

Increasing the potential of higher education in Indonesia



Islamic Development Bank

Together we build a better future



With a population of school-aged children that is one of the largest in the world, Indonesia has made remarkable progress at introducing free universal primary and secondary schooling. Its success means it is on track to meet the education Millennium Development Goal. But, with such a large influx of young students, the country has struggled to meet the rising demand for good quality higher education. Over 80% of Indonesia's education budget is spent on basic and secondary education, leaving little for the colleges and universities preparing young people to find jobs and compete in the modern global economy.

The Islamic Development Bank (IsDB) is the leading donor in Indonesia's education sector, and has provided much-needed support to reforming and upgrading numerous institutions of higher learning. Its focus in this critical area has led to better-trained faculty, improved courses and expanded and upgraded facilities for students and staff. The Bank's support includes modernising Islamic universities and providing opportunities for poor and disadvantaged students through scholarships and better access to education in remote areas. Higher education in Indonesia is reaching towards its potential as the foundation of a more prosperous, dynamic and equitable country.



Students using the lab at UIN Malang (Photo: UIN Malang)

Quality and quantity

Indonesia's unquestionable success at expanding basic education is a significant achievement. But without better access to good higher education, those advancements will have a limited long-term impact on creating opportunities for young Indonesians. The country faces the dual challenges of quickly expanding the capacity of universities and colleges for the growing number of secondary school graduates, and improving and maintaining the quality of these institutions. The need for good facilities like labs, libraries and classrooms is immediate, while improving the quality of the curricula will impact on the education system and the economy as a whole.

While the enrolment rate for primary school is approaching 100%, for higher education it is less than 20%. Though low, this number is growing quickly, due in part to government commitment and donor support, including IsDB. But the system is under enormous pressure to do better. Increasing the share of university graduates in the labour force is key to successful industrialisation and competitiveness. Doing so in a way that maintains quality and includes poor and disadvantaged groups can truly change lives and have a lasting impact on the country.

Building universities, building the future

There is no question that without proper facilities, universities will struggle to provide the kind of research and teaching that students need. The foundation of IsDB's approach in Indonesia is quite literally providing the building blocks on which to improve and expand, complementing the Government of Indonesia's efforts at expanding access and improving the quality of both Islamic and conventional higher education. A typical project involves a big investment in new buildings and

Cover photos: UIN Malang

equipment, supported by money for staff professional development and curriculum improvement. A better learning environment and more space mean colleges and universities are offering more courses, new programmes and well-equipped labs and libraries.

Faculty and administrative staff are better trained through a range of programmes, from short courses to international degree courses. Students can find a place to live in new dormitories, with a range of cultural and sports facilities on campus. Improvements in quality and in degree offerings mean that Indonesia's universities are even beginning to attract students from elsewhere.

Elevating Islamic education

Islamic education is an integral part of the education system in Indonesia. Poor families often depend on the Islamic system for their children's early education and Islamic universities are widespread. But standards have typically been low, particularly in teaching maths and sciences. Students often find themselves leaving school without an education that will actually help them get jobs or study further. At Universitas Islam Negeri (UIN) Malang, prior to IsDB's intervention, most of the students entering came from the traditional Islamic Madrasah track. Students now pursue studies in a wide range of programmes including: Engineering, Natural and Social Sciences, Humanities and the Arts. The transformation has boosted the ranking of the university and made the university a choice for all.

In the capital, Jakarta, IsDB worked with Indonesia's oldest Islamic university, IAIN Syarif Hidayatullah. With IsDB support, the institution was transformed from a small traditional Islamic-based institute with five faculties and 7,000 students to a modern State Islamic University (UIN-SH) with 12 faculties, modern buildings, and expanded research and teaching facilities. It has more than tripled enrolment and is renowned as one of the country's top universities. Competition for entry is fierce but UIN-SH has remained true to its core belief of providing pro-poor, community-based Islamic education.

"The transformation from a traditional Islamic higher institution to a modern Islamic university has boosted the confidence of the faculty and students. Today UIN faculty members are writing in academic journals and students are participating in national and international competitions."

Prof Dr H Imam Suprayogo (President, UIN Malang)

UIN-SH, and other IsDB-supported projects have shown that institutions can offer an Islamic education that also prepares students for good jobs. The outstanding impact of the modernisation of UIN-SH, and other Islamic institutions around the country, means that students can go on to diverse careers as skilled professionals.

