

Making Services Work For the Poor in Indonesia

Case Study 1: Smaller Classes and Stronger Incentives in Tanah Datar District, West Sumatra

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ABSTRACT

In February and March 2005 research was carried out in Tanah Datar District, West Sumatra Province, Indonesia for one of nine case studies in support of a World Bank analytical project, "Making Services Work For the Poor." The objective of the case studies was to illustrate the impact of service delivery innovation on (a) stakeholders' behavior and (b) access to and quality of the service. The Ash Institute of Democratic Governance and Innovation, at the John F. Kennedy School of Government, Harvard University, in collaboration with the Ford Foundation International Innovations Liaison Group, has served as a partner in this project. Two innovative education policies are highlighted in this case study: the Stronger Incentives Policy, which rewarded best-performing English teachers and headmasters with training and study visits overseas, and the Smaller Classes Policy, which limited class size in senior high schools to 30 students. As a result of the new policies, over 70 school staff were sent overseas, all public (but not all private) senior high schools, as well as some junior high and elementary schools, have cut class sizes. Key changes in attitude and behavior included increased motivation to do better work on the part of English teachers and headmasters, changes in teaching methodology on the part of some English teachers, increased interest in student performance on the part of teachers and headmasters, increased support for the *Bupati* (governor) by those who benefited from the policies, and an increase in reform mindedness of government education and school staff. Access to senior high school education decreased for some children. Changes in quality of education included improved teaching skills at the better schools, and broader educational offerings and better facilities at better schools. There was, however, an increased financial burden on some schools and parents, and an overall increase in inequity among schools. Key to the positive impact of the reforms were changes in national government policy, the vision, imagination and leadership of the *Bupati*, and effective policy implementation. Factors which limited positive impact included inadequate dissemination of the new policies, lack of follow-up from study trips, the decision not to legalize the Stronger Incentives Policy, insufficient numbers of classrooms, and limited targeting of the poor and disadvantaged.

This case was written by Eleonora Suk Mei Tan, World Bank (Indonesia). Research was based on a field visit to Tanah Datar in February and March 2005. Reference was made to J.D. Angrist and V. Lavy, *Using Maimonides' Rule to Estimate the Effect of Class Size on Scholastic Achievement* (May 1999) and M. Urquiola, *Identifying Class Size Effects in Developing Countries: Evidence from Rural Schools in Bolivia* (November 2001). Research team members included C. Clarita Kusharto, Pradipta Paramitha Foundation (Indonesia) and Sri Budiayati, SMERU Institute (Indonesia). Managerial support was provided by: Winthrop Carty, Ash Institute of Democratic Governance, Harvard University (U.S.A.); and Sachiko Miyata, Stefan Nachuk, and Menno Pradhan, all of the World Bank (Indonesia). Analytical and editorial support was provided by Susannah Hopkins Leisher, consultant (Australia).

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INTRODUCTION

THE WHY

As part of its mandate to alleviate poverty in Indonesia, the World Bank is undertaking analysis regarding “Making Services Work For the Poor.” This work aims to promote better services, especially for poor and disadvantaged people. Nine case studies from a wide range of sectors were commissioned by the World Bank to illustrate the impact of service delivery innovations on (a) stakeholders’ behavior and (b) access to and quality of the service. The Ash Institute of Democratic Governance and Innovation, at the John F. Kennedy School of Government, Harvard University, in collaboration with the Ford Foundation International Innovations Liaison Group, has served as a partner in this project as part of its research into public sector innovation and innovation’s role in fostering good government and more democratic governance.

The case studies were chosen from among the many innovative practices seen in much of Indonesian local government in recent years, through a competitive outreach process managed by the World Bank. Donors, non-governmental organizations, and local government staff were contacted and encouraged to submit proposals regarding innovative pro-poor service delivery work that they either were undertaking or knew about. Tanah Datar’s education reforms touch upon two themes central to making services more pro-poor: improved performance and accountability of local government service providers, and reform of government personnel policies. Hence its selection as one of the case studies.

