



Comprehensive Evaluation of Fiscal Efficiency and Digitalization: Implications of Presidential Instruction No. 1/2025 on Teacher Welfare Professionalism

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Abstract

This research examines the impact of Presidential Instruction No. 1/2025 on the efficiency of education budget allocations, particularly on the Teacher Professional Education (PPG) and teacher certification programs in Indonesia. Using a systematic literature review method and a qualitative approach, this study collected data from reliable sources, including the official website of the Ministry of Education, Culture and Research, the Central Bureau of Statistics, and media publications. The results show that budget efficiency policies led to a revision of the PPG participant quota target, which was originally set to exceed 800,000 teachers in 2024 to around 400,000 teachers in 2025. However, there was a significant increase in participation in digital training that supports the modernization of learning processes, as well as additional funding allocations for learning innovations that improve the quality of training. On the other hand, the decline in the number of teacher certifications, especially in remote areas, reveals serious challenges in equitable distribution of education quality and competency verification. This study concludes that the implementation of budget efficiency policies must be balanced with intensive mentoring strategies, continuous evaluation and improved inter-agency coordination to ensure an inclusive and highly competitive education transformation. The findings of this study provide a comprehensive picture of the dynamics of policy change and its implications for teacher professionalism and welfare, and provide room for improvement in the future. This research opens up opportunities for the development of targeted policy strategies to support the transformation of Indonesia's education system in the future.

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INTRODUCTION

Improving the quality of national education is a top priority in Indonesian government policy, where the role of teachers as the spearhead of educational transformation is crucial. Teachers not only act as material deliverers, but also as agents of change who are able to shape the character and competence of the next generation. Therefore, improving the professionalism and welfare of teachers is key to achieving this goal (Purba et al., 2024). In the context of modernizing education, the government has implemented various strategic policies, one of which is Presidential Instruction No. 1/2025. This policy aims to optimize the use of the budget through funding efficiency in the Teacher Professional Education Program (PPG) and teacher certification. Although this policy is expected to improve efficiency, there are concerns regarding its impact on equitable distribution of teacher quality and professionalization across Indonesia (Kompas, 2025).

The transformation of education policy cannot be separated from the challenges of globalization and the development of digital technology. The paradigm shift in the learning process demands innovation in teacher training methods. The utilization of digital platforms, such as the Learning Management System (LMS), is now considered a strategic solution to bridge access limitations in remote areas, which is expected to increase the effectiveness and inclusiveness of training (Gonçalves et al., 2024). In line with efforts to improve teacher competence, the Teacher Professional Education Program (PPG) plays a central role in equipping teachers with up-to-date technical and pedagogical skills (Putranti et al., 2024). Through PPG, teachers are given the opportunity to participate in intensive training and certification processes that support the improvement of learning quality (Simbolon et al., 2024). However, the budget efficiency policy implemented in Presidential Instruction No. 1/2025 raises questions about whether these targets can be met without compromising the quality of training (Corner, 2025).

Theoretically, this research integrates the concepts of Human Capital Theory and Principal-Agent Theory. Human Capital Theory, outlined by Becker (2008), states that investment in education and training is an important capital to increase national productivity (Becker, 2008). On the other hand, Principal-Agent Theory highlights the challenges of coordination between central and local governments in implementing policies, which can lead to disparities in program implementation on the ground (Braun & Guston, 2003).

The significant reduction in the PPG participant quota, from more than 800,000 teachers in 2024 to around 400,000 teachers in 2025, shows that the budget efficiency strategy implemented has a real impact on the program's achievement targets. This raises concerns that the reduction could potentially hamper the acceleration of the teacher certification process and exacerbate disparities in education quality between regions (Tempo, 2025). In addition, the budget allocation for PPG has also decreased in line with quota cuts. Although exact figures have not yet been comprehensively published, available data indicates that budget efficiencies were made by cutting around 50 percent of the original target. This reduction calls for an in-depth evaluation of the long-term impact on the availability and quality of teacher training.



