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ABSTRACT

The Indonesian school principal is a highly respected individual who serves as the critical link between the school and the community as well as local and national authorities. While most principals are well educated and capable, their positions are too limited. Most principals simply implement educational policy whereas they could and should be creative leaders of educational institutions. Educational reform in Indonesia has led to improvements in education, but it has also stifled school-level initiative and community involvement in education. A new balance must be struck that expands the responsibilities of the principal. This study examined variations in the management practices and resources of the principals of six diverse elementary schools in the Sumatera Barat and West Java provinces. The schools were ranked on several issues: independence from regulation, comprehensive management, entrepreneurship, proportion of resources financed from client revenues, average direct client costs, and efficiency. Several recommendations are made based on the study, including the need for clearer roles for educational players, decentralization, increased government financial support, improved intergovernmental communication, improved community involvement and awareness, and increased administrator training. (JPT)

EPP

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IEES 1984 - 1994

Improving the Efficiency of Educational Systems
A USAID Program

Pusat Informatika
Balitbang Dikbud

DEPARTMEN PENDIDIKAN DAN KEBUDAYAAN

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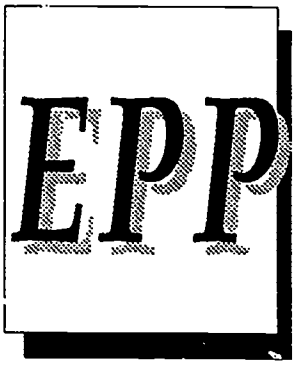

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The Indonesian School Principal: Broadening Responsibility

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PREFACE

The Educational Policy and Planning (EPP) Project is a seven year project conducted jointly by the Indonesia Ministry of Education (MOEC) and the United States Agency for International Development (USAID). The overall project objective is to improve the quality of education in Indonesia by assisting the MOEC, through the Office of Educational and Cultural Research and Development (Balitbang Dikbud), to formulate better policies and long-term plans. The project aims to improve policy formulation and long-term planning by improving the timeliness, relevance and accuracy of educational data collection, the subsequent analyses of such data, and their ultimate use for policy and decisionmaking.

There are three major components of the EPP Project: (1) development of an integrated management informations system (MIS) within the MOEC, (2) enhancement of MOEC policy research and analysis capacity, and (3) support for MOEC institutional development at the national and provincial level through training and technical assistance. EPP technical advisory staff work closely with counterpart Indonesian staff as part of a collaborative process of developing institutional capacity.

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The EPP Project in collaboration with the USAID Improving the Efficiency of Educational Systems (IEES) Project, publishes EPP documents in order to disseminate this knowledge and extend its usefulness. EPP has carried out a series of policy studies designed to provide answers to key questions facing Indonesian educators. These include:

The Quality of Basic Education
The Quality and Efficiency of Vocational/Technical Education
The Strengthening of Local Education Capacity
Developing Indicators of Educational Efficiency
Teacher Education Issues
Curriculum Reform and Textbook Production
Education, Economic, and Social Development

This series has been planned under the direction of Moegiadi, Balitbang Dikbud, and Boediono, Center for Informatics, Balitbang Dikbud and Simon Ju, EPP Chief of Party.

Editors for the series are Abas Gozali, Reta Hendrati Dewi, Center for Informatics, and Jerry Messec, IEES, Florida State University.

The Indonesian School Principal:
Broadening Responsibility

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1. Context

The Indonesian school principal is a highly respected individual, who serves as the critical link between the school and the neighboring community on the one hand and the local and national government authorities on the other. Principals usually are well educated and capable individuals who work hard at their jobs. The problem is, *their job is too small*. Most principals are *implementers* of prescribed pedagogic and administrative formulas whereas they could and should be *creative leaders* of educational institutions.

Historically, the principal's major concern was to build links with the neighboring community, as support beyond the community was relatively meager. Since independence, and particularly with the rise of the New Order government and the development of sophisticated national educational programs the balance has shifted, with the governmental links often taking precedence.

While the government programs have brought many benefits to education, we argue here that these programs have also tended to stifle school level initiative and community involvement in school affairs. Future improvement in Indonesian education will depend in considerable part on *striking a new balance* that expands the responsibilities of the principal and the community. Changes in this direction are consistent with the lessons of organizational theory. As we will illustrate here, drawing both on documents and our field work, the most dynamic Indonesian schools are those where principals have taken charge, developing approaches that reach beyond the prescriptions of the government programs and the exclusive dependence on government supplied resources.

The Achievements and the Limits of New Order Education Policy

At the time of Independence, due to Dutch colonial neglect, Indonesia had one of the least developed educational systems in the world. Following two decades of initiatives in a context of political uncertainty and limited funding, the New Order government from the late sixties began to commit massive increases in funding to education. Between 1965 and 1975, real funding of education increased 500 percent, and funding continued to increase at an impressive rate through the mid-eighties. However, it should be noted that the rate of increase in funding has decreased over the last several years.

Repelita plans and various government laws and document indicate a firm determination to develop an educational system that promotes national unity while at the same time promoting equality of opportunity and excellence.

Unity is fostered through a national curriculum that is the responsibility of the Ministry of Education and Culture, central control over textbooks, and a prominent central role in the training and supply of teachers and other educational resources.

During the seventies, following extensive national discussion, it was agreed that schools under the Department of Religious Affairs would strive to offer the MOEC

curriculum along with their own religious curriculum in roughly a 70-30 ratio. To help the Religious Affairs schools, the MOEC committed itself to provide a proportion of the teachers required by religious schools. In exchange, the Ministry of Religious Affairs agreed to supply teachers of religion to the MOEC schools. In this way, the two sectors have moved towards a common program of instruction.

The stress on the reciprocal supply of teachers has come to command a considerable amount of energy from central policy makers. Stimulating this concern was Local Government Law No. 5 of 1974 which, according to one reading, assigned the responsibility for the provision of primary schools and teachers to the Ministry of Home Affairs. Even prior to this law, Home Affairs, acting on behalf of the President, had begun an ambitious program of school building known as *Project Inpres Sekola*. This program brought national schools to local areas, thus impressing local communities with the commitment of center to the promotion of a unified educational system. But some argue that the central provision of these schools led to the anomaly that the schools were perceived as being gifts of the center in which local people need not be involved.

From the late seventies, Home Affairs also began to assert its authority in the provision of teachers. The MOEC, for various reasons, has been uncomfortable with the prospect of sharing responsibility for primary education with Home Affairs, and thus has sought to maintain its presence; the MOEC, while cooperating with Home Affairs on personnel issues, has continued to provide technical support to primary schools in the form of supervisors, and most recently, in-service teacher working groups. Parallel to the Home Affairs' initiatives in the provision of personnel, MOEC has stepped up its efforts in revising qualifications for teachers and expanding its programs of teacher training. With the commitment to the expansion of lower secondary education, the MOEC has had to further expand these efforts. The challenge has been so immense that the demand is still far from being met.

Among the schools observed in this study, it could be argued that government schools suffer the most from the slowdown in teacher supply. In government schools, virtually all teachers have to be full-time teachers, as centrally derived funding makes no provision for honor teachers and individual schools can only collect limited additional revenues to pay honor teachers. In contrast, the private and religious schools have much greater freedom to collect additional revenues; they thus enjoy greater flexibility in meeting teacher needs than do the government schools.

