to attend local parliament session discussing accountability and audit reports	14	52
KPI 3: Budget & expenditures are well defined, cost-based, linked to performance indicators	Efficient resource use	Education medium term and annual plans include indicative budget ceilings	76	88
	Efficient resource use	Planning and budgeting documents easily accessed by public	39	43
KPI 4: education budget execution rates	Efficient resource use	Difference between planned and realized expenditure is less than 10% in last 3 financial years	46	32
KPI 5: effective internal information, audit and control systems in place	Management control systems	Procurement of goods and services carried out with a bidding process	54	46
	Management control systems	Goods users carry out a yearly stock inventory	49	56

Source: Indonesian Local Education Governance Survey, 2009 and 2012.

Preliminary analysis of the BEC key performance indicators shows similar trends to the overall ILEGI. While the ILEGI indicators are close proxies it should be noted that they do not measure the KPIs directly. Table 1 provides a summary of the ILEGI indicators most closely associated with 5 of the 7 BEC Key Performance Indicators. Trends in the KPI proxy indicators follow a similar pattern to the overall sub-index of the ILEGI they are most closely associated with. For example, BEC key performance indicators on transparency and accountability (KPIs 2 and 6) generally show progress. However, indicators of efficient resource use show a more mixed picture. BEC key performance indicators associated with management control systems have moved in opposite directions; a greater proportion of districts carry out a bidding process for procurement whereas fewer districts appear to carry out yearly stock inventories (see Table 1). However, weakened good practice systems which factor in the decline of the overall ILEGI index on management control systems do not appear in the BEC key performance indicators.

A more detailed analysis of the effect that BEC capacity building efforts have had on local governance is currently underway. The ILEGI survey collected information on the use of BEC grants as well as other local and donor initiatives to build government capacity. It is therefore possible to explore more closely the effect of capacity building efforts in particular areas on local governance.

Conclusions

The Indonesian Local Education Governance Survey provides a comprehensive tool to measure the quality of local governance. Given the important role local governments play in the delivery

of basic education services it is crucial that the capacity and effectiveness of local governance is monitored on a periodic basis. The ILEGI is ideally suited to assess local education capacity and monitor the success of policies and programs that target improvements in local governance. As new programs are developed they should consider adopting the Indonesian Local Governance Survey as a way of monitoring progress.

The preliminary findings show that the quality of local governance has improved between 2009 and 2012 but overall performance remains in the middle of the range. However, there has been progress in some important areas. For example, efforts to introduce greater transparency, accountability and public participation into local decision making processes have led to improvements in the overall governance environment between 2009 and 2012. In other areas of governance the survey has revealed that local governments are slipping back. In particular, the effectiveness of management control systems and systems around the planning and budgeting processes appear to have weakened. Given the importance of these areas of local governance to the efficient and effective use of public resources it is important that the policy and capacity building efforts focus on these areas so that these declines are reversed in the future.

Further work is currently underway to explore in more detail these preliminary findings. A fuller report looking more closely at the factors driving these findings is currently being prepared. The more comprehensive report will provide further insights into the status of local governance and contribute to efforts by local governments to raise the quality and narrow inequality in their education systems.

Table 2: Indonesian Local Education Governance Index, average district scores (2009 and 2012)

