

TRANSNATIONAL EDUCATION IN INDONESIA

Exploring opportunities for the UK

October 2019



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The research presented in this report was gathered through a combination of desk research, policy review and interviews. Every effort has been made to ensure the reliability and timeliness of the information included, however, many of the issues covered are fluid and may be subject to change.

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1. EXECUTIVE SUMMARY

To assess the transnational education (TNE) opportunities for UK universities in Indonesia, the British Council conducted a study comprising extensive desk-based research and face-to-face interviews with key stakeholders in Indonesia. This report is intended to assist UK universities to better understand the TNE landscape and regulatory environment and provide an overview of the main trends, challenges and opportunities that exist in this increasingly important higher education (HE) market.

In 2018, eight million students were enrolled in tertiary education programmes, compared to just five million in 2010. About two-thirds of tertiary students are enrolled in private higher-education institutes (HEIs) and competition for places at top state institutions is fierce. Positive economic prospects and favourable demographics suggest that the HE sector will continue to expand rapidly.

While a significant source market of international students for UK universities, TNE in Indonesia is relatively underdeveloped. Collaborative modes of TNE such as joint and double degrees account for almost all TNE currently delivered in Indonesia, delivered in partnership with universities in several countries, including Australia, Germany, Japan, the Netherlands and South Korea, and, to a lesser extent, the UK.

In October 2018 the Ministry of Research, Technology and Higher Education (RISTEKDIKTI, the Ministry) signed a regulation paving the way for the establishment of international branch campuses (IBC) in Indonesia. This is indicative of a slow but steady trend towards increased internationalisation of the HE system in Indonesia. Key drivers of internationalisation include the need to increase the quality of the Indonesian HE sector; extend the range of courses available in-country; attract foreign students; and reduce the amount of resources spent on scholarships that send Indonesian students and academics overseas.

The October 2018 regulation provided the following clarity on the criteria to be applied by the Ministry in approving an IBC in Indonesia:

- IBC must be located in a special economic zone (SEZ)
- The foreign university must be ranked in the top 200 universities in the world
- IBC must be a non-profit-based institution
- IBC must collaborate with Indonesian universities
- IBC must offer at least two study programmes
- IBC must offer programmes identified as a priority area for the state

However, the precise implementation details remain to be worked out (e.g. application of the non-profit criteria, requirements to partner with local institutions, location of campuses, etc.) and a final regulation from the Ministry is pending. As at June 2019, the Ministry had confirmed that no applications had yet been received, and no invitations had been issued by the Ministry to establish an IBC in Indonesia.

The Ministry is the agency responsible for the approval of HE programmes in collaboration with foreign universities. The 11 autonomous public universities in Indonesia do not require approval from the Ministry to deliver programmes in collaboration with foreign universities. For TNE collaborations with all other HEIs, it is the responsibility of the Indonesian university (with input from the foreign university partner) to submit a TNE partnership proposal to the Ministry via an online portal. The approval process takes six months in theory but, in practice, can take up to three years, and navigating the internal bureaucracy of public universities is also a time-consuming process.

In April 2019 the Ministry approved a landmark blended-learning MBA programme between a UK university and an Indonesian business school. The Ministry is keen to receive more applications for joint and double degree programmes delivered via blended learning.

Franchise and validated programmes are not permitted in Indonesia – or at least are not provided for in the regulations. Articulation agreements (which recognise previous study by the Indonesian student for the purpose of advancing to year two or later in the UK) between overseas and Indonesian institutions exist, but do not appear to be common. Indonesian students can also avail themselves of the limited number of foundation programmes on offer as a pathway to study in the UK, given that the Indonesian secondary school certificate is not generally accepted as meeting UK university entrance criteria.

Based on views from Indonesian university interviewees, the benefits of TNE for students are understood in terms of mobility opportunities, enhanced English language competency and development of soft skills such as adaptability, independence and open-mindedness. TNE is also seen as offering a ‘student-centric’ approach to learning, including an interactive classroom dynamic, discussions and practical teaching methods linked with real-world issues. The benefits of TNE for Indonesian institutions was understood in terms of knowledge sharing and capacity building; faculty visits, guest lectures, research collaboration and training that arise from partnerships with UK universities are highly valued.

Lack of regulatory clarity from the Ministry was perceived as a significant domestic barrier facing TNE, and inconsistent application of regulations and a lengthy approval process were seen to dissuade universities from seeking approval.

The UK university interviewees were vocal about the challenges presented by the regulatory environment, especially relating to the extent of teaching required to be delivered by the UK university.

The financial challenges of delivering TNE in Indonesia was also raised by the UK universities interviewed, owing to the high cost of sending fly-in faculty to Indonesia; the difficulty of synchronising UK and Indonesian academic calendars and timetables; and the low tuition fees paid to UK universities for the component of the programme delivered in Indonesia.

The UK university interviewees believed that, while there are some high-quality universities in Indonesia, overall the pool of prospective partners is somewhat limited.

Indonesian universities raised two issues specific to UK universities:

A lack of financial support from UK universities was noted, such as scholarships and tuition-fee reductions, as compared with offers from universities in other countries.

A perceived lack of reciprocity from UK universities as compared with universities from other countries was evident, including a scarcity of UK students in Indonesia.

Overall, a fundamental lack of knowledge of TNE on the part of students and parents was apparent from the interviews. For the most part, students learn about TNE after they gain admission to the Indonesian university, with TNE presented as an option for students to select after they have completed the first year. A lack of marketing support from foreign partners was considered partly to blame for the poor awareness of TNE.

The parents of students are the key decision makers, although postgraduate students have more independence to make decisions. The main information sources used by students and parents were reported as information sessions at secondary schools and universities run by UK universities and agents, as well as websites of universities and recruitment agents. LINE is the main social media platform used by students; Instagram and WhatsApp are also popular, whereas Facebook is less popular.

Indonesian universities are keen to develop more TNE partnerships and identified the following opportunities:

- 4+0 collaborative programmes, with all study taking place in Indonesia.
- TNE programmes aimed at the working professional market and with the foreign component delivered online.
- Postgraduate TNE programmes (given their relevance for the working professional market and appeal of the one-year UK master's programme).
- TNE subject areas of interest were flagged as Architecture, Business, Computer Science, E-commerce, Engineering, Life Sciences, Pharmacy and Telecoms Technology (although this depended on the specific institution).

The UK universities interviewed were cautiously optimistic about opportunities for TNE in Indonesia and identified the following opportunities:

- Niche programmes aimed at the working professional market.
- The Ministry's increasing acceptance of blended learning as potentially easing in-country teaching responsibility for UK universities delivering TNE in Indonesia.
- The reduction in scholarship funding by the Ministry for study abroad is making TNE a greater priority for UK universities.
- Articulation, foundation and top-up programmes are underdeveloped in Indonesia.

Agents believe that TNE primarily competes with private universities in Indonesia, and that the tuition fees charged by the top private universities is indicative of what some students might be willing to pay for TNE programmes. Tuition fees charged by public and private universities for their international programmes is also a useful reference point. It should be noted that published tuition fees are not always indicative of the upper level of fees paid by some students, and that non-tuition fees such as registration fees can be significant, especially at private universities.

On-going improvement to the UK student visa system was also flagged by agents as encouraging, particularly when combined with a resumption of the post-study work visa.

2. INTRODUCTION AND RESEARCH METHODOLOGY

With a population of 264 million in 2017, Indonesia is the world's fourth-most populous nation and a member of the Association of Southeast Asian Nations (ASEAN). Indonesia's HE sector is expanding rapidly as basic and secondary enrolment rises and incomes and opportunities increase.

According to UNESCO, Indonesia was the third-largest source among ASEAN countries of students seeking an international degree in 2017, behind only Vietnam and Malaysia. The top four destination countries for Indonesian students, in order, are Australia, the US, Malaysia and the UK.

Statistics from the Higher Education Statistics Agency (HESA) show that 3,390 Indonesian students studied in the UK in the 2017-18 academic year. Indonesia is less prominent in TNE, with only 585 students following UK HE courses within Indonesia in that same year. More than half of these students were studying for distance-learning qualifications, leaving only around 260 on in-person courses.

However, recent policy developments suggest that the environment for TNE is becoming more favourable. In October 2018 the Ministry published a regulation paving the way for the establishment of international branch campuses in the country. And in April 2019 the Ministry approved its first blended-learning TNE programme, an MBA between an Indonesian and a UK university.

To better understand the opportunities for TNE in Indonesia – including the prospects for branch campuses and the environment for joint and double degree programmes in partnership with Indonesian universities – the British Council has conducted research consisting of a combination of desk-based research, telephone interviews and in-person interviews with key stakeholders:

- Desk research covering the current status of Indonesia's international HE market, focusing particularly on TNE – including joint/double degree programmes, franchising or validation of degrees, articulation and foundation programmes, as well as branch campuses.
- Interviews with three education agents within Indonesia, to understand student perceptions of TNE.
- Interviews with five Indonesian universities currently engaged in TNE or with potential to do so.
- Interviews with the Indonesian Minister of Research, Technology and Higher Education (RISTEKDIKTI) and National Accreditation Board for Higher Education (BAN-PT) to understand the relevant policies and potential future changes.

Key research topics include current policies related to TNE, including permitted types of partnership and relevant regulations or approval procedures; government support for TNE partnerships; the scale and format of current TNE activity (both with the UK and with other partner countries); student attitudes towards TNE in Indonesia and potential student demand for new partnerships; and university attitudes towards future TNE co-operation.