THE STUDY SITE: TANAH DATAR

Kabupaten Tanah Datar (Tanah Datar District) is one of the smallest of the 16 districts in West Sumatra Province, Indonesia. With a population of 330,000, all from the Minangkabau ethnic group, residing in its 14 sub-districts, Tanah Datar has the highest population density in the province. In addition to their native language of Minangkabau (Arab Melayu), the overwhelming majority of the people also speak the national language, Bahasa Indonesia. As elsewhere in the province, Islam is a very important part of people’s daily lives.

Unique to West Sumatra is the ethnicity-based village government system known as *nagari*. The *nagari* is a unit of people, usually of the same ethnicity, who represent the community. Cultural ties forge a strong bond between villagers and the *wali nagari* (*nagari* head); consequently, the *wali nagari*’s recommendations tend to be supported by local community members. Following decentralization in January 2001, the *nagari* began to receive more authority and started to become involved in ensuring villagers’ rights.

Tanah Datar, a primarily agricultural district, has a poverty rate of just 12 percent, well below the national average of 17 percent.¹ Access in the district is generally very good. All sub-districts (*kecamatan*) and villages can be reached by road; even sub-villages have fairly well-paved roads. Four of the 14 sub-districts, however, are relatively distant from the district town.

EDUCATION IN TANAH DATAR

The Numbers

Education in Tanah Datar is provided through eight different types of schools: pre-schools, public elementary schools (SD); Islamic elementary schools (MI); public junior high schools

¹ Annual national socio-economic survey (SUSENAS) data.

(SMP); Islamic junior high schools (MT); public senior high schools (SMA); Islamic senior high schools (MA); and vocational schools.²

Data from the District Education Bureau reveals an upward trend in the number of students graduating from senior high school (SMA) school, from 89 percent in school year 2002/2003 to 94 percent in 2003/2004.³

Standardized national school-leaving exams (UAN) are held annually for the three education levels in Indonesian, English and mathematics.

The Players

With the January 2001 decentralization of many services, the district government has taken control of education under the leadership of its *Bupati* (governor), Mr Masriadi. Other key players in the education sector include government staff from the District and Local Education Bureau (*dinas pendidikan*), the Office of Religion (*kantor agama*, in charge of Islamic schools), and the Office of Information (*dinas informasi dan komunikasi*, in charge of the dissemination of education policies), School Committee members (all elected; they include parents, local elite, teachers from other schools, *nagari* members, and local businessmen), teachers and headmasters from the 608 public and private schools; and the 74,193 students and their parents.⁴ The Minangkabau people are known for their concern for education, and are not reluctant to travel to neighboring districts or even further for education if their resources allow. Finally, the *nagari* play an important informal role in supporting local schools, for example assisting them to get funding from the Education Bureau.

National Policy Reform

The government focused on two policies it deemed crucial to the success of national education reform: establishment of more representative and accountable School Committees (SCs), and the relaxing of the rigid centrally-set curriculum. Accordingly, in 2002 the Minister of National Education issued Decree No. 044/U/2002 which replaced the old Parents' Associations (*Badan Pembantu Penyelenggara Pendidikan* or BP3) with SCs in all schools, both religious and secular. The end goal was to improve teaching quality, and the decree aimed to do this by greatly increasing community input into, and oversight of, school affairs, making the SCs a potentially key player in education throughout Indonesia. SCs were given responsibility for and authority over ensuring additional funding for schools, managing school year plans, and monitoring school quality.⁵

The second policy, which has not yet been formalized, is the Competency-Based Curriculum. Under this experiment, the rigid curriculum mandated by the national government was relaxed, and individual schools were allowed to offer courses as they see fit. For example, in Tanah Datar, the District Education Bureau began to encourage the study of Minangkabau culture, Arab Melayu (the regional language), and English. The government conducted pilot projects on CBC in selected regions starting in 2002, expanding in 2004 to the entire country.

² Islamic schools can be either public or private.

³ District Education Bureau 2004.

⁴ Tanah Datar District Education Bureau.

⁵ The decree also introduced the Education Council, a district-level agency to facilitate community input into district-level education policies.

THE INNOVATIONS: SMALLER CLASSES AND STRONGER INCENTIVES

Tanah Datar has become well-known nationally and in the development community for its widespread reforms in public service provision following the 2001 implementation of decentralization. Many new education policies were promulgated, including the formation of a special high school for gifted students, the transfer of good headmasters to lower-performance schools, the introduction of a six-day work week for teachers, and funding for drop-outs from remote and poor areas to re-enter school. Two of these innovative policies are highlighted in this case study.