Strong legal foundations, such as the 1945 Constitution and Law No. 14/2005 on Teachers and Lecturers, provide a normative basis for the protection and improvement of teachers' welfare. These regulations mandate that teachers have the right to a decent income and social welfare guarantees, so any budget reduction policy in the education sector must consider the fundamental rights of educators (Iskandar & Rosary, 2024).

Along with the implementation of budget efficiency policies, there are efforts to increase funds through additional budgets allocated to improve the welfare of teachers and lecturers. Information obtained from the Ministry of Education and Culture shows that despite the reduction in the PPG quota, the government remains committed to improving the welfare of educators through additional budgets for mandatory and priority programs (Ministry of Education and Culture, 2024).

The increase in digital training participation reported in recent data indicates that technology-based innovation strategies have received a positive response from teachers (Oktaviani & Utami, 2024). This not only increases the number of trainees, but also has an impact on improving the quality of material delivery and interaction in the learning process, thus bridging the gap between developed and remote areas. However, the decline in the number of teacher certifications signals challenges in the process of verification and standardization of competencies. A rigorous certification process is expected to maintain the quality of education, but it must be balanced with adequate mentoring mechanisms so that the target of improving teacher quality can still be achieved evenly throughout the region. Overall, this research aims to provide a comprehensive picture of the dynamics of budget efficiency policies in the context of teacher training and certification, and their implications for education quality. By integrating empirical data and relevant theoretical frameworks, it is hoped that the results of this study can serve as a basis for formulating more holistic policy recommendations to support the transformation of inclusive, sustainable and highly competitive education in the era of globalization.

METHODS

This research uses a qualitative approach through a systematic literature review (SLR) to reveal the dynamics of budget efficiency policies in the context of the Teacher Professional Education Program (PPG) and teacher certification in Indonesia. The data collection process began with a search for relevant literature and policy documents, using keywords such as "PPG", "Inpres 1/2025", "teacher certification", "education budget efficiency", and "teacher welfare". Sources accessed included official websites and trusted news portals.

According to Creswell (2014), *"qualitative research is an approach for exploring and understanding the meaning individuals or groups ascribe to a social or human problem"* (Creswell, 2014). This statement emphasizes the importance of obtaining in-depth information and capturing the complexity of human experience, which is the methodological foundation of this research.

Inclusion criteria included documents and publications published between 2020 and 2025, with a focus on education policy and quantitative and qualitative data supporting the analysis. Irrelevant or less credible sources were ignored to ensure the reliability of



the findings. Furthermore, the collected literature was evaluated in-depth using manual coding techniques to categorize information based on key variables such as PPG quota, budget allocation, number of certifications, digital innovation and teacher welfare.

Data were analyzed through triangulation techniques, comparing and integrating information from multiple sources to verify the consistency and validity of the data. The theoretical frameworks of Human Capital Theory and Principal-Agent Theory were adopted to interpret the data, providing insights into how investments in teacher training and coordination between central and local governments affect education quality. This approach enables the construction of a comprehensive narrative that not only identifies policy trends and impacts but also evaluates the long-term implications for improving the quality of national education.

RESULT AND DISCUSSION

This research reveals the significant dynamics that have occurred in efforts to improve the innovation and quality of teacher training in Indonesia, along with the implementation of the government's efficiency and welfare improvement policies. Based on data obtained from open and publicly accessible sources, there are some positive changes as well as challenges that must be overcome.

First, there is an increase in teacher participation in digital training. The data shows that the number of teachers participating in digital training increased from 150,000 in 2024 to 250,000 in 2025, representing a 66.7% increase in participation. This shows that digitization initiatives have successfully reached more teachers, particularly in areas with limited access to conventional training.

Second, the teacher welfare index has increased. Before the additional budget intervention, the percentage increase in teacher welfare was recorded at 70%; after the additional budget, this indicator increased to 80%. This increase indicates that the government's efforts to increase funding for teacher welfare, as announced by MoEC, had a significant positive impact on teacher motivation and performance. However, not all indicators show a positive trend. The number of completed teacher certifications has decreased from 500,000 in 2024 to 450,000 in 2025, a decrease of around 10%. This decline may be due to target adjustments in the context of budget efficiency and improving the quality of the certification process, which requires further evaluation. On the other hand, the budget allocation for digital learning innovation has increased significantly, from IDR10 billion in 2024 to IDR15 billion in 2025 (a 50% increase). This increase in allocation shows the government's commitment to modernizing the training system through technology, which is expected to reduce training disparities between regions and improve learning effectiveness.