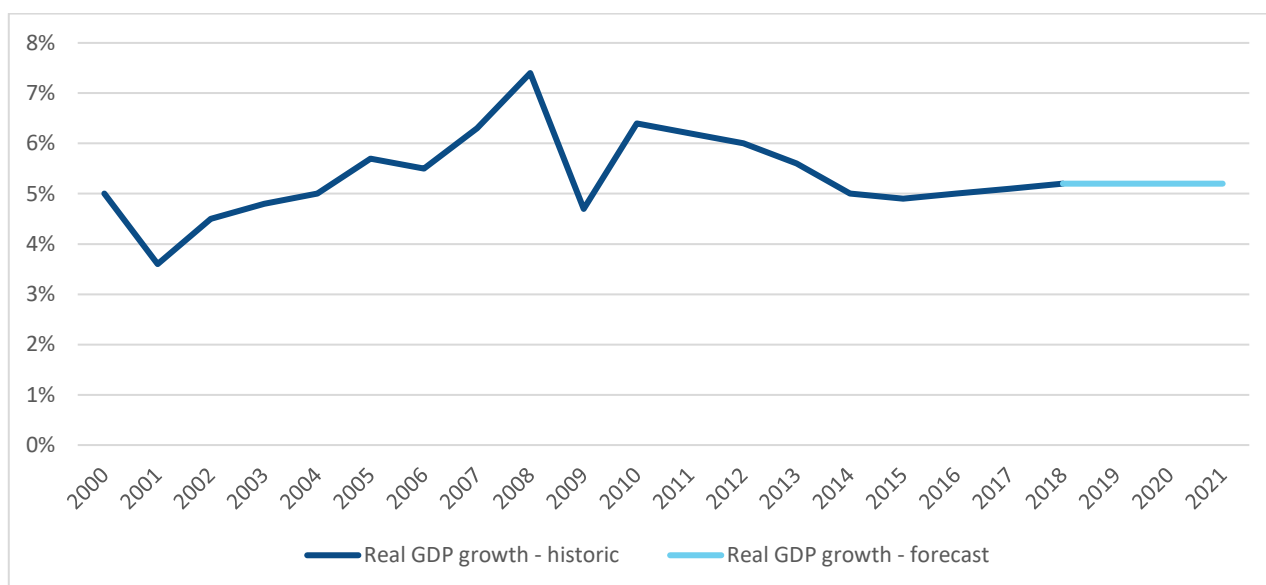
3. MACRO ENVIRONMENT

3.1 Economic and demographic environment

Indonesia is the world's 10th-largest economy in terms of purchasing power parity (PPP) and a member of the G20 international forum for governments and central bank governors. An emerging middle-income country, Indonesia has cut its poverty rate in half since 1999, to 10 per cent in 2018.

The country's GDP per capita has risen dramatically, from \$807 in 2000 to \$3,877 in 2018 on the back of two decades of strong economic growth.¹ Indonesia's economic outlook continues to be positive, supported by robust investment, stable inflation and a strong labour market, with domestic demand the main driver of growth. Indonesia's economic growth is forecast at 5.2 per cent for 2019 with a similar rate over the medium term. Since 2015 Indonesia has jumped 34 places in the World Bank's Ease of Doing Business rankings, to 72nd.

Figure 1 – Indonesia's real GDP growth rate



Source: World Bank

The currency in Indonesia is the Indonesian rupiah (Rp), which is prone to volatility and hit a 20-year low against the US dollar in October 2018, although it has strengthened against sterling during 2019.

With over 17,000 islands spanning nearly 5,000 kilometres, the former Dutch colony of Indonesia has significant geographical, ethnic and socio-economic diversity. Java is by far the most populous island (140 million), followed by Sumatra (47 million) and Sulawesi (17 million). Half of the population is under 30 years old, and the working-age population ratio is set to rise during the next decade, in contrast with those of many emerging economies.² About 87 per cent of Indonesia's population is Sunni Muslim, making Indonesia the largest majority Muslim country in the world.

¹ World Bank www.worldbank.org/en/country/indonesia/overview

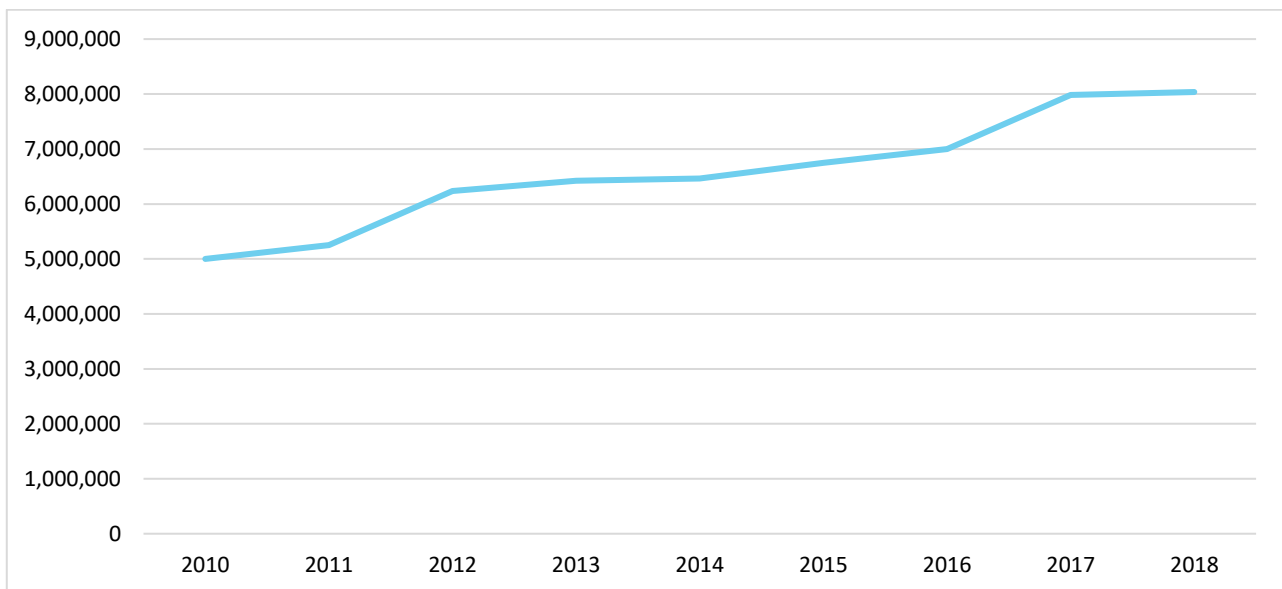
² United Nations, Population Division <https://population.un.org/wpp/>

4. HIGHER EDUCATION IN INDONESIA

There are two parallel HE systems in Indonesia: General and Islamic. The former is supervised by the Ministry of Research, Technology and Higher Education (RISTEKDIKTI)³ and the latter by the Ministry of Religious Affairs (MoRA). HE is provided via polytechnics, academies, institutes and universities, including Islamic institutions. In 2017, there were 245 public HEIs, as well as over 4,600 private HEIs (BPS) and 707 Islamic HEIs.⁴ Public institutions are generally much larger and offer a higher quality of education. HE provision is clustered in certain parts of the country meaning that access to high-quality provision is limited for many students, particularly in rural areas.

In 2018, eight million students were enrolled in tertiary education programmes, compared with just five million in 2010, and about two-thirds are enrolled in private HEIs.

Figure 2 – Number of Indonesian students enrolled in tertiary programmes



Source: UNESCO Institute for Statistics.

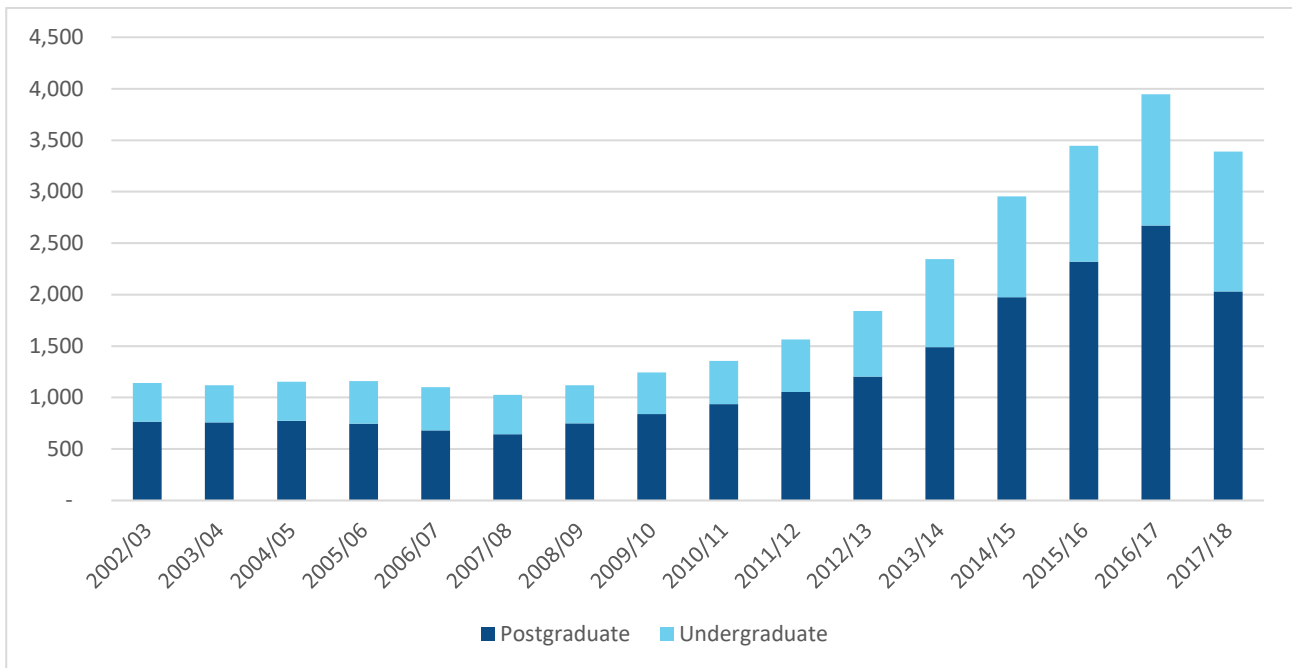
Admissions criteria at Indonesian HEIs vary by institution, but the minimum entry requirement is the senior secondary school certificate. While institutions admit top students directly based on their high school records (SNMPTN), a more common pathway is via a centralised, joint entrance examination (SBMPTN). Competition for places at top state institutions is fierce. In 2018, about 30 per cent of seats at 85 state universities were assigned directly to students via national SNMPTN selection, while the remaining 70 per cent had to sit the entrance examination. Out of 797,738 high-school graduates who sat the SBMPTN exams in 2017, only 148,066 students (14 per cent) were admitted. Private universities, polytechnics, and academies have different requirements and frequently conduct their own admissions examinations.