The **Stronger Incentives Policy**, implemented from 2002 to 2004, rewarded best performance of English teachers and headmasters by a trip abroad, to Australia for one week of English training or to Malaysia and Singapore for school visits. The aims of the policy were to increase teachers' motivation to teach well, to provide teachers with examples of new teaching methods, and to convince teachers and headmasters of the need for education reform. Specifically, the *Bupati* wanted school staff to return from their trips convinced of the importance of offering courses in English and computer skills, limiting class size to 30 students, imposing discipline, and improving teaching quality. This policy is noteworthy as international travel rewards for teachers are very unusual in Indonesia; teachers viewed the rewards as an extraordinary opportunity.

Under the **Smaller Classes Policy**, a limit of thirty students per senior high school (SMA) class was imposed beginning in school year 2003/2004. This policy aimed to strengthen the bond between teachers and students and to focus teachers' attention on student performance. Previously, classes had each often contained over 40 students.

THE RESEARCH QUESTIONS

This case study sought to answer three questions:

1. What impact have the two innovative policies had on the performance and behavior of teachers and headmasters?
2. What impact have the two innovative policies had on the quality of schools and access to education?
3. What impact have the two innovative policies had on the potential for continued reform, in terms of education staff behavior and willingness to take risks?

METHODOLOGY

The research team spent ten days in Tanah Datar visiting seven schools in three sub-districts (Batipuh, Batipuh Selatan, and Batusangkar). The schools included three public elementary schools (SDs), two public junior high schools (SMPs), and two public senior high schools (SMAs), of which two, one and one respectively were in remote sub-districts. One of the SMPs visited is Islamic. Sub-district selection criteria included: a relatively high poverty rate; a limited number of schools; and SMA students from neighboring sub-districts without SMAs. School selection criteria included being known as one of the best schools in the sub-district and having a staff member who had been sent abroad.

Focus group discussions and semi-structured interviews were carried out with about 55 people including 7 students, 35 teachers, and 12 parents (all selected randomly), seven headmasters, one *wali nagari*, seven School Committee representatives, members of the District Education Bureau, four staff of the sub-district Education Bureaus, staff of the Offices of Information and Religion and the Departments of Social Welfare and Community Welfare, the *Bupati's* office, and the *Bupati* himself.

The following hypotheses were tested during the fieldwork:

Hypothesis 1: The Stronger Incentives Policy has increased the motivation of those who went abroad but has decreased the motivation of those who did not.

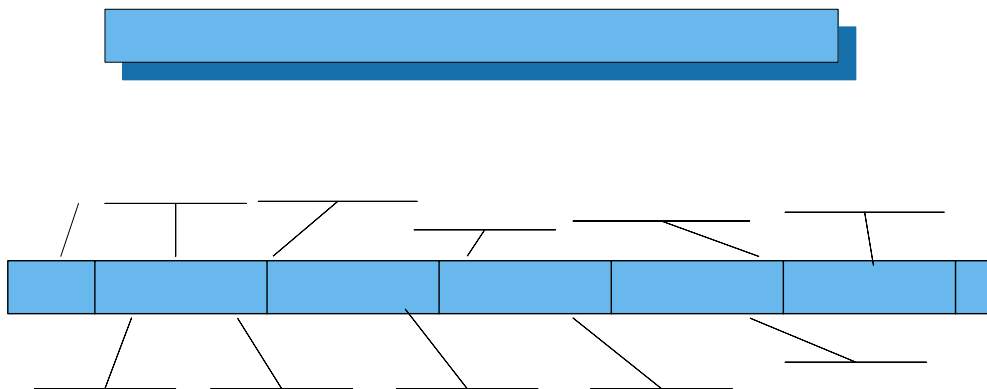
Hypothesis 2: Due to the Stronger Incentives Policy, the quality of already higher-performance schools has increased, which has increased inequality between schools (in terms of teaching quality).

Hypothesis 3: The increased focus on student test scores and limit on student enrolment in SMAs have reduced access of the poor and lower-performing students to education.

Hypothesis 4: As a result of the *Bupati's* innovative education policies, Government education staff, headmasters and teachers are now more likely than in the past to conceive and implement their own innovations for higher-quality teaching.