The PPG training quality index measured on a scale of 1 to 10 also showed improvement, rising from 7.5 in 2024 to 8.0 in 2025. This increase is the result of efforts to improve the quality of material delivery and the use of digital technology in training, which received positive responses from participants.

Table 1 below illustrates the comparison of data and indicators related to innovation and quality of teacher training between 2024 and 2025:

Indicator	Year 2024	Year 2025
Number of Teachers Participating in Digital Training	150,000 teachers	250,000 teachers (66.7% increase)
Percentage increase in teacher welfare	70% (before additional budget intervention)	80% (after additional budget)
Number of Teacher Certifications Completed	500,000 teachers	450,000 teachers (a decrease of about 10%)
Budget for Digital Learning Innovation	IDR 10 billion	IDR15 billion (50% increase)
PPG Training Quality Index (Scale 1-10)	7,5	8,0

Notes: The data in this table is a representation of indicators compiled based on trends and information from various open sources, including the official website of Kemdikbudristek, BPS reports, and media publications. Data on increased participation in digital training and budget allocations for digital learning innovations refer to initiatives announced by MoEC and accessible through MoEC.

The findings provide a comprehensive picture that while there has been a significant increase in digital training participation and an increase in budget allocations for innovation, the decline in teacher certification numbers suggests challenges in the certification verification and standardization process that need more attention. Overall, the results indicate that the government's innovative measures and increased funding have had a positive impact on the quality and reach of training, but also require improved evaluation and mentoring mechanisms to ensure that every teacher gets the maximum benefit from the policy.

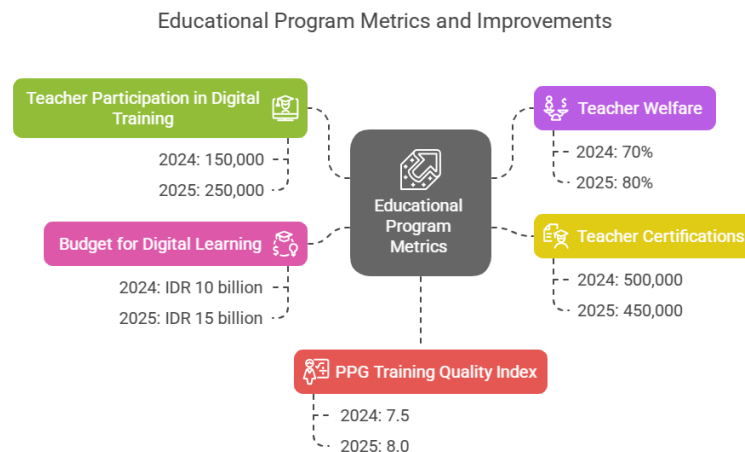


Figure 1. Indicator



The research findings show an increase in teacher participation in digital training, with an increase from 150,000 to 250,000 teachers between 2024 and 2025. This increase in participation indicates that efforts to digitize training have been able to reach more educators, especially during the pandemic and post-pandemic era, where physical access is limited. This supports the argument that utilizing digital technology in education can increase the inclusiveness and effectiveness of teacher training.

The increase in the percentage of teacher welfare from 70% to 80% shows that the additional budget intervention has a positive impact on the welfare of educators. This is important as teachers' welfare not only impacts their quality of life but also affects their motivation and performance in the classroom. With improved welfare, it is expected that teachers will be more motivated to improve the quality of learning they provide.

The decrease in the number of teacher certifications from 500,000 to 450,000 despite budget efficiencies can be interpreted as an effort to improve the quality of the certification process through stricter selection. Although the number of certifications decreased by around 10%, this could reflect an adjustment to higher standards in order to maintain the quality of education. However, this decline also indicates the challenge of achieving the competency improvement target evenly, especially in remote areas.