The MOEC has conducted considerable research on the curriculum, and thus far has introduced two major curriculum changes, the 1975 and the 1984 curriculums; currently research is underway to complete a new curriculum revision. An important feature of the new curriculum will be the provision for increased local content.

During the seventies, the central government began an ambitious program of

producing textbooks with the goal of providing a full set of textbooks for every child in every primary school. While this is not necessarily an unreachable goal, the government relaxed its commitment in the early eighties, partly because a World Bank Loan in support of the effort reached its conclusion. Current policy on textbooks is indeterminant, but it would seem the government is distancing itself from a free textbook policy.

As in the case of teachers, government schools are similarly constrained to seek resources to purchase instuctional materials. In the abscence of centrally provided textbooks, the government schools recommend that parents purchase the texts for their children. Private schools often do the same, but in our field work we found private schools were more likely than government schools to devote some of their revenues to the reproduction of instructional materials to supplement or even substitute for the lack of officially supplied textbooks.

Concerning the several policy initiatives to promote unity, it might be concluded that the central government has achieved its greatest success in curriculum development, while it seems to have encountered both bureaucratic and financial constraints in the areas of teacher and textbook supply.

Equality, another prominent goal in New Order Policy, has been advanced through the systematic spreading of resources. In 1983, with the launching of Repelita 4, the central government committed itself to provide obligatory education through grade 6. An important vehicle for the realization of obligatory education through grade 6 has been the central government's *sekolah inpres* program. In this program, the central government directly authorized and funded the construction of schools wherever they were in short supply. Over the period from 1973 to 1982, 68,000 schools were built under this program and many others were rehabilitated; most of these continue in operation to the present.

In its concern to rapidly expand education, the government relied largely on the central technical agency to choose the site for schools and on local contractors for their construction. In other words, local communities were not involved in the planning and construction of these schools. These schools, according to field reports, have come to viewed as mannah from heaven, which the local people use, but do not necessarily love. Local politicians and leaders view these as government schools, which they sometimes contrast with other educational institutions that were developed and now are maintained by the local community. In the absence of continuing government support, the *sekolah inpres* schools might founder.

In 1988, the national government extended the national commitment to obligatory basic education from six years to nine years. Obligatory education, it should be observed, is a concept short of compulsory education. While the official laws declare the importance of education for all, they now assign responsibility for the provision of

education to the triumvirate of government, family, and society. Implicit in this formulation is the government's recognition that it may not be able to provide all of the resources necessary to provide every child with a satisfactory educational experience; the government now recognizes the need to work with other constituencies in the realization of these lofty goals. It can be argued that the government, by the end of the eighties, was reaching some kind of threshold in its ability to provide resources, so that true attainment of these goals will depend increasingly on the other partners.

Until recently, the major planning level for equalizing policies has been the provincial level. Central government financial formulas for education have sought to assist provinces in proportion to their relative need. Thus provinces that were comparatively underprovided in terms of buildings and teachers have been more generously provided. As a result, the most rapid progress in enrollment gains has been in the most backward provinces. By the late eighties, virtually every province had achieved in excess of an 85 percent enrollment rate at the primary level, and several provinces had achieved near universal enrollment. Similar patterns of progress are now evident at the secondary level.

While inter-provincial equality has been advanced, the record at lower levels is less impressive. Central regulations provide for an equal provision of opportunities between kabupaten, kecamatan, and schools. But the central system has not been systematic in implementing these provisions--and there are few formal channels for local leaders to express their preferences on local development or their concern with disparities in development to the centrally employed officials.

The disparities are most evident between rural and urban schools. A major problem is the lack of incentives for teachers in rural schools. Over the past several years, there have been some changes in regulations. Nevertheless, there still remains a major challenge in the reduction of inter-school inequities.

To our considerable surprise, we found that some peripheral areas in Indonesia may be better served by private schools than by government schools. Government policies seem too soft to deliver government teachers to some peripheral locations. In contrast, private schools established by key people and/or religious leaders in local areas have been able, through personal solicitation, to recruit reasonably competent teachers to peripheral locations. These teachers are willing to teach because they live in the area or have loyalties to the area and or the school, and, importantly, have other incomes so they do not have to depend fully on the salary offered by the school. Government schools, because of official regulations relating to teaching posts, often have difficulty in securing the services of these people.

Quality and the provision of a relevant education, suited to local circumstances, are additional areas of concern, and in recent years increasing attention has been given to these issues. Yet this attention is stymied by the legacy of policies developed for other

purposes. The efforts to promote unity and equality are absorbing such a large amount of resources, that the central government has little left over to promote quality.

The system of school supervisors is a potential mechanism for promoting quality and the ratio of supervisors to schools has steadily improved; however, there have been no major innovations in the training of supervisors in the past ten years. And the budgets in local offices to enable supervisors to visit schools has actually decreased: thus the system confronts the anomaly of an expanded staff to promote quality, but who lack the funds to actually get to the schools. In some local areas, local dinas offices require schools to provided a proportion of the income they receive from parent contributions to supplement the dinas expenditures for supervisor visits. It is apparent that many schools question whether the benefits obtained from these visits are worth the money; or to put it differently, they would prefer to have the opportunity to make that judgement whereas currently they are given no option. The soft personnel policies of the MOEC usually allow peneliks and pengawas to live in cities and towns that are often quite distant from the areas they are expected to serve. Thus it is not unusual to find a supervisor who has not visited some of his schools within the past three years.

International studies indicate that programs that train principals in self-management when accompanied by new regulations to enhance the discretion of principals are another mechanism for promoting quality. Over the past two years, the national government has developed a new budget item to provide each primary and lower secondary school with a block grant of Rps. 600,000 and has intentions of expanding the size of this grant. Yet no program has yet been launched to provide principals with insight on ways to maximize the impact of discretionary funding. Our field studies suggest that principals of private schools have the best ideas, while those in government schools find their actions are sharply circumscribed by the instructions of local government offices. The discretionary funding is often used to pay for services that dinas can no longer fund, such as school rehabilitation, clerks, and supplementary teachers. Very little of the money even goes for instructional materials.

In the area of relevance, a promising new proposal is the expansion of the proportion of curriculum to be developed at the local level. But this proposal has not been accompanied by a set of instructions authorizing local levels to proceed in their work. Thus, to date, there has been little progress in developing a more relevant curriculum.

Among the schools we visited, only one government school had shown initiative in developing a relevant curriculum, while two of the private schools and all of the religious schools had shown impressive initiative in developing a relevant curriculum. One of the private schools had developed its own modules to help children who had difficulty following the official textbooks. Several of the non-government schools had funded their own language laboratories. In the government sector, the one impressive exception was Primary School No. 4 of Batu which had devoted a portion of its large campus to a farm which its students were required to tend.

In conclusion, it can be said there are major inefficiences in government sector education. The system has provided the curricular framework for a unified national system and it had enabled a major expansion of facilities and teachers so that most young people find a place in primary schools, and increasing proportion continue on the secondary level. But the centrally managed system is inadequate in the fine-tuning required to provide high quality relevant education, or even to realize equity. New departures need to be considered.