FINDINGS

FROM WHENCE COMETH?



The two innovative policies highlighted in this case study were both personal initiatives of the *Bupati*.⁶ Two themes of his leadership have been increasing the quality of public services and eradicating poverty through increasing local revenue. The *Bupati* sees education reform, and a subsequent increase in the local skilled labor force, as a key way to increase local revenue and thus reduce poverty. Following decentralization, the *Bupati* tried through discussion to convince different players of the need for education reform but was not overly successful. Thus, he conceived the Stronger Incentives Policy, in hopes of convincing people by example.

IMPLEMENTING THE REFORMS

Playing by the Rules

Under the Stronger Incentives Policy, rewards in the form of trips abroad were given to English teachers and headmasters. Only schools with the highest absolute scores were rewarded. To increase the total number of winners, rewards were also given to the

⁶ Support by the head of the District Education Bureau was necessary but the vision did not come from him.

headmaster from the highest-scoring school in each sub-district. The best English teachers from each junior and senior high school were given English training by the district, based on the headmaster's opinion, and then tested; the best two teachers of each training were rewarded. Only teachers 45 years of age and under were, however, eligible, in an attempt to lengthen institutional memory of trip benefits.

The simpler Smaller Classes Policy has no rules other than the requirement that all SMA classes be limited to 30 students each. Schools which have not yet implemented the policy receive a letter of warning (*surat teguran*). However, most schools already have implemented it.

Paying for the Changes

Additional money was needed to pay for the new policies. In 2001, the *Bupati* cut the number of government institutions from 22 to 8, thus saving approximately Rp. 10 billion (about US\$1 million) annually. The savings were targeted at public sector improvements, including education.

The cost of rewards for English teachers was fully paid by the district government, while headmaster rewards were evenly split between the district and the school. Some schools covered reward expenses from the School Committee budget, while others required headmasters to contribute—a hardship as headmaster salaries are about US\$60 per month. Headmasters who went to Malaysia and Singapore reported that the schools' share for their trip was approximately Rp. 2 million (about US\$225). District costs were Rp. 9 million (about US\$1,010) per person for trips to Australia and Rp. 2 million for trips to Singapore and Malaysia.)⁷ In the first year, 26 headmasters went to Malaysia and Singapore, and 11 government staff and headmasters went to Australia, so district government spending for trips during that year was about Rp. 150 million, or only 1.5 percent of the district government's annual savings.

After the end of the Stronger Incentives Policy in 2004, no performance-based rewards were given out. However, those schools that can afford to pay half the costs of trips abroad for their staff are still eligible for matching funds from the district.

To pay for the Smaller Classes Policy, school fees were increased. No other costs were associated with this policy.

Spreading the Word

The Stronger Incentives Policy was not widely disseminated within the district, significantly decreasing transparency and impact. Teachers in some areas were unaware or unsure of the criteria for receiving rewards. News traveled mainly informally, by word of mouth, only broad details of the policies were communicated on paper.

So, What Happened?

Outcomes

During the two years of implementation of the Stronger Incentives Policy, eight government staff and 69 school staff were sent to Australia or Malaysia and Singapore for exposure trips and training, of whom 81 percent were teachers and the remainder headmasters. This represents coverage of 4 percent of teachers and nearly 10 percent of headmasters in the district.

Meanwhile, all public and some private SMAs have implemented the Smaller Classes Policy. The better SDs and SMPs have begun to follow suit although they are not so required.

⁷ Interviews with headmasters and teachers.

In 2004, Tanah Datar received an award for having the highest national exam scores in the province in school year 2003/2004.

Changes in attitude and behavior

Increased motivation to do better work on the part of English teachers and headmasters. Teachers and headmasters who went abroad for training and study trips as part of the Stronger Incentives Policy returned full of motivation and ideas to improve the quality of their teaching. Teachers returning from study trips always wrote and submitted to the *Bupati* a group report with follow-up observations and recommendations. These included the need for stronger discipline of teachers, students and parents, for smaller class sizes, and for improving the quality of education via provision of classes in computer skills and English, changes in teaching methodology, and an emphasis on student consultations.^{8 9}

