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**Policy Review Report:
Early Childhood Care and Education
In Indonesia**

**The Section for Early Childhood and Inclusive Education
Division of Basic Education
UNESCO Education Sector**

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Policy Review Report:
Early Childhood Care and Education in Indonesia

Presented by

The Section for Early Childhood and Inclusive Education
Division of Basic Education, Education Sector
UNESCO, Paris

January 2005

Approved by

The General Directorate of Out of School Education and Youth
Ministry of National Education of Indonesia

February 2005

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Glossary

BKB	Mother's Programme (Bina Keluarga Balita)
BKKBN	National Family Planning Coordination Board
D2	Two-year teacher-training college diploma
ECE	Early Childhood Education
EDI	EFA Development Index
EFA	Education for All
GDI	Gender-related Development Index
GDP	Gross Domestic Product
GEI	Gender Equality Index
GNP	Gross National Product
KB	Playgroup (Kelompok Bermain)
MONE	Ministry of National Education (of Indonesia)
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Cooperation and Development
PADU	Early Childhood Education (Pendidikan Anak Dini Usia)
Posyandu	Integrated Service Post
PPP GNI	Purchasing Power Parity Gross National Income
Pusat PADU	Early Childhood Education Centre
RA	Islamic Kindergarten (Raudhatul Athfal)
Rps	Rupiahs (Unit of Indonesian currency)
SD1	Grade one class in primary school (Sekolah Dasar 1)
SLTA	Upper secondary education
Susenas	National Social and Economic Survey (Survei Sosial-Ekonomi Nasional)
TK	Kindergarten (Taman Kanak)
TPA	Childcare Centre (Taman Penitipan Anak)
UNESCO	United Nations Educational, Scientific, and Cultural Organisation

Technical Notes

Age	Children's ages are expressed as follows: Children who are born and on the way to their first birthday are expressed as children of 0 ⁺ year or 0 ⁺ year olds; children who passed their first birthday and are on to their second birthday are expressed as children of 1 ⁺ year or 1 ⁺ year olds. Thus, 3 ⁺ year olds mean children who passed their third birthday and are onto their fourth birthday, and so on.
Early childhood care and education	In this report, the term is used to refer to the area of discipline that concerns the care, development and learning of young children of ages 0 ⁺ -8 years.
Early childhood services	<p>In this report, the term is used to refer to all types of formal, non-formal and informal early childhood care and/or education services catering for children ages 0⁺- 6⁺ years and/or their parents. Children enter into primary schools at the age of 7⁺- 8⁺.</p> <p>The Government's statistical definition of <u>educational early childhood services</u> includes six services – TK (Kindergarten), RA (Islamic Kindergarten), KB (Playgroup), TPA (Childcare Centre), BKB (Mother's Programme), and grade 1 in primary school. But in this Report, only the first four services are referred to as educational early childhood services, for the reason described on page 14 (Item 3.2.6.). Meanwhile, <u>care services</u>, as defined by the Government, refer to two specific parenting services – Posyandu, or Integrated Service Post, and BKB, or Mother's Programme. Detailed information on these major educational and care services is provided in Table 1 on page 10.</p>
Pre-primary education	In this Report, the term refers to education for children ages 4 ⁺ -6 ⁺ years, focusing on their preparation for formal schooling.
Rupiah	According to the exchange rate of January 2005, US\$ 1 is equal to Rp 9,200.

EXECUTIVE SUMMARY

The Review Visit

Within the framework of the UNESCO/OECD Early Childhood Policy Review Project, a team of five experts visited Indonesia from 25 August to 2 September, 2004, to review its early childhood policy. The Report is a result of this Review Visit.

Achievements

With the creation of the Directorate of Early Childhood Education in the non-formal wing of the Ministry of National Education in 2001, early childhood care and education in Indonesia has undergone significant changes. Non-formal services have been streamlined to diversify and expand service venues. Stakeholders of all levels have been mobilised to take up the provision responsibility. Parenting education has been reinforced, and emphasis is being placed on integrated approaches for the child's holistic development. General public awareness of the importance of early childhood care and education has increased, along with the demand for early childhood services.

Critical issues

With a 20% gross enrolment rate in pre-primary education, Indonesia ranks low among low-income countries. Regional gaps in access between rural and urban areas are pronounced, particularly in educational early childhood services, including Kindergartens (TK), Islamic kindergartens (RA), Playgroups (KB) and Childcare Centres (TPA). Care services for parents (i.e., Integrated Service Post, or Posyandu, and the Mother's Programme, or BKB) are more equitably accessed and distributed.

Expenditure on education in Indonesia is low (1.3% of GDP); lower still is investment in early childhood education, which is practically nil. In the absence of government investment, children benefiting from fee-paying early childhood services are from high-income groups. Expenditure in early childhood at the level of pre-primary education is nearly 100% private, with parents bearing the burden. Increase in public investment is essential; and efficient use of meagre public resources is necessary in order to extend early childhood education to more children, particularly those from low-income families.

Administrative coordination remains a daunting challenge. Particularly acute is the problem of coordinating the two directorates in the Ministry of National Education, which run formal and non-formal services on separate tracks. Inspection, training, curriculum development and policy planning are largely bifurcated into the two directorates.

More efforts are needed to meet the needs of care and educational workers in a more integrated manner. All possible venues must be explored to meet the training needs of various groups of the work force, and a quality control mechanism needs to be set in place. Early childhood-related data are severely lacking, particularly enrolment data by single year of age, data on financing, and information on teachers. Poor reporting methodology raises questions about the reliability of the data reported in government documents, including the Education for All (EFA) Plan.

Recommendations

The integrated services, notably, Posyandu and BKB, deserve continuing support to provide younger children with equitable access to basic care and education services. Integration should continue to be the Government's strategy to expand access and improve quality. But an increase in government investment is inevitably needed in order to ensure equitable access to educational services among older children. Free pre-primary education could be a priority area for the Government to invest in. Merging the two directorates in charge of early childhood in the Ministry of National Education is imperative to rationalise the country's early childhood services, training, monitoring, evaluation, and administration systems. Decentralisation is a factor to consider in implementing changes, and government decisions for policy changes must be translated into necessary legislation to ensure implementation.

1. INTRODUCTION

1.1. About the Project

1.1.1. **Context:** The world community that assembled in Dakar, Senegal, in 2000 for the 10th anniversary of Education for All (EFA) reaffirmed its commitment to early childhood care and education and set its development as the first of the six Dakar Goals for EFA. Yet, in most developing countries, early childhood care and education has not been part of public policy, and governments have limited capacity for developing policies and systems for it. Particularly lacking is knowledge on policy options and strategies for promoting the child's holistic development with limited resources.

1.1.2. In this context, UNESCO launched, as part of its 2004-05 planning, the UNESCO/OECD Early Childhood Policy Review Project (the Project, hereafter). The purpose is to provide selected countries with an opportunity to review their early childhood policies and identify concrete options and strategies for improvement. Four countries were selected on the basis of their expressed interest – Brazil, Indonesia, Kazakhstan and Kenya. The present review was conducted as part of Indonesia's participation in the Project, which is being implemented in collaboration with OECD.

1.1.3. **Activity:** Each country review involves the preparation of a Background Report, a Review Visit conducted by a Review Team and a Review Report containing specific policy recommendations. The Review Report is to be presented to national authorities and stakeholders for discussion and follow-up. The concerned UNESCO Field Offices also organise satellite activities for capacity building or for wider dissemination of the review results. At the global level, the results of the four countries' review processes will be published as a Synthesis Report and an Executive Summary, which will serve as policy reference materials for early childhood education planning in other countries.

1.1.4. **Implementation structure:** The overall planning and coordination of the Project is the responsibility of the Project Secretariat set up at the UNESCO Headquarters. For implementation at the national level, a Country Task Force was set up in the education ministry, which signed a Memorandum of Understanding with UNESCO. The Country Task Force, joined and assisted by the concerned UNESCO Field Office, is responsible for preparing the Background Report, and it represents the national authority to which the Review Report is submitted.¹

1.1.5. **Review framework:** There are five categories of policy issues concerned in the Project: access, quality, resource, government coordination and data/research development. But assuming that these policy issues will manifest themselves differently in individual countries, consideration is also given to country-specific issues; and highlights of the review vary depending on the country's specific situation and needs. Reviewed services include formal, non-formal and informal early childhood services catering for children from birth to the age of entry into primary school. Services for parents are also included.

1.2. Review Visit in Indonesia

1.2.1. **Preparation:** Prior to the Review Visit, a Background Report was prepared by the Country Task Force set up in the Ministry of National Education (MONE) and submitted to UNESCO.² In selecting the visit sites, differences in socio-economic strata, regional balance, age groups, ethnicity/religion, and policy implications were taken into account.

1.2.2. **Schedule:** The Review Visit took place from 25 August to 2 September, 2004, in the provinces of Jakarta, Yogyakarta (Yogyakarta, Sleman and Kulon Progo), Banten (Rajeg) and South Sulawesi (Maros, Baru and Makassar). Sites included primary schools (SD), Kindergartens (TK/RA), Playgroups (KB), Childcare Centres (TPA), Integrated Service Posts (Posyandu), Mother's

¹ For details, see the *Implementation Guidelines for the UNESCO/OECD Early Childhood Policy Review Project*, of which a copy can be obtained from UNESCO Headquarters (sh.choi@unesco.org).

² A copy can be obtained from UNESCO. Please contact: sh.choi@unesco.org

Programmes (BKB), ECE Centres (Pusat PADU), non-formal school settings and teacher-training centres³.

1.2.3. The Review Team also participated in meetings with various government authorities responsible for the planning and implementation of early childhood policies in Indonesia, such as representatives of the MONE, officials from other concerned ministries, members of the ECE Forum, and provincial/district government authorities. Other national stakeholders such as academics, professionals, Non-Governmental Organisation (NGO) associations and national networks of service providers (e.g., teachers' associations) and service users (e.g., parent groups) were also present in the meetings.

1.2.4. **Review Team:** The Review Team consisted of five international experts from different areas of specialisation: Gabriel Carron (former senior expert, IIEP, Paris), Khoo Kim Choo (international consultant on children and families, Singapore), Raynold Lortie (statistician, UIS, Montreal), Abrar Hasan (OECD, Paris) and Soo-Hyang Choi (UNESCO, Paris). The team was accompanied and assisted by the personnel of the Country Task Force, Hye-Jin Park of UNESCO, Paris, and Mira Fajar of the UNESCO Office in Jakarta.⁴

1.3. The Review Report

1.3.1. The Review Report was prepared on the basis of the observation notes submitted by the members of the Review Team and the information provided in the Background Report. Efforts were made to highlight key issues that deserve the Government's immediate attention, rather than inventorying all the observations. Detailed analyses were attempted for some critical issues for which relevant data are available. Recommendations are centred on global policy and specific key tasks that need to be launched with priority.

1.3.2. The review process and the formulation of the recommendations were guided by the following assumptions. First, the ultimate purpose of early childhood care and education is children's holistic development. The child's preparation for formal schooling is viewed as an integral part of holistic development, not as an isolated objective. Second, the government policy on early childhood should be affirmatively pro-poor, addressing the issue of inequity as a priority. Third, early childhood care and education lays the foundation for lifelong learning; and the transitions from home to early childhood services and from early childhood services to schools must be smooth.

1.3.3. Some difficulties were encountered in seeking to perform an evidence-based analysis with a comprehensive perspective. The main limitation was a lack of relevant data, particularly on the activities in TK and RA, the formal early childhood services under the Directorate of Kindergarten and Primary Education in the MONE. Also lacking are data on access and finances, making the review of these issues rather sketchy. Discussions involving data in this Report, thus, must be interpreted with caution. Data quoted from the National Plan of Action: Indonesia's Education for All (EFA Plan, hereafter) are also prone to errors. Lack of information on the activities of ministries other than the MONE also made the review and its recommendations skewed to the perspective of the MONE.

2. COUNTRY PROFILE

2.1. Socio-Economic Profile⁵

2.1.1. **Demography:** Indonesia is one of the most populous countries in the world with over 200 million people. Some 30% are under 15 years of age. Its demographic profile, however, is fairly

³ See Annex 1 for details.

⁴ See Annex 2 for details.

⁵ See Annex 3 for a more detailed profile in comparison with other countries.

stable. Population growth has been slowing, with a 1.1% growth rate projected for 2002-15. Its fertility rate, at 2.3 in 2002, has also been decreasing.

2.1.2. Economy: Indonesia ranks as a low or lower-middle income country, with a Purchasing Power Parity Gross National Income (PPP GNI) per capita of \$3,070 (2002). Its Gross Domestic Product (GDP) growth rate, at 3.7% in 2001-02, is relatively low in the region. Industry is the largest contributor to GDP. With a GINI index⁶ of 34.3 in 2002, Indonesia does not have particularly gaping disparities in income distribution.

2.1.3. Women and child development: In 2002, about 59% of women between ages 15 and 64 in Indonesia were in the labour force. The education of girls and women in Indonesia does not face major obstacles: the female adult literacy rate continued to increase for the last two decades, reaching 83% in 2002. Despite the female population's active participation in education and the labour force, however, Indonesia's Gender-related Development Index (GDI) ranks relatively low at 90 out of 144.

2.1.4. Eighty-nine percent of pregnant women in Indonesia receive prenatal care, yet births attended by skilled health staff stand at only 64%. This is reflected in Indonesia's relatively high maternal mortality ratio reaching 230 for every 100,000 cases. By global standards, the under-5 mortality rate in Indonesia (45 per 1000 births) is relatively low and the child immunisation rate for measles (76%) is relatively high.

2.2. Educational Profile⁷

2.2.1. Education system: The formal education system consists of six years of primary education (SD), three years of lower secondary education (SMP), three years of upper secondary education (SLTA) and four years of higher education. The nine years of primary and lower secondary education are compulsory basic education, which is free, in principle, under the 1994 free compulsory education policy. Children start formal schooling at the age of 7⁺/8⁺ years.⁸

2.2.2. Both lower and upper secondary education have two tracks – general (SMU) and vocational (SMK). Higher education is offered through diploma and bachelor's degree courses. Colleges offer one-, two-, three- and four-year diploma courses (D1, D2, D3, and D4), while four-year universities offer bachelor's degree courses (S1). Higher education also includes post-graduate programmes (S2) and doctoral programmes (S3). Open Universities provide distance higher education programmes (UT).

2.2.3. Parallel to the secular education system is a system of religious schools. Madrasah Ibtidaiyah (MI) is the Islamic primary school, Madrasah Tsanawiyah (MT) the Islamic lower secondary school, and Madrasah Aliyah (MA) the Islamic upper secondary school. Islamic universities also exist.

2.2.4. Parallel to the formal system is a set of accredited non-formal programmes known as Package A Learning Programme (Kejar Paket A), a non-formal programme equivalent to primary education; Package B Learning Programme (Kejar Paket B) for lower secondary education; and Package C Learning Programme (Kejar Paket C) for upper secondary education.

2.2.5. Literacy: The adult literacy rate, for both males and females ages 15 and older in Indonesia, is relatively high at 92% and 83%, respectively, compared with the world averages of 84% and 71%, respectively. The nine-year free compulsory education policy has contributed to a further increase in the overall literacy rate among the population ages 10 and above in the past several decades.

⁶ An index that measures the extent to which the distribution of income among individuals or households within a country deviates from a perfectly equal distribution.

⁷ See Annex 3 for a more detailed profile in comparison with other countries.

⁸ 6⁺ year olds can also be admitted.

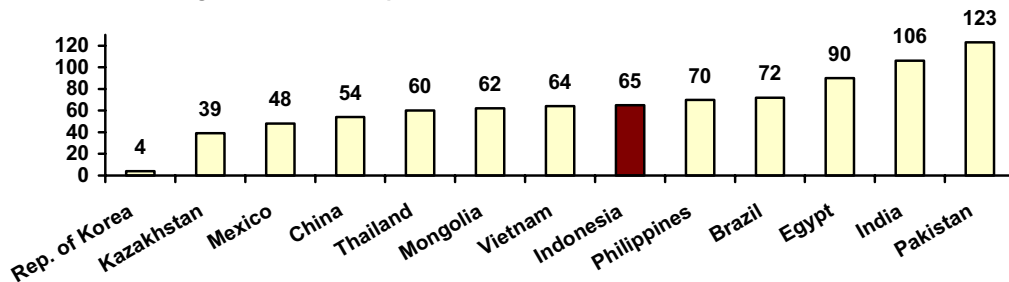
2.2.6. Participation in education: The official gross enrolment ratio in pre-primary education in Indonesia stood at 20% in 2001-02. Net enrolment in primary and lower secondary education was 96% and 81%, respectively, in 2003, but the net enrolment ratio in upper secondary education remained at only 50%. Indonesia has a very high percentage of private enrolment, especially in pre-primary education, where private enrolments make up nearly 100% of the total.