2. The Variety of Schools in Indonesia

Basic education in Indonesia today is conducted in some 220,000 schools at the primary and lower secondary level. 70 percent of these schools are funded and operated by the Ministry of Education and Culture (MOEC) either alone or, in the case of primary schools, in combination with the Ministry of Home Affairs; an additional 5 percent are funded and administered by the Ministry of Religious Affairs; the remainder are largely self-funded with supervision from either Education or Religious Affairs, though in many instances the private schools receive modest subsidies from one or more of the above Ministries (or their local branches). As government funding has levelled off, the private and religious schools have become more prominent, particularly at the secondary level.

The average student teacher-ratio in MOEC schools is circa 25 to one and in the other schools is somewhat higher; the ratio is higher at the primary level than at the lower secondary level. But there is tremendous variety in the level of teacher and other resources supplied to schools by the government agencies. Government agencies are most generous in supplying those schools classified as national schools (sekola negeri), providing these schools with a full complement of salaried government teachers. But the government provision is often biased: those in urban areas tend to receive more teachers than are required by regulations, while those in rural areas are sometimes short- changed. Among government schools at the lower secondary level, student-teacher ratios range from 10 to 1 to 80 to 1. A comparative study by IEEP suggests that Indonesia is at an extreme in the inequity of teacher assignments.

In contrast to its extensive supply of teachers to government schools, government agencies provide less than one- fifth of the teacher requirements of the other schools of the system, those classified as private and religious schools. These schools have to recruit and pay teachers with their own resources. Many do this very effectively. Academically superior schools tend to be in urban areas and are as likely to be private as government schools; effective management and resource utilization seems to be a much better explanation of superiority than resource availability.

3. Research Methods

Our field work sought to understand how the management practices and resources of the schools in diverse settings varied. We chose two provinces known to have strong

educational systems, Sumatera Barat and West Java, and we asked the heads of the Provincial Kanwils for Education/Culture and Religious Affairs to take us to both urban and rural schools that were generally believed to have "good" relations with their community but that varied in terms of core support (Education, Religious Affairs, private). Altogether we visited and carried out in-depth interviews with key administrative officers in 20 schools at both the SD and SMP levels.

The local kanwils were generous in their assistance, both in selecting the schools and accompanying us on our visits. The kanwil staff (as well as staff at lower levels in the government hierarchies) also shared many hours of their time for direct interviews and discussion. Through their introductions we were also able to talk with Bappeda and Home Affairs Staff. At least 25 local officials were interviewed in each province.

4. Portraits of Several SMP Schools

Perhaps the best way to illustrate the limitations of current policy is to cite several examples from our recent field work. The portraits below build on this field work and other experience; we give the most attention to SMP as the variation is more dramatic; after considering the SMP, we will report on several of the SD we visited.

4.1. SMP Negeri Agam

This relatively new school, located 6 kilometers outside of Bukit Tinggi, is approached by the main road traversing the famous and beautiful ravine that lies to the west of BT. The school has a lovely location on one side of the ravine and above the main stream. 120 students attend the school from nearby communities and they are served by 26 teachers, all national public servants! While a school of this size would normally only require 12 teachers, the local education office supplied it with the additional staff as there is a surplus of teachers resident in the area (reportedly wives of civil servants who had to come to Bukit Tinggi when their husbands were relocated there) which had to be placed in some nearby school. The school had so many teachers that most taught fewer than 12 hours a weeks, some only 2, though the official regulation proposes at least 20 hours a week.

Children come in the morning and leave by noon. So apparently do the teachers, who assert that the long walk back and forth each day from their Bukit Tinggi homes makes them pretty tired. The school has virtually no extracurricular activities nor are there signs of school self-improvement projects.

The principal asserts the school is located in an economically marginal area, so many of the parents work elsewhere and thus lack the time to get involved in the school. Moreover, many parents have little income. Thus the school only charges a tuition fee of Rp. 750 a month and asks a monthly BP3 contribution of Rp. 350; while the amounts are modest, many parents do not pay. However, she notes that some of the more highly motivated children in the local area, after completing primary school in nearby schools, move to the home of relatives in Bukit Tinggi to take up secondary

school; she seems unconcerned that her school is not attractive to these potential pupils.

The principal, who worked for several years as an assistant principal at another school before taking up this post, says her most important job is to lead the school (by which she means assigning tasks to teachers and discussing daily matters with them) and that her second most important priority is to master the curriculum supplied from Jakarta. She observes, however, that her job is complicated by the recent curriculum changes, so that the limited number of books in the library do not fit the present curriculum. Moreover, most parents are too poor to buy books for their children. Thus the teachers teach to students who by and large lack textbooks.

The Kanwil pengawas (instructional consultant) came to the school three times last year to present his program, but once the rains began he stopped coming. This year he has not returned. The Pengawas, though responsible for Kabupaten Agam whose Dikbud office is only four miles from the school, apparently lives in Padang some 40 miles away from the school.

Comments: This government school has been provided a surplus of one educational input, teachers, and an attractive physical plant, but it lacks instructional materials and receives little supervisory help. Nor are teachers yet very active in the local in-service program. The principal, who has been to several training courses, has a clear understanding of what her responsibilies are to the local government office and to her teachers and is well regarded by these groups. But she seems to have little interest or intention in searching for ways to achieve better balance in the key educational inputs or of achieving better relations with the community; she thinks the problems in these areas are beyond her control. Many of the chilren in the cachement area change their place of residence so they can go to a nearby urban school rather than this school; this move obviously involves considerable personal costs, implying there is greater local ambition and monetary support for education than this school recognizes or a acts. Of those local children who elect the school, the academic performance is moderate, and the dropout rate is somewhat high.

4.2. SMP Negeri I-Batu

This school is located on a relatively compact campus on the side of a hill on the outskirts of Batu city near the complex of central government buildings. It is regarded as among the top two public middle schools, though these are behind the Catholic school in the downtown area. 1,155 students attend, and are taught by 57 teachers (all tetap); two, however, have primary responsibility for the library and two others are in charge of the science laboratory and other facilities. The administration is carried out by the principal and his assistant (both tetap) supported by 4 assistants hired directly by the school. There are four additional employees to maintain the grounds and guard the facilities during the evening. Thus at the school level, approximately 2 of every 5 employees are involved in administration or support.

The school has been around for some time, and thus has a relatively well-developed physical plant. For example, in the central grounds a high roof has been constructed so that the youth can play volleyball or just talk, even when it is raining. A small computer room has been built as well as a decent science laboratory. The large number of students relative to the size of the physical plant mean that teaching has to be organized in two shifts, through noon and from 1:30 on. The administrative staff is responsible for both shifts, and teachers are responsible for teaching a certain number of classes each week which may occur during either shift; of course, some negotiations on assignments take place as many teachers engage in additional work to supplement their income. Some, for example, teach part-time elsewhere whereas others run small shops or work on their nearby farmland.

The principal notes that the teachers are serious about their work, for the students expect a lot. As in other Indonesian schools, the school's supply of textbooks is quite limited and stored in the library (which consists almost exclusively of textbooks, with only about 300 additional books under the section titled umum (general). But in this school, most of the students are able and willing to buy their own textbooks; they want to learn. The teachers feel a need to maintain the school's reputation.