Changes in teaching methodology on the part of some English teachers, including those who went abroad and some who did not but associated with the trip-goers (as friends or colleagues at school, for instance). One English teacher, for example, began teaching her classes in English rather than Indonesian following her trip to Australia. She has also begun using a “student agenda” in which students record their activities in English, as well as what they have learned from them, as an aid in teaching.¹⁰

Increased interest in student performance and longer teaching hours on the part of teachers and headmasters, due to both School-Based Management and the Stronger Incentives Policy. Students now study, on average, approximately 15 hours more per week.¹¹ To demonstrate his commitment to raising student test scores, one headmaster actually signed an agreement with his School Committee stating that if the scores at his school were not above a certain level, he would resign.¹²

Increased support of the *Bupati* by those who benefited from policy changes. Headmasters and teachers who went abroad, in particular, returned convinced that the *Bupati's* goals for education reform are correct.¹³

Increase in reform-mindedness of government education and school staff. While the first education reforms were the initiative of the *Bupati* himself, currently many players in the field are at work improving the content and implementation of education policy, including the District Education Bureau staff, headmasters and teachers. In fact, conversations with other Bureaus indicate that the spirit of reform has spread: improvements have already been made in the delivery of health services, for instance (see *Changes in quality of education* below).

⁸ View of key informants (SDs and SMA headmasters, Batusangkar, SMA headmaster Batipuh, SMP teacher Batipuh, staff of District Education Bureau).

⁹ There was a question as to whether teachers and headmasters who did not go abroad would experience *decreased* motivation as a result. Some teachers did report a feeling of “not being treated equally” if their headmasters merited trips and they did not. Teachers from some remote schools with low awareness of the Stronger Incentives Policy may not have been motivated to improve their teaching; but neither did their motivation to maintain teaching quality decrease.

¹⁰ SMA teacher, Batipuh.

¹¹ All schools visited by the team reported that this was the case.

¹² SMA headmaster, Batusangkar, in an interview in which the School Committee was present.

¹³ View of key informants (SDs and SMA headmasters, Batusangkar, SMA headmaster Batipuh, SMP teacher Batipuh, staff of District Education Bureau).

Changes in access to education

Decreased access to SMAs for some children. In SMAs where the Smaller Classes Policy was implemented, the number of classes was usually not increased; therefore, the number of spots available in best SMAs decreased. At the same time, schools where the Stronger Incentives Policy was known began to institutionalize a preference for higher-performing students via new selection criteria, in order to maintain high performance and have a better chance of winning trips for school staff. Thus, not only were there fewer spots in SMAs, but those spots tended to be reserved for the better students, excluding poor and below-average students.¹⁴

The exclusion of below-average students was more prevalent in areas with fewer (or sometimes no) SMAs and less widespread in the city where the large number of SMAs still ensured a place for most applicants. That said, access to the *better* city SMAs was still limited to the *better* students.

There was no impact on access to junior high and elementary schools as (a) there are many more of these schools, even in remote areas, and (b) the Smaller Classes Policy did not apply to them.¹⁵

Reduced access to higher education in remote areas

The sole SMA in Batipuh sub-district registered an 11 percent reduction in student enrolment before and after implementation of the Smaller Classes Policy. No additional classes could be created due to the school's limited resources. Students who are not accepted into this SMA have few options. They can go to the neighboring district and try to find a school that will accept them (schools there do not have a cap on class size). But whether these schools have unlimited facilities is doubtful. Also, access is not guaranteed as the demand for these schools is high as well: the best junior high school graduates from Batipuh usually go to the neighboring district, where one of the best senior high schools in the province is located, to study. This gives them a better chance to continue on to university. Yet the cost of sending their children to school in the neighboring district is quite high for local parents. If they cannot afford it, the only other options are to study at the local vocational school or go to one of the Islamic senior high schools, both of which are lower quality than the SMAs.

One suggestion made by Batipuh headmasters and teachers to ensure access to their SMA is to increase the number of classrooms. Most senior high schools, including this one, have sufficient teachers to accommodate additional classes. Teachers also report being willing to teach more hours because having more students will increase their incomes. The only limitation is classrooms.