2.2.7. Educational financing:⁹ The financial responsibility for achieving nine years of free compulsory basic education is divided among the central government, Provinces, Districts and Municipalities.

2.2.8. Indonesia's expenditure on education as a percentage of GDP is extremely low at only 1.3%. While primary and secondary education takes up about 80% of the education budget, expenditure on pre-primary education stands at a mere 0.1%.

2.2.9. Achievement of EFA goals: Indonesia's EFA Development Index (EDI) is .0912¹⁰ (2001). Its rank among other countries is shown in Figure 1. The scores of the four individual constituents of Indonesia's EDI are as follows: 54 for net enrolment rate in primary, an adult literacy rate of 68, a Gender Equality Index (GEI) of 61, and a survival rate to grade 5 of 71. The weakest constituent of the EDI is the survival rate to grade 5, indicating a need for improvement in the efficiency of primary education, which is directly linked to the provision of early childhood care and education.

Figure 1: EFA Development Index ranks of selected countries, 2001



Source: EFA Global Monitoring Report. (2004). Paris: UNESCO Publishing.

2.3. Early Childhood Profile

2.3.1. Legislative status: In Indonesia, early childhood education is not part of the formal education system. National Education System Law 20/2003 recognises early childhood education as a stage preceding basic education and stipulates that it can be organised formally, non-formally or informally. Notwithstanding certain inconsistencies in the law regarding the status of early childhood education within the education system, its passage has provided Indonesia with a stronger foundation for the implementation of early childhood care and education.

2.3.2. Service structure: Five key early childhood services can be identified in Indonesia. A summary of their profile is as follows:

⁹ See Tables 7, 8 and 12 in Annex 3.

¹⁰ The arithmetical mean value of net enrolment rate in primary education, adult literacy rate, gender equality index and survival rate to grade 5. The EDI value falls between 0 and 1. The closer to 1 a country's EDI is, the nearer it is to achieving EFA overall.

Table 1: Profile of key early childhood services¹¹

	Kindergarten (TK) / Islamic Kindergarten (RA)	Playgroup (KB)	Childcare Centre (TPA)	Integrated Service Post (Posyandu)	Mother's Programme (BKB)
Child age	4 ⁺ -6 ⁺	2 ⁺ -6 ⁺	3 months-6 ⁺	0 ⁺ -6 ⁺	0 ⁺ -5 ⁺
Target	Child	Child	Child	Child and mother	Mother
Focus	Pre-primary education Child development and school readiness Religious teaching in RA	Play-based education Mental and emotional development	Care service for children of working parents; combined with a child development component	Health service for mothers and children; combined with parenting education	Parenting education; activities for children also offered during meetings
Opening hours	2 hours daily	2 hours, 3 times/week	8-10 hours daily	2 hours, 2 times/month	2 hours, 2 times/month
Number of centres (year)	TK: 47,746 (2002) RA: 11,560 (2002)	1,256 (2002)	1,789 (2002)	245,758 Posyandu, of which many inactive (2000)	244,567 BKB groups, with 125 mothers per group (2000)
Number of children enrolled (year)	TK: 1,749,722 (2002) RA: 378,094 (2002)	36,649 (2002)	15,308 (2002)	60-70% average attendance rate by mothers (2000)	21% average attendance rate by mothers (2000) Estimated number of children reached: 2,256,204
Required qualification level for teachers	2-year teacher-training college diploma (D2)	Upper secondary education (SLTA) with job-related special training including apprenticeship	Upper secondary education (SLTA) with job-related special training including apprenticeship	Lower secondary education (SMP) with job-related special training including apprenticeship	Lower secondary education (SMP) with job-related special training including apprenticeship
Responsible government agencies	Ministry of National Education Ministry of Religious Affairs – supervision and monitoring of RA	Ministry of Social Welfare – supervision Ministry of National Education – curriculum	Ministry of Social Welfare – care and social service component, supervision Ministry of National Education – guideline development	Ministry of Health – technical support, supervision Ministry of Home Affairs – initiated the service in partnership with the Family Welfare Empowerment Movement	Ministry of Women's Affairs – policy National Family Planning Coordination Board – delivery and supervision

2.3.3. TK, or Kindergarten, is the main centre-based pre-primary education service catering for children ages 4⁺ - 6⁺ years. RA is the same as TK, but with emphasis on Islamic teaching. Though both TK and RA have expanded rapidly during recent years (the gross enrolment rate increased from 6% in 1970 to 19% in 2000), access is still limited to the privileged few.

¹¹ Statistical data on TK, RA, KB and TPA in this table were presented by the Minister of National Education at the E-9 Ministerial Review Meeting organised by UNESCO in December 2003. The data on Posyandu and BKB have been extracted from the National Case Study on the Early Childhood Care and Education in Indonesia prepared by the UNESCO Office in Jakarta for the same Ministerial Review Meeting.

2.3.4. KB, or Playgroup, caters for children ages 2⁺ - 6⁺ years. But in urban areas, KB tends to refer to the junior classes for 2⁺ and 4⁺ year olds in the TK or RA, that place emphasis on playing activities. In disadvantaged areas where there are no TK or RA, KB is simply the name of a half-day service catering for children ages 2⁺ - 6⁺ years.

2.3.5. TPA, or Childcare Centre, caters for children ages 3 months to 6⁺ years while their parents (especially mothers) are working. Set up near the parents' workplaces, TPA is originally a childcare service for working mothers. But in urban areas, it has increasingly incorporated educational activities, catering for the "edu-care" needs of high-income working mothers, while in rural areas, the childminding function still dominates.

2.3.6. Posyandu, or Integrated Service Post, was originally a community health centre where pregnant or breastfeeding mothers came to receive health care (e.g., supplementary nutrients, immunisation, etc.) for themselves and for their young children. It has now evolved into a comprehensive service centre for mothers where they come twice a month, not only to receive health care, but also to learn about parenting. Recently there have been efforts to incorporate a service for children who accompany their mothers to the centres.

2.3.7. The initial purpose of BKB, or Mother's Programme, was to provide mothers with information on parenting skills – how to nurture and supervise the physical, emotional and intellectual development of young children. BKB is now delivered jointly with Posyandu, reinforcing the latter's parenting function. Both Posyandu and BKB are delivered by trained volunteers.¹²

2.3.8. **Ministerial auspices:** Indonesia has a parallel arrangement of ministerial responsibilities. The MONE was made responsible for the development and supervision of TK, together with the Ministry of Religious Affairs, responsible for RA. Similarly, the responsibilities of the Ministry of Social Welfare overlap with the MONE. The Ministry of Health is also involved with these age groups to ensure the healthy development of children in diverse early childhood services, and is involved specifically with providing technical support to and supervising Posyandu. The National Family Planning Coordination Board (BKKBN), responsible for the delivery and provision of BKB, cater for children ages 0⁺-5⁺ years, together with the Ministry of Women's Affairs, which is responsible for the policy component of BKB.

2.3.9. Within the MONE, the Directorate of Early Childhood Education (PADU Directorate) looks after the development of policy and the provision and supervision of early childhood services from the non-formal education track. The Directorate of Kindergarten and Primary Education, on the other hand, has a more formal approach, centring on the management and operation of TK/RA from the formal education track. In 2001, the PADU Directorate was established under the MONE to promote a holistic approach to early childhood and improve the quality of early childhood services.

2.3.10. **Coordination Mechanisms:** Two existing mechanisms serve as vehicles that different actors of government and civil society can use to forge partnerships – the Early Childhood Education Forum (ECE Forum) and the Early Childhood Education Consortium (ECE Consortium). The Forum consists of high-level government officials from all concerned inter-ministerial and multi-sectoral coordinating bodies. Its main function is to develop and coordinate early childhood policies. In 2001, the PADU Directorate supported the creation of the ECE Consortium, comprised of professionals and community leaders, to coordinate non-formal early childhood services (excluding TK/RA) across different ministries.

2.3.11. **Decentralisation Policy:** The decentralisation policy in Indonesia went into effect in 2001. Since then, many of the administrative responsibilities for education have been transferred from the MONE and its regional branches to the Municipalities and Sub-districts.

¹² Health care at Posyandu is provided by government health care workers.

2.3.12. Funding: The three main sources of funding for education are the central government, the local government and parents. Government funds, drawn directly from the education budget in the form of block grants, are decentralised from the central government to the provinces and down to the lower levels of administration.

2.3.13. EFA objective for early childhood care and education: The Government's EFA Plan on early childhood includes the following objectives: (1) increasing the participation rate of children ages 0⁺-6⁺ years in care services from 37% in 2001 to 85% in 2015; (2) increasing the participation rate of children ages 0⁺-6⁺ years in education services from 28% in 2001 to 75% in 2015; (3) improving the quality of early childhood services; and (4) increasing the number of private partners in the provision of early childhood care and education.

3. REVIEW RESULTS

3.1. Achievements

3.1.1. Creation of PADU Directorate: The creation of the PADU Directorate in the non-formal wing of the MONE in 2001 was a landmark event that sparked significant changes in the ways in which early childhood services are conceptualised, programmed and delivered in the country.

3.1.2. Non-formal approach: A notable achievement of the PADU Directorate was the streamlining of non-formal services within the government administrative structure. KB and TPA had existed even before the PADU Directorate came into being; but it was with the PADU Directorate that these and other grassroots services came to be recognised and embraced by government planners. The scaling up certainly helped diversify service venues for early childhood, which were previously confined to formal TK/RA services. In addition, it opened up the possibility of extending early childhood services to disadvantaged children.

3.1.3. Multiple stakeholders: Knowing that diversifying service providers could be a strategy to diversify service venues, the PADU Directorate launched relentless advocacy efforts to mobilise communities, private enterprises, NGOs, parents and local authorities. In the process, the general public's understanding of the importance of early childhood was raised, along with the demand for early childhood services. More important, partnerships formed at the local level have served as a vital mechanism ensuring delivery of early childhood services in the era of decentralisation.

3.1.4. Parenting education: Parents are another group of actors whose importance in the care and education of young children was highlighted by the PADU Directorate. Posyandu, initially a health service for mothers and young children, evolved into an integrated early childhood service which mothers visited not only for health care but also for information on providing early educational stimulation to their children. Although Posyandu should not be included in data concerning the child's participation in care services – a standing issue to be corrected – it clearly reflects the Government's perspective and intent in considering parents and families as an important vector for early childhood care and education.

3.1.5. Integrated approach: One of the strong points of the PADU Directorate is its emphasis on implementing integrated approaches. Particularly highlighted was the integration of health or care and education services, as best represented by the joint delivery of Posyandu and BKB. In Taman Posyandu, the effort was directed to integrating parenting services with services for children so that one service facility can cater for both parents and children. The integrated approach allowed the Government to provide the expand services without a costly set-up of new services. Also, considering that integration is one of the most important indicators of quality, Indonesia has taken important steps towards improving the quality of early childhood services.

3.1.6. Coordination: The drive to integrate services at the delivery level necessitated coordination among different actors at the system level. The PADU Directorate tackled this by setting up coordination mechanisms. Under its leadership, two inter-sectoral coordination mechanisms were established – the ECE Forum for high-level government officials coordinating policy, and the ECE Consortium for middle-level technical government officials and professionals on programme matters. Though their effectiveness, especially in developing and implementing an integrated policy, is subject to dispute, the existence of these two coordination mechanisms has signalled to the concerned stakeholders that their efforts will bear the most fruit when they work in partnership. They can actually serve as a galvanising force for the mobilisation of various stakeholders to support the implementation of government action.

3.1.7. Integrated curriculum: In 2002 the Curriculum Development Centre of the MONE announced the Competence-based Curriculum for Early Childhood Education. A first of its kind, the curriculum is proving its potential as a key instrument for converging different services within a progressive lifelong learning framework. It also showed the MONE's clear awareness of the need to embrace different types of services, not only administratively, but also pedagogically. This is an indirect indication that the MONE is prepared to assume the role of lead agency in early childhood.

3.1.8. Improved training: Various efforts have been made to improve the training of early childhood educators, though a more systematic coordination would have been desirable. The Directorate of Kindergarten and Primary Education is making efforts to develop a Professional Development System to improve the education and training of TK teachers and supervisors. The PADU Directorate has also offered, in collaboration with the ECE Forum and the ECE Consortium, in-service training to educators of TPA and KB. The training of volunteers of Posyandu and BKB is also an important achievement by the PADU Directorate through which the delivery of these two services is being sustained.

3.1.9. Law 23/2000: The country's integration efforts reached a watershed with the announcement of the Law 20/2003 on National Education System. In Article 28, the law recognises early childhood education as the stage prior to basic education. More importantly, it says that early childhood education can be delivered through formal, non-formal and informal modes, embracing all types of services that exist in the country – TK, RA, KB, TPA, Posyandu and BKB – within the broad concept of PADU. This integration under the concept of PADU paved the way legally for the MONE to play the role of lead agency in early childhood, though little has been done to translate this implicit mandate into reality.

3.1.10. Looking forward: These achievements are great both in number and in significance. Expanding access to early childhood services by diversifying their venues is a goal shared by many countries, but one that rarely yields concrete results. The will to boost parenting education is ubiquitous, but few countries have matched it with concrete services. EFA plans on early childhood around the world do not fail to mention the necessity of mobilising various stakeholders, an objective that is often, and unfortunately, met with a tepid response on the ground. Finally, integrated early childhood services and systems largely remain on paper in many countries.

3.1.11. Yet, the challenges that remain in Indonesia are as great as the progress that has been made. These challenges should be seen as the natural result of new issues engendered through making progress. The following section summarises some of the major challenges that need to be addressed for Indonesia to continue its progress in the care and education of young children.

3.2. Critical Issue I: Participation

3.2.1. Introduction: Low participation in early childhood services is a problem in many countries in the developing world, but it is especially pronounced in Indonesia. Even with the most generous estimate, the country's participation rate in early childhood services, especially in education services, is one of the lowest in the world. Yet, as discussed below, the severity of the problem has

been somewhat masked, though inadvertently, by inflated enrolment data, posing the risk of continuing government complacency.

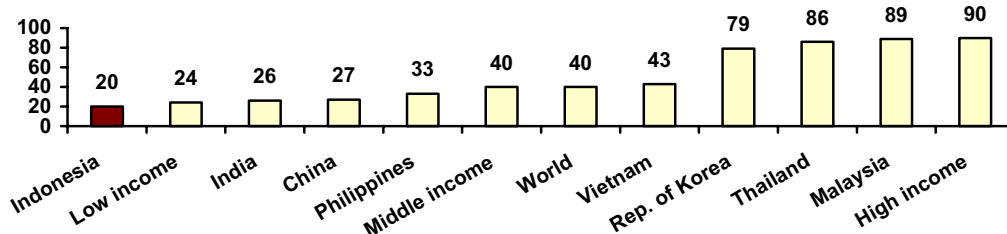
3.2.2. Inequitable access to early childhood services is another global problem experienced by many countries; and Indonesia is no exception. The extremely high proportion of private provision (99%), combined with the extremely low participation rate, has perpetuated the disparity between the disadvantaged and the advantaged in their access to early childhood services. Yet, supporting data are disappointingly scanty, and examination of the nature and depth of the problem has been erratic, impeding the effort to raise the issue to the level of policy discourse.

3.2.3. Finally, according to Indonesia's EFA Plan, TK and RA will continue to remain the main services in terms of access and budget allocation. Yet the Review Team's analysis reveals that it is precisely in these two education services that the largest inequity gap in access exists. How the Government plans to expand them without further limiting disadvantaged children's access to early childhood learning opportunities is not clear.

3.2.4. The following sections review and analyse these interlinked issues that need to be addressed and resolved in order for the Government to develop a more valid access plan.