The principal, who had been in charge of another school before coming here and has been here for only three years, is proud to be at this school. He has placed a high priority on improving the grounds, and has assigned one of the employees to develop a beautiful hedge in which the school's name is carved. He has some ideas about ways to improve the school (the toilet need to be fixed), but he notes that his opportunities are limited. The teachers and a modest supply of textbooks are supplied by the Ministry of Education along with a yearly operating allowance of Rps. 600,000 (standard for all primary and middle schools, regardless of size). He is allowed by the local government to charge a basic academic fee of Rps. 1,000 per student, and the Parent's Association Fee is also Rps. 1,000, as according to local regulations it can be no larger than the SPP. He senses parents would be willing to pay more as there are more applicants each year than he can take in, but local government regulations prevent him from raising the fees. Students who engage in certain extracurricular activities are also charged for incidental costs. But the above sources largely exhaust his possibilities for acquiring revenues and hence his opportunities for doing new things.

Actually, according to the principal, he is not able to make use of all of these resources. The SPP funds are deposited in a bank account managed by the government, and half of the amount deposited is taken out for use by the government--presumably to cover services it provides the school. The principal seemed to be raising an issue about the propriety of this procedure, for he could not see what his pupils received from the government in return.

He observed that there was no effective appeal with regard to this "tax" extracted from the SPP, as it is a decision of his superiors and inacessible local government officials. The latter officials are technically subordinate to the town mayor, but he also

is an appointed official and he as well as the local lurah are rotated every two years or so. They work for the people upstairs rather than the people below; he would be reluctant to bring a controversial issue before these officials (perhaps for fear of the repercussions on his career). When asked if he considered seeking help from local businesses or alumni of the school to expand the school's revenues, he confessed to never having considered these possibilities. However, he observed that in nearby Lawang, a Japanese firm had provided a sizeable grant to a local school to help build some new buildings.

The principal also expressed some jealousy about the initiative of the adjacent Madrasah Tsaniwiyah in starting up a drum band; he noted that this had captured a lot of attention in the area and had added to the popularity of that school. While he seemed to think such an activity might be desirable for his school, he noted that the initative should come from the parents organization, the BP3. But he noted that they rarely proposed any alterations in the school's program. So he did not see an immediate prospect for his school to take up this extra- curricular activity.

Comments: The school is situated near a government complex and receives well-motivated students. Over time, the school has developed a good plant and attracted competent teachers. The principal, who was relatively recently rotated to the school, is doing a good job of keeping it going. He, in discussion primarly with the teachers, has set out a few long term goals for school improvement which he has shared with the heads of the parent's association; they have agreed to support these ideas, but have few of their own. The principal has not seen fit to propose too many new ideas of his own, though he has some awareness of additional strategies for broadening the school's program as well as for attracting new resources. The principal, while conscious of the limitations of the present system, shows little inclination to take new steps. His major new contribution to the school has been an enhancement of the garden.

4.3. SMP Negeri 12 Surabaya

Possibiy the best SMP we visited in terms of academic achievement and extra-curricular activities was SMP-12 located on the outskirts of Surabaya. This school has a large campus with a well-manicured garden in front of the main office, where there is sufficient space for parents, many of whom bring their children in private cars, to drop their children off. On the campus are numerous buildings which, in addition to the classrooms, include a good library, a large cafeteria, and specialty rooms for language, computer studies, music, and other skills. Behind the school buildings is a large playing field.

The school is among the oldest in Surabaya, and receives the top graduates of the city's SDs, as certified in the annual MEN score. According to the principal, Surabaya uses a competitive system (tujuan system) where graduates from the SDs are allowed to apply to three public SMP, and these schools accept the students based on their exam performance. This school receives over twice as many applications as it has places for,

and is able to choose from the very top. Parents make arrangements to send their children from a considerable distance. They are attracted by the quality of the school and its range of extra-curricular activities, which include several athletic teams, a drum band, a computer club, among others. Currently the school enrols 600 students in 12 classes. The Surabaya SMP placement system can be contrasted with Jakarta where students are required to attend their neighbourohood school (the school in their rayon); thus while many students come long distances, others who live in the neighborhood but who did not do well on the MEN have to go long distances to less prestigious public or private SMP.

The school charges an SPP of Rps. 1,500 and a BP3 of an additionai Rps. 1,500; students who participate in the extra- curricular activities cover those expenses with incidental charges. Many of the parents are relatively affluent, and they often make small contributions to the school of such items as electric fans, computers, other equipment, and books for the library. Thus the school is relatively well provided with equipment.

The principal has been at the school for three years, and notes that he came to this school following a career first as a teacher and then as a principal at three other schools. In the Surabaya system, principals are rotated every five years or so.

Comments: The principal clearly knows what he is expected to do: that is to insure the effective implementation of the central curriculum and the smooth running of the school. He recognizes that he is fortunate at this school to have a highly committed group of students backed by supportive parents. Thus his job is pretty easy. The principal is obviously a thoughtful individual, who is comfortable with his role as implementer. If he had been offered the different challenge of providing leadership, one senses he would have many good ideas. But as he points out, under the present system, there are constraints on what he personally can do to effect change. The discretionary income at the school is essentially determined by the city--all government schools in Surabaya have to set their SPP at Rps 1,500, so there are limits on his budget. Also, many of the teachers have been there a long time, while he is a relative newcomer, and will move on.

4.4. SMP Swasta Padang

Situated in the center of old Padang virtually adjacent to four other SMP (two negeri and two swasta), this school is owned and controlled by the Dharma Wanita Yayasan. The school has had a relatively stable enrollment of nearly 300 students, who mainly come from the homes of nearby merchants. It apparently has a niche as a good private school that is not too expensive.

The students at the school are taught by 26 teachers. Five of these are supplied by the Ministry of Education and Culture, five by the Ministry of the Interior, and one from from the Ministry of Religious Affairs; those supplied by these government

agencies are government officials entitled to all of the privileges. The principal is also a government official employed by the Ministry of Education and Culture; in addition to her basic government salary, she gets a monthly honorarium of Rps. 70,000. The remaining teachers are paid on what is called an honor basis--a multiple of the number of hour taught in an average week times the index of Rps 2,500.

This principal had been an assistant principal for 20 years and the head principal for four years. She views her job as one of working with the teachers and with the yayasan, whose members she meets on a monthly basis. She is obviously a charming individual who has established a comfortable relation with co- workers; but when asked about her own educational philosophy or what she was hoping to accomplish in the school, she had relatively little to say beyond platitudes.

The school appears to lean heavily on the yayasan for financial stability, but the principal has remarkably little understanding of the details of this relation. She pointed out that her assistant prepared monthly financial requests to the yayasan for the salaries for the honor teachers; but she had no idea what amount was requested; when the assistant provided her with the books, she could not make sense of them; it would appear that she did not consider these to be something she should bother with. Concerning materials, apparently the procedure is simply to ask for them when needed and the yayasan responds The yayasan does the same for the four other schools it runs.

The revenues to the school come from a first year entry fee of Rps. 30,000 per student, a semester charge of Rps. 3,500, Rps. 6,000 a month in tuition, Rps. 500 a month for refreshments. Students bring these funds to the school which then turns them over to the Yayasan. A rough calculation suggests that the student revenues essentially cover the student expenses, and that the yayasan may not provide any additional funds. Thus, at least in the case of this private school, the yayasan is less a benefactor than a bookkeeper. What is fascinating is how little the principal, a government employee, knows or cares about the details of this relation.

