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Setting the record straight - clarifying Indonesia's TNE regulations and charting future opportunities

Steve Corry, British Council

Teresa Birks, British Council

Matt Durnin, British Council

Lily Manoharan, Sampoerna Schools System





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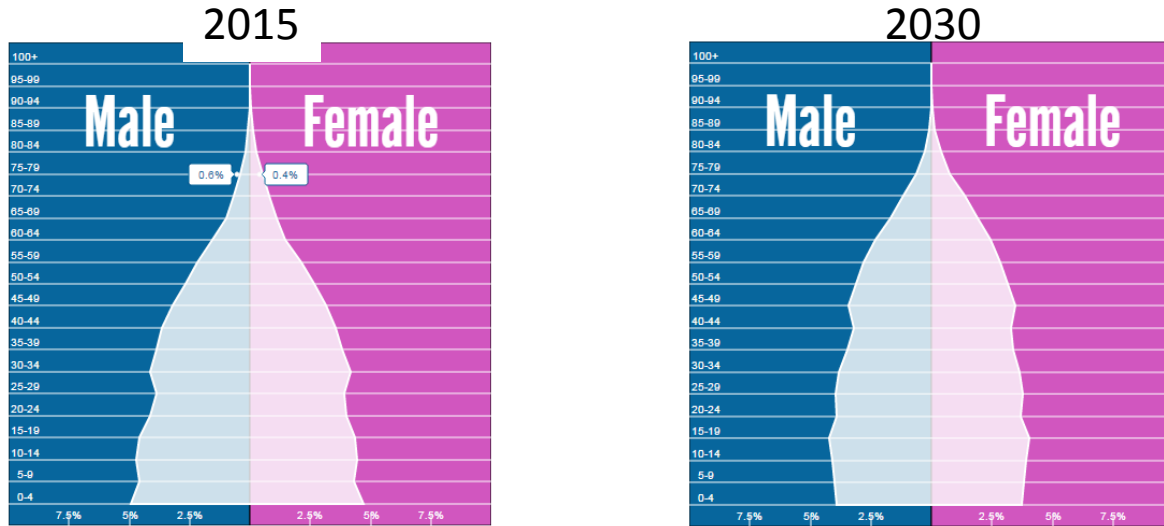
Indonesia: Setting the record straight
Matt Durnin

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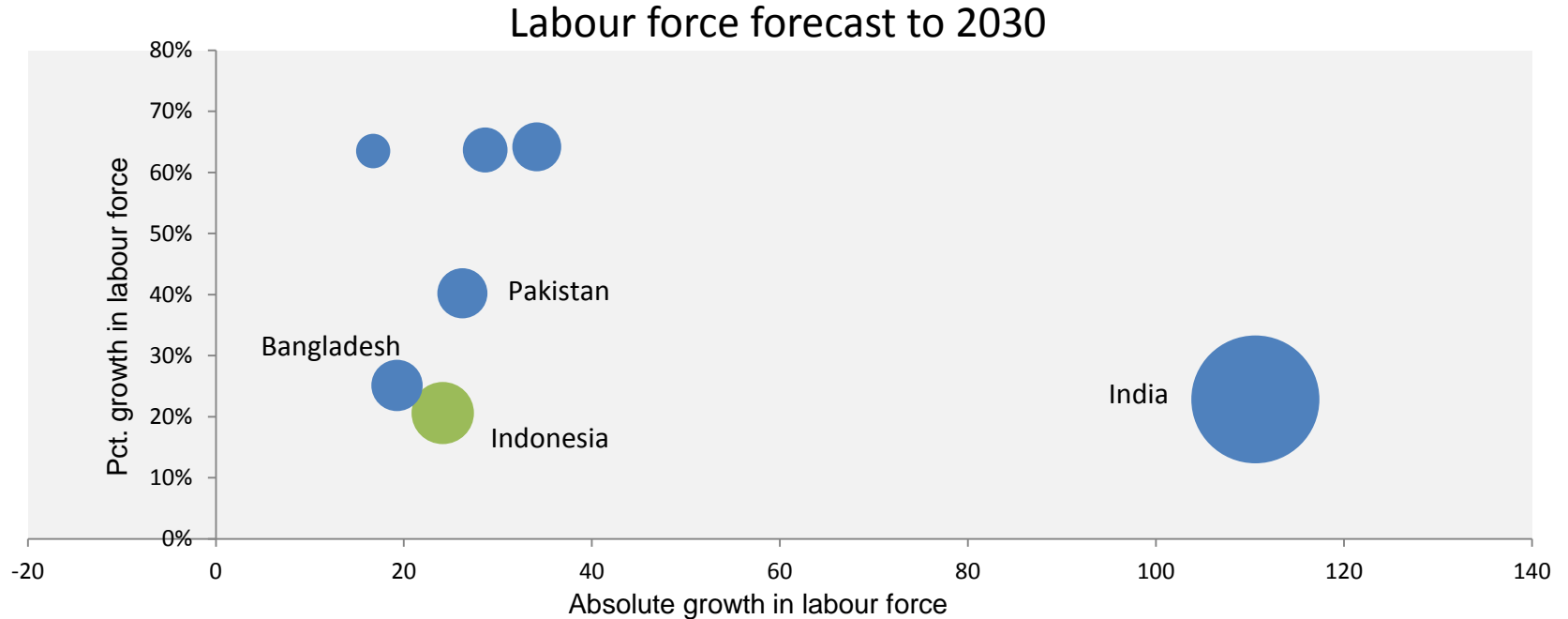