District/Municipality	Transparency and Accountability	Education Service Provision Standards	Management Control Systems	Management Information Systems	Efficient Resource Use	ILEGI
Bondowoso	62.1	84.5	72.9	69.4	72.6	72.3
Kebumen	71.7	78.7	52.4	68.1	72.3	68.6
Sleman	57.2	77.7	28.7	80.6	87.1	66.2
Pacitan	58.0	82.1	76.3	44.4	65.3	65.2
Sampang	51.2	63.7	55.4	77.8	72.9	64.2
Trenggalek	54.8	85.5	56.9	68.1	54.2	63.9
Bojonegoro	55.1	81.2	49.1	73.6	59.2	63.6
Probolinggo (Kota)	52.6	82.3	49.8	61.1	64.8	62.1
Polewali Mandar	59.9	68.6	52.6	65.3	61.6	61.6
Aceh Utara	47.5	76.9	54.7	69.4	58.0	61.3
Wonogiri	58.8	82.0	22.4	59.7	83.2	61.2
Purworejo	42.0	74.5	70.5	59.7	58.9	61.1
Wonosobo	53.6	64.4	73.0	52.8	61.3	61.0
Sragen	49.6	79.6	46.5	65.3	63.3	60.9
Bangkalan	51.8	80.8	49.3	50.0	64.6	59.3
Demak	71.1	76.7	28.1	58.3	60.6	59.0
Jayapura	46.8	77.4	48.3	61.4	58.9	58.6
Brebes	48.5	75.7	55.0	33.3	80.1	58.5
Blora	51.8	70.7	31.2	56.9	78.4	57.8
Banjarnegara	47.6	66.5	61.7	54.2	56.8	57.4
Probolinggo	53.3	79.7	62.6	36.1	51.8	56.7
Aceh Besar	46.6	69.2	70.9	47.2	46.3	56.0
Nganjuk	47.6	81.5	48.7	45.8	55.2	55.8
Ternate	51.3	72.0	38.6	58.3	58.1	55.7
Rembang	53.0	89.5	21.7	45.8	64.2	54.8
Lhokseumawe	56.1	78.7	45.2	40.3	51.8	54.4
Majene	55.1	64.4	67.9	16.7	65.8	54.0
Aceh Tenggara	56.8	64.6	34.9	38.9	74.5	53.9
Ngawi	54.5	77.2	48.7	45.8	41.0	53.5
Seruyan	45.5	74.3	26.6	51.4	63.9	52.3
Nagan Raya	45.5	70.8	31.2	43.1	69.4	52.0
Jombang	44.4	78.5	50.5	27.8	58.5	52.0
Halmahera Selatan	48.0	62.3	50.3	44.4	53.0	51.6
Purbalingga	39.9	73.2	69.0	12.5	62.3	51.4
Aceh Barat	64.3	63.5	15.6	44.4	67.8	51.1
Kaimana	30.4	55.4	39.3	61.1	66.7	50.6
Kulon Progo	41.0	68.9	34.2	51.4	56.7	50.4
Bireuen	44.0	75.6	56.8	18.1	50.9	49.1
Teluk Wondama	51.4	50.4	33.9	59.7	49.4	49.0
Kepulauan Sula	25.5	41.0	48.2	52.8	75.6	48.6
Palangka Raya	34.6	79.4	45.8	33.3	43.7	47.4
Aceh Barat Daya	37.4	79.9	21.7	23.6	71.3	46.8
Kotawaringin Timur	27.9	77.1	8.9	51.4	59.2	44.9
Sorong Selatan	30.2	52.6	45.6	37.5	51.7	43.5
Nabire	46.2	48.6	42.2	27.8	42.3	41.4
Pegunungan Bintang	42.0	47.3	37.7	25.0	53.1	41.0
Mamasa	49.3	61.9	30.3	4.2	58.9	40.9
Jayawijaya	20.2	53.8	17.7	48.6	40.7	36.2
Manokwari	35.9	67.2	16.7	4.2	52.7	35.3
Paniai	13.7	37.2	35.4	19.4	30.6	27.3

Source: Indonesian Local Education Governance Survey, 2009 and 2012.

Researched and prepared by Samer Al-Samarrai and Jessica Ludwig-Maaroof, World Bank. The Government of the Kingdom of the Netherlands and the European Union have provided grants for the Basic Education Capacity Trust Fund (BEC-TF) with the purpose of supporting the Government of Indonesia in improving the delivery of decentralized basic education. Managed by the World Bank, the BEC-TF supports analytical work and thematic dialog in education between the Government and development partners at the national level. At local government level, it supports capacity development and strengthening of systems for planning, budgeting, financial and information management in the education sector.

The findings, interpretations and conclusions expressed in this publication do not necessarily reflect the views of the Government of Indonesia, the Government of the Kingdom of the Netherlands, or the European Union.

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