The number of applicants to Islamic HEIs has increased in recent years, suggesting that the quality of Islamic institutions is now perceived as being on a par with some state HEIs.

³ Referred to as the 'Ministry' through the report.

⁴ Ministry of Religious Affairs (MoRA): <http://diktis.kemenag.go.id/rankingptai/> and BAN-PT www.banpt.or.id/?page_id=1903

Figure 3 – Indonesian HE enrolments in the UK



Source: HESA

After 10 straight years of growth, international student mobility to the UK dipped in 2017/18. This was partly owing to a reduction in the allocation of Indonesian government scholarships to UK universities, while at the same time scholarship allocation to Australia, the Netherlands, Japan, US, Russia, Germany, France and Sweden all increased significantly. However, UK Home Office visa-issuance data for 2018 suggest that mobility to the UK recovered moderately in 2018/19. Sixty per cent of students recruited from Indonesia in 2017/18 enrolled on postgraduate programmes in the UK. Business and Administration is by far the most popular subject area, followed by Engineering and Social Studies.

Indonesia is not a major host of TNE programmes, although it does offer joint and double degree programmes in partnership with universities in several countries, including Australia, Germany, Japan, the Netherlands and South Korea, and, to a lesser extent, the UK.

In October 2018 the Ministry passed a regulation paving the way for the establishment of IBC in Indonesia. This is indicative of a slow but steady trend towards increased internationalisation of the HE system in Indonesia, a trend that is expected to continue with the re-election of President Joko Widodo and his administration in May 2019 for a second five-year term.

5. THE REGULATORY ENVIRONMENT

Interviews were conducted with the Ministry and the National Accreditation Board for Higher Education (BAN-PT) at their respective offices in Jakarta. The HE policy and regulatory environment in Indonesia is becoming more open to TNE. Collaborative forms of TNE, such as joint and double degree programmes, have been permitted for several years. Publication of Regulation Number 53 of 2018 on Foreign Universities⁵ in October 2018 provides for the establishment of foreign universities in Indonesia, although the operational details are still being finalised and the Ministry is reportedly working on a final regulation. There is also evidence of a burgeoning enthusiasm on the part of the Ministry for greater use of online technology to supplement face-to-face teaching in TNE programmes. Together with on-going improvement in the academic visa system for inbound foreign faculty, the government appears keen to support the development of TNE in Indonesia.

Key drivers of internationalisation include the need to increase the quality of the Indonesian HE sector; extend the range of courses available in-country; attract foreign students; and reduce the amount of resources spent on scholarships that send Indonesian students and academics overseas.

5.1 Collaborative joint/double degree and twinning programmes

Regulation Number 14 of 2014 on HEI Cooperation provides for joint, double and twin degree programmes in collaboration with foreign universities. These collaborative modes of TNE account for almost all TNE currently delivered in Indonesia. Twin programmes are described as “collaboration for the purpose of increasing the quality and/or educational capacity in the Indonesian partner”. However, this term does not appear to be in common usage in the sector.

The Ministry is the agency responsible for the approval of HE programmes in collaboration with foreign universities. The accreditation agency (BAN-PT) has, to date, not been involved in approval of TNE programmes.

The 11 autonomous public universities in Indonesia (known as PTN-BH) do not require approval from the Ministry to deliver programmes in collaboration with foreign universities. However, approval from the university rector is mandatory and it can take several years to navigate internal university processes and bureaucracy (see next page). The 11 autonomous public universities are listed in Figure 3.

⁵ Regulation Number 53 2018 on Foreign Universities [Unofficial English language translation](#)

Figure 4 – List of autonomous public universities in Indonesia

	University	Location
1	Airlangga University	Surabaya, East Java
2	Diponegoro University	Semarang, Central Java
3	Gadjah Mada University	Yogyakarta, Central Java
4	Hasanuddin University	Makassar, South Sulawesi
5	Indonesian University of Education	Bandung, West Java
6	Institute of Technology Bandung	Bandung, West Java
7	Institut Pertanian Bogor University	Bogor, West Java
8	Padjadjaran University Bandung	Bandung, West Java
9	Sepuluh Nopember Institute of Technology	Surabaya, East Java
10	University of Indonesia	South Jakarta, West Java
11	University of North Sumatra	Medan, North Sumatra

For TNE collaborations with all other HEIs, it is the responsibility of the Indonesian university (with input from the foreign university partner) to submit a TNE partnership proposal to the Ministry. All documents are submitted via an online portal.⁶ The structure of the application process is summarised in Appendix 1.

The approval process takes six months in theory but, in practice, can take several years, which may partly explain why many of the TNE programmes in Indonesian are operating without approval from the Ministry. Approval of a blended-learning MBA between Manchester Metropolitan University and IPMI Business School Jakarta in April 2019, for example, was the culmination of 18 months of facilitation and support by the British Council in navigating the approval process.

The delivery mode for collaborative programmes varies. At some universities, they make up a separate degree programme, either with teaching delivered by the foreign partner in Indonesia or with a required overseas component to the course. However, in other cases, students studying on the same course followed by the university's own English-medium international programme can decide whether to go abroad after the first two or three years. In either case, there are usually requirements that students must meet before they are able to go to the UK, including performance on the academic course and minimum scores on IELTS English language examinations.

English-medium international programmes are common at the leading public and private Indonesian universities, sometimes run from a separate international college within the university.⁷ These programmes are taught entirely by the local institution and a local degree is awarded.

The financial model for collaborative programmes varies from institution to institution. In some cases, the two universities' finances and teaching are essentially separate – e.g. students study for three years in Indonesia and pay fees to the Indonesian partner, followed by one year overseas, paying international student fees. In other cases, there is input from the overseas partner in the form of fly-in faculty, staff training or recruitment support.

⁶ Online portal link <http://ijinkerma.ristekdikti.go.id/>

⁷ IndoIndians.com 4th September 2018 [Top international study programmes in Indonesia](#)

5.2 Distance learning

According to Indonesian government regulations, distance-learning HE programmes may only be delivered by Universitas Terbuka (Indonesia Open University).⁸ However, since mid-2017 the Ministry has been considering the potential of joint and double degree programmes delivered via blended learning, where up to 50 per cent of the course is delivered online. This culminated in the landmark approval of a blended-learning MBA programme between Manchester Metropolitan University and IPMI Business School Jakarta (see above).

The Ministry has further confirmed, during an interview with the author of this report, its desire to see more applications from UK universities for blended-learning programmes in partnership with Indonesian universities. This is seen as offering potential to reach geographically remote students across the Indonesian archipelago and to build the online capacity of Indonesian universities.

Fully online TNE programmes are not approved by the Ministry, but students are free to enrol in such programmes of their own volition given that the qualifications are often recognised by private sector employers. HESA data show that 325 Indonesian students enrolled in fully online UK TNE programmes in 2017/18, 115 of which were enrolled in University of London programmes.

5.3 Franchise and validated programmes

Franchise and validated programmes are not permitted in Indonesia, or at least are not provided for in the regulations. Some TNE programmes exist where all study takes place in Indonesia, e.g. 4+0 programmes. However, as these programmes involve curricular collaboration between the local university and foreign partner university, they are not franchise programmes as commonly understood. Given the significance of the non-profit condition in the Indonesian HE sector, it is unlikely that franchise or validated programmes would be approved by the Ministry, although this does not necessarily mean that there is no market for such programmes.

5.4 Articulation and foundation programmes

Articulation agreements between overseas and Indonesian institutions exist but do not appear common. Based on statistics from HESA, 95 new Indonesian students joined UK undergraduate degree courses in Year Two or later in the 2017-18 academic year, which represented slightly less than one in five of all incoming Indonesian first-degree students in the UK that year.

Agreements generally follow a 3+1 model, whereby students must complete the third year of their course at the Indonesian university and can then enrol in Year Three of the UK degree programme.

Differences between an articulation agreement and a double or joint degree programme include programme design (double degrees are designed co-operatively by the overseas and Indonesian partners, while an articulation student will follow a regular domestic degree programme while in Indonesia) and the degree awarded (articulation students will typically receive a UK degree only).

Indonesian students may also avail themselves of the limited number of foundation programmes on offer. TM College in Jakarta offers the International Year One foundation programme (IYOne), enabling students to study Year One of an undergraduate degree at an NCUK Study Centre in Jakarta and, upon successful completion, enter Year Two of a degree course at NCUK Universities.⁹

According to one of the UK universities interviewed, Higher National Diploma (HND) and Business and Technology Education Council (BTEC) options are also available in Indonesia, and these meet

⁸ Government Regulations No. 30 of 1990 previously amended, No. 57 of 1998 and Circular Letter of the Directorate General No. 2630/D/T/2000

⁹ TM College - NCUK [International Year One](#)

the entrance criteria for study in the UK, whereas Indonesian secondary school qualifications may not.

The Ministry does not appear to be involved in the regulation of articulation or foundation programmes.

5.5 International branch campuses

The legal foundation for foreign universities to establish IBC in Indonesia has been in place since 2012.¹⁰ The long-awaited regulation to give effect to the 2012 law was signed in October 2018.¹¹ However, it appears that the precise details of implementation (e.g. application of the non-profit criteria, requirements to partner with local institutions, location of campuses, etc.) remain to be worked out and a final regulation from the Ministry is pending.

Separately, the Indonesia-Australia Comprehensive Economic Partnership Agreement signed in March 2019 included provision for Australian branch campuses to establish in Indonesia, though apparently many issues remain to be resolved in areas such as developing an accreditation framework and visa arrangements for Australian researchers. As of June 2019, the Ministry confirmed that no applications had yet been received, and no invitations issued by the Ministry to establish an IBC in Indonesia.

The October 2018 regulation provided some clarity on the criteria to be applied by the Ministry in approving an IBC in Indonesia. The information contained within the regulation, along with contextual information provided by the Ministry during interview, is summarised as follows:

- **IBC must locate in a special economic zone (SEZ) upon receiving permission from the Minister**

The Minister has provisionally selected Bumi Serpong Damai (BSD) in Tangerang City, Banten province (about 40 kilometres west of Jakarta) as the location for the 10-hectare dedicated education zone. The zone will initially provide spatial requirements for three “city-style campuses”. The institutions will be formally known as IBCs (not private universities) and will benefit from financial incentives (a tax holiday being the only example available to date).