3.2.5. **Enrolment rate:** According to its EFA Plan, Indonesia's gross enrolment rate of children ages 4⁺-6⁺ years in educational early childhood services was 15% in 2000. The World Development Indicators (2004) reports a somewhat higher figure – 20% (2001/2)¹³ – for Indonesia's gross enrolment rate in pre-primary education. Even if the latter is the current rate, Indonesia still lags behind many developing countries in the region (Figure 2). India and Vietnam, for instance, whose GDP per capita is lower than that of Indonesia,¹⁴ show rates of 26% and 43%, respectively. At the global level, the low-income countries' average stands at 24%, still higher than Indonesia's 20%.

Figure 2: Gross enrolment rate of pre-primary education in selected countries, 2001/2



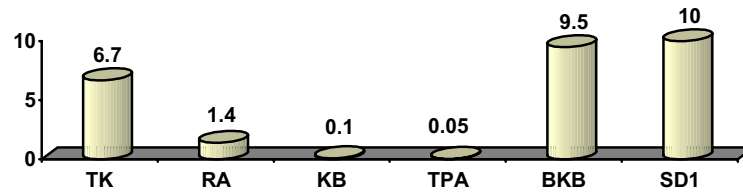
Source: World Development Indicators. (2004). The World Bank.

3.2.6. Meanwhile, according to Indonesia's EFA Plan, the gross enrolment rate of children ages 0⁺-6⁺ years in educational early childhood services is 28% (2001). This rate is, however, subject to dispute. To arrive at this figure, the Government considered enrolments in six services – TK, RA, KB, TPA, BKB and grade one class in primary school (SD1). But BKB is a service for mothers, not for children; and SD1 is primary education, not early childhood education. Without these two services, the rate comes down to 8% (Figure 3).

¹³ Even though the figure from the World Development Indicators refers to pre-primary education, which concerns services catering for children over 3⁺ years, as the participation rate of children below 4⁺ years in Indonesia is almost negligible (Figure 3), the figure is likely to refer to the participation rate of children over 4⁺ years in TK and RA.

¹⁴ The PPP GNI per capita of Indonesia in 2002 was \$3,070, compared with \$2,650 of India and \$2,300 of Vietnam. Source: World Development Indicators. (2004). The World Bank.

Figure 3: Distribution of gross enrolment rates in TK, RA, KB, TPA, BKB and SD1, 2001



Source: National Plan of Action: Indonesia's Education for All. (2003). Jakarta: Proyek Pendidikan Luar Sekolah.

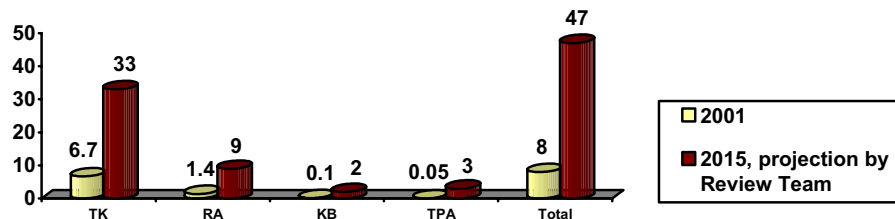
3.2.7. A similar inflation is observed in the calculation of the gross enrolment rate in care services. The rate reported by the EFA Plan stands at 37% (2001). Included in the care service category were Posyandu and BKB. Since these two services target parents, not children, no enrolment data for children can, in principle, be drawn from them. Even if the 37% is accepted as a proxy for children's participation in care services,¹⁵ the figure amounts to double counting, since the two services are delivered to the same group of mothers in the same service venue. Thus, the figure may need to be adjusted to 19% (Figure 4).

Figure 4: Comparison of the current gross enrolment rates in education and care services estimated by the Government and by the Review Team, 2001



3.2.8. A similar technical adjustment is also needed to reach the targeted enrolment rate for 2015. Under the EFA Plan, the target gross enrolment rate of children ages 0⁺-6⁺ years in educational services¹⁶ by 2015 is 75%. But a detailed analysis of the expansion plans for TK, RA, KB and TPA, the concerned services, reveals that if these services are expanded, the rate will become 47%,¹⁷ not 75% (Figure 5). The government projection of 75% may have included enrolments in BKB and SD as well; but as discussed earlier, these services should not be combined with the other services for the calculation of the rate.

Figure 5: Current and projected gross enrolment rates of children 0⁺-6⁺ years in educational services by type, 2001 and 2015



Source: National Plan of Action: Indonesia's Education for All. (2003). Jakarta: Proyek Pendidikan Luar Sekolah.

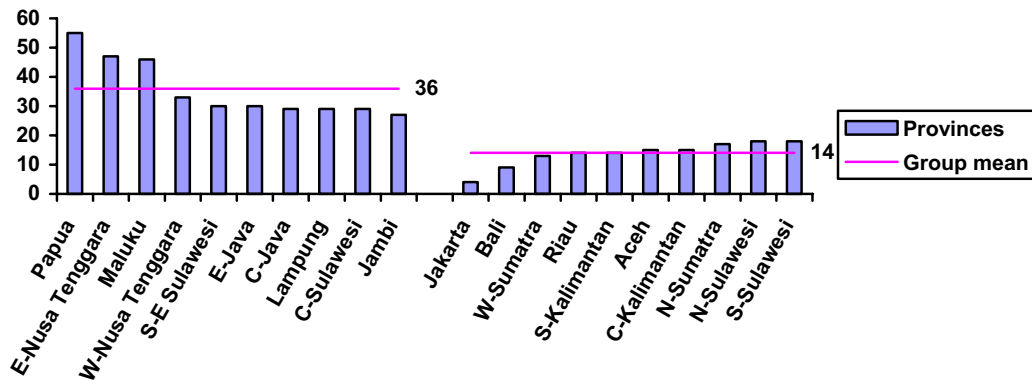
¹⁵ Child participation is inferred from the assumption that one mother participating in the Posyandu and BKB has one child at home.

¹⁶ Data for care services (BKB and Posyandu) are not clear enough to estimate their exact expansion plans in terms of the number of services and children to reach.

¹⁷ According to Indonesia's EFA Plan projections, there will be 10,252,640 children in TK, 2,971,500 in RA, 669,060 in KB, and 906,240 in TPA by 2015, when the total number of 0-6⁺-year-olds is projected at 31,300,931. The enrolment rates are calculated from these figures.

3.2.9. **Inequity:** To examine regional inequity in access, the top 10 provinces with the lowest poverty level (Rich-10) and the bottom 10 provinces with the highest poverty level (Poor-10) were identified. The mean poverty level of the Rich-10 is 14%, as opposed to 36% for the Poor-10 (Figure 6).

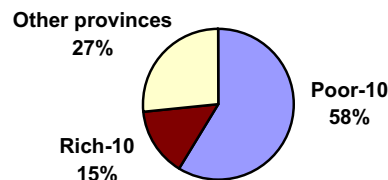
Figure 6: Poverty level of Rich-10 and Poor-10 provinces, 1999



Source: United Nations. (2001). Common Country Assessment for Indonesia. Jakarta: United Nations.

3.2.10. The Poor-10 is home to 58% of the country’s poor people, as opposed to 15% for the Rich-10 (Figure 7).

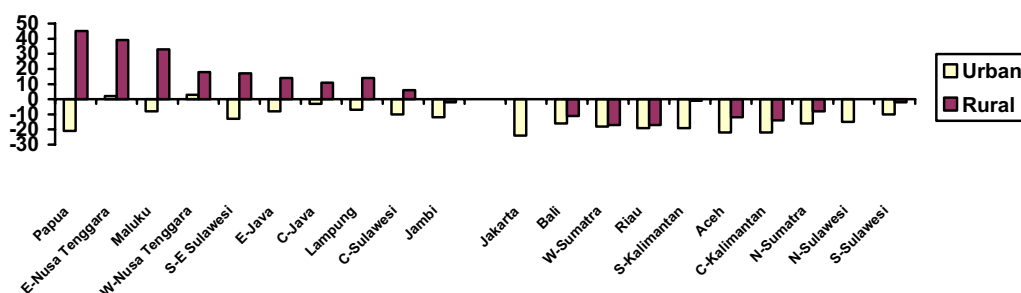
Figure 7: Distribution of poor people by Poor-10, Rich-10 and other provinces, 1999



Source: United Nations. (2001). Common Country Assessment for Indonesia. Jakarta: United Nations.

3.2.11. One of the striking differences between the Poor-10 and the Rich-10 is that the urban/rural poverty gap is much bigger among the Poor-10, whereas among the Rich-10, both rural and urban areas have poverty levels below the national level (Figure 8). This is largely due to the extreme poverty in the rural areas of the disadvantaged provinces, such as Papua, Nusa Tenggara, and Maluku. According to the Background Report, while the urban areas have tended to recover since the economic crisis of 1998, the poverty index in rural areas remains above the pre-crisis level. This implies that severe poverty in rural areas is the main factor making the Poor-10 poor vis-à-vis the Rich-10.

Figure 8: Poverty rate less national average in Poor-10 and Rich-10 provinces, 2001

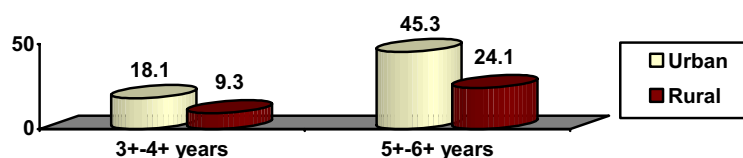


Source: World Bank Report, 23028-IND. (2001). The World Bank.

3.2.12. With the lack of enrolment data disaggregated by urban/rural areas, it is difficult to determine how much of this regional disparity in poverty actually translates into disparity in access. But considering that 71% of TK charge fees even in rural areas and that 64% also charge extra for food and other costs, it is not difficult to imagine a significant access gap between rich and poor, especially in fee-paying educational early childhood services.

3.2.13. The data below, presented in the Background Report, partly corroborates this assertion. Though the services surveyed are not identified, given the age groups concerned, the data seem to refer to educational services. It appears that, among 3⁺- and 4⁺-year-olds, urban children are 100% more likely to be enrolled in early childhood services than their rural counterparts. The gap narrows among older children, but remains pronounced.

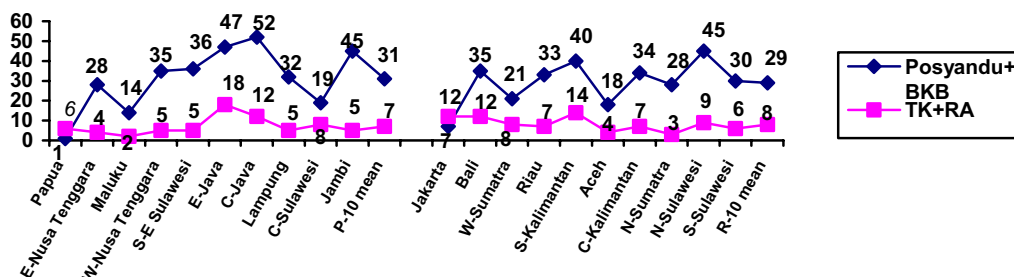
Figure 9: Gross enrolment in early childhood services by region



Source: Susenas. (2003).

3.2.14. While the urban/rural gap appears wide, regional gaps between the Poor-10 and the Rich-10 in participation in early childhood services are less obvious. The regional gap emerges only when the comparison is narrowed down to the most disadvantaged five (Papua, E-Nusa Tenggara, Maluku, W-Nusa Tenggara and S-E Sulawesi) and the richest five (Jakarta, Bali, W-Sumatra, Riau and S-Kalimantan) in relation to TK and RA, the two core educational early childhood services (Figure 10). Then the mean rate of the Poor-5 becomes 4%, as opposed to 11% for the Rich-5, revealing a major difference. But even with this narrower focus, it is interesting to note that no such great difference is found in Posyandu and BKB, the care services: the mean gross enrolment rate for the Poor-5 in these services is 23%, compared with 27% for the Rich-5. It seems, therefore, that income may not be a significant factor in enrolment in care services.

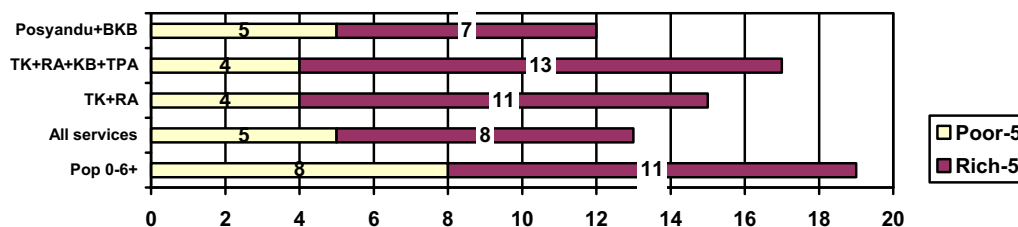
Figure 10: Gross enrolment of children ages 0-6+ years in care services and education services* in Poor-10 and Rich-10 provinces, 2001



Source: National Plan of Action: Indonesia's Education for All. (2003). Jakarta: Proyek Pendidikan Luar Sekolah.
 * Care services include Posyandu and BKB; and here, the education services refer to TK and RA only.

3.2.15. The regional distribution of services follows the same pattern: gaps are found in educational services, but not in care services. The Rich-5 have a slightly greater share of services relative to their share of the 0+ -6+ years age cohort (Figure 11). But when it comes to educational services only, especially when all four educational early childhood services – TK, RA, KB and TPA – are considered together, the rich provinces' gap with the Poor-5 widens significantly. The Rich-5, which has 11% of the age cohort of 0+ -6+ years, has 13% of the total educational early childhood services, while the Poor-5, which has 8% of the age cohort, settles for only 4% of the total. No such clear regional difference is observed in the distribution of care services.

Figure 11: Distribution of child population ages 0+ -6+ years, and care and education services by Poor-5 and Rich-5 provinces, 2001*



Source: National Plan of Action: Indonesia's Education for All. (2003). Jakarta: Proyek Pendidikan Luar Sekolah.
 * Calculated from data presented in the EFA Plan.

3.2.16. Two implications can be drawn from these observations. First, the major access gap between advantaged and disadvantaged children in Indonesia lies in their access to educational early childhood services. Care services (i.e., Posyandu and BKB) are more equitably distributed and accessed. Since participation in KB and TPA is negligible, the gap in educational early childhood services boils down to that seen in TK and RA.

3.2.17. Second, regional inequity in early childhood in Indonesia is concentrated in a few extremely poor provinces in relation to a few extremely rich provinces. Little inequity shows up within the majority of provinces in between. This may have to do with the fact that the current participation level, especially in educational early childhood services, is so low – 8%, according to the Review Team's assessment – that the difference is found only among those provinces where most of this small number of services are found and those where none of these services is available at all.

3.2.18. **The challenge:** A dilemma faces any government that needs to increase levels of participation in educational early childhood services. This is because the expansion of fee-paying educational services could have the adverse effect of widening access gaps. As an alternative, in the

case of Indonesia, the Government could continue to reinforce the educational function of the informal care services, such as Posyandu and BKB, rather than expand centre-based formal and non-formal services (i.e., TK, RA, KB, TPA). But additional educational activities in these services still necessitate the increase of fees, as has been the case with Taman Posyandu, which will cause the same problem – poor children’s inability to participate. Implied is that the objective of increasing poor children’s access to early childhood services, especially in educational services, is difficult to accomplish adequately without government intervention and investment.

3.2.19. It is understood that the Directorate of Kindergarten and Primary Education is in the process of developing various forms of TK designed to the specific conditions of poor children (e.g., the one-roofed TK). But in the absence of accurate information on how much of the total budget planned for TK expansion will be devoted to these pilot services for poor children, or on how much of the planned enrolment expansion will occur through these pilot services, little can be said of the eventual effects on equity. The Government can only be urged to examine these aspects of the EFA Plan for valid and effective measures to address inequity.