This result is linked to the Government and IsDB's priorities of preparing a well-trained labour force to meet the challenges of its fast growing economy. IsDB support to Islamic higher education in Indonesia has shown that offering Islamic education alongside a science and technology curriculum will prepare students for the challenges of the knowledge economy and the requirements of a competitive labour market. IsDB channels 59% of its education funding in Indonesia through the Islamic system to help raise standards and equip students with excellent qualifications. Islamic education is managed by the Ministry of Religious Affairs while the conventional system is overseen by the Ministry of Education.

Teaching the teachers

Better education needs better teachers. The demand for university places for all degrees is to be expected from a fast-growing country with a young population, but the exploding number of school children means huge demand for good teachers to teach them.

Upgrading the flagship teacher training institution, the University of Education Indonesia (UPI), was a high priority for both the Government and IsDB. The project aimed to improve teacher training and expand the number of teachers trained through the construction of facilities, provision of equipment, curriculum development and staff training. The scope of the project was ambitious: 14 new buildings were built, with spacious classrooms and modern labs and research facilities. Annual enrolment nearly doubled and over the course of the three-year project, more than 700 staff of the institution were given support for research and training. UPI now has nearly 40,000 students, and more than half of them are female.

By all measures, the project was a success and is having long-term benefits from beginning to end: the staff of UPI have increased their capacity for research and publication through better training, and the learning and teaching environment is much improved; students are receiving a practical education at a university now ranked in the top five nationally; youngsters throughout the country are enjoying the benefits of having teachers with top qualifications and experience.

The project, which had a budget of about US\$45.5 million, met, and even exceeded, its goals on staff development, growth and state-of-the-art facilities. Revenue from faculty research has increased, the university has expanded into Indonesia's regions to provide better access for students from outlying areas, and the number of scholarships awarded to poor students has gone up. UPI remains Indonesia's only teacher training institution that is a fully accredited university. More than 80% of its graduates go on to work as teachers or lecturers all over Indonesia, including in some of the poorest areas.

Learning for life

IsDB recognised early that it could not hope to achieve its overarching objective of poverty reduction without providing equitable access to quality education, Islamic and conventional, throughout Indonesia. Its investments in higher education in the country are a reflection of its Medium-Term Strategy, under which education and skills development are key areas.

Projects have followed a certain route to success: beginning with major investment in buildings, equipment and facilities, using this to enable a larger student and staff population, which in turn means more programmes and courses. The impacts are both physical, in the form of buildings and equipment, and provide benefits to society in the form of better-trained staff and students going into the workforce. IsDB has financed a total of US\$224 million for completed education projects in the country, with US\$550 million allocated for ongoing projects. IsDB allocates nearly 35% of its funding in Indonesia for education projects, the largest share of all of its priority areas. Its work in higher education is changing the lives of millions of students and staff, and their families and communities.



Students using the IT equipment at UIN Malang (Photo: UIN Malang)



Success factors

Building on success

It makes sense to focus on higher learning to build on the successes achieved in expanding primary and secondary education. A 'tried and tested' approach of investing in buildings and equipment, backed up by a programme of staff training and curriculum development, has been highly effective.

Meaningful partnership

IsDB and the Government of Indonesia both recognise that education must be a top priority, and the support for improving universities is integrated into the policies and strategies of both partners.

Drawing on experience

IsDB was able to build on its accumulated experience in the education sector. The Government of Indonesia recognises IsDB's specialised expertise and commitment, and also appreciates the additional value it provides in related areas, such as Islamic banking and finance.

Payoffs

Thanks to IsDB support, the whole landscape of higher education in institutions that have received support has been transformed. New buildings, equipment and staff development have led to greater access, higher enrolment and lower dropout rates. A better education has unlocked a future of bright career prospects and higher wages for graduates, with benefits for their families and for Indonesian society.

The results are real: higher numbers of graduates, more trained staff, better buildings and facilities. And it is not just within the confines of university campuses that things have improved: communities surrounding newly expanded institutions have reported a revitalising effect on the local economy from the increased numbers of students and staff. Small shops and services for students are springing up around growing universities and colleges, creating thriving neighbourhoods with a full range of services. Education is truly providing opportunities for all.

"Today there are more than 160 foreign students from 22 countries studying in UIN Malang, including students from Malaysia, India, China, Libya, Algeria and the United States."

Prof Dr H Imam Suprayogo (President, UIN Malang)

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