- **Foreign university must be ranked in the top 200 universities in the world**

The Ministry will consider any of the three main global university rankings (QS World University Rankings, THES or ARWU, but tends to use the QS because the University of Indonesia ranks highest in that one (277nd in 2019). The rankings can apply at overall institutional level or subject level.

- **IBC must be a non-profit-based institution**

Limited information is available on how a non-profit criterion would be applied in practice. The October 2018 regulation does not reference setting of tuition fees, or whether surplus revenue would need to be re-invested in the campus. The Ministry clarified during interview that a non-profit foundation would need to be established, from which the IBC would be operated.

- **IBC must collaborate with Indonesian universities**

The Ministry is keen that IBCs collaborate with public and private universities in Indonesia in the fields of education, research and innovation for society and industry. The Ministry has worked closely with the Association of Private Universities to make sure they are onboard with the government’s TNE plans. The Ministry only expects foreign universities to collaborate with Indonesian universities excelling in particular subject areas.

¹⁰ Law 12/2012 on Higher Education

¹¹ Regulation Number 53 of 2018 on Foreign Universities

- **IBC must offer at least two study programmes**

Each IBC will only be required to deliver a minimum of two HE programmes. The curricula shall be in accordance with the curricula in the home country and shall include four compulsory Indonesian subjects: religious instruction, Indonesian language, *Pancasila* (Indonesian state ideology) and citizenship.

- **IBC must offer programmes identified as priority areas for the state**

The priority areas outlined by the Ministry during interview are STEM, tourism, e-commerce, information systems and the digital economy. One representative from the Ministry stated that Management programmes will not be approved. (It's not clear whether an IBC will be permitted to offer non-priority programmes along with priority area programmes.) Furthermore, the Ministry expects that 20 per cent of students enrolled on each programme will be international students (the quota is to be achieved over time).

The application procedure to establish an IBC outlined in the regulation is provided in Appendix B.

5.6 Insights from BAN-PT

The interviewee from BAN-PT stated that a recognition agreement with the UK Quality Assurance Agency would support TNE development in Indonesia. The interviewee also highlighted a trend towards “micro-credentials” – such as competency credentials and education boot camps – which are popular with employees and suggested that TNE may have a role to play here. The main benefits of TNE were seen as:

- Supporting knowledge transfer, capacity building and increasing the quality of the Indonesian HE sector (provided the provision in Indonesia matches the standards of the home institution).
- TNE provides more choice for students and makes students and wider Indonesian society more aware of the outside world.

The main challenge for TNE was seen to be ensuring the sustainability of the programme, for which both partners are responsible. (“Building trust between partners is key, and, if the quality is not maintained, the programme will not last.”)

The interviewee advised that only Indonesian HEIs awarded an A or B rating by BAN-PT are permitted to partner with foreign universities. Figure 4 presents the grades awarded by BAN-PT to Indonesian HEIs as of September 2019.

Figure 5 – BAN-PT accreditation grade awarded to Indonesian HEIs

	Grade A	Grade B	Grade C
Public HEIs	56	164	25
Private HEIs	39	717	2,000
Total	95	881	2,025

Almost 2,000 private HEIs in Indonesia are operating without accreditation. To date, BAN-PT has not been involved in accreditation of TNE programmes and does not have data on the number of such programmes.

6. TNE ACTIVITY

6.1 Overview of TNE activity

Neither the Ministry nor the Accreditation Agency maintains a register or publishes data on the number of approved TNE programmes in Indonesia. Consequently, a comprehensive overview of TNE activity and trends is not available. From interviews conducted with various stakeholders in Indonesia (Ministry, Accreditation Agency, Indonesian universities, UK universities and recruitment agents), it appears that the countries most active in TNE in Indonesia are (in no particular order) Australia, Germany, Japan, the Netherlands and South Korea. This was also apparent from posters and adverts seen inside and outside main campus buildings at Indonesian universities. Based on SciVal data, Indonesia's top 10 international research partners between 2014 and 2018, in order, are Japan, Malaysia, Australia, the US, the UK the Netherlands, Germany, South Korea, France and Thailand.¹²

Australia's TNE presence is a function of its geographical proximity to Indonesia (a flight from Jakarta to Darwin takes around four hours) – although it still only has about three times as many Indonesian TNE students as does the UK. Japan and South Korea are reported as offering generous scholarships that support the 3+1 partnership programmes or semester abroad programmes. Relatively low tuition fees from high-quality universities in Germany and the Netherlands are reportedly an attractive 3+1 proposition for Indonesian students. US universities are not active with TNE in Indonesia, despite being one of the top overseas study destinations for Indonesian students.

A non-exhaustive online search for joint and double degree programmes produced the following results:

- Bogor Agricultural University (public university) lists double degree undergraduate programmes offered in partnership with universities in Australia, France, Japan and the Netherlands and joint degree programmes with partner universities in Australia, Germany, Japan, Malaysia, Philippines and Thailand.
- Bina Nusantara University (BINUS, private university) lists double degree undergraduate programmes offered in partnership with universities in Australia, China, Germany, New Zealand and the UK.
- The German Academic Exchange Service (DAAD) funds a double master's degree in Computer Science between the Technical University of Dresden and the University of Indonesia.¹³
- Foreign universities: while there are no IBC in Indonesia, there are a few that resemble IBC, but are local private universities affiliated with foreign institutions: ESMOD Jakarta (France), Stenden University of Bali (Netherlands), and the Swiss German University.

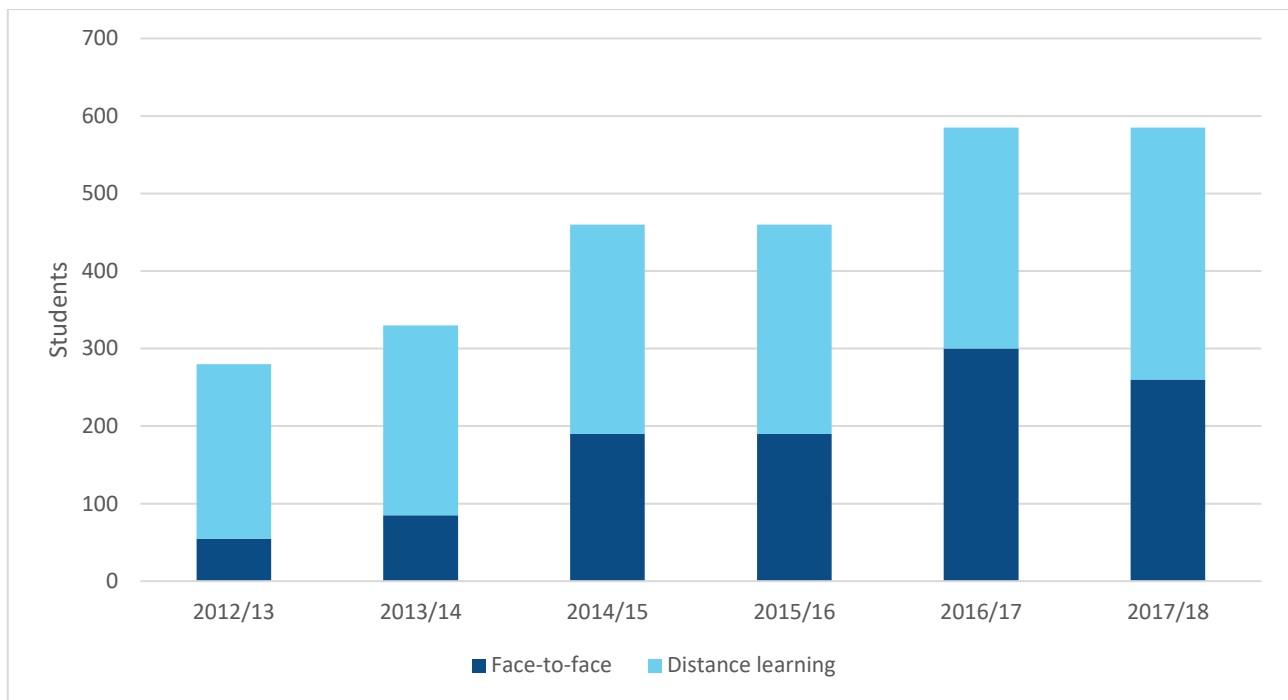
¹² SciVal offers access to research performance of more than 15,500 research institutions and their associated researchers from 231 nations worldwide <https://www.scival.com>

¹³ DAAD - Integrated international double degree programmes [Funded projects for 2019/20](#)

6.2 UK TNE activity

Figure 3 tracks UK TNE growth in Indonesian since 2012/13. There were 585 students enrolled in UK TNE programmes delivered in Indonesia in 2017/18, of which 325 were studying distance-learning programmes. By comparison, Australia reported having 1,595 Indonesian TNE students in 2017, of which 89 were studying via distance learning.¹⁴ Therefore, while Australia delivered more TNE overall, the UK is more active in distance learning in Indonesia.