The requirement that students at some SMAs spend significantly more hours at school (e.g., mandatory classes for final year students outside regular school hours to boost test results) may indirectly have reduced access also, by inadvertently selecting out those poor students who cannot afford to spend extra time at school. It is unclear if increased difficulty of exams has resulted in a higher repeat rate for final year students.¹⁶ Finally, raised school fees as a result of the Smaller Classes Policy may have had a similar impact on a small number of children. Scholarships for poor students from central and district governments and directly from some schools has mitigated this effect.¹⁷

Changes in quality of education

Improved teaching skills at better schools. Schools with higher test scores were able to send their staff overseas for training and exposure visits; these staff returned with new ideas,

¹⁴ Focus group discussion with headmasters and District Education Bureau staff.

¹⁵ District Bureau of Education.

¹⁶ Two headmasters reported that they felt that it was possible that more difficult exams resulted in higher repeat rates for students. However, there is not enough data to either conclusively support or refute these impressions.

¹⁷ Discussions with headmasters.

many of which were put into use in the classroom. At the same time, the Smaller Classes Policy enabled teachers to focus more on individual student needs, likely increasing the quality of those students' uptake.

Broader educational offerings and better facilities at better schools. The drive to get better students at school, raising school test scores and thus winning trips abroad, was one key motivator of the notable increase in educational offerings at better schools. Among the add-ons were additional classes to help final-year students at all three levels study for the national school-leaving exams (English, math, and Indonesian); special classes for top-performing students (*kelas khusus*); and out-of-hours classes in key topics such as religion and computer science. One school has contracted with a private organization to provide computer training for its students. A number of schools have made the effort to ensure their students have access to laboratories for the natural and computer sciences and to provide one classroom per class.

Increased financial burden on some schools and parents. Due to incomplete understanding of the education reforms, some schools are under the impression that they must provide services they can ill afford. For example, it is a policy that schools *which are able* provide English lessons from first grade onward. Yet even poorer schools without English teachers at this level have scrambled to hire staff, to their financial detriment. At the same time, some parents with children at schools with the Smaller Class Policy face higher costs as a result of both this policy and the fact that schools are making increased academic demands upon the students.

An overall increase in inequity among schools. Essentially, the good schools have gotten better while the average and worse schools have lagged behind. The national School-Based Management policy had already begun to focus the better schools' attention on student performance, and the Stronger Incentives Policy heightened competition for better students. The better schools with higher test scores were already more likely to benefit from the Stronger Incentives Policy. They also already had access to more government money because of their already superior performance. Having begun to implement broader educational offerings such as additional classes and subjects, and to put to use the new skills their staff had learned on trips abroad or from colleagues who had traveled, they were even more able to attract good students. After the central government inaugurated its School-Based Management initiative, schools have become more dependent on their own resources and on the financial support of parents and School Committees. In a self-perpetuating cycle, good schools which attracted the top students, in part as a result of education reforms, were better able to garner financial support from approving parents and Committees, not to mention government funding. Top graduates with good jobs could even contribute to their *alma maters*.

At the same time, the lower-performing schools tended to get less of everything—fewer of the top students, fewer trips abroad, less government money, even less chance (because of inadequate dissemination) of learning second-hand of the new ideas of teachers who had traveled abroad. The requirement that headmasters (or their schools or School Committees) contribute 50 percent of the cost of study trips further reduced the chances that lower-performing schools could benefit from the Stronger Incentives Policy.

A rash of local innovations, not only in education but in other services as well. The *Bupati's* new ideas are catching on. Follow-on changes implemented at some schools have included sending supportive School Committee members to Jakarta for peer exchanges, sending math teachers from one school to Jakarta for training after their students won a provincial Olympiad, the introduction of small fines or disciplinary tasks for children who come to school late too often, and School Committee awards for high-performing teachers at their schools.

In 2004, though the Stronger Incentives Policy had technically ended, its spirit continued with 150 teachers applying for and receiving partial funding from the District Education Bureau to travel to Malaysia for comparative school studies; even more have applied to receive funding from the district to travel in 2005.¹⁸

The District Health Department has also implemented some interesting new policies; in 2004, a number of local health centers (*puskesmas*) became fully autonomous. These *puskesmas* now manage their own financing and report an increase of 300% in service utilization.