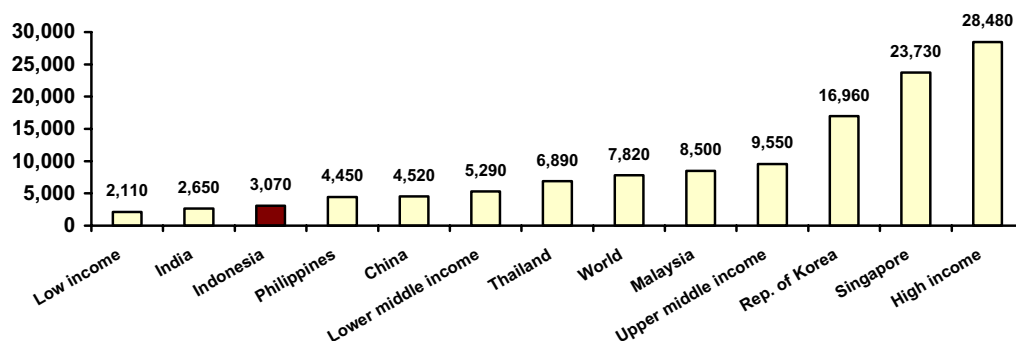
3.3. Critical Issue II: Investment

3.3.1. **Introduction:** A discussion of the resources for early childhood education in Indonesia involves an assessment of current patterns of spending on early childhood in relation to the targets desired by the country. This assessment was greatly hampered by the paucity of relevant data (e.g., costs of different types of programmes, expenditures by type of services, proportion of national budget dedicated to early childhood etc.). Nevertheless, available data can be used to assess the adequacy of resources for early years of life. In the paragraphs that follow, this issue is taken up first. The Reviewers came to the conclusion that resources for early childhood care and education in Indonesia are significantly inadequate. This conclusion leads to at least the following four policy questions, which are discussed next in the section:

- What should be the optimal level of investment;
- How to mobilise the needed resources; in particular, how much should come from public resources and how much from the private sector;
- Where should the resources be directed, that is, who should benefit; and
- How to make the investment go as far as possible, i.e., how to maximise efficiency.

3.3.2. **Current resource use:**¹⁸ The performance of Indonesian society on socio-economic indicators provides a useful context for an assessment of resource use. Indonesia’s PPP GNI per capita of \$3,070 (2002) places it between low-income and lower-middle-income countries. Figure 12 shows its relative position among a group of selected countries with which Indonesia might wish to compare itself.

Figure 12: PPP gross national income per capita (\$), 2002



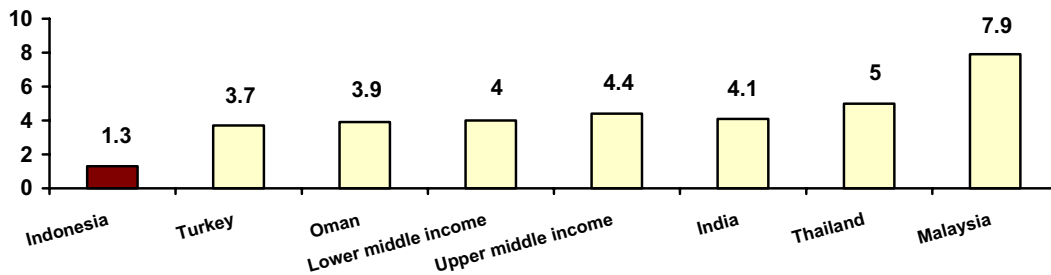
Source: World Development Indicators. (2004). The World Bank.

¹⁸ See Tables 2, 3, 7 and 8 in Annex 3.

3.3.3. Indonesia's GDP per capita annual growth rate over the last decade (1990-2002) has been a disappointing 2.1%, compared with 4.0% for India, 3.6% for Malaysia, and 2.9% for Thailand. But there has been a growth in per capita income over this period, that is, economic growth has outstripped population growth (1.1).

3.3.4. Given its income level, Indonesia's performance in the education sector has been very poor, spending the least on education, at 1.3% of GDP, among the countries shown in Figure 13.

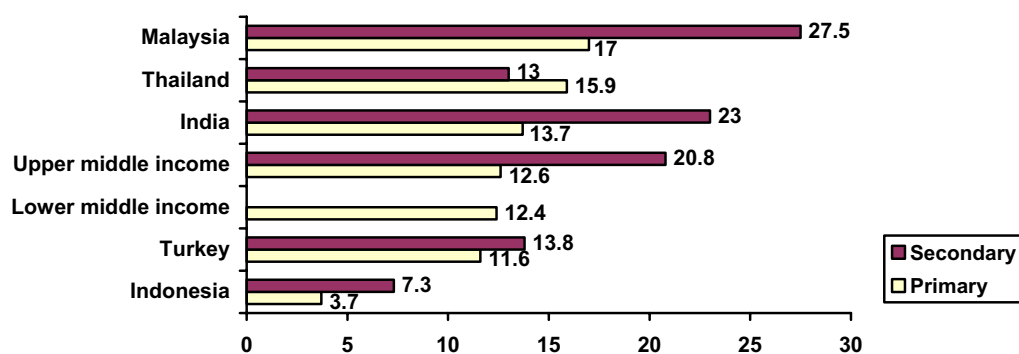
Figure 13: Expenditure on education, as % of GDP, 2001/2



Source: World Development Indicators. (2004). The World Bank.

3.3.5. Within this overall expenditure, the amount devoted to early childhood is very small. Total expenditure on early childhood care and education by the MONE in 2003 amounted to Rps 123.72 Billion,¹⁹ which is only 0.55% of the education budget. The paucity of data casts doubt on the reliability of comparison with other countries. Nonetheless, comparing expenditures on primary and secondary education across countries (Figure 14) with 9-year compulsory education as the established priority, Indonesia again appears at the bottom, which leads to the inference that its expenditure on early childhood is lower still.

Figure 14: Public expenditure per student on primary and secondary education in selected countries, as % of GDP per capita, 2001/2



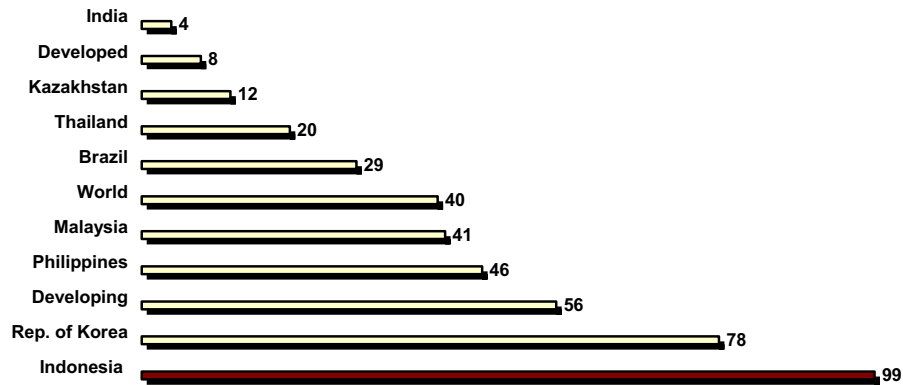
Source: World Development Indicators. (2004). The World Bank.

3.3.6. Data on sources of financing are lacking, but considering Indonesia's phenomenally high proportion of private enrolment in pre-primary education (Figure 15), and the fact that private services

¹⁹ Background Report, Table 27.

are all fee-paying, one can easily conclude that it is mainly the parents who pay for pre-primary education.

Figure 15: Private enrolment in pre-primary education, as % of total, 2000



Source: EFA Global Monitoring Report. (2003). Paris: UNESCO Publishing.

3.3.7. As to the question of who benefits, as implied in Figure 11, educational early childhood services are disproportionately provided to higher income groups in urban areas, while there seems to be more equity in the distribution of care services for mothers – Posyandu and BKB.

3.3.8. In sum, Indonesia’s overall investment in education is extremely small compared with other like countries. Smaller still is its investment in early childhood, whose main services are provided nearly 100% by the private sector. The main beneficiaries of early childhood services, especially core educational early childhood services, are children from high-income groups. The absence of public investment remains a major obstacle to bridging the access gap between the disadvantaged and the advantaged.

3.3.9. **Rationales for more investment:** The case for a larger investment in early childhood care and education is based on a range of considerations from personal development to social and economic benefits for the society, which are treated below in sequence. Provision for early childhood care and education holds the key to a cohesive and equitable society. The case for more investment in Indonesia is based, above all, on the strategic vision Indonesia has of this objective and how it wants to position itself in the comity of nations in the coming decades.

3.3.10. Recent research on brain development provides evidence suggesting that the potential of the brain can be enhanced, even in its physiological capacity, through appropriate stimulating interaction with children, and that the opportunity for such enhancement peaks at around age three. Exploitation of these opportunities requires investment in providing stimulating environments for very small children. Studies also point out that quality intervention in the early years has a positive impact on children’s cognitive development. But in addition, research has documented beneficial effects on children’s personal development in terms of emotional adjustment, capacity for team participation and readiness for school.

3.3.11. Such individual-level developments can greatly enhance the social benefits of early intervention, according to several studies. Taking account of the impact on health, crime rates, poverty alleviation, contribution to better citizenship and social cohesion and other social benefits, the just published Robert Lynch Study²⁰ estimates that the long-term benefits through the year 2050 can be

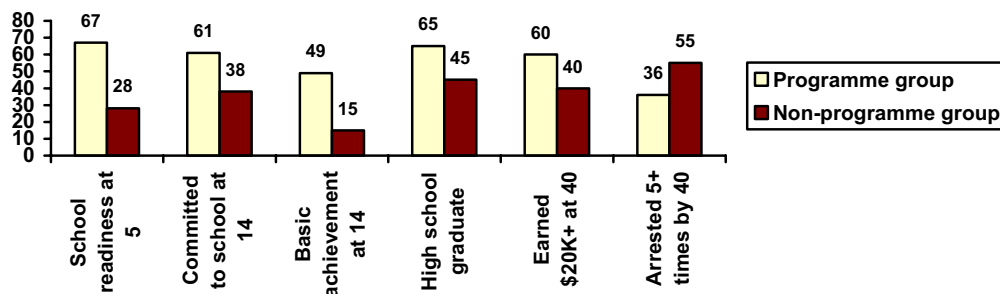
²⁰Lynch, R. (2004). Exceptional Returns: Economic, Fiscal, and Social Benefits of Investment in Early Childhood Development. Washington: Economic Policy Institute.

valued at as much as 151 billion dollars for the United States. Regardless of such estimates, and keeping in mind that they can differ considerably among countries, the social reasons alone provide a compelling case for investment in early childhood intervention for a country such as Indonesia. This is because social and economic inequalities are set in motion early. In one of the most well documented of all social phenomena, deprivation early in life is highly correlated with lower incomes and social disadvantage later on. A most effective way for society to stop the vicious cycle is to address such risks to social cohesion by intervening early. The Lynch Study is a graphic illustration of the social benefits governments can derive from early intervention.

3.3.12. The same study estimates that every dollar invested in quality early childhood intervention yields 3 dollars in benefits to the government. A Canadian study²¹ calculates a benefit-cost ratio of 2:1 when quality early childhood services are provided to all 2⁺-6⁺-year-olds. Since a cost-benefit ratio of 1:1 is regarded as a good investment, a 3:1 benefit-cost ratio is an excellent investment for a nation, *measured in purely economic terms*. The study estimates substantial benefits to both taxpayer and government if all of the 20% of the 3⁺-4⁺-year-olds in poor families who do not benefit from early childhood education and care services were provided with such services. The returns become positive over a period of 17 years; by 25 years there is a substantial surplus over cost, to the tune of \$31 billion; after fifty years, the surplus amounts to \$61 billion.

3.3.13. A recent review of the High/Scope Perry Preschool Study after 40 years of follow-up reveals the incontestably clear benefits of early childhood programmes.²² Children who attended the preschool programme were more prepared for school at age 5; more committed to schoolwork at age 14; more likely to show better school results at age 14; more likely to graduate from high school; likely to have earnings over US\$20,000 at age 40; and less likely to be arrested for crimes by age 40. The total return was US\$13 on each dollar spent on early childhood programmes.

Figure 16: Major findings of the High/Scope Perry Preschool Study through age 40, %, 2004



Source: Schweinhart, L., & Montie, J. (2004, November 17). High/Scope Perry Preschool Study Through Age 40. Presentation at the World Bank.

3.3.14. Thus, compelling evidence exists of the ample benefits of early intervention. Of course, these are long-term benefits, and governments must initiate policy action for the near term. But if Indonesia is serious about long-term social development, social cohesion, poverty alleviation and economic growth, it must consider making a greater investment in early childhood services.

3.3.15. The case for greater investment is even more compelling given Indonesia's performance in comparison with like countries in terms of economic and social indicators. Indonesia's investment in

²¹ Cleveland, G., & Krashinsky, M. (1998). The Benefits and Costs of Good Childcare: The Economic Rationale for Public Investment in Young Children. Toronto: University of Toronto.

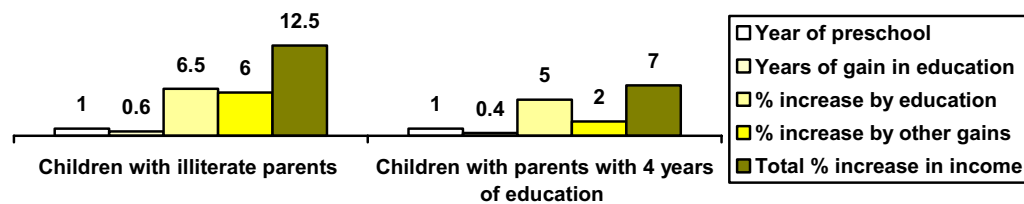
²² Schweinhart, L., & Montie, J. (2004, November 17). High/Scope Perry Preschool Study Through Age 40. Presentation at the World Bank. The study followed up 123 young African-American children living in poverty who attended the High/Scope Perry Preschool programme. See www.highscope.org/Research/PerryProject/perrymain.htm

the education sector as a whole is very low, and within this sector, investment on the early years is almost entirely funded by the private sector. In contrast, the social and economic benefits mentioned above are strong arguments for public rather than private investment. In addition, some of the social benefits, such as greater social cohesion, can be derived only through public investment; too much private investment can even erode social cohesion over the long term by deepening the divide between rich and poor.

3.3.16. This is because studies also show that the benefits of early childhood care and education are much greater among the poor. Children from rich families have head-start advantages from their homes, which leave relatively smaller room for benefits to be gained from attendance in early childhood services. Poor children, on the other hand, don't have the optimal learning and development environment at home to begin with. What is provided and experienced in early childhood services, if they have access to them, is often the only input they have for their early development and learning.

3.3.17. Figure 17 illustrates the greater margin of benefit from early childhood education for the poorest children. One year of preschool education for children with illiterate parents increases their future income by 12.5%; the same experience yields only a 7% increase among children whose parents have four years of education. Thus the potential impact of early childhood services on the lives of children is greater with children from more disadvantaged backgrounds.

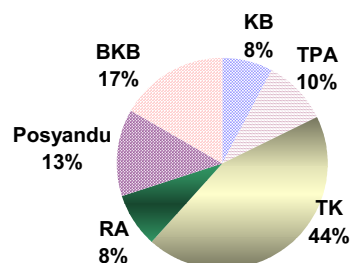
Figure 17: Effects of 1-year preschool education on the future income increase of children from different family backgrounds



Source: Hart, B., & Risley, T. (1995). *Meaningful Differences in Everyday Experiences of Young American Children*. Baltimore: Brookes.

3.3.18. From this point of view, it is important to examine closely how the Government's EFA Plan to invest in TK and RA, which takes up 52% of government investment for early childhood by 2015 (Figure 18), will benefit the poor. If combined with KB and TPA, the four education services cover 70% of the total projected budget, leaving 30% for services for parents. But these are the education services where the largest inequity gaps are currently found. The implication is that without concrete measures to direct these investments to the poor, the inequity gap may widen even further.

Figure 18: Distribution of costs projected for KB, TPA, TK, RA, Posyandu and BKB by 2015



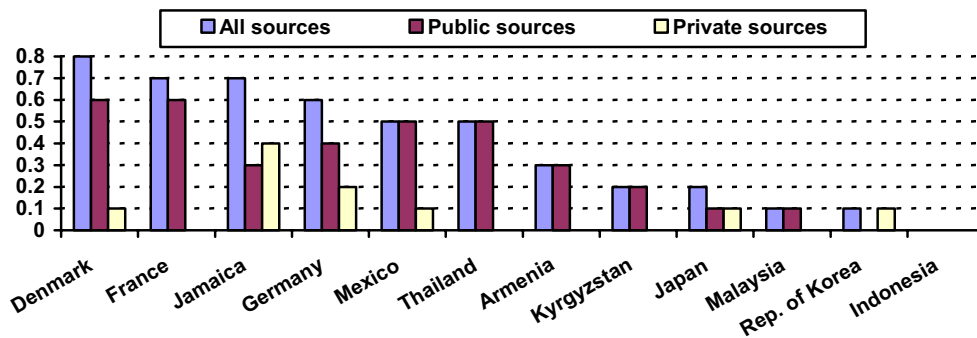
Source: National Plan of Action: Indonesia's Education for All. (2003). Jakarta: Proyek Pendidikan Luar Sekolah.