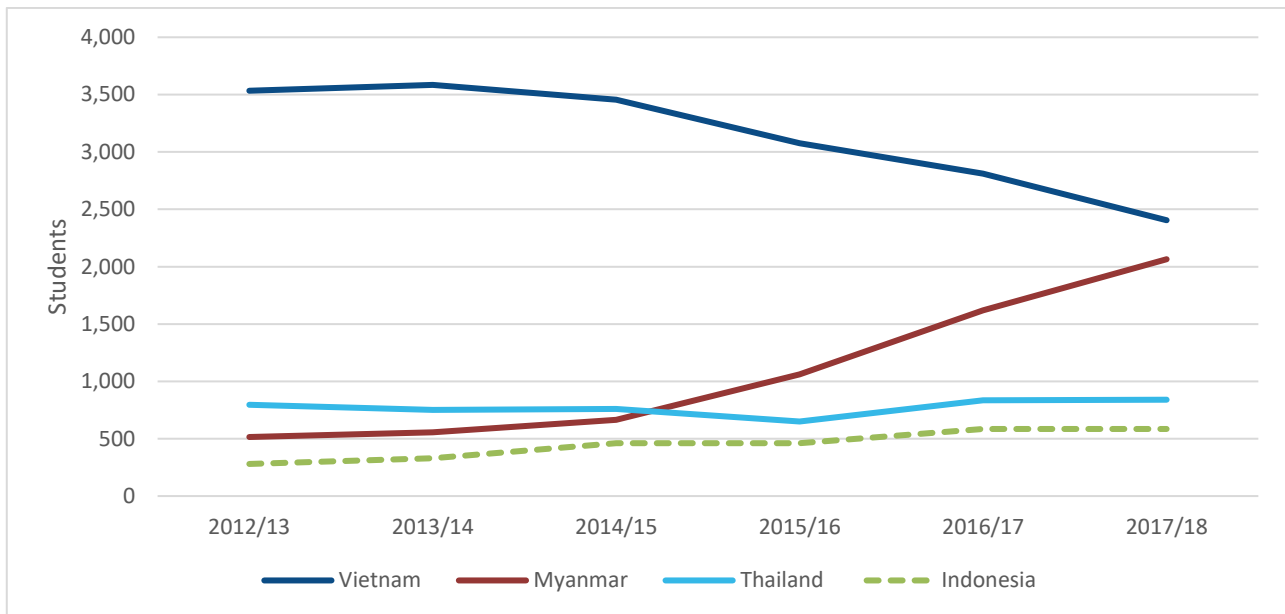
Figure 6 – UK TNE in Indonesia, by study mode



Source: HESA (excludes student numbers from Oxford Brookes University.)

Figure 4 compares UK TNE activity in Indonesia with three other Southeast Asian markets, emphasising the low base from which Indonesian activity is expanding, comparable with the scale and trend observed in Thailand, although well behind the growth experienced in Myanmar (where the universities of Northampton, Greenwich, Bedfordshire and Portsmouth are all active).

¹⁴ Australian Government Department of Education [Offshore Education Data](#)

Figure 7 - UK TNE in selected Southeast Asian markets

Source: HESA (excludes student numbers from Oxford Brookes University.)

Interviews with stakeholders and online searches suggest that there are relatively few UK TNE programmes on offer in Indonesia. One of the most prestigious universities in Indonesia, Institute of Technology Bandung, reported not having any TNE programmes with UK universities, while having TNE partnerships with several other countries. The following examples provide insight into current UK TNE activity on the ground.

Bina Nusantara University (BINUS) – Northumbria School of Design

Undergraduate programmes are offered in Graphic Design, Interactive Media Design, Fashion Design and Fashion Management.¹⁵ The programmes are structured as 4+0 double degrees, with all teaching taking place at BINUS, although students have the option to spend the final year at Northumbria (3+1). The programme is officially approved by the Ministry.

University of Indonesia – Coventry University

A master's degree in Aviation Management is due to be launched for the 2019/20 academic year. This double degree will comprise 16 courses, including a final dissertation, delivered over four semesters through evening and weekend classes. The programme is targeted at the working professional market, mainly employees of an Indonesian aviation company. Lecturers from Coventry deliver selected courses over a two-week period in Jakarta, allowing students to get international exposure without travelling overseas.

IPMI Business School Jakarta – Manchester Metropolitan University

A blended-learning MBA programme was approved by the Ministry in April 2019 and is due to be launched for the 2019/20 academic year. The programme will be delivered part-time over two years, 50 per cent via face-to-face teaching and 50 per cent online. Manchester is responsible for the online component and the face-to-face classes will be delivered at IPMI's campus in the evenings and weekends. Manchester will send fly-in faculty twice annually to meet with students, IPMI faculty and researchers.

¹⁵ BINUS Northumbria School of Design <https://bnsd.binus.ac.id/>

Raffles College Jakarta – University of Hertfordshire

Raffles College offers its students a foundation programme to gain a degree from the University of Hertfordshire following 12 months of study in Indonesia.¹⁶ The collaboration is supported by PT Star Pendidikan Lestari, a joint venture between Star Education Group and PT Budhi Lestari (leading education management and consulting groups in Indonesia).

6.3 Tuition fees

In Indonesia, tuition fees are just one component of the total fees paid by students. It is common that public and private universities (although not all) include non-tuition fee charges, such as a one-off registration payment at commencement of the course, which can be significant, especially for private universities.

Domestic tuition fees in Indonesia vary, depending on the type of university, programme and subject, level of study and economic status of the student. Public universities generally have lower average fees than do private universities and typically offer a tiered approach to undergraduate tuition fees, based on the income level of students' parents. For example, up to 40 per cent of undergraduate students at the Institute of Technology Bandung pay the full rate of tuition; the rest get a reduction of between 20 and 100 percent.¹⁷

The admission route to public university impacts on the tuition fees charged. Students enrolled via the national university entrance test pay lower tuition fees. In addition to the national test, the 11 autonomous public universities have permission to administer their own entrance tests and charge students admitted via this route significantly higher tuition fees (known as *jalur mandiri*). For example, tuition fees for Institute of Technology Bandung students enrolled via the national university entrance test are set at a maximum Rp12,500,000 (£730) per semester, whereas fees for those enrolled via *jalur mandiri* are set at maximum Rp40,000,000 (around £2,330) per semester.¹⁸

Tuition fees for private universities are generally higher and published fees are not always indicative of the upper level of fees paid by some students, such as those with low grade results in their senior secondary school certificate.

Fees for international programmes are substantially more expensive for both public and private universities, and fees for joint and double degree are more expensive still.

Public universities

Indonesian public universities are funded by the state, and therefore offer cheaper tuition fees than do private institutions, despite generally being better regarded in terms of quality. Analysing fees at three of the country's large public universities – Bogor Agricultural University, Institute of Technology Bandung and University of Indonesia – shows that undergraduate tuition fees for domestic students range from around Rp2,400,000 to Rp40,000,000 (£140 to £2,285) per semester. Fees for master's degree programmes range from around Rp10,500,000 to Rp30,000,000 (£610 to £1,740) per semester.

¹⁶ University of Hertfordshire [University of Hertfordshire and Raffles College announce a new international partnership](#)

¹⁷ Institute of Technology Bandung [Tuition fees](#)

¹⁸ Exchange rates are based on data from mid-August 2019 and are sourced from www.xe.com/

Figure 8 – Tuition fees charged by Indonesian public universities

Institution	Study level	Programme	Tuition fees per semester (Indonesian citizens)
Bogor Agricultural University	Undergraduate	General	Rp2,400,000 to Rp10,000,000 (£140 to £580)
	Master's	General	Rp10,500,000 (£610)
Institute of Technology Bandung	Undergraduate	General	Rp12,000,000 to Rp40,000,000 (£685 to £2,285)
	Master's	General	Rp13,500,000 (£780)
University of Indonesia	Undergraduate	General	Rp7,500,000 to Rp20,000,000 (£430 to £1,150)
	Master's	General	Rp30,000,000 (£1,740)

Sources: Bogor Agricultural University; Institute of Technology Bandung; University of Indonesia.

Private universities

In general, Indonesian private universities charge higher fees than do their public counterparts, although prices can vary greatly from institution to institution. Tuition fees for an undergraduate degree programme at three major private Indonesian HEIs – Bina Nusantara, Ciputra University and Pelita Harapan University – range from Rp3,250,000 to Rp24,250,000 per semester (£185 to £1,400), although, anecdotally, fees can be far higher. Fees for master's degree programmes range from Rp13,500,000 to Rp20,400,000 (£780 to £1,180) per semester. Private universities also charge non-tuition fees. For example, Pelita Harapan University charges a one-off development fee ranging from Rp32,000,000 (£1,800) for a pharmacy degree to Rp190,000,000 (£10,850) for a medical degree.

Figure 9 – Tuition fees charged by Indonesian private universities

Institution	Study level	Programme	Tuition fees per semester (Indonesian citizen)
Bina Nusantara University	Undergraduate	General	Rp15,825,000 to Rp24,250,000 (£900 to £1,400)
	Master's	Accounting	Rp13,500,000 (£780)
Ciputra University	Undergraduate		Not available
	Master's	General	Rp20,400,000 (£1,180)
Pelita Harapan University	Undergraduate	General	Rp3,250,000 to Rp24.000.000 (£185 to £1,370)
	Master's	Management	Rp8,500,000 (£500)

Sources: Bina Nusantara; Ciputra University; Pelita Harapan University.

International programmes

As previously discussed, many Indonesian universities, including both public and private institutions, offer “international” programmes, which are taught in English by the Indonesian institution. These programmes attract higher fees than do standard local degree courses. International programmes are often marketed to international students as well as Indonesian citizens, with both public and private universities typically charging higher fees for overseas students than for locals. For example, whereas Institute of Technology Bandung charges domestic students Rp30,000,000 (£1,740) per semester for non-management programmes, it charges non-Indonesian nationals Rp48,000,000 (£2,780) for the same programmes.

Tuition fees for international undergraduate degree programmes range from Rp30,000,000 to Rp77,825,000 (£1,740 to £4,500) per semester. Tuition fees for international master's degree programmes are only published by Institute of Technology Bandung and cost Rp48,000,000 (£2,780) per semester.

Figure 10 – Tuition fees charged by Indonesian universities for international programmes

Institution	Study level	Programme	Tuition fees per semester (Indonesian citizens)
Bina Nusantara University	Undergraduate	General	Rp77,825,000 (£4,500)
Pelita Harapan University	Undergraduate	Accounting	Rp16,000,000 to Rp20,000,000 (£930 to £1,160)
Institute of Technology Bandung	Undergraduate	Non-management programmes	Rp30,000,000 (£1,740)
	Master's	Non-management programmes	Rp48,000,000 (£2,780)
University of Indonesia	Undergraduate	Economics	Rp30,000,000 (£1,740)

Sources: Bina Nusantara University; Pelita Harapan University; Institute of Technology Bandung; University of Indonesia.

Joint and double degree programmes

Information on tuition fees charged for joint and double degree programmes is generally not available, but they are probably comparable or higher than tuition fees for international programmes. The BINUS Northumbria School of Design charges an average US\$13,131 (£10,900) per year for its four-year undergraduate programmes.