The principal, as it turns out, maintains good relations with the yayasan members, at least in part, because the yayasan board members are wives of government employees and she is the wife of the town mayor, one of the most important government employees in the province; it probably would not make much sense for any of these people to engage in serious disagreements.

Perhaps because of the school's good relations with the yayasan, the principal does not devote exceptional energy to community relations. These are managed much like the procedures evident in public schools. The school BP3 has an official meeting once a year to agree on an annual plan and to make an assessment. Parents are invitied to the school on opening day and at the time of academic reports. No other special efforts are made to reach out to parents.

Comments: The school enjoys a comfortable relation to its yayasan and to the local government, possibly because of the principal's social status as wife of the provincial capitol's mayor. Thus, for example, the school receives a more generous provision of government servant teachers than would be normally expected, which helps to cuts its costs. The fees it assesses students are moderate compared to other private schools in the neighborhood, so it typically receives applications for more places than it has available. Its students perform respectably on exams and in other activities, but there are no outstanding accomplishments to be noted. The principal with better training and or motivation could probably move the school to accomplish more, but then she is under little pressure to do so.

4.5. SMP-Swasta Malang

This school is approached through a narrow gate in a long wall along the side of a major and busy street on the outskirts of Malang. As it turns out the school is located on property owned by the armed forces and it is controlled by a Hankam Yayasan.

The 400-plus pupils largely come from the area adjacent to the school which is a somewhat impoverished area. They are not able to pay very much, and thus the school has a moderate all-in tuition of Rps. 5,500 which is paid directly to the yayasan. The yayasan manages six other schools.

The principal acknowledges that he knows relatively little about the management structure of the yayasan and even appears reluctant to relate what he knows. As he puts it, "they take care of the money and I take care of education." He does, however, develop and present an annual plan to the yayasan which typically includes some developmental activities. And there are some negotiations around this. While the school has, in the view of the principal, sufficient buildings, there is much room for improving the buildings as well as for developing specialty rooms.

A big item in this annual plan is teachers' salaries. The school is provided 3 teachers from the Ministry of Education and Culture, 1 from the Ministry of Religious Affairs, and the remainder it has to recruit and pay from its own resources. 10 of the additional 27 teachers are hired on a full-time basis by the yayasan, and while they have job security nevertheless receive a level of pay considerably below that of the government officals. The remainder are honor teachers who are paid on an "hourly" basis--Rps. 2,500 per month times the number of hours taught in a week (e.g. 2,500 per hour for up to 24 hours would come to Rps. 60,000). So even when an honor teacher works full-time their take-home pay is less than half that of a government employee moreover, while government employees have security and are eligible for pensions, honor teachers are not.

Despite the discrepancy in pay between the government employee and those with honor status, the principal reports each year that he receives many job applications for the honor posts. He, moreover, reports that the honor teachers tend to stay on at the

school and provide good service. Many, as it turns out, have other sources of income so they get by. Some, of course, hope eventually to gain the status of government employees so they will be entitled to the pension benefits associated with the government program; the yayasan has no pension program for those it employs directly.

The principal points to an anomaly deriving from the differential background of teachers. The honor and yayasan teachers make a good contribution to the program, and their real cost is less than that of the teachers supplied from the government. But the salaries of the yayasan and honor teachers are a direct cost to the school which have to be funded from self-generated revenues whereas the government employees receive their salaries directly from the government and at no direct cost to the school. Thus from the school's financial point of view, notwithstanding the real costs, the government teachers are preferable. But from an educational point of view they create problems. They come to the school with an assumption that they are superior, and they are sometimes reluctant to cooperate in the school's program. After all, the government teachers, not being direct employees of the school, do not depend on the school for their promotion. The principal of this school stated flatly that he would prefer to have the money than the teacher from the government; but that is not his choice.

Relative to most of the other principals we have discussed thus far, this principal has a strong sense of mission. He has been associated with the school for twenty years, and has his home at the back of the school grounds. He recognizes that his students come from an impoverished background and he wants to pull them up. Thus he seeks to provide a program that suits them.

In the instructional area, he relies on the official curriculum and on standard paket books. But he and his teachers have found that some of the pakets do not, at least in their view, suit the school's students. So they have developed their own instructional materials in mathematics and English which they have produced on stencil at no extra charge to the students.

Given the attraction of some of the working class students to sports, the school rents space in nearby facilities. There the interested students can play football, basketball, and swimming. Sufficient space is available on the school grounds for other sports; in addition a special sheltered area has been constructed on the school grounds that is sufficiently large for playing volleyball and other indoor sports when it rains.

The school has a special room for Indonesian music stocked with eight xylophones and two gamalons. It has another room to teach the skill of typing, a required course; inexpensive portable typewriters have been purchased for this instruction and they are kept under lock and key. The school even has a laboratory for English language instruction, consisting of desks hand-made by school staff and an interactive microphone tape system provided at moderate cost by a local contractor.

Comments: The school is not pretty, but it works. Most students graduate, and the Ebtanas level is above average for the Malang area. Over the past several years since the test was developed, the school has made steady forward progress in average Ebtanas scores. But according to the principal, the progress has been too slow. Within the range of factors over which the principal has control, he has considerable knowledge and insight. He is doing what he can to manage his school, under conditions of obvious resource constraints.

4.6. Pondok Parabek-Padang Panjang

This 70-year-old Pondok is nestled in the bottom of a sloping valley of terraced rice fields, not far from the famous hill-station known as Bukit Tinggi. Originally its curriculum had focused exclusively on intermediate to advanced Islamic studies, and in that mode it had inspired an impressive of leading figures including the great theologican Hamka and the great statesman and former vice- president of the nation Adam Malik.

Fifteen years ago, it decided to shift to a modern curriculum in keeping with the changing times. Apparently, it was losing students and realized that it faced the possibility of extinction. Thus it gradually shifted to a six year school combining the official smp and sma curriculums with its own approach to religious studies; with these adjustments it became accredited as a madrasah tsanawiyah and a madrasah ibtidayah by the Department of Religious Affairs. But in terms of fiscal matters, it remains a private institution which receives only modest assistance from the government.

Formal responsibility for the school rests with a yayasan of five individuals, one of whom is the school principal; associated with the yayasan is an advisory board composed of a notable group of political and religious leaders, many of whom reside in West Sumatra. This board meets once a year to provide advice on long- term planning. However, daily operational affairs including financial management rest primarily in the hands of the principal and his assistant; these two chief officers apparently share most of their decisions with the other teaching staff.

The institution currently has 1200 students enrolled with more at the lower than at the higher levels; the first year of the tsaniwiyah level has 1200 students while the top year of the aliyah level has only one class. Many of the students come from the nearby area, but others come from greater distances, about 60 percent reside in the school's asrama, where they can either eat food prepared there or cook for themselves. Student tuition and related fees provide the major source of income, though for special purposes the school engages in various fund-raising or other campaigns. Monthly fees at the tsaniwiyah level are Rps. 6000 and at the aliyah are Rps. 7000. Students who stay in the asrama and do not cook their meals pay up to Rps. 33,000 a semester. Most students can afford these fees; those who cannot are put to work on local projects such as cleaning the nearby mosque as a way of earning their keep. In addition, the student operates a rice mill as an additional source of operating income, and it is currently

considering other "industrial" activity to boost its operational revenues.

