



Abstract

The impact of decentralization on educational outcomes have consistently been debated. This paper aims to shed a light on the impact of decentralization on primary and secondary educational outcome in Indonesia using difference-in-differences analysis with IFLS community facility data. The result of this paper indicates that the impact of decentralization on educational outcome is negative and statistically significant. Based on these findings, it can be synthesized that the educational outcome of public schools after decentralization decrease, while implicating a “catching up” effect of private schools. Several arguments, such as local capacity and function mismatch are the contributing factors in the decrease. Furthermore, this paper also recommends the government to take proactive actions such as minimum service protocol, as well as giving higher responsibilities to district level government to be able to combat these issues.

Keywords: Decentralization, education, UN score, Difference-in-differences, fixed effect.