From education to health care: the reforms continue

In 2004, the Department of Health conducted a survey to measure patients' satisfaction and willingness to pay. Two major findings were that the community (including the poor) consider the quality of health care services sub-optimal, and that the community is willing to pay for better quality services. Subsequently, three *puskesmas* became financially autonomous. They increased their fees as well as the number of services provided, and designed a new billing system to ensure transparency. *Puskesmas* services are highly subsidized by the government and are therefore relatively inexpensive. However, if people are unaware of actual costs and uncertain about the quality of services, they are still reluctant to avail themselves of them. The new billing system specifically identifies what parts of the service are subsidized by government and what parts still need to be paid by patients. Of great interest is the resulting increase of the number of patients visiting the *puskesmas* after the new regulations were instituted.

IMPROVING EDUCATION SERVICE DELIVERY

KEY FACTORS IN THE POSITIVE IMPACT OF THE INNOVATIONS

The Stronger Incentives and Smaller Classes Policies yielded impressive benefits in just a few years for teachers, headmasters, and students, mainly from the better schools, and to a lesser degree other education stakeholders and stakeholders in other service sectors such as health. How did this happen? Of course many factors were at work, but among the key—those without which the policies would not have been created nor had the impact they did—are:

Changes in national government policy. Decentralization, legislated in 1999 and begun in 2001, together with the two national education reform policies (School-Based Management and Competency-Based Curriculum), paved the way for education reform at lower levels in two ways: first, they loosened the political reins on the *Bupati* and the School Committees by transferring the bulk of the responsibility for school planning, funding and management to them; and second, by their very nature they created a climate encouraging change.

The vision, imagination, and leadership of the Bupati. It is common knowledge that remarkable leadership is often key to social change. The example of education reform in Tanah Datar is no different. National government policy changes notwithstanding, it is unlikely that the Stronger Incentives and Smaller Classes Policies would even have been conceived, let alone implemented, without the *Bupati's* leadership.¹⁹ From his experiences abroad, the *Bupati* had a vision for education reform; using his creative and leadership skills, he located funding for reform by drastically downsizing local government, and proceeded to introduce changes in a deliberately round-about way (rather than through legislation which he feared would not be as effective).

¹⁸ District Education Bureau.

¹⁹ *Bupati* and head of Education Bureau.

Effective implementation of the reforms. Many service reforms sound good on paper but because of ineffective or faulty implementation yield poor—or no—results. This is particularly true of incentives policies. The fact that the Tanah Datar Stronger Incentives Policy not only set out to link performance and reward more tightly, but actually succeeded in so doing, is notable. A clear result was increased motivation of teachers and headmasters who traveled abroad.

WHAT REDUCED THE POSITIVE IMPACT OF THE INNOVATIONS?

Rapid visible positive impact notwithstanding, the two policies had unexpected negative consequences—decreased access for a small but significant group of school-aged children, and an increase in inequity between better and lower-performing schools. In addition, the positive impact itself was rather localized, centering on the better schools. What happened?

Inadequate dissemination of the new policies. Sources concur that there was inadequate dissemination of information about the existence of the policies and the “rules of the game”. Some schools received incomplete or inaccurate information about them, reducing their chances at winning a trip abroad or in some cases burdening them financially (as when schools hired extra teachers in a misguided attempt to apply the policy on English teaching at grade one). The schools which missed out tended to be lower performers (in terms of national test scores) and remote schools (which had less chance of rubbing elbows with the policymakers); as well, schools without close informal ties to the trip-takers and policymakers were less likely to have heard, or heard accurately, about the policy changes. This was partly attributed to the *Bupati*'s decision not to legislate his changes but rather to let them come about organically, and partly to the “long pathway” that much information has to travel, from the District Education Bureau head to sub-district head to headmaster and thence teachers.

There are many options for improving dissemination of information, including: putting more of the information in writing, either via legal documents or informal newsletters; sending information via the *nagari*; and broadcasting the information on radio or television or reporting it in newspapers via the Information and Communication Bureau (*Infokom*). This last method has particular potential as people are eager to tell their stories; most have access to radio and perhaps 25 percent to newspapers.²⁰

Lack of follow-up from trips. Teachers and headmasters came back from their trips abroad with a great deal of information and enthusiasm which was not communicated to their colleagues in other schools who did not travel abroad. Thus, ideas about improving teaching performance had limited positive impact. In addition, the recommendations of the trip-goers have not yet been followed up. It should be the responsibility of the District Education Bureau to ensure dissemination of lessons learned as well as follow-up.