3.3.19. **Mobilisation of resources:** All of the above discussions lead to the obvious conclusion that more resources are needed, which in turn raises two related questions: How much more to invest and where to find the needed resources.

3.3.20. Concerning the first question, if quality provision were to be made universal, the cost could be calculated simply by multiplying quantitative targets by the estimated unit costs of quality improvements. Whether an investment of this scale would be feasible or desirable, however, is another matter. As feasibility is a question for the national authorities, here the discussion is directed to the issue of desirability.

3.3.21. The question of how much investment in early childhood is desirable can be answered indirectly by examining the performance of other countries. According to Figure 19, at the global level, the total expenditure on pre-primary education as a percentage of GDP ranges widely, from 0.8% in Denmark to negligible in Indonesia. In Denmark and France, the majority of expenditures come from public sources; Mexico and Thailand are also in this category. Meanwhile, all of the Republic of Korea's meagre expenditure comes from private sources. Jamaica is another country where private investment is relatively high.

Figure 19: Expenditure on pre-primary educational institutions/administration, as % of GDP, 2001



Source: UNESCO Institute of Statistics. (2004). Global Education Digest. Montreal: UNESCO Institute of Statistics.

3.3.22. Armenia is of particular interest to Indonesia because of its comparable levels of economic development. Armenia, whose PPP GNI per capita in 2002 stood at \$3,230, a bit higher than the \$3,070 of Indonesia, spends 0.3% of GDP on pre-primary education, coming entirely from public sources. Meanwhile, Kyrgyzstan, whose PPP GNI per capita in 2002 was \$1,560, spends 0.2% of GDP on pre-primary education, which again comes 100% from public sources. From this point of view, Indonesia's negligible spending needs to be increased to at least 0.1%, the level maintained by countries where the least public investment is found (e.g., Republic of Korea), or to 0.2%, the level maintained by countries whose level of economic development is even lower than Indonesia's (e.g., Kyrgyzstan), or even better, to 0.3%, the level maintained by countries whose economic development is comparable to Indonesia's.²³

3.3.23. As to the question of finding the needed resources in the education sector,²⁴ it is important to note that Indonesia's entire education sector is under-funded, and that its priority is to achieve 9-year compulsory education, which does not include early childhood. In this situation, regardless of increased awareness of the importance of early childhood, there is little room for a reallocation of resources to early childhood from the other sub-sectors of education. The overall education budget must be increased.

²³ Note, however, that Indonesia's total debt as % of Gross National Product (GNP) is 12.2%, compared with 6.2% for the Republic of Korea, 2.5% for Armenia and 12.1% for Kyrgyzstan.

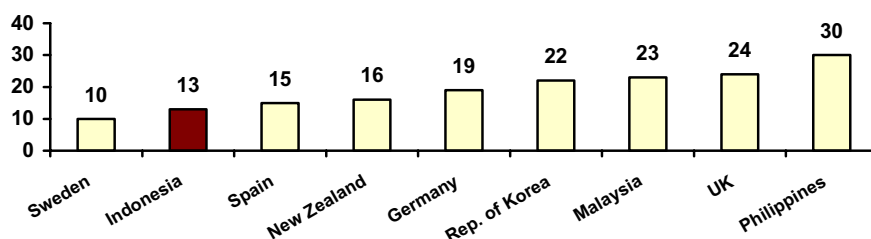
²⁴ Due to the lack of relevant data and information, no discussion can be provided as to the investment possibilities in other sectors.

3.3.24. Meanwhile, the current use of resources could be made more efficient. First, although data are elusive, anecdotal evidence suggests that an unnecessarily large part of early childhood funding is spent on bureaucratic management rather than on programme delivery. Some interviews suggested that a large portion is used up at the level of the central government. It is impossible to make firm recommendations in the absence of hard data, but what can be said is that the national authorities should try to identify instances of bureaucratic overhang that could be trimmed, such as inspection procedures, which are widely duplicated.

3.3.25. Second, there is a need to re-adjust quality standards, especially for services funded by external donors. The PUSAT PADU, built as part of the World Bank Project, for example, are well equipped, functional and comfortable, but the facilities visited by the Review Team were certainly under-utilised. One of the centres was built for 130 children, while the maximum number of children who could come to the centre from the community was only 80.

3.3.26. The extremely low teacher/student ratio in pre-primary education is another area to be examined. Indonesia's current pupil/teacher ratio, at 13, is one of the lowest among the countries presented below (Figure 20), whose PPP GNI per capita is far higher than Indonesia's. Salaries of public TK/RA teachers in Indonesia are covered by the MONE. Salaries of all education personnel as a percentage of current public expenditure on education in Indonesia, at 90% (2001), are among the highest in the world.²⁵ Clearly, increasing the pupil/teacher ratio could be a means of maximising the benefits of the MONE's investment in early childhood.

Figure 20: Pupil/teacher ratio in pre-primary education in selected countries, 2001/2



Source: Institute of Statistics. (2004). Global Education Digest. Montreal: UNESCO Institute of Statistics.

3.3.27. As facilities are often a major cost element, resources can be easily saved if religious establishments or existing school facilities are further utilised to host early childhood services. In the case of religious establishments, the Review Team observed their great potential to develop and deliver programmes as well as to provide infrastructure. Although the Review Team did not obtain detailed information, it is understood that the Directorate of Kindergarten and Primary Education is trying to use existing school facilities to host various forms of TK. All these initiatives need further expansion and support.

3.3.28. Last but not least is the urgent need to examine who is benefiting from the funding for TK, which amounted to 66 billion Rps, more than half of the MONE's total early childhood education budget, in 2003. According to information the Review Team obtained from the concerned officials of the Directorate of Kindergarten and Primary Education, most of this funding is directed to private TK set up in poor areas operated by religious groups.

3.3.29. While accurate corroborating data are not available, however, the Review Team observed cases where for-profit private TK services catering for children from high-income families receive subsidies for teachers from the MONE. The MONE also provides training for teachers working in these high-end services. This indirect subsidy to rich families needs to be carefully reviewed to assess whether it has a perverse equity effect and amounts to a deadweight for the government budget.

²⁵ The developed countries' average stands at 76%. Source: EFA Global Monitoring Report. (2004). Paris: UNESCO Publishing.

3.3.30. Meanwhile, the Government should facilitate private sector funding, which can cater to the upper socio-economic groups. It can in fact leave the provision of early childhood services for these groups to the market, reserving government investment mainly for children from low- and middle-income families. That the equity objective is best served by the public sector is supported by research from developed countries: those with a larger public sector component of total early childhood investment also do better on the equity criterion. Also considering that serving poor children is one of the best ways to maximise the benefits of investment in early childhood, public investment directed mainly to the poor is a doubly sound policy option for making the best use of existing resources.

3.4. Critical Issue III: Coordination

3.4.1. **The problem:** One of the notable aspects of early childhood education, in general, is its multi-faceted nature. The area has elements related not only to the education sector, but also to the health and social sectors. Early childhood services can be delivered not only formally, but also non-formally and informally. The involvement of different sectors and actors is inevitable; and the need for coordination is intrinsic.

3.4.2. Coordination in early childhood is a particularly daunting challenge in Indonesia, where the MONE itself has two directorates for early childhood, dealing separately with formal and non-formal services. As many as eight ministries and government offices²⁶ with their own early childhood services co-exist.

3.4.3. One of the most serious problems resulting from multiple actors is the artificial classification of early childhood services. Often they are differentiated from one another on no logical grounds apart from different administrative auspices. This is linked to a host of other problems ranging from conceptual confusion about PADU to widespread duplication and fragmentation of service management, inspection, training and curriculum development and policy planning for early childhood, which dovetail with individual services.

3.4.4. The problem was already apparent in the drafting of Article 28 of Law 20/2003. The law distinguishes TK and RA from KB and TPA, the former as formal services and the latter as non-formal services. But as the law does not recognise early childhood education as part of the education system, TK and RA, in a strict sense, are not formal services and may not be differentiated from KB and TPA. Moreover, in reality, KB is most likely delivered in the same service structure with TK and RA; in many cases it is no more than the name of the class attended by younger children in the formal services. Thus, the mode of delivery cannot be grounds for separate grouping.

3.4.5. Another example is in the way the PADU Directorate treats formal and informal services. Though its name signifies early childhood education, the PADU Directorate is not concerned with TK and RA, the two core educational early childhood services, which belong to the Directorate of Kindergarten and Primary Education. The exclusion of BKB from the mandate of the PADU Directorate is another inconsistency. It is excluded on the grounds that it is an informal service; but Integrated Posyandu, an informal service initiated by the PADU Directorate, is included as part of the Directorate's mandate. The apparent reasoning is that BKB belongs to a different government office – the BKKBN.

3.4.6. **Impact:** The artificial distinction of services is among the main obstacles to delivering a genuinely integrated early childhood service. Pusat PADU is a typical example. The brainchild of the PADU Directorate is conceived as an integrated facility bringing different services together on the same premises. But instead of integrating services, Pusat PADU presents a jumble of services, each one remaining under the direct supervision and control of its respective ministry or government

²⁶ The Ministry of National Education, the Ministry of Health, the Ministry of Social Welfare, the Ministry of Women's Affairs, the Ministry of Home Affairs, the Ministry of Religious Affairs, the Family Welfare and Empowerment Team and the National Family Planning Coordination Board.

agency. With such parallel chains of command, the services cannot be integrated in either planning or delivery. The presence of different government actors also raises tension over who is in charge, a problem that has yet to be solved.

3.4.7. The artificial distinction of services also naturally leads to a fragmented **inspection** process. If a facility has more than one service component, it is visited by more than one source of authority. Such duplication is particularly lamentable where the PADU Directorate is interfaced with the Directorate of Kindergarten and Primary Education. For instance, TK and KB are normally delivered in the same service structure as the senior and junior classes, respectively. But TK is inspected by the Directorate of Kindergarten and Primary Education, and KB by the PADU Directorate. When a TK service uses the PADU curriculum, it will still have to receive inspection from the Directorate of Kindergarten and Primary Education. The two Directorates and their subsidiaries interact little or not at all, either at the central or at the local levels, jeopardising the continuity of the child's early childhood experience.

3.4.8. Equally uncoordinated are **training** and **curriculum development**. Teacher training colleges and universities offer diploma- and graduate-level specialisations. But the PADU Directorate and the Directorate of Kindergarten and Primary Education offer their own training programmes for teachers and trainers working in their respective services. Individual services also offer teacher-training sessions at their own initiative. The situation is similar with regard to curriculum development. TK and RA use a national curriculum, while the PADU Directorate has recently developed a battery of pedagogical guidelines for its own services in partnership with the ECE Consortium. The Competence-based Curriculum for Early Childhood Education is only the latest arrival in this series, whose relationship to the other existing curriculum is yet to be clarified.

3.4.9. Most important, the country's **policy planning** on early childhood has suffered as a result of the artificial distinction of services. Different ministries, government offices and agencies plan policy with no apparent coordination. The point in case is the EFA planning on access. KB is to increase the number of its services by 361%, from 1256 in 2002 to 4,536 in 2015; the same percentage increase is planned for TPA. But TK and RA, under the Directorate of Kindergarten and Primary Education, are set for increases of only 3.5% and 9.5%, respectively.

3.4.10. Given the close interface between KB and TK/RA, if KB is expanded by 361%, a commensurate expansion in the number of TK/RA is needed to accommodate the graduates of KB, or they will not find places at the senior level.²⁷ The disproportionately higher expansion of services for younger age groups may reflect the MONE's determined support for childhood education from earlier ages. But it also reveals uncoordinated planning between the two Directorates, since sound policy planning for the early years must be concerned with provision for later stages.

3.4.11. The primary victim of this fragmented administration is **quality**, especially in terms of continuity between different services to ensure the child's evolutionary progression through the different stages of early childhood. The child's **holistic development** requires cooperation among different sectors. Most of all, fragmentation leads to duplication and **wastage of resources**. Considering that payroll for administrative staff makes up a large portion of government investment in early childhood, considerable resources could be saved simply by streamlining the administration and reducing the number of officials involved.

3.4.12. **Required measures:** The Government has been aware of the problem of duplicated and fragmented administration of early childhood and of the related malaises, but its approach has been to address the problem through coordination mechanisms. This position may need to be revisited for a structural change. The reasons are as follows.

3.4.13. First of all, coordination mechanisms are effective in bringing different stakeholders together for exchanging information and undertaking concrete short-term tasks such as producing

²⁷ In most cases, KB refers to the junior class of TK/RA. But there are cases where KB caters for older children of 5+ and 6+ years. The argument is based on the former case.

documents and materials. But they have limited effects on the development and implementation of an integrated policy, which requires a clear line of authority.²⁸

3.4.14. Second, Indonesia can no longer be content with the plethora of early childhood services that have sprung up across the country, and are largely uncoordinated and delivered by individual actors on the ground. It has come a long and hard way to streamline grassroots services and to make them more widely available. The question the Government must now ask is not just how to deliver, but how to deliver efficiently and effectively. The need for **coherent policy development** and **solid systems building** is no longer optional for countries like Indonesia; it is the inevitable next step to making further progress in the care and education of young children.

3.4.15. Last but not least, government resources for early childhood in Indonesia are extremely scarce. Public expenditure on pre-primary education as a percentage of total education expenditure in 2000-01 stood at 0.1%, far lower than the figures of 6.9% in Bangladesh and 2.6% in Cambodia, both of whose per capita GDP is lower than that of Indonesia. And as the education sector's top priority remains 9-year compulsory basic education, the chances that early childhood will receive increased government investment in the near future are very slim. In this context, identifying savings may be the most feasible way of increasing resources. But efficient use and distribution of resources requires more streamlined policy planning and implementation, pointing to the need for change at the structural level.

3.5. Other Issues

3.5.1. **Provision of qualified workforce:** The Government currently requires teachers of TK and RA to have a D2 level diploma. For KB and TPA, an upper secondary education certificate is required. Given the educational component provided in KB and TPA, at least the principal teacher in those services may also need an educational level similar to that of TK and RA teachers. In Brazil and Egypt, four years of tertiary education are required for teachers working in kindergartens. In Kazakhstan, preschool teachers are required to have three years of tertiary education, while trainers of preschool teachers and head teachers receive five years of tertiary education. The standard in developed countries is three years or more at a tertiary level.

3.5.2. The fact that the same qualifications are required in Indonesia for educational early childhood services as for primary school teachers is encouraging, as this indicates that early childhood is recognised as being equal in importance as primary education. But whether this is a realistic aim in terms of meeting the demand for early childhood personnel in the country is another question.

3.5.3. At the moment, only 6% of early childhood teachers have this level of qualification. Even at the primary education level, only 30% of the teachers have D2 level diplomas. But according to the EFA Plan, the enrolment rate in educational early childhood services will surge from the current 8% to 47% in the next ten years. It may be unrealistic to expect these expanded services to be fully staffed with teachers who have the currently required qualifications.

3.5.4. One way of balancing the desired with the feasible would be to revive the intermediary cadre that formerly existed in Indonesia's education system for TK teacher assistants, who were required to have an SLTA level diploma with an early childhood specialisation. Since 51% of the current TK workforce has this level of qualification, this is clearly feasible. Moreover, when teamed up with fully trained teachers, teacher assistants can help deliver quality services.

3.5.5. A more daunting challenge lies in the training of workers in care and non-formal services. The current five-day PADU training provided to workers in these services is too brief to be effective. With such limited training, they are not encouraged to view themselves as serious professionals. A high turnover rate, combined with low incentives and precarious work conditions, erodes the quality of these services, which account for most of Indonesia's early childhood care and education.

²⁸ UNESCO. (2003, January). Cross-Sectoral Coordination in Early Childhood: Some Lessons to Learn. UNESCO Policy Briefs on Early Childhood, 9. Paris: UNESCO.