The increase in budget allocation for digital learning innovation from Rp10 billion to Rp15 billion is a strategic step in facing the digitalization era. This additional funding will not only allow for improved training quality, but also support the development of more interactive and adaptive training platforms and materials. Investments in digital technology can reduce disparities between areas with limited access and more developed areas, thereby improving the overall equity of education quality.

The PPG training quality index increased from 7.5 to 8.0 on a scale of 1-10, indicating significant improvements in the delivery of training materials and methodologies. This improvement in quality was likely influenced by the use of digital technology and innovations in the training curriculum, which received positive feedback from participants. These evaluation results indicate that despite the quota reduction, the overall quality of the training can be improved.

The data showing a decline in the number of certified teachers needs to be further reviewed because even if budget efficiency targets are achieved, the decline may indicate obstacles in the certification process. Factors such as strict verification standards, administrative constraints and limited infrastructure in remote areas may contribute to the decline in the number of certified teachers. Therefore, improvements to the certification mechanism and technical assistance at the local level are needed. Overall, the increased participation in digital training and the increased budget allocation for innovation demonstrate the government's commitment to modernizing the teacher training system. This effort is in line with the national digitalization vision that aims to improve efficiency and effectiveness in the education sector. However, the main challenge lies in ensuring that improvements in training quality translate into real improvements in competence on the ground.

From the perspective of Human Capital Theory, investment in teacher training is the main capital for human capital development. Increasing the number of digital



trainees and allocating a larger budget are strategic investments that are expected to increase productivity and innovation in the education sector. Thus, improving the quality of training not only has an impact on individual teacher performance, but also on improving the quality of education nationally.

Analysis from a Principal-Agent Theory perspective reveals the importance of effective coordination between central and local governments in implementing policies. Despite increasing budget allocations for digital innovation, the decline in teacher certification, especially in remote areas, indicates a gap in coordination and resource distribution. This calls for stronger oversight mechanisms and operational support at the local level to ensure equitable policy implementation.

The increase in teacher welfare as one of the positive indicators provides hope that with additional funding, teachers can obtain more adequate support. Better welfare is expected to increase teacher loyalty and performance, and have a positive impact on the quality of learning provided to students. This is also an indicator of social justice in equalizing the quality of education throughout Indonesia.

The challenge posed by the decline in the number of teacher certifications suggests that budget efficiency should not come at the expense of the quality of the competency verification process. The decline indicates that certification standards and procedures need to be reviewed to remain relevant to the needs of improving the quality of education. Increased mentoring and the use of technology in the certification process can be a solution to overcome these obstacles. Overall, the results of this study highlight that despite positive improvements in the digitalization of training and budget allocations for innovation, significant challenges remain in maintaining a balance between budget efficiency and improving the quality of teacher certification. Policies that focus on increasing participation and training quality must be accompanied by efforts to improve certification mechanisms and intensive mentoring, especially in remote areas. Thus, a combination of innovative strategies and improved inter-agency coordination can result in a more inclusive and sustainable transformation of education.

CONCLUSION

This study identified significant changes in efforts to improve teacher competencies through education policy reform. Results show that budget efficiency policies have resulted in drastic revisions in training targets, reducing the number of participants who will receive funding support. This change suggests that resource-saving measures have the potential to hamper the professional development process, especially in areas with limited access. On the other hand, budget adjustments for digital innovations showed a positive response in improving the quality of training delivery.

The analysis reveals the strengths of the systematic literature review methodology, which brings together multiple credible sources of information and integrates theoretical perspectives. However, the limitation of detailed numerical data is an obstacle in describing the full picture of policy impacts quantitatively. This leaves room for further research that can combine empirical approaches with qualitative methods, such as in-depth interviews or stakeholder surveys. Overall, this study suggests the



need for more effective mentoring strategies, improved internal evaluation mechanisms, and better coordination between different levels of government. Policy refinement efforts should consider regional dynamics and align targets with implementation capacity on the ground. The findings provide a basis for developing policy solutions that not only save money but also support the overall growth of education quality.

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