BINUS publishes indicative double degree tuition fees for one-year study at its foreign partners. Figure 8 shows that studying an undergraduate double degree in International Business ranges from £2,100 at Ningbo University, a public university in China, to £25,500 at University of New South Wales, a public university in Australia.

Figure 11 – Tuition fees for study at BINUS’ foreign partners

Partner institution	Partner country	Double degree programme	Tuition fees for one year at partner university
Bournemouth University	UK	International Business	£13,750
Nottingham University	UK/Malaysia campus	Computer Science	Rm46,000 (£9,000)
Cologne Business School	Germany	International Business	€10,380 (£9,500)
Ningbo University	China	International Business	Rmb18,000 (£2,100)
University of New South Wales	Australia	International Business	A\$45,650 (£25,500)
Victoria University	New Zealand	International Business	NZ\$27,200 (£14,400)

Source: Bina Nusantara University.

Ciputra University runs a double bachelor’s degree in Business Management with Swinburne University of Technology and tuition fees are A\$20,905 (£11,700) per year in Australia.

Figure 9 shows that students at Pelita Harapan University (a private Indonesian university) are charged £14,800 in tuition fees for a year at La Trobe University and £17,000 for a year at the University of Newcastle (both in Australia).

Figure 12 – Tuition fees for study at Pelita Harapan University

Partner institution	Partner country	Double degree programme	Tuition fees for one year at partner university
La Trobe University	Australia	Bachelor of International Business	A\$26,500 (£14,800)
University of Newcastle	Australia	Bachelor of Food Science and Human Nutrition	A\$30,345 (£17,000)

Source: Pelita Harapan University.

6.4 Insights from Indonesian universities

Interviews were conducted with academics and administrators at five Indonesian universities (two public and three private) based in Jakarta and Bandung. All interviews took place at the university campuses in Indonesia.

Benefits of TNE

The benefits of TNE for Indonesian students are understood in terms of mobility opportunities, enhanced English language competency and development of soft skills such as adaptability and independence, and of an open-minded attitude. Exposure of students to an international atmosphere in Indonesia is also perceived as beneficial. TNE is also seen as offering a student-centric approach to learning, including an interactive classroom dynamic, discussions and practical teaching methods linked with real-world issues. One interviewee singled out training in academic publishing as a benefit of postgraduate TNE.

The interviewees believe that TNE can help students to stand out in the labour market; one interviewee stated that, “The reputation of the foreign university supports students who are interested in an international career.” However, a knowledge gap concerning specific graduate outcomes was recognised.

One university referenced a 2018 survey of theirs that found that parents consider the awarding of double degrees on completion of study as highly desirable for their children. The same university also referenced a 2015 survey of theirs that found that employers are less interested in double degrees than in experience and internships.

The benefits of TNE for the Indonesian institution was mainly understood in terms of knowledge sharing and capacity building, with workshops and guest lectures from visiting lecturers highly valued. One private university interviewee stated that TNE has raised the standards of its curriculum. A recurring theme, particularly from the public universities, was that, in order to be considered sustainable, TNE must benefit both partners.

One public university interviewee stated that, as TNE tuition fees are higher than non-TNE fees, they provide a welcome source of revenue, considered increasingly important in the context of decreasing public funding for universities in Indonesia. The same interviewee also stated that students on TNE programmes are typically from wealthier backgrounds.

Challenges facing TNE in Indonesia

Lack of regulatory clarity from the Ministry was perceived as a significant domestic barrier facing TNE. Inconsistent application of regulations and a lengthy approval process dissuade universities from seeking approval and, as a consequence, many TNE programmes in Indonesia do not have formal approval from the Ministry. (“It’s impossible to tell from a universities catalogue which programme are approved by the Ministry, and which are not.”)

Lack of approval was not necessarily perceived as a deterrent to students intending to work in the private sector. Some concern was mentioned about the process for issuing academic visas, although apparently this process is improving.

Based on the interviews, it appears common for universities to launch a TNE programme without prior approval from the Ministry, potentially with a view to seeking retrospective approval. One interviewee commented that there is no culture of reporting TNE programmes to the Ministry. Another interviewee stated that the new online approval system is a big improvement and should encourage more universities to seek approval. (“Last week, we submitted an application and got the initial feedback after only one week.”)

Difficulty with mapping the local curriculum with a foreign curriculum was raised, particularly at undergraduate level. And, according to one interviewee, where a collaborative programme is run from different faculties at each partner university (e.g. Business versus Humanities), this creates confusion for the Ministry during the approval process. The challenges presented by different TNE

terminology used in different countries and the potential for miscommunication with foreign institutions was also highlighted.

A fundamental lack of knowledge about TNE from students and parents was apparent from the interviews. For the most part, students learn about TNE after they gain admission to the Indonesian university. TNE is presented as an option for students to select after the first year, generally incorporating a period of study abroad at the foreign partner or offering additional study modules delivered entirely in Indonesia.

Lack of marketing support from foreign partners was considered partly to blame for poor awareness of TNE. For one private university interviewee, foreign partners are more interested in building their brand than promoting the TNE partnership. (“While our UK partner’s brand recognition in Indonesia has increased, this has not been reflected in our student intake.”) A public university interviewee stated that they could do more to promote their TNE offering, given the online marketing options available.

A few specific issues were raised in respect of the UK. A lack of financial support from UK universities was noted, as compared with universities from other countries. Tuition-fee waivers/reductions and scholarship offers from universities in Germany, the Netherlands, Japan and South Korea are seen to appeal to Indonesian students. One university reported sending 30 students to its German partner university in 2018, while sending only 21 in total to its three UK partner universities.

A perceived lack of reciprocity from UK institutions, including a scarcity of UK students in Indonesia, was outlined. As stated by one interviewee, “We are not interested in being a feeder university; the relationship must be reciprocal.” In contrast, examples were provided of visiting students from universities in Germany, the Netherlands, the Czech Republic, the US and Japan. One interviewee pointed out that Australia launched the New Colombo Plan in 2014 with the aim of supporting Australian students to study in selected Southeast Asian countries, including Indonesia, and that the UK needs something similar.

Two interviewees from different universities mentioned the importance of community engagement for Indonesian universities and considered UK universities as weak in this area. (“We receive US students on short-term programmes, who teach in local communities. Japan funds scholarships and their students plant trees and clean beaches. But we have yet to receive a single student from any of our UK partners.”) Community engagement by Indonesian universities is compulsory by law and forms one of their three *dharma* or duties, along with teaching and research. Undergraduate students typically spend between one and three months on placement in villages addressing issues in the community.

One university pointed out that, as the UK is not part of the Schengen Area, international students are not free to travel to mainland Europe on a UK visa, whereas international students on the mainland, having been granted a Schengen Area visa, are free to travel around multiple countries.

Opportunities

All the Indonesian universities interviewed were keen to explore TNE partnership opportunities with foreign universities, and UK universities are perceived as being high-quality institutions with good reputations. It was apparent that all the Indonesian universities interviewed are actively exploring opportunities with UK universities, with several at an advanced stage. Apart from a general willingness to explore TNE options with UK universities, a few specific opportunities were mentioned.

Two of the private universities expressed a strong interest in exploring 4+0 collaborative programmes, with all teaching taking place in Indonesia and local faculty assuming greater responsibility for delivering the programme. Both institutions are actively exploring such partnerships, including with UK universities, with a preference for dual qualifications over franchise or validation options. One of the interviewees outlined concerns with having students who did not

subsequently become graduates of its institution, as would occur with a franchise approach. While both are large institutions with a significant number of professors and doctoral students, this is not the case for most private universities in Indonesia.

One university highlighted the potential for part-time TNE programmes aimed at the working professional market, since they can afford the higher tuition fees, and that TNE programmes with the foreign component delivered online would suit employers. (“While employers don’t fund overseas study, they may be willing to fund or part-fund TNE study.”)

Most interviewees felt that postgraduate TNE programmes offer more opportunity than do undergraduate programmes. Reasons provided for this were: (i) the one-year duration of many UK master’s programmes is a big attraction, as a master’s programme typically takes two years in Indonesia; (ii) a 1+1 master’s articulation programme does not require the Indonesian curriculum to change (given that the UK master’s only takes one year), whereas a 3+1 bachelor’s programme does curricular adjustments; and (iii) postgraduate programmes are directed more towards the professional working population. Student recruitment from Indonesia to the UK is mainly a postgraduate market.

Two of the universities commented that UK tuition fees are lower than fees charged in Australia and Singapore, and this makes TNE more competitive as a pathway to study in the UK. However, the same interviewees were quick to point out that tuition fees in South Korea and Malaysia are much lower than those in the UK, and that distance to the UK makes travel expensive.

It was apparent that most, if not all, existing TNE relationships in Indonesia have evolved from long-standing relationships with foreign universities, such as agreements relating to student mobility, visiting faculty, guest lecturers, research linkages, etc. This suggests that UK universities need to invest in building relationships and trust over time. One interviewee commented that faculty-driven partnerships are more successful than Memorandums of Understanding (MoUs), which often become dormant. Another interviewee from a different university stated that, of its 25 collaboration agreements with UK universities, 13 are currently dormant MoUs.

One of the interviewees from a small private university expressed frustration with wanting to develop research partnerships with UK universities, but not receiving any reciprocal interest. The same institution has no professors or PhD faculty, just “lecturers in their 30s”.

The TNE subject areas of interest were reported as Architecture, Business, Computer Science, Ecommerce, Engineering, Life Sciences, Pharmacy and Telecoms Technology.

International branch campuses

The prospect of IBC entering the market was not perceived as a competitive threat by any of the Indonesian universities interviewed. One interviewee stated that it could present collaboration opportunities with local universities and another stated it could raise the standards of the Indonesian HE system and that Indonesian students would be interested in branch campuses from UK universities, although the challenge for the IBC of finding appropriately qualified teaching faculty was mentioned. However, none of the interviewees believed that IBC will happen anytime soon: “The designated zone has not been decided on and there remains much to be agreed between the various government agencies.”