3.5.6. Training for care workers, however, should not be considered separately from that of workers in educational early childhood services. This only perpetuates the divide between care and education, to the detriment of both the system and the children themselves. The problem would be best addressed through a comprehensive, integrated and progressive training system for both sets of workers. Such an ambitious goal is achievable only if the Government first accomplishes some key objectives.

3.5.7. The first step might be to streamline the categories of workers. The current service structure counts six categories: TK, RA, KB, TPA, Posyandu and BKB. Grouping these services into those for children and those for parents would reduce the number of workforce categories to two while removing barriers between different groups of workers. By highlighting the common training requirements for workers in similar services, such integrated grouping could facilitate their subsequent interaction and cooperation.

3.5.8. Second, the Government could consider reviewing the different levels of qualifications required of different categories of workers and rearrange them within a progressive qualification system. Such a system would begin with basic training required of all categories of the early childhood workforce in both care and educational services. Afterwards, workers may take additional courses needed for specific tasks and responsibilities.

3.5.9. As all training elements would be cumulative, personnel could move from one category to another by taking additional courses. This mobility is of utmost importance, as it would help remove the status barrier among different categories. The cadre with basic training only will no longer feel “doomed” to remain in a separate lower class or status. This more positive career outlook will certainly promote cooperation among different workers, resulting in more integrated services and better staff morale.

3.5.10. Concerning the delivery of training, the main challenge in Indonesia is that of streamlining divergent training channels without having to forgo potential venues. The principle should be to make the most of all possible actors and venues – communities, individual services, NGOs, professional associations, government and private training institutions, colleges and universities. But to prevent the system from becoming fragmented, a streamlined line of authority must ensure that the training offered by different actors and institutions meets basic standards, such as comprehensive coverage of the elements required, minimum number of hours, and the qualifications and relevant experiences of trainers.

3.5.11. Intervention by authorities need not be formal from the beginning. Facilitating existing training activities, without necessarily intervening as such, could be a good beginning. Networking can be useful for organising activities on the ground. Once identified and enlisted, the actors and institutions can be mapped, which could facilitate subsequent steps such as registration and licensing. Accreditation is the final stage, in which authority is transferred to individual actors and institutions. At the registration stage, providers may be given guidelines; at the licensing stage guidelines should be elaborated into standards; these in turn would become requirements if providers are accredited.

3.5.12. **Parental involvement:** The issues of parental involvement in early childhood are closely related to those of early childhood educators, but important enough to deserve a separate discussion. Parental involvement is both necessary and beneficial for all those involved – parents, children and staff. First of all, helping parents better understand what they need to do at home reinforces the linkage between home and service, increasing the continuity of the child’s development experience. Parents can also provide additional manpower to the service.

3.5.13. The Review Team observed that relations between early childhood staff and families in Indonesia are generally good. Though parental involvement is not a requirement, parents – especially mothers – are often solicited to take part in extracurricular activities or assist staff in care-taking functions. They are also urged to discuss their children’s progress at the centre.

3.5.14. Yet, whatever their channel of participation, parents are currently treated more as clients than as partners. Consequently their involvement in the management of services remains limited. More proactive involvement of parents in the planning and monitoring of programmes could help ensure that the programmes are designed to meet the specific needs of the children. Such involvement can also promote more transparency and efficiency in the use of resources. Parents could also be enlisted to advocate the importance of early childhood care and education among their peers – other parents who provide little early childhood care and education to their children. To ensure that parental involvement becomes an integral part of the management and operation of early childhood services, it may have to be made obligatory.²⁹

3.5.15. **Data development:** Data should be collected with specific purposes in mind, not just to catalogue activities. At the national level especially, data must correspond with specific policy issues that are being addressed with the help of numerical tools. Presented below is a list of key policy issues for which the Review Team found the most serious data gaps. The list has been kept short and realistic.

3.5.16. First, as discussed earlier, the data and indicators related to access are poor in Indonesia. The current practice of calculating the enrolment rate for the entire 0⁺-6⁺ age group fails to reveal the extent to which participation increases with age and how children progress through different stages of early childhood education. Unless access data are disaggregated by single year of age, policy-makers cannot prioritise age groups and service types for investment. This information is fundamental to the planning process. The most important area for improvement in government data collection is in enrolment, which must be broken down by single year of age.

3.5.17. Second, the access gap between rural and urban areas is assumed to be significant. But as noted earlier, little data can corroborate this assumption. In the first place, available data do not clearly indicate types of services. To address the issue properly, the Government needs to cross-classify services by private and public, subsidised and non-subsidised, for-profit and non-profit across rural and urban areas, in order to reveal such crucial information as how public investment is benefiting or not benefiting the poor. Regionally disaggregated data on the extent and frequency of service use (e.g., enrolment and participation in terms of hours and/or days per week and/or per month) can also help the Government address inequities in the levels of participation.

3.5.18. Third, data on financing are severely lacking. It has in part to do with the fact that there has not been major investment in early childhood from the Government, while the situation is improving from 2002 when the Government allocated, though limited, budgets for early childhood care and education.³⁰ But, even if it is only to trace how existing resources are spent and how effectively they target the poor – the main rationale for why government investment exists – more detailed financial data are needed.

3.5.19. Data detailing public and private expenditures on early childhood by types and sources are especially needed, while data on costs and parental fees for private and public services could also be useful. With these data, policy-makers will see where the funds are coming from and how they are spent – which is essential to deciding where to go for more resources, for example. Meanwhile, knowing the proportion of the national budget spent on early childhood will allow revealing comparisons with other countries, unmasking the meagreness of Indonesia's investment in early childhood.

3.5.20. Teacher training is just one of the many factors determining the quality of services, but an important one and one that can be quantified more easily than others. Yet, in Indonesia, data on this important aspect of quality are lacking. The Background Report provides some data on the

²⁹ The other basic elements of monitoring and evaluation may include the following: safety and health of the physical environment, nutrition, staff training, staff-child ratio and group size, implementation of a holistic and integrated curriculum, monitoring and evaluation of services, parent and community involvement, and availability of teaching and learning resources and equipment.

³⁰ From 1999 to 2001, there has also been an investment of Rp.47.2 in early childhood, as part of the World Bank's support of the education sector.

qualifications and training levels of the early childhood workforce, but the Review Team did not see any official reports on the subject. Nor could it find relevant data in international references. Distribution of qualified teachers by region and urban/rural areas could be a useful indicator attesting to regional inequities in quality.

3.5.21. Information on parents' backgrounds lends insight into one of the more important policy issues – who benefits from early childhood services. Data on parents' education and income levels and employment status, comparing those whose children are in early childhood services and those whose children are not, would be very useful. As for information on children, the impact of early childhood services on their school readiness, performance, completion, repetition and dropout in primary schools would be very useful in justifying investment in early childhood, while remembering that the benefits of early childhood services involve more than improved school performance.

3.5.22. There is also a need to improve the reporting and documentation of data. One problem is the existence of unregistered services. Reporting incentives (e.g., tax credits, free training, subsidies, etc.) could help alleviate this problem. Beyond correct reporting, data that are not documented rigorously are of little use. A good example of this appears in the EFA Plan's section on National Action Plans outlining the anticipated costs of different services. The report does not state the data source, the data collection methodology, or the methods used to calculate indicators and their limits. This raises many questions about the reliability of the data and the results.

3.5.23. Some data development requires prior research to identify the variables that need to be monitored and evaluated. Even if they do not lead to data development, some research findings can be useful in and of themselves as an advocacy tool for early childhood. Three examples of such data and information that the Government would find most useful are: a cost-benefit analysis of different services, for use in evaluating the return on investment in each service; a study of the impact of participation in early childhood on children's school performance, which could serve, as mentioned earlier, as a powerful advocacy instrument for early childhood education as a strategy for supporting school education; and finally, information on the aspects of the quality of services that are most critical to child development and that can be ensured cost-effectively.

3.5.24. To link research with policy planning and vice versa, it is needless to say that close ties between the research community and the government are essential. One useful way of strengthening these ties is to make government data readily available to universities and the research community. This will engender research ideas and follow-up research activities that are directly related to policy issues. Such ties could certainly be further strengthened through the current coordination mechanisms, such as the ECE Consortium, in which the research community is represented.

3.5.25. **Policy planning:** Technical improvements are also needed in the planning of the EFA goals concerning early childhood. Indonesia's EFA Plan on early childhood, overall, is sketchy and general. It states the main principles of child development and sets numerical goals for the expansion of care and education services, giving estimates of financial requirements. But the validity and accuracy of the financial projections are dubious. The document drafting could have been an excellent opportunity to quantify, among other factors, the number of children and families currently taking advantage of early childhood services and indicate more clearly the potential number of children who could further benefit from a certain number of concrete improvements in policy strategies, including investment decisions.

3.5.26. Moreover, in order for the plan to become a real instrument for action, the long-term goals should be translated into short-term plans, which should be tested for feasibility in order to make them realistic. Most important is prioritisation. In view of the limited resources available for early childhood, the Government is unlikely to be able to pursue all of its planned goals with equal attention. A phased approach is needed, prioritising and optimising to build on existing structures and practices. The prioritisation may be expressed in terms of the age group and the type of services that would receive policy attention and investment.

3.5.27. Concerning policy issues, the EFA Plan should highlight more explicitly the existing disparities in access and quality in early childhood among children from different regions and family backgrounds. The target goals – both access and quality – should be set at different levels for urban and rural areas, given the current disparities. The same could be said about the specific aspects of quality. Without a set of region-specific goals identified at the national level, it will be difficult to motivate local authorities to develop operational plans to implement global goals.

3.5.28. Indeed, because of Indonesia's decentralisation policy, national goals are elaborated at the local level. But the Review Team observed little sign of systematic planning at the local level. Sub-national planning should not be a mere technical/bureaucratic exercise. It should be based on a clear assessment of local needs and seek to involve and coordinate all agencies and stakeholders. The ECE Forum could be a convening power in this regard, at least for information exchange among stakeholders.

4. RECOMMENDATIONS

4.1. **Optimising:** Early childhood care and education in Indonesia has made significant progress in recent years. Among others, the PADU Directorate's decision to streamline grassroots services and integrate services for mothers with those for children deserves special mention. It has enabled many young Indonesian children to access basic care and education services to ensure their healthy development. Even though this has not helped much to increase enrolment statistics, which focus on formal services, this is an achievement of great importance; and Posyandu, BKB, and many other variations of these services (e.g., Taman Posyandu) deserve continuing support. Integration of services – health services with education services, services for mothers with those for children – should continue to be the government strategy to expand equitable access to services of basic quality, especially among younger children. It is in fact a still much-needed approach, considering the country's relatively high malnutrition rate of young children and high maternal mortality rate.³¹

4.2. Considering the comparatively high educational and literacy levels of young mothers in Indonesia,³² the strategy to educate and care for young children through parents is a feasible and cost-effective one. It, however, needs to consider the fact that the urban population in Indonesia is expanding rapidly,³³ and that the demand for early childhood services among working parents, especially working mothers in urban areas, is also growing rapidly. What is thus needed, in addition to the reinforcement of parenting education, is services that cater to the working parents' childcare needs, especially among urban parents.

4.3. The ECE Consortium should be reinforced and mobilised as an important partner of the Government in implementing its decisions on the ground. Meanwhile, the Government is suggested to examine the functionality of the ECE Forum as a body for formulating an integrated policy for early childhood. As described earlier, what is needed more than a coordination mechanism in developing an integrated policy is a clear line of authority and leadership, which can most efficiently muster partnerships across different partners and stakeholders.

4.4. **Government investment:** Provision of more education-oriented services, especially to older children over 3⁺ years of age, does call for a more structured service than Posyandu or BKB; and ensuring access to such a service necessarily calls for an increase in government investment. The most pressing need, specifically, is an overall increase in government investment as a net addition to education resources, not a reallocation within the education budget. The additional investment should be seen as a part of Indonesia's commitment to making EFA a reality within a set of realistic targets that can be reached progressively over the long term. For example, the repetition rate in grade 1 in

³¹ See Tables 6 and 14 in Annex 3.

³² See Tables 5 and 9 in Annex 3.

³³ See Table 1 in Annex 3.

primary schools in Indonesia is considerably higher than those in subsequent grades.³⁴ Investment in pre-primary education can be a very effective strategy to remedy this problem.

4.5. Vision inspires action. A missing link in Indonesia's vision of early childhood is its role within the national development strategy. One of the highest policy priorities for the MONE would be to bring the incontestable educational, social and economic benefits of early childhood, attested by a plethora of studies, to the attention of the public at large and to policymakers in particular. Including early childhood care and education as part of the government's poverty reduction strategy is one useful way of sparing resources for early childhood.

4.6. Free pre-primary education for the poor: Increased government funding must first and foremost be channelled to providing poor children with minimum access to educational early childhood services, where the largest equity gaps are currently found. Short courses for free pre-primary education could be one option. They can be delivered on school premises, at mosques, or at other community facilities. Government support may come in the form of providing one government-paid and trained educator per service.

4.7. Universalising pre-primary education is a frequent impulse. Free pre-primary education for all, however, has certain potential drawbacks. First, when it is implemented in a situation where the inequity gap is large, as is the case of Indonesia, the policy must be affirmatively pro-poor, ensuring poor children's access before the entitlement is extended to all children including the rich. In the case of Indonesia, this implies that the entitlement must first be extended to the children in rural areas of poor provinces. Otherwise, rich children, who have easier access to the service structure, are far more likely to benefit from the policy than the poor.

4.8. Even for the poor, the policy should be introduced with great care, preferably after the participation rate among younger children reaches a certain level. When pre-primary education is free, parents, especially those in poor regions, tend to withhold their children's participation in early childhood services until they reach the entitlement age. In some extreme cases, this can cause the collapse of services for younger children. The introduction of free pre-primary education, thus, may provide a compelling reason to strengthen such services as Posyandu and BKB, or a service integrating both, for younger children.

4.9. Merging of the two Directorates of MONE: Early childhood care and education is a foundation for lifelong learning. But the foundation of lifelong learning in Indonesia is disjointed, due to the divergent administrative auspices for early childhood services. Administrative integration for early childhood is presumably a long process, but the very first step would be the merging of the two Directorates in the MONE that are concerned with early childhood – the Directorate of Kindergarten and Primary Education and the PADU Directorate.

4.10. This is prerequisite to rationalising the country's early childhood services, training, monitoring, evaluation and administration systems. Once the two Directorates and each of their concerned services are coordinated to develop a coherent service structure, the Government will be able to see more clearly what the specific developmental needs of children of different age groups are, how those needs could be catered for by different types of services, and how these different services could be coordinated to avoid fragmentation, duplication and resource wastage. In short, it will be able to see more comprehensively how a seamless learning path from birth onward can be laid by linking different services, in a progressive manner, without duplication. With its demographic profile stabilised,³⁵ it is now time for the Government to pay more attention to the systemic development of early childhood, essential to improving the quality of services provided and laying the foundation for lifelong learning starting from birth.

³⁴ See Table 11 in Annex 3.

³⁵ See Table 1 in Annex 3.

4.11. The merger will also help develop and deliver genuinely integrated services. More important, administrative integration within the MONE will give the ministry as a whole a more prominent position from which to act as the lead agency in early childhood vis-à-vis other sectors, which will eventually help facilitate the integrated planning of early childhood policy across different sectors of the government. Partnership works best when there is leadership; and the administrative integration with the MONE will help the Government muster the much needed centre of leadership for early childhood.

4.12. **Decentralisation:** In implementing all these changes, it must be noted that with decentralisation, the responsibility for provision rests with local governments. Thus, structural changes at the central level must necessarily be mirrored at the local level. Programme implementation capacity must be strengthened at the local level. National policies may be formulated at the level of guidelines, but the specifics are to be determined by local stakeholders. More important, there must be a mechanism that ensures and monitors the local stakeholders' implementation of the national policy. Particularly needed is a mechanism that commits them to mobilising resources. When investment in early childhood is left optional, local authorities are highly unlikely to follow through on that responsibility.