The teaching staff consists of five faculty who are provided by the Ministry of Religious Affairs and 55 who are on an honor basis (at Rps. 3000 a month per hourly load) and whose pay has to be covered from student fees. Most of the teaching staff are former students, and many have full-time jobs at well- known institutions such as the IKIP and the IAIN in Padang; their loyalty to the school makes it difficult for them to refuse the school's request for their services. While the school reports little difficult in retaining staff, it nevertheless began a pension plan four years ago. While the amounts involved are modest, the approach is interesting. Once a teacher has been associated with the school for ten years, the school begins putting Rps 10,000 a month into the teacher's retirement fund; after fifteen years, the contribution is raised to Rps. 15,000; similar increments occur for each additional five years. The accounts are interest bearing and will provide each loyal honor teacher a handsome bonus on retirement. No other school we met had devised such a scheme. It was unclear whether the school had developed an analysis of the long-term financial implications of this scheme. Regardless, one cannot help but being impressed with the thought that went into it.

Similar care is evident in other areas of the school's management. The principal and their staff are keenly aware that the school's longterm welfare is dependent on community support. Thus the school makes every effort to reach out to the community. When there are local funerals students and staff are present. The students worship in the local mosques. They help in the repair of roads. Likewise if a farmer needs help in harvesting paddy, the school will provide labor. Local custom determines the type of exchange that can be expected from these outreach activities. In some instances (as in helping with paddy harvesting), the participating students will get some small change. But just as important is the good will these activities build up. Thus when the school needs help as in putting up a new building, it finds the community ready to provide both voluntary labor and financial support. Of course, the development campaigns also reach out to the broader group of alumni living throughout Indonesia; and, needless to say, the school does have an extensive and up to date list of alumni addresses.

Comments: Of all the schools visited, this school had the most sophisticated ideas on self-management. It had a clear sense of its educational goals and the assets available for realizing these, mainly its ties with the local community and with loyal alumni. An impressive of school activities were directed to mobilizing these assets.

In terms of internal management, the school showed considerable flexibility: some classes were coeducational, some not; some students lived in asrama, others at home; some asrama students cooked for themselves and others did not; some staff lived on the campus, while others lived 40 kilometers away. On so many different management issues, the school was able to devise flexible solutions to accomodate different conditions. Perhaps of greatest importance was the school leadership's openness in

informing staff and students of policies and seeking their reactions.

Meanwhile, the school was looking ahead, beginning to include computer education and foreign languges into its curriculum as well as considering new ways to obtain funding such as approaches to other government agencies. On the one hand, one of the most traditional schools we visited in terms of curriculum, on the other hand, it was among the most advanced in terms of managerial practices.

5. Conclusions

Politics Versus Markets

Recent thinking on the management of large organizations including educational systems suggests that the greatest productivity and adaptability is achieved when those closest to the problems are given wide levels of discretion to respond to local situations. These ideas have sometimes been cast in terms of a politics-market methphor. Those organizations established by governmental bodies (and responsible to "politics") tend to be controlled by various regulations, and while these regulation are accompanied by guaranteed resources they also limit the flexibility with which the organization can use the resources. The regulations, often developed by officials in government offices far from the field, may not take account of local problems. In contrast are organizations established by individual entrepreneurs who are guaranteed no resources other than those they can acquire in exchange for the services they provide. The market-oriented organizations, it is generally argued, are under considerable pressure to develop programs that suit clients and to make efficient use of resources, particularly if they have to compete in providing services with other similar organizations. The cleverer organizations do well, while the others fail. Our field experience, particularly with the SMP-level schools, has produced findings that are remarkably consistent with the politics-market argument.

In Figure One below, we array the six SMP portayed above in terms of several of the analytical themes of the politics-market argument:

Independence from Regulation. On various procedural matters, principals reported few constraints coming from government or yayasan rules.

Comprehensive Management. Principals were informed and active in a wide range of managerial activities including planning, curriculum development, instructional management, student welfare, finance, and community relations.

Entrepreneurship. Principals showed initiative in launching new activities, including those designed to bring new revenues to support school programs.

Proportion of Resources Financed From Client Revenues. In terms of total operating expenses (which includes the value of teaching staff supplied from the government), the proportion that is covered by revenues obtained directly from

students (through SPP, BP3, other fees) and the community is relatively high.

Average Direct Client Costs. The absolute total of revenues obtained direcly from students (sum of SPP, BP3, other fees divided by number of students).

Efficiency. The ratio of total operating expenses to enrolled student.

Figure 1
School Rankings in Terms of Key Performance Indicators

SCHOOLS:	Agam Negeri	Batu Negeri	Surabaya Negeri	Padang Swasta	Malang Swasta	Parabek Pondok
Independence from Regulation	Lo	Lo	Lo	Med.	Med.	Hi
Comprehensive Management	Lo	Lo	Med.	Med.	Hi	Hi
Entrepreneurship	Lo	Lo	Med.	Lo	Med.	Hi
Client-based Revenues %	Lo	Lo	Lo	Med.	Med.	Hi
Average Direct Client Costs	Lo	Lo	Mod.	Mod.+	Mod.	Mod.
Efficiency	Lo	Med.	Med.+	Med.	Hi	Hi+

Virtually all of the schools we observed were good schools, in the sense that their students performed respectably on national and regional exit exams. In this group of good schools, Surabaya 12 stands out as superior, but its superiority does not seem to derive primarily from the school's instructional program. Rather it stems from the highly select group of students the school receives. In the very large Surabaya area, this popular school is required to admit those who achieve the highest scores on the city-

wide primary-level finishing test. The quality of the intake would insure good academic results, even if the school lacked a strong instructional program.

While the academic accomplishments of the students in the several schools are somewhat similar, the resources they deploy to get these results are quite different. The government schools depend very heavily on centrally supplied resources which the principals simply administer; the principals in these schools show less entrepreneurial iniative and their schools recover relatively smaller proportions of their expenses from students. Perhaps of greatest significance, the government schools are the most costly. We estimate that it takes over four times as much to graduate a student from the least efficient government school relative to Pondok Parabek, while the most efficient government school has a unit cost 2 1/2 as large as that of the Pondok. The private schools and the madrasah lie at intermediate points on the efficiency continuum.

Of considerable interest to us is the consistent ordering of the six schools on most of the management dimensions we have featured in Figure One. The more efficient schools are those that depend on clients for revenues, whose managers are more entrepreneurial and take a more comprehensive approach to their job, and finally who are least hampered by regulations. Only in terms of Average Direct Client Costs are the private and religious schools less attractive; but the differences are not great. Surabaya 12, despite very generous state subsidies for its teaching staff's salaries, charges its students nearly as much as do two of the swasta schools. The private schools know they have to keep their prices low if they want to attract a sufficient volume of students. The private schools also know that their chances of attracting these students are enhanced if they can meet an unserved demand, such as setting up their institution in an underserved area or through supplying a unique educational program such as disciplined religious training.

One of the Religious Affairs officials made the following analogy: the madrasah and particularly the pondok approach the model of a private firm (perusahan) while government schools are no more than the bottom rung of a bureaucracy. Particularly when reflecting on the SMP data, a strong argument can be advanced for the perusahan option. In the two provinces we visited SMP swasta and Madrasah were rapidly expanding in areas where government schools had yet to be established; they were as common in isolated rural as in central urban areas. And they were delivering services at a fraction of the cost of government schools. Government schools, while offering a good service, were proving difficult to establish at a rate equal to growing private demand. The government has pledged to realize universal basic education. Its most efficient route might be to set up incentives to encourage the private sector, rather than attempt the effort on its own.