The decision not to legalize the reforms. This limited their impact in two ways: first, it needlessly complicated their dissemination; and second, it may have lowered people's opinion of their importance. In Indonesia, a written document signed by the head of the Education Bureau is viewed as more formal and will thus be taken more seriously.

Ineffective use of the *nagari*. *Nagari* support for a policy will automatically result in higher acceptance of that policy by the community, ensuring a sense of local ownership, not to mention a clearer understanding of how that policy is supposed to be implemented. While the *nagari* have been delegated more authority as a result of national decentralization, they have not been granted more responsibility in providing information to their communities. This

²⁰ Estimate of field research team.

represents a lost opportunity for improved dissemination and implementation of all policies, including education reform.

Insufficient infrastructure (classrooms) in some schools. A key factor in the decrease in access to SMAs was the Smaller Classes Policy, as reduced class size was generally not accompanied by an increase in the number of classes. Most SMAs have enough teachers; the limiting factor is number of classrooms. With more classrooms, more classes could be offered, partially offsetting the reduction in class size. Finding the budget for construction would be difficult for most of the relevant schools—especially those in remote areas—but district funding could be the solution. In an initial effort to address this problem, the district government built one new SMA, one new SMP, and one combined SMA/SMP in the past two years.

Limited targeting of the poor and disadvantaged. The poor and disadvantaged often fall through the cracks if they are not highlighted as a special target group. Tanah Datar was no exception. In this case, the disadvantaged included lower and average performing students with less chance to obtain spots at the better SMAs; poor students, who possibly were self-selected out of SMAs as a result of too-high opportunity costs for SMA attendance; and especially, students from lower and average performing schools, whose staff were not even eligible for trips abroad. Of course, identifying in advance all groups which might not benefit, or benefit fully, from a given policy is impossible. However, the importance to education reform of paying special attention to remote schools, poor students, and especially, students of lower and average-performing schools, could easily have been predicted, and policy measures could easily have been conceived and implemented to address the special needs of these groups. For instance, reserving some of the trips abroad for teachers of the highest performing class at lower-performing schools, or for teachers at schools registering the biggest increase in exam scores over a year, might have yielded a big impact in terms of teacher motivation at those schools.

Limited scope of the reforms. While training and study trips for English teachers and headmasters had very positive results for those staff, teachers of other subjects were not included and did not benefit. Incentives for other staff would doubtless have strengthened the impact of the reforms.

MAKING IT REPLICABLE

To be replicable, the reforms have to be financially sustainable. The Stronger Incentives Policy was relatively expensive; because of savings from district restructuring, however, the total cost for international travel and associated costs still only amounted to less than 1.5 percent of this savings. Not every local government, however, has the freedom, nor perhaps the political will, to make what amounted in Tanah Datar to a major transfer of financial resources from (now closed) district government bureaus to the education system. Financial sustainability then becomes a major issue. Generally, the more expensive a change is to institute, the less likely it will happen. A key question for education policy-makers interested in strengthening incentives as Tanah Datar did is, “How can we cut costs?” A related and no less crucial question is, “Where do we get the money for *any* type of incentives program?” One approach is, of course, to cut the costs of the incentives: in Tanah Datar, for example, staff could have been sent on study trips to centers of training and educational excellence within Indonesia. Another approach is to strengthen the “ripple effect” of the reforms by increasing the number of *indirect* beneficiaries: for instance, ensuring that lessons learned on study trips are passed on to those who stayed at home.

To be replicable, the reforms have to be institutionally sustainable. While one visionary leader can push or nudge through major reforms once or twice, for long-term sustainability of

a *culture* of reform, systemic change is necessary: institutions generally last longer than their leaders, no matter how brilliant. The number of stakeholders willing and able to take risks needs to increase, and the formal and informal rules of the game need to be altered to allow and nurture change. In Tanah Datar, it seems that this process has already begun.

A note on the importance of equity. Reforms which are not designed to address the needs of the poor and disadvantaged directly will magnify this fault when they are replicated. Policy-makers interested in replication with equity need to include this target group during the design phase. As this case study shows, initial improvements in service delivery are not always either pro-poor or inclusive.