4.13. **Legislation:** In Indonesia, there are many policies and plans for early childhood, developed individually by different sectors of the Government. Some argue for the need of an integrated policy; and indeed many countries in similar circumstances would rush to remedy the situation by developing an integrated policy, one agreeable to all the concerned sectors. But what often follows this course of action is a paper policy with no backup decisions. When a divergent administration is a problem, for example, what is needed more than a patchwork policy is a decision to streamline the administration, which is duly legislated. Thus, in order to implement the changes recommended above, the Government must pay attention to preparing the necessary legislation. Policy formulation must consist of necessary decisions to be made which can be translated into legislative measures, rather than lengthy descriptions of principles. Real changes can be delivered only in relevant actions, not in lengthy reflections.

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ANNEX 1:

Schedule of Review Visit

Date	Time	Programme
Aug. 24, 2004	AM	Arrival in Jakarta
	5:00 PM	Meeting with: Mr. Frank Hijmans, Education Management and Decentralization Specialist, Ministry of National Education
	7:00 PM	Meeting with: Mr. Fasli Jalal, Director-General of Non-Formal Education and Youth, Ministry of National Education Ms. Mira Fajar, National Project Officer, UNESCO Office, Jakarta
Aug. 25, 2004	8:00 AM – 1:00 PM	Visit 1 (Istiklal Area of Central Jakarta): Catholic kindergarten (TK), Muslim kindergarten (RA), Playgroup (KB)
Aug. 26, 2004	8:00 AM – 9:30 AM	Meeting with: Provincial authorities in Yogyakarta
	9:30 AM – 3:00 PM	Visit 2 (Team 1 – Sleman District / Team 2 – Kulon Progo District): Kindergarten (TK), Playgroup (KB), Day care centre (TPA), NGO-led resource centre
Aug. 27, 2004	6:30 AM – 1:00 PM	Visit 3 (Banten/Tangerang): ECD centre (Pusat PADU)
	2:00 PM – 3:00 PM	Meeting with: Mr. Stephen Hill, Director, UNESCO Office, Jakarta
	3:00 PM – 6:00 PM	Meeting with: National experts who prepared the Background Report ECE Forum Ministry of National Education
Aug. 30, 2004	AM	Meeting with: Provincial authorities in Makassar
	AM – PM	Visit 4 (South Sulawesi): ECD centre (Pusat PADU), Playgroup (BK), Teacher-training centre
	PM	Meeting with: Provincial ECE Forum
Aug. 31, 2004	AM	Visit 4 continued (South Sulawesi): Playgroup (BK), Kindergarten (TK), Primary School (SD1), Non-formal education centre
Sept. 1, 2004	AM	Meeting with: Central stakeholders (i.e. academics, professionals, NGO associations, trainers, service-providers such as teachers, parent groups etc.)
	PM	Individual meetings
Sept. 2, 2004	AM	Meeting with: Country Taskforce (i.e. representatives of concerned ministries)
	PM	Final presentation

List of Service Centres Visited

Visit Date	Province	Name of Centre	Type of Service	
Aug. 25	Jakarta	Shanta Ursula	Catholic kindergarten	
		Keuangan Sekolah	Muslim playgroup & kindergarten	
Aug. 26	Yogyakarta	Team 1 (Sleman District)	Harapan Bangsa	Playgroup
			An Mur	Day care centre
			ECCD Resource Centre	NGO-led centre
		Team 2 (Kulon Progo District)	Shanta Theresia	Day care centre & kindergarten
Permadi Siwi	Playgroup			
Aug. 27	Banten	Pusat Padu (Rajeg District)	ECD centre (Posyandu + Mother's programme + Playgroup + Kindergarten)	
Aug. 30	South Sulawesi	Pusat Padu (Maros District)	ECD centre (Posyandu + Mother's programme + Playgroup + Kindergarten)	
		Madrina Tunajah (Baru District)	Playgroup & Teacher-training centre	
Aug. 31	South Sulawesi	Pertini (Makassar District)	Playgroup & Kindergarten & Primary school	
		Banukang (Makassar City)	Playgroup & Non-formal education (attached to Mosque)	
		Pembina (Makassar City)	Model government kindergarten	

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ANNEX 3: Comparative Data on Indonesia

1. Demography

Table 1: Size, growth, distribution and composition of the population

	Total population, 2002 (millions)	Average annual population growth rate (%)		Fertility rate (births / woman)		Urban population (% of total)		Rural population		% of population ages 0-14, 2002
		1980-2002	2002-2015	1980	2002	2002	2015	% of total	Average annual % growth	
								2002	1980-2002	
Indonesia	212	1.6	1.1	4.3	2.3	44.5	57.8	57	0.2	29.8
Project ³⁶										
Brazil	174	1.6	1.1	3.9	2.1	82.4	88.4	18	-1.2	27.9
Kazakhstan	15	0.0	0.3	2.9	1.8	55.8	58.2	44	-1.2	25.3
Kenya	31	2.9	1.4	7.8	4.2	38.2	51.8	65	1.7	42.6
Reference ³⁷										
China	1,280	1.2	0.6	2.5	1.9	37.7	49.5	62	0.1	24.2
India	1,049	1.9	1.2	5.0	2.9	28.1	32.2	72	1.6	32.8
Malaysia	24	2.6	1.5	4.2	2.8	63.3	71.0	41	1.0	33.3
Philippines	80	2.3	1.6	4.8	3.2	60.2	69.2	40	0.3	36.5
Republic of Korea	48	1.0	0.4	2.6	1.5	80.1	83.0	17	-3.2	21.0
Singapore	4	2.5	1.1	1.7	1.4	100	100	0	--	21.2
Thailand	62	1.3	0.6	3.5	1.8	31.6	36.7	80	1.1	23.2
Global ³⁸										
Low income	2,495	2.1	1.5	5.5	3.5	31.2	37.5	69	1.6	36.5
Lower middle income	2,408	1.3	0.8	3.1	2.1	52.8	61.0	51	0.2	26.1
Upper middle income	329	1.5	1.1	3.6	2.4			25	0.1	28.9
High income	966	0.7	0.3	1.9	1.7	77.8	80.9	22	-0.3	18.3
World	6,199	1.5	1.0	3.7	2.6	47.8	53.5	52	0.8	29.2

Reference: World Development Indicators. (2004). The World Bank. / Human Development Indicators. (2004). UNDP.

Indonesia is one of the most populous countries in the world with over 200 million people. Its population growth, however, has slowed. The population growth rate projected for 2002-15 is 1.1%, lower than low-income countries' average of 1.5%. Its fertility rate has dropped sharply by 47% from 4.3 in 1980 to 2.3 in 2002, the decrease percentage being higher than in any of the reference countries from the region except Thailand. The population ages 0-14 account for about 30% of the total, lower than low-income countries' average of 37%. **Its demographic profile is not expanding at any particularly alarming pace.**

Meanwhile, the urban population in Indonesia is expanding rapidly. It is projected to grow by 30% from 44.5% in 2002 to 57.8% in 2015. After China, this is the fastest growth rate compared with the reference countries. A rise in urban population is closely associated with a rise in double income households with less

³⁶ Countries participating in the UNESCO/OECD Early Childhood Policy Review Project.

³⁷ Countries selected from the region to provide Indonesia with a frame of reference or benchmarking.

³⁸ According to the World Development Indicators, low-income countries are those with a GNI per capita of \$735 or less in 2002; lower-middle-income countries of between \$735 and \$2,935; upper-middle-income countries of between \$2,935 and \$9,076; and high-income countries of \$9,076 or more. According to this categorisation, Indonesia, whose GNI per capita in 2002 is \$710, is one of the low-income countries.

access to childcare from family members. Thus, in Indonesia, while there may be fewer children requiring early childhood services, **the demand for early childhood services among working parents in urban areas will increase rapidly, as much as in middle-income countries.** Childcare services for urban working parents can soon become a policy issue in Indonesia.

2. Economy

Table 2: Size and structure of the economy

	PPP gross national income per capita (\$), 2002	Unemployment, % of total labour force, 2000-02	GDP % growth, 2001-02	Structure of GDP, 2002		
				Agriculture % of GDP	Industry % of GDP	Services % of GDP
Indonesia	3,070	6.1	3.7	17	44	38
Project						
Brazil	7,450	9.4	1.5	6	21	73
Kazakhstan	5,630	--	9.8	9	39	53
Kenya	1,010	--	1.0	16	19	65
Reference						
China	4,520	3.1	8.0	15	51	34
India	2,650	--	4.6	23	16	51
Malaysia	8,500	3.9	4.1	9	47	44
Philippines	4,450	9.8	4.4	15	33	53
Republic of Korea	23,730	15.8	6.3	4	41	55
Singapore	16,960	3.4	2.2	0	36	64
Thailand	6,890	1.8	5.4	9	43	48
Global						
Low income	2,110	--	4.0	24	30	46
Lower middle income	5,290	4.3	4.9	10	34	56
Upper middle income	9,550	9.0	-1.2	6	34	60
High income	28,480	6.2	1.6	2	27	71
World	7,820	--	1.9	4	29	68

Reference: World Development Indicators. (2004). The World Bank.

In terms of PPP gross national income per capita, Indonesia (\$3,070) falls between low-income (\$2,110) and lower-middle-income (\$5,290) countries. Its unemployment in 2000-02 stood at 6.1%, close to the high-income countries' average. Its GDP grew by 3.7% in 2001-02. Though higher than the global growth rate of 1.9%, this is a **relatively low growth rate in the region**, whose rates range from 2.2% of Singapore to 8% of China. In terms of GDP structure, Indonesia is similar to China and Malaysia: **Industry** is the largest contributor (44%) to GDP, whereas in the other countries and regions, the services sector tends to be the largest.

Table 3: Income distribution and poverty

	% share of income or consumption		GINI index, ³⁹ (survey year)	Int'l poverty line				
	Lowest 10%	Highest 10%		Survey year	Population below \$1 a day, %	Poverty gap at \$1 a day, %	Population below \$2 a day, %	Poverty gap at \$2 a day, %
Indonesia	3.6	28.5	34.3 (2002)	2002	7.5	0.9	52.4	15.7
Project								
Brazil	0.5	46.7	59.1 (1998)	2001	8.2	2.1	22.4	8.8
Kazakhstan	3.4	24.2	31.3 (2001)	2001	<2	<0.5	8.5	1.4
Kenya	2.3	36.1	44.5 (1997)	1997	23	6.0	58.6	24.1
Reference								
China	1.8	33.1	44.7 (2001)	2001	16.6	3.9	46.7	18.4
India	3.9	27.4	32.5 (99-00)	99-00	34.7	8.2	79.9	35.3
Malaysia	1.7	38.4	49.2 (1997)	1997	<2	<0.5	9.3	2.0
Philippines	2.2	36.3	46.1(2000)	2000	14.6	2.7	46.4	17.2
Republic of Korea	2.9	22.5	31.6 (1998)	1998	<2	<0.5	<2	<0.5
Singapore	1.9	32.8	42.5 (1998)	--	--	--	--	--
Thailand	2.5	33.8	43.2 (2000)	2000	<2	<0.5	32.5	9.0

Reference: World Development Indicators. (2004). The World Bank.

Compared with Brazil, whose GINI index reached nearly 60 in 1998, **Indonesia is not a country with a particularly challenging disparity in income distribution and consumption**. Its GINI index in 2002 stood at 34.3, lower than the reference countries', with the exception of India and the Republic of Korea. Its richest 10% share or consume about 29% of national income, while in Malaysia and the Philippines, the figure stands, respectively, at around 38% and 36%. The lowest 10% in Indonesia share or consume about 4% of national income, while in Singapore, China and Malaysia, the figures are below 2%.

When the international poverty line below \$1 a day is applied, about 8% of Indonesian population falls below the poverty line. But **when the poverty line below \$2 a day is applied, more than half of its population is concerned**, while among the reference countries, only India has a bigger population affected (about 80%). Yet, compared with China or the Philippines, whose percentages of population below the poverty line of \$2 a day are smaller than Indonesia's, Indonesia shows a poverty gap at \$2 a day (15.7%), lower than 18.4% of China or 17.2% of the Philippines. Poverty depth in Indonesia is not as deep as in the latter two countries, which is in part explained by its relatively lower GINI index.

³⁹ "Measures the extent to which the distribution of income among individuals or households within an economy deviates from a perfectly equal distribution." Source: World Development Indicators. (2004). The World Bank. p. 63.

3. Women development

Table 4: Employment status of women

	Female labour force participation rate, %, ages 15-64		Female employment by economic activity (%) (2000-02)			Women in non-agricultural sector, % of total, 2000-02
	1980	2002	Agriculture	Industry	Services	
Indonesia	45.6	59.1	54 (1980) 42 (95-01)	13 (1980) 16 (95-01)	33 (1980) 42 (95-01)	29.7
Project						
Brazil	35.7	47.0	16	10	74	45.7
Kazakhstan	70.5	68.9	--	--	--	--
Kenya	77.7	76.8	16	10	75	37.8
Reference						
China	75.5	79.5	--	--	--	39.2
India	47.8	45.0	--	--	--	17.1
Malaysia	42.8	51.3	14	29	57	36.5
Philippines	46.0	51.8	25	12	63	42.2
Republic of Korea	50.2	59.1	12	19	70	41.5
Singapore	47.4	54.7	0	18	81	46.9
Thailand	79.7	77.9	48	17	35	46.8
Global						
Low income	53.8	54.4	--	--	--	--
Lower middle income	64.2	67.2	--	--	--	--
Upper middle income	44.3	49.0	8	19	73	--
High income	52.6	63.5	3	15	82	--
World	57.3	60.8	--	--	--	--

Reference: World Development Indicators. (2004). The World Bank. / Human Development Indicators. (2004). UNDP.

In 2002, about **59%** of women ages 15-64 in Indonesia were in the labour force, a rate lower than Thailand's 78% or China's 80%. The figure, however, is certainly higher than low-income countries' average of 54%. Between 1995 and 2001, about **42% of female employment in Indonesia was found in the services sector**. This is a growth of 27% from 33% in 1980, yet, compared with Malaysia, the Philippines, the Republic of Korea and Singapore, whose relevant figures stand at 57%, 63%, 70% and 81%, respectively, **the percentage of women working in the services sector in Indonesia is still relatively small**. Women in non-agricultural sector in Indonesia in general is limited to about 30%, compared with 37% in Malaysia, 39% in China, 42% in the Philippines and the Republic of Korea, or 47% in Thailand and Singapore.

Table 5: Educational status of women

	Female apparent intake rate in grade 1, % of relevant age group (2001-2)	Female share of cohort reaching grade 5, % of grade 1 students, 2000-1	Female primary completion rate, % of relevant age group (2000-1)	Female adult literacy, % ages 15+	
				1990	2002
Indonesia	113	92	108	73	83
Project					
Brazil	119	--	--	81	87
Kazakhstan	106	--	99	98	99
Kenya	101	--	58	61	79
Reference					
China	--	--	--	69	87
India	114	59	69	36	--

Malaysia	93	96	--	74	85
Philippines	127	83	94	91	93
Republic of Korea	100	100	--	--	--
Singapore	--	--	--	83	89
Thailand	92	96	90	89	91
Global					
Low income	105	68	68	42	53
Lower middle income	97	--	96	74	82
Upper middle income	101	92	90	88	92
World	104	--	--	63	71

Reference: World Development Indicators. (2004). The World Bank.

Education of girls and women in Indonesia does not seem to have a major challenge, though there is room for improvement. Female intake and completion rates in primary education are over 100%. About 92% of grade one girl students reach grade 5, a survival level similar to that of upper-middle-income countries. Expectedly, female adult literacy in 2002 stood at 83%, nearing the lower-middle-income countries' average of 82%. For the last two decades or so, female literacy rate in Indonesia increased by 14%, a rate slightly higher than the global increase of 13%. But, considering China whose female literacy rate grew by 26% from 69% in 1990 to 87% in 2002, Indonesia could have expected an even larger increase.