Are Primary Schools Different?

In our field work, we also visited ten primary schools in different areas and under different types of control. As with the lower secondary schools, two of the most impressive primary schools were agama schools.

One of these, located in Batu, was a private agama school that had been in operation for 30 years and operated on a modest budget. But it was closely affiliated to a nearby mosque, commanded the loyalty of the community, and was able to recruit a good teaching staff at modest cost; most of the staff enjoyed second incomes, and served at the school primarily for the honorable opportunity it provided to integrate secular and religious education. The school enjoyed a stable enrollment of 400 students, had recently added a kindergarten, and was considering the addition of a lower secondary school. The current principal, who had been in his position for four years, had previously taught at the school for sixteen years. As in the case of the other religious schools we visited, h appeared totally dedicated to his school and openly discussed all of this decisions with his staff. Staff loyalty seemed very high; several had been at the school for over ten years.

The second, located in Malang close to Universitas Brawijaya, was a Madrasah Negeri and thus received a full complement of government salaried teachers. Despite this generous subsidy, the school BP3 under the extraordinary leadership of the BP3 head asked parents to contribute from Rps. 6000 to 7000 per month. In this school, it might be said that the BP3 was a more obvious source of initiative than the school principal. Composed largely of faculty from the nearby university, the BP3 had a record of conceiving and carrying out very ambitious and costly projects: an English language laboratory (at the primary grade level!), a computer room, an expansive library, a school cafeteria, a school band, school sports, and other extra-curricular activities. The school was on the verge of opening itself up for a full day programs with children staying over for lunch in the school cafeteria. The vigor of the school's programs had caught the imagination of many local residents, and two years ago the total enrollment shot past 1000; it was now approaching 1200 students making it the largest primary school in the nation. And each year it was turning away as many schools as it accepted. This, despite a high BP3 charge. As the BP3 chairman observed, parents are prepared to pay much more for education if they feel their children are getting a good experience. And while the BP3 charge at this public school was high, it was less than the total fees charged at nearby private schools.

While these two agama schools were impressive, so were a number of the government schools we visited. Several had loyal faculty, had worked hard to improve their grounds (sometimes requiring students to participate in the weekly cleaing and uplift activities), had remedial and exracurricular programs, and achieved good results. One in Padang had made an arrangement with a nearby health school to have students from the school participate as interns in the school's instructional program

Another government primary school near Batu that was blessed with an exceptionally large campus had set up a small farm on its grounds. Students were expected to put time in each afternoon in the maintenance of the farm. The farm products brought in extra income which the school sold to generate revenues for various improvements. The principal observed that the farm also taught the children, many of whom came from farm families, valuable skills.

The several continuums that we have discussed in the previous section were not as clearly marked at the primary level. We were not surprised by the difference. The government has been involved in promoting universal primary education for a relatively long period of time, and has made a bolder effort to control this level. The instructional technology of primary schools is simpler than that of secondary schools, so it is more difficult for a school to stand out in the competition. Also parents are reluctant to send their young children to a school outside their neighborhood, even when they know the distant school is better. Thus at the primary level, competition and resource management has less opportunity to influence outcomes. Still, it was apparent that these factors did make a difference. The best schools were those that made the extra effort, that sought to do better and that thus found a way to acquire more resources and make the best use of the resources they could command.

Towards Deconcentration?

One theme in current government thinking is to deconcentrate the administration of the national system, by which is meant the shifting of many decisions to lower levels in the system. In this way, the focus on unity would be sustained while lower level officials, often being from local areas and hence sensitive to the needs of those local areas, would presumably make decisions that better fit local needs.

But a number of examples from our field work challenge the assumptions motivating deconcentration. One example is the weak performance of local officials in promoting relevance. For some years there has been room for local officials to make modest reforms in the curriculum to promote local content, and since 1989 with the announcement of the new education law it is recognized that this opportunity will significantly expand. Yet we found no local official or principal in a government school who had plans to capitalize on this opportunity. They rather said they were awaiting instructions from the center. Rather, the real innovators in promoting local content were in the private and relgious sectors.

Local kabupaten and kecamatan offices have the authority for assigning school teachers, within the limits of the total pool available to them. In the several local areas we visited there was a numerical surplus of qualified teachers. Yet some government schools had far more than required while others were short. These discrepancies, occurred, we were told because of a customary procedure of allowing female teachers to move to the location of their husband's work once married. Mysteriously, female teachers manifested an extraordinary penchant for marrying urban men, and hence of

gaining transfers to urban centers. The very considerate personnel system was responsible--but remember the consideration was to teachers rather than to pupils, who are the clients the sytem is established to serve.

A similar pattern was evident in the assignment of peniliks and pengawas. Most lived in urban areas, sometimes fifty or more miles from the area of their duties. And because of the distance and the lack of government provision of funds or vehicles to enable them to visit their area of duty, they spent most of their work week in their area of residence; some schools under their responsibility were visited no more than once every three years. No thought had been given to rule either leading to recruitment from local areas or to requiring those recruited to take up residence in the area they are assigned to serve.

So despite the prevalence of these deconcentrated activities, there is little evidence of heightened local concern with relevance and equity. The system of personnel management is too soft.

It would be interesting to compare the record of the Department of Religious Affairs with the MOEC in providing services to local areas. Relgious Affairs has a closer connection with local communities, for in every community it is naturally affiliated with the local religious leadership. Moreover, Religious Affairs operates under a tighter budget, but one that for political reasons is less subject to scrutiny by central accountants. These conditions may disposes officials in Religious Affairs to be more responsive to local clients and to make fewer self-serving compromises.

Towards a Mixed System

The thrust of our discussion thus far has been in favor of a more competitive model, at least for the secondary level. It has the potential of greater efficiency and client responsivenes.

Before going overboard in our support of private schools, it will be important to consider some tough questions. For example, access. In many nations, the private sector has not proved the most effective vehichle for reaching out of the way places. Private schools need to recover their costs through revenues provided directly by students; where there are few students, the revenues private schools can collect is limited and hence so will be the scale of the educational program they can support. They presumably face greater difficulty than the public sector in locating schools in out of the way places.

Is Indonesia different? We caught at least the hint of a difference. The soft personnel system in the Indonesian public sector is insufficient to keep public school teachers in peripheral area. The only incentive the public sector can provide is a salary, and many teachers do not find their salary is sufficient to enable them to live in a rural area; they elect for a transfer to a more urban area as soon as they can, in the expectation that they

will be able to better supplement their salary there. In contrast, we found a pattern in religious and private schools of recruiting from the local area, and making various arrangements to accomodate the needs of teachers, such as providing housing and meals. Also, the private schools often provided greater honor than the public schools. It is doubtful that these private sector advantages are replicable on a mass scale? But they do suggest there are incentives the private sector has found, which are presently not available to the public sector.

Distinct from access is the issue of equity. Private schools cost more, at least to the student. Would a system of private schools cater only to a limited segment of the population? Several of the private schools considered in this study charged remarkably modest fees, only modestly above those charged by the highly subsidized public schools. And as one private sector spokesman observed, the public is often willing to pay more if they think they will get something of value back. Moreover, most private schools had provisions to excuse needy students from fees, or alternately to provide them with work so they could pay their fees. Still, there is definitely a limit to the proportion of the public a private system will be able to serve.