Indonesia has a population dividend



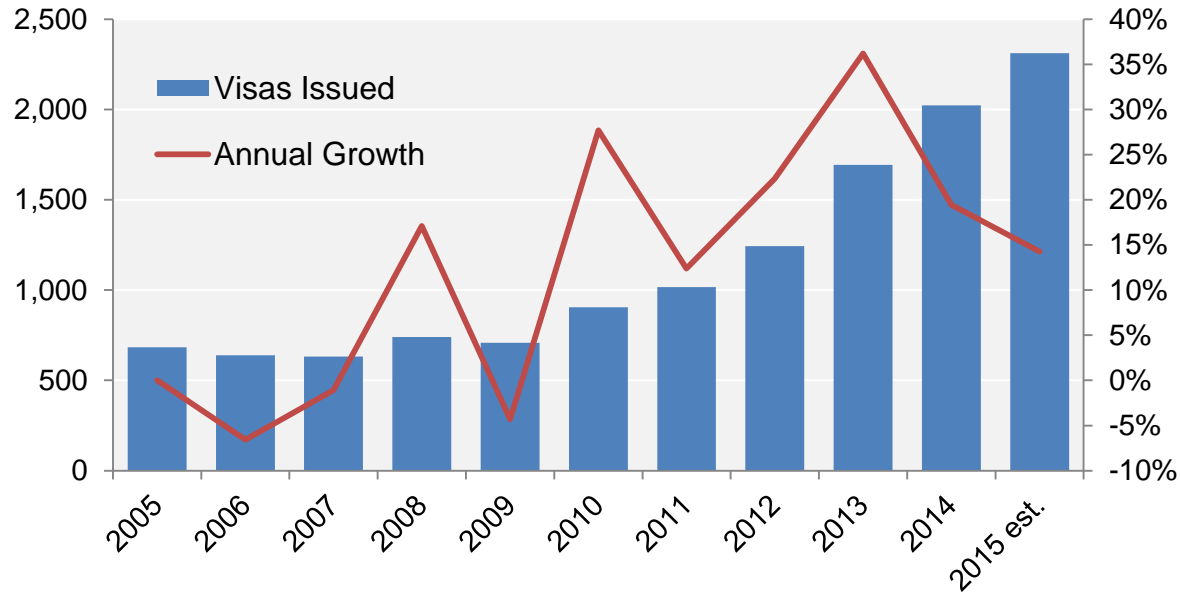
Source: populationpyramid.net

Indonesia will see a relatively large increase labour force



Source: International Labour Organisation estimates and projections

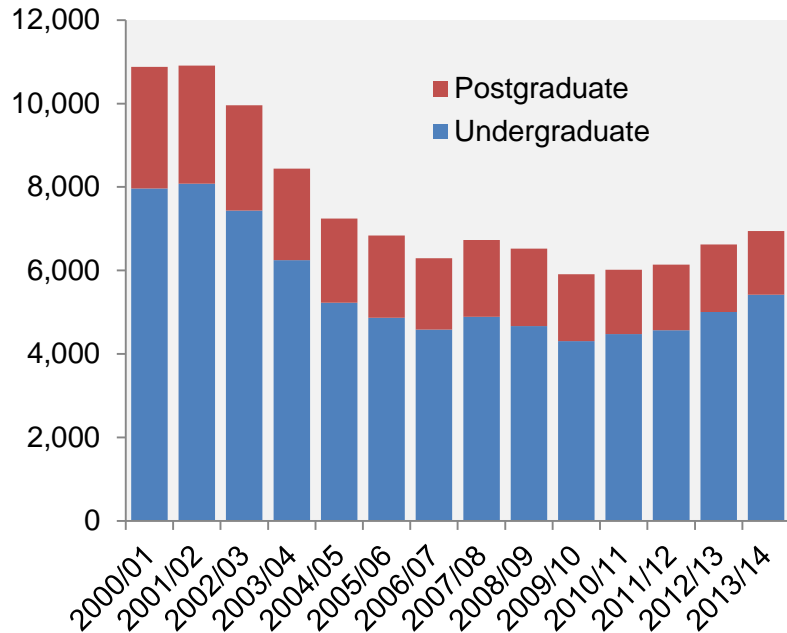
UK study visa issuance posting strong growth in 2015