Table 6: Gender parity, vulnerability and reproductive health status of women

	GDI ⁴⁰ rank	Female headed households, % of total, (year)	Adolescent fertility rate, birth per 1,000 women, ages 15-19, 2002	Pregnant women receiving prenatal care, %, 1995-2002	Births attended by skilled health staff % of total, 1995-2002	Maternal mortality ratio, per 100,000 live births, modelled estimates 2000
Indonesia	90	12 (1997)	52	89	64	230
Project						
Brazil	60	20 (1996)	68	86	88	260
Kazakhstan	63	33 (1999)	35	91	99	210
Kenya	114	31 (1998)	100	76	44	1,000
Reference						
China	71	--	15	90	76	56
India	103	10 (98/99)	98	60	43	540
Malaysia	52	--	23	--	97	41
Philippines	66	14 (1998)	33	86	58	200
Republic of Korea	29	--	4	--	100	20
Singapore	28	--	8	--	100	30
Thailand	61	--	72	92	99	44
Global						
Low income		--	98	--	41	657
Lower middle income	Norway: 1 Hungary: 35 Mexico: 50	--	33	--	78	112
Upper middle income	Morocco: 100 Pakistan: 120 Niger: 144	--	54	--	92	67
High income		--	24	--	99	13
World		--	63	--	60	403

Reference: World Development Indicators. (2004). The World Bank. / Human Development Indicators. (2004). UNDP.

⁴⁰ Gender-related development index (GDI) "adjusts the average achievement to reflect the inequalities between men and women" in life expectancy at birth, adult literacy and school enrolments, and estimated earned income (PPP US\$). Source: Human Development Indicators. (2004). UNDP.

Despite its female population's active participation in education and the labour force, the **Gender related development index (GDI) of Indonesia ranks relatively low at 90 out of 144**. Among the 7 reference countries from the region, only India (103) lags behind Indonesia.

Meanwhile, female-headed households are not very prevalent in Indonesia (12%), compared with countries in transition (e.g., 33% in Kazakhstan) or in regions plagued by epidemics (e.g., 31% in Kenya). Adolescent fertility rate (52) is relatively high, compared with countries with a communist past (e.g., China (15) or Kazakhstan (35)), but certainly lower than low-income countries' average of 98% or the global average of 63%. **The country's social vulnerability measured in these two factors is not too high.**

Eighty-nine percent of pregnant women in Indonesia receive prenatal care, similar to China (90%) and Thailand (92%); yet, when it comes to the percentage of birth attended by skilled health staff, the percentage lowers to 64%, much lower than 76% of China, 97% of Malaysia, 99% of Thailand, or 100% of the Republic of Korea and Singapore. This must, in part, be reflected in **Indonesia's relatively high maternal mortality ratio reaching 230 for every 100,000 cases**, while that in China, Thailand, Malaysia, Singapore and the Republic of Korea stand, respectively, at 56,44, 41, 30 and 20.

4. Education

Table 7: Educational financing

	PPP gross national income, per capita (\$), 2002	Public expenditure on education, % of GDP, 2001-02	Public expenditure on education, % of total gov't expenditure, 2001-02	Teachers' salaries as % of public current expenditure on education, 2001	Public expenditure per student % of GDP per capita		
					Primary 2001-2	Secondary 2001-2	Tertiary 2001-2
Indonesia	3,070	1.3	9.6	78.3	3.7	7.3	21.0
Project							
Brazil	7,450	4.0	10.4	--	10.7	10.0	48.5
Kazakhstan	5,630	4.4	--	--	--	--	--
Kenya	1,010	6.3	22.5	--	0.9	2.2	256.7
Reference							
China	4,520	2.2	--	--	5.4 (1990-1)	12.5 (1990-1)	102.4 (1990-1)
India	2,650	4.1	12.7	--	13.7	23.0	85.8
Malaysia	8,500	7.9	25.2	67.2	17.0	27.5	83.5
Philippines	4,450	3.2	--	87.5	11.8	9.4	13.9
Republic of Korea	16,960	3.6	17.4	77.6	18.4	16.8	7.4
Singapore	23,730	--	--	--	--	13.6 (1990-1)	43.4 (1990-1)
Thailand	6,890	5.0	28.3	62 (1990)	15.9	13.0	31.1
Global							
Low income	2,110	3.1	--	N. America +W.Europe: 60.1	--	--	--
Lower middle income	5,290	4.0	--		--	--	--
Upper middle income	9,550	4.4	13.7		12.4	16.9 (1990-1)	30.6
High income	28,480	5.2	11.5		26.2	31.0 (1990-1)	66.5
World	7,820	4.1	--	--	--	--	--

Reference: World Development Indicators. (2004). The World Bank. / EFA Global Monitoring Report. (2004). Paris: UNESCO Publishing.

Indonesia's public expenditure on education as a percentage of GDP is extremely low (1.3%), far lower than low-income countries' average of 3.1%. This, in turn, is reflected in its relatively small percentages of public expenditure per student of GDP per capita. Indonesia spends per student about 4% of GDP per capita on primary education, while in India, Malaysia, the Philippines, Thailand and the Republic of Korea the figure stands over 10%; and in developed countries, over 26%.

The low investment in education in Indonesia is also observed in relation to its percentage of public expenditure on education as a percentage of total government expenditure, which stands at 9.6%. This is a very low rate, compared with 12.7% of India, 17.4% of the Republic of Korea, 25.2% of Malaysia or 28.3% of Thailand. **78.3% of Indonesia's public expenditure on education is spent on teachers' salaries,** while that percentage in Malaysia and Thailand stands, respectively, at 67.2% (2000) and 62% (1990).

Table 8: Public expenditure on education by education levels, as a % of total, 2000-1

	Pre-primary	Primary	Secondary / post secondary	Tertiary	Not allocated
Indonesia	0.1	39.9	41.1 / n.a	18.9	--
Bangladesh	6.9	30.9	48.9 / 0.2	13.0	--
Brazil	9.0	33.3	36.1 / n.a	21.6	--
Cambodia	2.6	61.7	23.3 / 6.9	5.5	--
Malaysia	1.2	30.9	34.7 / 0.8	29.1	3.4
Philippines	0.1	60.4	22.4 / 1.9	14.5	2.2
Rep. of Korea	1.0	43.5	38.3 / n.a	10.4	6.8
Australia	1.2	33.3	39.4 / 1.4	24.0	0.7
France	11.7	20.2	49.7 / 0.1	17.1	1.3
Germany	7.9	15.2	49.4 / 2.3	23.4	1.7
Hungary	14.0	20.0	41.6 / 3.0	18.9	2.6
Poland	10.6	46.7	24.9	14.5	3.3

Reference: UNESCO Institute of Statistics. (2004). Global Education Digest. Montreal: UNESCO Institute of Statistics.

Like in the Republic of Korea, in Indonesia, primary and secondary education takes up about 80% of education budget. **Its expenditure on pre-primary education as a percentage of education budget stands at 0.1%, which is among the lowest.**

Table 9: Adult and youth literacy rate

	Adult literacy rate % ages 15 and older				Youth literacy rate % ages 15 - 24			
	Male		Female		Male		Female	
	1990	2002	1990	2002	1990	2002	1990	2002
Indonesia	87	92	73	83	97	99	93	98
Project								
Brazil	83	86	81	87	91	93	93	96
Kazakhstan	99	100	98	99	100	100	100	100
Kenya	81	90	61	79	93	96	87	95
Reference								
China	87	95	69	87	97	99	93	99
India	62	--	36	--	73	--	54	--
Malaysia	87	92	74	85	95	97	94	97
Philippines	92	93	91	93	97	94	97	96
Singapore	94	97	83	89	99	99	99	100
Thailand	95	95	89	91	99	98	98	98
Global								
Low income	64	72	42	53	75	82	59	70
Lower middle income	87	92	74	82	95	96	91	94
Upper middle income	92	95	88	92	97	98	95	98
World	79	84	63	71	87	89	78	83

Reference: World Development Indicators. (2004). The World Bank.

Like in most other countries cited from the region, the literacy rate among younger generation ages 15-24 years in Indonesia stands, for both men and women, nearly at 100%, close to the level of upper-middle-income countries. Adult literacy among females ages 15 and older in Indonesia remains relatively low at 83%, but this is far above the world average of 71% or low-income countries' average of 53%, though other countries cited from the region show higher literacy rates.

Table 10: Enrolments and internal efficiency in primary and secondary education

	Net enrolment ratio in primary education, 2001-02	Primary completion rate, 2000/1 – 2002/3	Repeaters in primary school, 2001/2	Transition to secondary education, 2000	Net enrolment ratio in secondary education, 2001	Repeaters in secondary education, 2001
Indonesia	92	107	5.3	79.5	47.4	0.3
Project						
Brazil	97	82	21.5	84.0	71.6	18.0
Kazakhstan	90	99	0.2	98.8	84.1	0.2
Kenya	70	56	--	73.1	24.0	--
Reference						
China	93	102	0.6	--	--	--
India	83	77	3.7	88.9	--	4.8
Malaysia	95	--	--	99.7	69.4	--
Philippines	93	90	2.3	97.8	56.5	2.6
Republic of Korea	99	--	--	99.6	88.6	--
Thailand	86	91	3.9	91.7	--	--
Global						
Low income	80	74	6.7	Median Developed countries: 98.9 Developing countries: 84.0 World: 90.8	Median Developed: 90.0 Developing: 48.5 World: 54.9	Median World: 4.4 Developing: 7.4
Lower middle income	91	97	4.7			
Upper middle income	93	89	5.2			
High income	97	--	--			
World	88	--	5.6			

Reference: World Development Indicators. (2004). The World Bank. / EFA Global Monitoring Report. (2004). Paris: UNESCO Publishing.

Net enrolment ratio in primary education in Indonesia reaches 92%, close to middle-income countries' averages. Completion rate in primary education is over 100%; but repetition is relatively high (5.3%) compared with the reference countries.

Meanwhile, once they survive, 80% of primary school graduates continue their education at the secondary level, a rate slightly lower than the developing countries' median of 84% or the world median of 91%. **The net enrolment ratio in secondary education remains below 50%**, while the world median stands at around 55%. Repetition rate in secondary education (0.3%), however, is negligible. Internal efficiency in secondary education may not be a major problem, but its enrolment is.

Table 11: Repetition rates by grade in primary education, %, 2000

	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6
Indonesia	10.8	6.6	5.4	4.2	2.9	0.5
Project						
Brazil	31.1	19.1	16.1	14.2	--	--
Kazakhstan	0.1	0.3	0.2	0.1	--	--
Kenya	7.2	--	--	--	--	--
Reference						
China	1.2	0.2	0.2	0.1	0.1	--
India	3.5	2.7	3.9	4.2	4.5	--

Philippines	5.2	2.7	1.9	1.3	1.0	0.5
Thailand	9.7	3.9	3.6	--	--	1.2
Developing countries	10.7	7.9	7.7	7.5	6.3	5.8
World	6.5	5.4	5.2	5.3	--	--

Reference: EFA Global Monitoring Report. (2004). Paris: UNESCO Publishing.

In most countries, the repetition occurs mostly in grade 1, but its rate in Indonesia (10.8%) is higher than in the other countries or regions cited, except Brazil. Internal efficiency in the transition from early childhood to formal schooling needs attention.

Table 12: Private enrolment as % of total enrolment in pre-primary, primary & secondary education, 2001

	Pre-primary	Primary	Secondary
Indonesia	98.8	16.0	42.7
Project			
Brazil	28.7	8.1	11.3
Kazakhstan	11.9	0.6	0.9
Kenya	10.4	5.6	4.2
Reference			
China	--	--	--
India	3.7	15.5	42.0
Malaysia	41.1	3.8	6.6
Philippines	46.0	7.1	21.5
Republic of Korea	77.5	1.4	38.4
Thailand	20.2	12.9	6.4
Global			
Developed countries	7.8	4.2	7.1
Developing countries	55.5	10.9	14.9
World	40.1	7.2	11.7

Reference: EFA Global Monitoring Report. (2004). Paris: UNESCO Publishing.

In all three levels of education, Indonesia has very high percentages of private enrolment. This is particularly the case in pre-primary education, where private enrolments⁴¹ count nearly 100% of the total. In developed countries, the rate stands at about 8%. Indonesia made efforts in the last decade or so to reduce its private enrolments in education. Even then, these rates still remain very high, from both global and regional perspectives.

Table 13: Trained teachers and pupil/teacher ratio in pre-primary, primary and secondary education

	Pre-primary		Primary		Secondary	
	Trained teachers, %, 2000	Pupil/teacher ratio 2001	Trained teachers, %, 2000	Pupil/teacher ratio 2001	Trained teachers, %, 2000	Pupil/teacher ratio 2001
Indonesia	71.3	13	93.5	21	53	14
Project						
Brazil	87.0	19	91.9	23	79.3	19
Kazakhstan	--	5	--	19	--	12
Kenya	--	26	74.2	48	--	23
Reference						
China	--	26	96.8	20	--	19
India	--	40	--	40	--	32

⁴¹ Services that are not operated (controlled and managed) by a public authority. A private institution can be FUNDED by a public authority.

Malaysia	--	23	95.9	20	52.7	18
Philippines	--	30	--	35	--	38
Republic of Korea	--	22	--	32	--	20
Singapore	--	--	--	--	--	--
Thailand	--	25	--	19	--	--
Developed countries	--	14	--	15	--	12
Developing countries	--	21	--	28	--	20
World	--	18	--	22	--	17

Reference: EFA Global Monitoring Report. (2003). Paris: UNESCO Publishing. / EFA Global Monitoring Report. (2004). Paris: UNESCO Publishing.

About 71% of pre-primary teachers in Indonesia are trained. Its pupil/teacher ratio in pre-primary education stood at 13 in 2001, a ratio lower than that of any of the reference countries. The low pupil/teacher ratio in pre-primary education in Indonesia may be attributed to the fact that nearly 100% of pre-primary education provision in Indonesia takes place in private institutions where a low pupil/teacher ratio can be afforded. Its secondary education also shows a relatively low pupil/teacher ratio (14 in 2001), close to the developed countries' median of 12. Yet, secondary education in Indonesia, as in Malaysia, shows a relatively low percentage of trained teachers (53%).

Table 14: Child development and health environment

	Under-5 mortality rate 2002	Child immunisation rate, measles, 2002	Prevalence of child malnutrition, % of under age 5, 1996-2002		Public expenditure on health, % of GDP, 2001	Private health expenditure, % of total 2001	Access to improved water source, % of population		Access to improved sanitation facilities, % of population	
			Weight for age	Height for age			2000	1990	2000	
Indonesia	43	76	25	--	0.6	74.9	78	47	55	
Project										
Brazil	37	93	6	11	3.2	58.4	87	71	76	
Kazakhstan	99	95	4	10	1.9	39.6	91	--	99	
Kenya	122	78	22	33	1.7	78.6	57	80	87	
Reference										
China	38	65	10	14	2.0	62.8	75	29	40	
India	90	67	47	45	0.9	82.1	84	16	28	
Malaysia	8	92	--	--	2.0	46.3	--	--	--	
Philippines	37	73	32	32	1.5	54.8	86	74	83	
Republic of Korea	5	97	--	--	2.6	55.6	92	--	63	
Singapore	4	91	--	--	1.3	66.5	100	100	100	
Thailand	28	94	--	--	2.1	42.9	84	79	96	
Global										
Low income	121	65	42	--	1.1	73.7	76	30	43	
Lower middle income	40	78	9	17	2.7	52.8	81	45	58	
Upper middle income	22	94	--	--	3.7	42.3	--	--	--	
High income	7	90	--	--	6.3	37.9	--	--	--	
World	81	72	--	--	5.6	40.8	81	45	55	

Reference: World Development Indicators. (2004). The World Bank.

Under-5 mortality rate in Indonesia (43) is much lower than the world's average of 81, or the low-income countries' average of 121. It is close to the lower-middle-income countries' average of 40. Yet, seen

within the region, Indonesia has no room for complacency: all the regional reference countries, except India, exhibit a much lower rate than Indonesia.

Child immunisation rate for measles in Indonesia stands at 76%, close to the lower-middle-income countries' average of 78%. Compared with lower-middle-income countries (9%), Indonesia, however, shows a much **higher percentage of malnourished children** (25%), implying that more effort is needed to improve young children's nutrition.

Indonesia's public expenditure on health as a percentage of GDP (2001) is 0.6%, only about half of the low-income countries' average of 1.1%. Its private health expenditure amounts to 75%, among the highest in the region.

Around 80% of Indonesian population has access to improved water source, but those who had access to improved sanitation facilities was limited to 55% in 2000, despite a 17% improvement from 47% in 1990. During the same period, the reference countries in the region made larger improvements in their populations' access to improved sanitation facilities – 75% in India, 38% in China, 22 % in Thailand, and about 43% and 29% in lower and lower-middle-income countries, respectively.