Decisionmakers

The interviewees see parents as the key decision makers as to whether a TNE programme is selected. The economic status of the parents was reported as an important consideration by one interviewee, who reported sending exam results and attendance records directly to parents. Another interviewee stated that TNE students are generally from relatively high-income families. Information sessions provided by the foreign partner (or by agents acting on their behalf) were considered the most effective way to reach parents (and, to a lesser extent, recommendations from school counsellors).

6.5 Insights from UK Universities

Interviews were conducted with four UK universities, two of which run TNE programmes in Indonesia. Two interviews were conducted at the British Council office in Jakarta, and two were conducted over the phone with interviewees based in the UK.

Key challenges

Both TNE-active universities were vocal about the challenges presented by the regulatory environment in Indonesia, especially relating to the proportion of teaching required to be delivered by the UK university. (“Theory and practice are two different things in Indonesia. Over the years, there has been iterative change in words and policy, but it remains slow and difficult to get anything done.”) One interviewee met with the Ministry in May 2019 and outlined concerns about the regulations and was reportedly advised that blended-learning solutions to teaching are acceptable.

Another issue raised is the slow pace at which Indonesian universities (especially public universities) move, with one interviewee stating that it took their Indonesian university partner two years to approve a TNE programme internally.

The financial rationale for delivering TNE in Indonesia was questioned by the TNE-active universities. Use of fly-in faculty was considered costly and untenable by one interviewee, summed up as follows: “Jakarta is expensive to get to, faculty are not keen to go, and Indonesian students won’t pay for it. Add in staff-development costs and it is not lucrative.” Interviewees saw limited opportunities for TNE to result in student mobility to the UK, either for undergraduate 3+1 arrangements or progression to master’s programmes. One interviewee stated that arranging a semester abroad for Indonesian students is challenging, owing to difficulties in synchronising academic calendars and timetables. Another interviewee stated that, as its institution only delivers two modules during the final year of a four-year undergraduate programme, the proportion of the tuition fee paid to its institution is modest.

The interviewees were generally of the view that, while there are some high-quality universities in Indonesia, overall the pool of prospective partners is limited (although this depends to some extent on the ranking/reputation of the UK university viz-a-viz the Indonesian university). One interviewee stated that UK business schools will generally only link with AACSB-accredited institutions, of which only Gadjah Mada University (Faculty of Economics and Business) is currently listed for Indonesia.¹⁹ And while private universities are perceived as agile, quality is a major concern. (“There are hundreds of universities in Indonesia that would not have university status in the UK.”) That said, one interviewee saw opportunity in partnering with a high-quality private university: “Private universities are ambitious, well-funded and benefit from a strong economy; it’s the regulatory and administrative aspects that slow things down.” One interviewee advised that the criteria for selecting a partner should include the affluence of its student population. Another interviewee advised to check whether the partner has an international college.

Student awareness of TNE is considered by the interviewees to be very low in Indonesia, even at Indonesian universities delivering TNE programmes. The marketing concerns raised by the Indonesian universities were corroborated by one of the TNE-active UK universities, which stated: “Our regional office pushes us to promote study in the UK over TNE delivered in Indonesia.”

Opportunities

Given the challenges outlined above, on balance, the UK universities interviewed were cautiously optimistic about opportunities for TNE in Indonesia. (“The market is evolving slowly and steadily from student mobility and, right now, collaborative programmes are more appropriate than branch

¹⁹ AACSB website www.aacsb.edu/accreditation/accredited-schools?F_Country=Indonesia

campuses.”) Another interviewee stated: “We made a strategic decision to enter the market early, but the numbers we hoped for have not materialised,” However, a few opportunities were highlighted by interviewees:

- One interviewee stated that, “Straightforward TNE, such as exists in Malaysia and Singapore, is more difficult in Indonesia; niche programmes stand the best chance of success.” Another interviewee stated that a TNE target market exists for graduates not concerned about whether the qualification is approved by the Ministry. This applies to working professionals in an internationally oriented sector interested in a postgraduate qualification to boost their careers. However, it was also felt that such partnerships will only work with high-quality Indonesian universities (public or private) with a good reputation.
- The opportunity of the one-year UK master’s was mentioned by one UK university, which is currently exploring a 1+1 MBA collaboration with ITB, where students can apply for scholarship funding from international oil and gas companies.
- One interviewee referenced the Ministry’s increasing acceptance of blended learning as potentially easing the in-country teaching responsibility for UK universities delivering TNE in Indonesia.
- A reduction in scholarship funding by the Ministry for study abroad at UK universities was seen by another interviewee as making TNE a greater priority, both as a pathway to study in the UK and for complete delivery in Indonesia. This ties in with the views expressed by the Ministry on developing TNE as an alternative to funding study abroad.
- Two interviewees from different universities believe that foundation, top-up/HND and articulation offers are underdeveloped in Indonesia, highlighting room for growth in these areas.

In contrast with the views expressed by the Indonesian universities, the TNE-active UK universities interviewed were keen to point out the collaborative and reciprocal aspects of their TNE partnerships. One interviewee stated that its university does send students to its partner in Surabaya but advised that mobility from UK to Indonesia needs to be experience-driven. Several examples were provided of a UK university sending fly-in faculty (typically three visits per year, two weeks per visit) running workshops with local staff and guest lectures for local students.

International branch campuses

Little interest or enthusiasm was evidenced in relation to establishing an IBC in Indonesia. One interviewee stated that Indonesia is “not in the mix,” although it would perhaps consider an invitation. Another interviewee stated that their university would only consider a partnership model with a local institution. The most appropriate locations for IBC were considered to be Jakarta, Bandung or Surabaya (all located on the island of Java).

6.6 Insights from agents

Interviews were conducted with three international student recruitment agents in Jakarta to better understand student perspectives on TNE. Perhaps unsurprisingly, agents mainly understood TNE as a pathway to study abroad, as opposed to an option to study the entire programme in Indonesia. It was also apparent from discussion with agents that a conflict of interest exists, whereby they are not incentivised to promote TNE, given that their primary role is promoting study abroad. One agent stated: “TNE attracts too few students, perhaps six or seven per programme; therefore, it is of little interest to agents.” It was also apparent that agents are sceptical of, and uninterested in discussing, the merits of blended learning/online forms of TNE.

Benefits of TNE

Agents saw the primary benefit of TNE as providing a lower-cost option for gaining an international qualification, as compared with traditional student mobility. In their view, foreign universities are associated with higher quality, and none more so than UK universities.

Arrangements such as 3+1 (three years of study in Indonesia followed by one year in the UK) are seen as beneficial owing to lower overall tuition fees and lower cost of living, which are considered a big draw for parents. One agent also believed that many parents are not ready to send their children abroad, and TNE offers an opportunity to delay this by a year or two.

The benefit of improved English language competency was also perceived as a major benefit of TNE, as compared with domestic alternatives.

As regards labour-market benefits, one agent believed that foreign qualifications (including those attained via TNE) provide graduates with greater “bargaining” power with prospective employers. Otherwise, agents were uncertain about how graduates of TNE programmes have performed.

Key challenges

While the Ministry was perceived as being slow at making decisions, reaching agreements with Indonesian universities was perceived as a greater challenge for TNE. Reconciling foreign and domestic undergraduate curricula was considered a time-consuming process.

Agents were vocal about the competitive advantage enjoyed by Australia over the UK in Indonesia, owing to the former’s regional proximity and a more flexible approach to acceptance criteria and mutual credit recognition.

One agent felt that, for TNE to develop, standards needed to improve in Indonesian universities, encompassing everything from academic standards to safety standards.

Awareness of TNE among students and parents was considered to be low but increasing.

TNE student profile and information sources

From discussion with agents, the following profile of a prospective TNE student emerged:

- A student of a reputable secondary school in Indonesia
- Is considering studying at a private university
- The student’s parents are the key decision makers, although postgraduate students have more independence to make decisions

The main information sources used by students and parents were reported as:

- Information sessions at secondary schools and universities run by UK universities and agents
- Websites of universities and recruitment agents
- LINE is the main social media platform used by students; Instagram and WhatsApp are also popular, whereas Facebook is less popular.

Opportunities

The agents believe that TNE primarily competes with private universities in Indonesia. With the top private universities charging as much as £16,000 per year (according to agents), this was considered as indicative of what some students might be willing to pay for TNE. (“The business school in one of the public universities even charges as much as £10,000 to £12,000 per year.”) However, these estimates are far above the tuition fee rates published by the top public and private universities, which typically don’t exceed £3,000 to £4,000 per year.

One agent stated that students responded well to mobility options, and that a 1+1+1 option to study in Indonesia, Malaysia and the UK would be well received. One agent pointed out that, while the Scottish education system requires four years for a bachelor’s degree, Indonesian students can get the same degree in Malaysia in three years.

Two agents commented that the English language competency of Indonesian students has increased considerably in recent years, primarily owing to the growth in international schools – and that this represents an opportunity for TNE to develop.

On-going improvement to the UK student visa system was also flagged as encouraging, particularly when combined with a resumption of the post-study work visa.

International branch campuses

Overall, the agents believe that a market does exist in Indonesia for IBC and that a highly ranked UK university could do well. One agent stated that since Indonesian students travel to Malaysia (and, more recently, to China) to study in IBCs, they might equally consider a local IBC and would be willing to travel to it. Another agent noted the attraction of not having to work with a local university. However, the agents also believe that the Ministry will take 3-5 years to develop the final IBC regulation. Land ownership was flagged as an issue for non-locals and lack of available space in Jakarta was considered an acute issue. The optimal locations for a UK IBC were considered to be Bandung, Yogyakarta and, to a lesser extent, Bali – the last of these having a strong association with Australia.

7. CONCLUSIONS AND POTENTIAL FOR FUTURE CO-OPERATION

Indonesia's positive economic outlook and youthful demographics point to continued expansion of the HE system. The overall scale of TNE provision in Indonesia is small; however, the government appears keen to make greater use of TNE as a mechanism to address growth, improve quality and provide greater programme choice to students.

Whereas Indonesia is a significant student recruitment market for the UK just 260 students were enrolled on in-person UK TNE programmes in Indonesia in 2017/18. Nevertheless, an increasingly favourable policy and regulatory environment, combined with positive perceptions of UK universities, provides opportunities for the UK to expand its TNE presence in Indonesia.