The more likely scenario for the future is a mixed approach with some schools belonging to the public sector and other schools belonging to the private sector. An important policy concern will be to develop a blend of these two sectors that best serves the public interest. The example of Surabaya in contrast with Jakarta raises one set of issues. In Surabaya, the public system has created a hierarchy of schools which enables the academically superior students to concentrate in in particular public schools such as Surabaya 12; in contrast, in Jakarta, students are expected to attend the public school in their local area, regardless of its quality. In the Jakarta setting, it turns out that increasing proportions of parents are deciding that their local public school does not provide a good education, and thus they are shifting their children to private schools. This shift is not evident in Surabaya. It might be said that the Surabaya system is allowing a modified form of the market principle to operate within the public system, thus preserving parental interest in the public schools. The Jakarta public system, however, faces an erosion of parental support. It is problems of this kind which will require careful monitoring in the years to come.

Policy Directions

The several schools visited in West Sumatra and East Java have provided a background for examining how effectively the current system of basic education is in promoting the national goals of unity, equality, excellence, relevance, and efficiency. We find some limitations of the present system and some evidence in support of a new approach that encourages greater initiative from the community and principals. The following are several tentative proposals that follow from these findings:

1. Our basic recommendation is that the responsibilities of the different partners in education should be more clearly delineated. We would urge that the government

place a limit on its responsibilites: these are to promote national unity and the equal provision of education. The government, in turn, can look to the other partners in education to assume other responsibilities. Parents can be looked to to provide support, to the extent they are able (but with clear recognition that parents vary in their capability, and that other partners should be looked to compensate for parents of limited financial and cultural capital). Schools should be looked to for strategies to promote excellence, in keeping with their local circumstances. And schools should be encouraged to develop strategies to draw resources from their local surroundings, through such means as school-based industries, revenue generating events such as music concerts or sports events, and tuition charges.

2. The central government as promoter of unity should recognize that it need not mobilize every vehicle possible to insure unity, but rather should focus on those where it has a comparative advantage. The past record suggests that the government's most effective influence is through the curriculum, and perhaps also through text books. There is little evidence that the government's vast effort to train personnel and control them through a centralized hierarchy has the intended effect. There is a widespread and growing sense among educational personnel that government procedures hamper, rather than promote, the educational process. Under these circumstances, it would be wise for the government to consider ways to deregulate many areas of administrative procedure. First priority would be placed on personnel procedures. Schools should be given greater autonomy over their own affairs, with the government seeking to control through mechanisms of accountability.

3. The government as promoter of equality should reconsider the way it supports schools. Current formulas are highly uniform, delivering services to schools in ratio to the number of students enrolled in the schools. Yet it is less student numbers than local circumstances that determine the difficulty of the educational task. A critical circumstance is geography. Schools that are located in urban circumstances have access to a large pool of manpower. Those in peripheral areas do not; it takes more to get a qualified person to work in the periphery. An equality promoting policy would recognize that fact and provide relatively more support to a peripheral school than an urban school. Currently, it is not clear which level of government has primary responsibility for promoting equality, the central level of the local level. Neither level has a exceptional record. Strategies should be reviewed with consideration being given to new approaches that rely on more extensive input by local leaders.

4. The central government, in supporting schools, should adopt the philosophy that it is providing this support to promote its own concerns for national unity and equality, and hence it should use its own resources to pay for these concerns. Parents and schools respect these concerns, but their primary educational responsibilities are different, to promote quality and relevance; and it is for these concerns that parents should be asked to provide support to schools. Thus the central government should refrain from taking resources directly from schools and parents, unless this is explicity approved by the school and parents.

5. The various government agencies might compare their approaches to the provision of key educational inputs. It could well be that some agencies, such as the Ministry of Religious Affairs, have developed procedures that others could emulate. This ministry minimizes its regulation of the schools under its jurisdiction with the result that many of these schools show high levels of initiative.

6. In promoting its own concerns, the government might adopt procedures that encourage schools to make their own choices, rather than a monolithic approach. Thus if the government's concern is to promote unity, it might offer schools several options such as a certain number of centrally trained teachers, a certain number of centrally prepared texts, or a block grant to encourage a school-based curriculum development effort. Similarly, if the government proposes to fund construction of a new school, it might consider the options of building on its own against seeking a contract from the local community and from a private contractor. Experience with Project Inpres and with private schools suggests that local construction may be both more efficient and more beneficial in stimulating community involvement.

7. Rather than thinking of central agencies of having exclusive jurisdiction over particular categories of educational inputs, it is possible to think of the different agencies as competing in efforts to provide inputs that suit school needs. Thus both the Ministry of Religious Affairs and the Ministry of Education and Culture might be authorized to develop textbook series, while offering schools the options of choosing from these two options. Similarly the two might compete in the provision of instructional materials or examinations. Through the promotion of competition, the quality of inputs may improve.

8. Perhaps the most awkward government-school link is the process of supervision of SD Negeri and Swasta. Two different chains of command exist, that from MOEC and Home Affairs. The role of supervisor should be examined with the aim of either simplifying the process or eleminating it altogether. If the purpose of these links is to check on schools, then it would seem reasonable to combine the dual chains into a unified chain of command; in so doing, the idea of substituting accountability for supervision might be considered. If the purpose of these links is to promote instructional quality, then consideration should be given to more effective means such as desa or kecamatan level programs of in- service teacher training.

9. Schools, in the pursuit of excellence and relevance, should be encouraged to develop a more complex picture of their community. On the one hand are the parents who supply children. On the other hand are firms and government services which will employ the graduates of the school system. Both parties should be invited into the schooling process as supporters and decision- makers. It may be possible for schools to diversify their curriculums through sending students for internships in the workplaces of future employers or through otherwise strengthening relationships to the labor market.

10. To stimulate the assertivenness of schools, it is advisable to develop new programs in management training, that target both school prinicipals and local educational officials. These new programs would, on the one hand, encourage principles to take a more assertive role in school management, and on the other hand encourage local officials to allow schools more discretion.

11. Our preferred model is of a school that is guaranteed no resources from the government except a minimum block grant (the size of which might vary according to circumstances). The school would be expected to develop a plan of its own for the management of this grant, and would be encouraged to seek additional resources from various sources including both government grants and the community. Schools would be allowed to admit new students under some controlled program of growth, even at the expense of enrollments at nearby schools, so long as the student chose the school voluntarily. Controlled competition would be used to stimulate excellence and responsiveness to local demand.

12. In support of this program, it is recommended that case studies be conducted of schools that show impressive levels of initiative in self-management and in reaching out to their communities. What inspires these schools, what have they accomplished, what is imitable? Similarly, pilot projects in self-management might be launched to both foster new initiatives and to find out what in the current system thwarts initiative.

13. Governments might consider a strategy of supporting schools to the extent they demonstrate a willingness to support themselves, or alternately to the extent the school provides a description of a program worth supporting. Rather than provide automatic support to a school, the government should require a school to provide some indication of its plans for utilizing that support. This approach would place greater pressure on schools to determine their own goals, keeping in mind the needs of their local community. Principals would be required to take a major role in developing the details of the school program.