Collaborative forms of TNE, such as joint and double degrees, predominate. Indonesian universities value highly the faculty visits, guest lectures and research collaboration and training that arise from partnerships with UK universities, although concerns exist about the limited number of UK students in Indonesia.

The process to get TNE programmes approved by the Ministry is lengthy, which may explain why many TNE programmes operate outside the regulatory framework. The British Council's experience suggests that, although requests for TNE partnership approval are processed online, it is essential to engage with the Ministry in face-to-face consultations and presentations, including prior to submission of an application.

Indonesian public and private universities are interested in developing more collaborative programmes with UK universities, although scholarship offers from China, Japan and South Korea, and lower tuition fees from universities in Germany and the Netherlands, present significant competition.

In pursuing collaborative partnerships, UK universities need to consider that the average number of students enrolled per joint or double degree programme is likely to be in single digits, and the propensity for TNE to drive student mobility to the UK has, to date, been limited – although this could change as income levels continue to rise. Distance from the UK also makes Indonesia a relatively costly location to visit and faculty are not always keen to go.

It appears that many TNE programmes in Indonesia were developed from pre-existing student and staff exchange agreements. Therefore, at least some of the TNE opportunities for UK universities will involve expanding an existing relationship with a local partner. Building relationships and trust over time is an important foundation for ensuring sustainability of TNE in Indonesia.

Interest from Indonesian universities in 4+0 programmes (with all teaching taking place in Indonesia) could address a wider target market of students for whom study abroad is not possible and has proven successful at expanding UK TNE provision in other markets. However, it does assume greater responsibility on behalf of the Indonesian partner, making the choice of local partner (whether academic or business) very important. Franchise or validation programmes will not be approved by the Ministry, as academic input from both partners is required.

The Ministry's increasing acceptance of blended-learning provision is a positive development and could expand the TNE target market into the working professional population and also potentially reduce the requirement for UK universities to send fly-in faculty to Indonesia.

Postgraduate TNE programmes appear to offer most opportunity, given their relevance to the working professional market (who can generally afford to pay higher tuition fees), their potential to support mobility to the UK via 1+1 articulation arrangements, and less onerous curricular mapping requirements as compared with undergraduate programmes. Niche TNE programmes, aimed at a

specific sector or profession, and with a flexible approach to delivery, are perceived as offering opportunity.

TNE programmes that support mobility within and beyond the region (e.g. mobility to UK branch campuses and programmes in Malaysia, Singapore, China and elsewhere) will appeal to some students / parents.

Articulation and foundation programmes appear to be underprovided in Indonesia, relative to the large number of students travelling to study in the UK every year. The reasons for this are unclear but may be owing to the challenge of finding appropriate local partners and teaching staff, or to TNE being at an early stage of development in Indonesia. In any case, there may be unmet demand for these pathways to study in the UK.

Awareness of TNE by students and their parents is low, even in Indonesian institutions offering TNE programmes. Therefore, UK universities have a greater role to play in working with their local partner to market and promote TNE. An important message to communicate is that UK tuition fees are generally lower than those charged in Australia or Singapore; this does not currently appear to be widely understood.

Visits to leading secondary schools in Jakarta are likely to reach the relevant TNE target market and help to raise awareness of the UK institution and its TNE programmes. An attractive and user-friendly UK website, and active social media campaigns using LINE and Instagram, are also advisable. Parents remain the main decision makers, although students have more independence to make decisions at postgraduate level.

With over 4,000 universities in Indonesia, identifying the right partner is a challenge. However, the following guidance may assist with selecting a shortlist of prospective partners:

- There are two HE sectors in Indonesia: General and Islamic. The former is supervised by the RISTEKDIKTI and the latter by the Ministry of Religious Affairs. The universities supervised by RISTEKDIKTI offer greater opportunity to develop TNE partnerships.
- It is advised to refer to the accreditation status assigned to the Indonesian university by the Indonesian accreditation agency (BAN-PT), as only universities with an A or B rating are permitted to partner with foreign universities.
- Membership of international organisations and associations is useful as an indicator of the openness and willingness of Indonesian universities to engage internationally.
- Undertaking the necessary due diligence and meeting face to face with prospective partners is essential. Clarity and understanding of each other's expectations is critical from the outset. Be prepared for this to be a long process and involve people from across university departments (e.g. academic, international office, admissions, internal quality assurance, marketing and senior leadership).
- A good starting point may be to consider the 11 autonomous universities as prospective partners, given that they are high-quality, prestigious public institutions and do not require approval to develop TNE partnerships. However, it can take years to navigate public university bureaucracy.
- UK universities may also consider private universities, who often have a more business-savvy outlook and can generally commit to developing TNE partnerships within a relatively short period of time.

While the foreign universities regulation signed in October 2018 paves the way for the establishment of IBC in Indonesia, the implementation details remain to be worked out. Key will be the extent to which the operation can be foreign-owned or would have to partner with a local institution; how the non-profit criteria will be applied in practice; what support will be provided by the Indonesian government; and which specific programmes will be approved by the Ministry. The Ministry advised that TNE should target the following areas: Science, Technology, Engineering,

Maths, Tourism, Ecommerce, Information Systems and the Digital Economy. (These programmes are likely to be approved, as they support Indonesia's long-term national development plan for 2005-25).

Local public and private universities do not appear to consider IBCs as a competitive threat and, certainly, the expanding HE population will require additional capacity to meet demand. However, the UK universities interviewed were not enthusiastic about the prospect of opening a branch campus in Indonesia anytime soon. For now, collaborative forms of TNE appear to offer most opportunity and it will likely be a few years before the first IBC is established, although UK universities should remain alert for further updates from the Ministry on this front.

8. APPENDIX A - APPLICATION PROCEDURE FOR JOINT, DOUBLE AND TWINNING DEGREE PROGRAMMES

It is the responsibility of the Indonesian university (with input from the foreign university partner) to submit the TNE partnership proposal to the Ministry. All documents are submitted via an online [portal](#). The components of the application process are summarised as follows and are based on the experience of the British Council in assisting UK universities with navigating the regulations.

Chapter 1: Profile

University profile

- University name, university address, licence/permit (legal documentation certifying the establishment of the university); document to be uploaded into the portal
- Institutional accreditation (document to be uploaded into the portal; only Indonesian universities that already have at least 'B' in their BAN-PT accreditation can apply for joint/double degree)
- University ranking (if applicable)
- Person in charge of the partnership project within the Indonesian university (name, phone number and email)

Programme profile

- Name of the study programme
- Study programme accreditation document to be uploaded into the portal; only programmes of study with at least 'B' in their BAN-PT accreditation can apply for joint/double degree

Chapter 2: Partnership documentations

Two agreements are needed to pursue a joint/double degree partnership with an Indonesian university. It is the obligation of the Indonesian university to apply for a permit to DIKTI and submit all the paperwork.

The first agreement is the Memorandum of Understanding (MoU), a short document that contains general clauses related to the proposed agreement. Usually, Indonesian universities will suggest a template that they are familiar with for the overseas university to comment on. The Applicant (Indonesian university) will need to provide a summary of the MoU (250 words) and upload the signed MoU into the portal.

The second agreement is a Memorandum of Agreement (MoA), a more detailed document that includes:

- Short description of the MoA (250 words)
- Start and finish dates of the MoA
- Partnership mission (250 words)
- Partnership target (250 words)
- Reasons why the Indonesian university chose its overseas partner (e.g. international ranking, international accredited programme study, etc.) (250 words)
- Partnership principles (250 words)
- Partnership benefits (250 words)

- Foreseen challenges in implementation (250 words)
- Rights and patent ownership (250 words)
- Reciprocal mechanism (250 words)
- Sustainability
- Rights and obligations of each university (250 words)
- Dispute settlement and governing law
- MoA number (usually the Indonesian university will suggest this number)

Chapter 3: Resources

Human resources

- Overview of human resources to support and deliver this partnership programme (e.g. total admission, marketing, student support, etc.)
- Number of academics involved in this partnership
- List and CV of each academic to be uploaded into the portal

Facility

- Brief description of university profile (500 words)
- Inventory list of university facilities uploaded into portal

Chapter 4: Implementation plan

- Type of partnership (e.g. joint or double degree; undergraduate or postgraduate)
- Overview of implementation plan (e.g. 3+1, 1+1, blended face-to-face/online) (1000 words)
- Type of diploma issued: (i.e. a diploma with logos of the two universities OR each university to issue their own diploma with only one university logo).
- Admission criteria (e.g. IELTS score, etc.) (500 words)
- Selection process (500 words) (e.g. two-step selection: admin followed by interview or other process)
- Financing scheme (500 words) (e.g. students taking courses at the Indonesian university in the first semester pay in the local currency, then pay the UK university in sterling for the courses they take in the second semester. Alternatively, students can pay the total tuition fee in an agreed currency to one university, and then the universities divide the tuition fee between them)
- Schedule (e.g. length of study, block teaching, semester/term, fly-in faculty). Schedule to be uploaded into portal
- *Surat Keterangan Pendamping Ijazah (Certificate of Companion Diploma)* – only for the Indonesian university; document to be uploaded into the portal
- Degree progression (e.g. whether a student after finishing this joint/double degree – e.g. master's – can then continue to doctoral study); this information must be explicitly mentioned in the MoA

Documents related to Chapter 4 to be uploaded into portal include:

- Curriculum from each university before they are merged

- Combined curriculum showing clear division of who is teaching what, and description of credit conversion (one Indonesian credit or SKS is equivalent to five UK credits)

9. APPENDIX B - APPLICATION PROCEDURE FOR AN IBC

Step	Description
1	Foreign universities make a Commitment to satisfy the requirements as stated in the Online Single Submission (OSS).
2	An OSS agency shall issue the foreign university with a Single Business Number.
3	The foreign university shall upload all required documents to a page determined by the Ministry.
4	The Ministry shall verify the documents no later than 30 business days after satisfaction of the provision of all required documents.
5	The Ministry shall upload the verification result by indicating whether the application for the licence is granted or rejected.
6	Further provisions on the procedure for the establishment of foreign universities shall be determined by the Director General of Science, Technology and Higher Education Institutions.

Source: Regulation Number 53 of 2018 on Foreign Universities