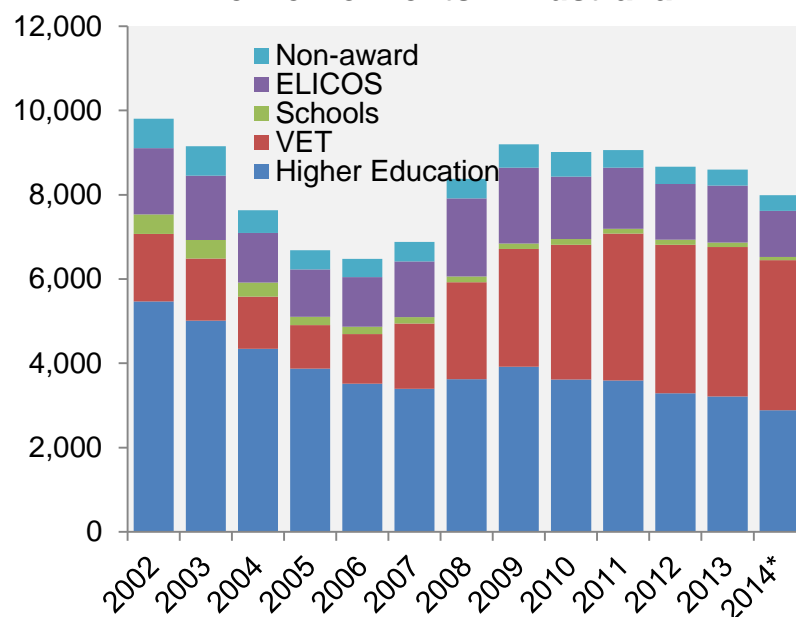
Source: UKVI

Slower growth seen in competitor markets in recent years

Total enrolments in the US



New enrolments in Australia

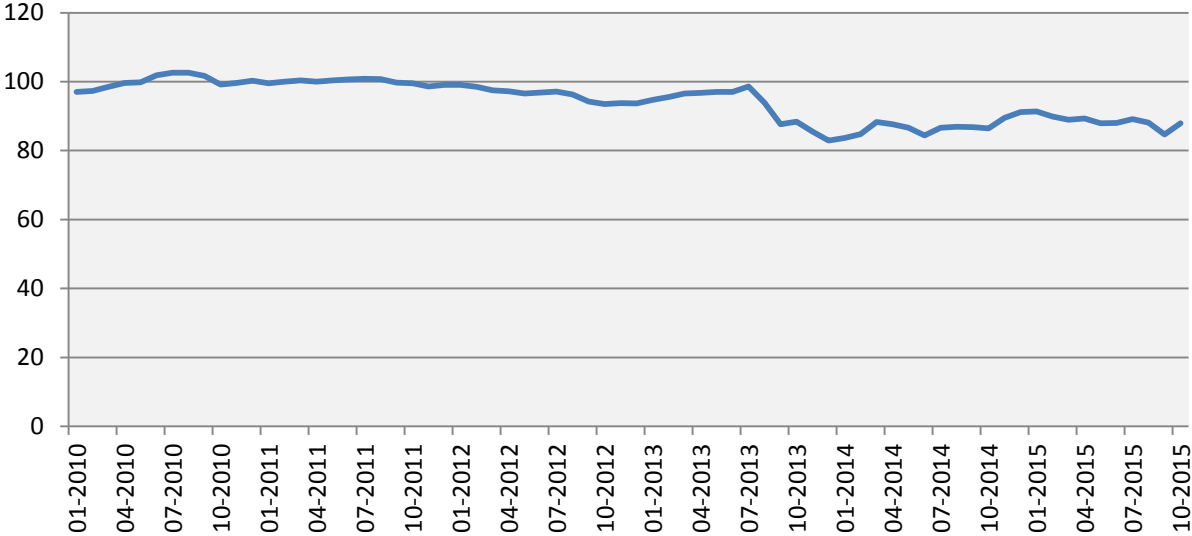


Economic performance lagging recently

Economic performance

- GDP growth slowed to 4.7% year on year in January–June
- Household consumption moderated in response to higher inflation and tighter consumer credit
- Inflation down slightly to average 6.9% year on year in the first 8 months
- Exports fell by 12.4% in US dollars in the first half

Indonesia real effective exchange rate



Source: Bank for International Settlements

Medium term outlook mixed

Outlook

- Consumption will benefit in 2016 from somewhat lower inflation and from pay raises for the civil service
- External demand is also seen improving in 2016
- ADP forecasts that growth will dip in 2015 and recover in 2016



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GeoXoLabs



Identifying ways universities, industry and government can collaborate to promote innovative research and productive interactions

Wednesday, 4 March 2015

Universitas Gadjah Mada, Yogyakarta

Why
1993 - 2014
'setting' PT
the record
straight'?





HE
landscape in
Indonesia

HE landscape in Indonesia

HEI type	University	Institute	College	Poly	Academy	TOTAL
State	55	8	33	48	15	159
Private	440	52	1463	158	1240	3353
State Islamic	8	19	33	--	--	60
Private Islamic	64	28	545	--	--	637
Distance	1	--	--	--	--	1
TOTAL	568	107	2074	206	1255	4210

HE landscape in Indonesia: state HEIs

State universities fall into one of three categories:

- Autonomous state universities (PTN-BH)
- State universities with some financial management flexibility (PTN-BLU)
- State universities as government implementing unit (PTN)

Autonomous (PTN-BH)

- University of Indonesia
- Institute of Technology Bandung
- Gadjah Mada University
- University of North Sumatra
- Indonesian Education University
- Airlangga University

In the pipeline

Padjadjaran University
Diponegoro University
Institut Teknolgi Surabaya
Hasanuddin University



Who manages HE?

Who manages Tertiary Education in Indonesia?



Ministry of Research, Technology and Higher Education



Ministry of Religious Affairs



Line ministries, government agencies (vocational colleges, R&D)

Legislation and guidelines regulating Higher Education

- Law No. 20 of 2003 on the National Education System
- MORA Decree No. 394 of 2003 on the establishment of religious HEIs
- **Law No. 12 of 2012 on Higher Education**
- Government Regulation No. 4 of 2014 on The Implementation and Management of Higher Education Institutions
- MoE Regulation No. 14 of 2014 on HEI Cooperation
- MoE Regulation No. 49 of 2014 on National Higher Education Standards

TNE Do's and Don'ts (Makarim & Taira April 2015)

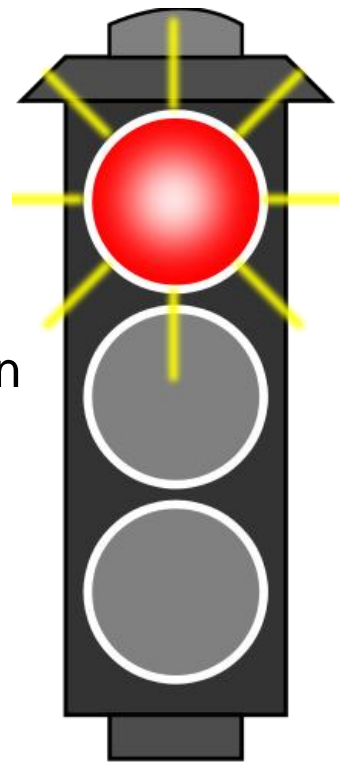
- Branch campus model
- Franchises
- Distance learning
- Twinning
- Double and Joint degrees
- Credit transfer
- Joint supervision
- Research collaboration
- Academic and student exchanges

Branch campus model?

- Article 90 of Law No 12 of 2012 on HE allows and provides for foreign branch campus on a non-profit basis, in partnership with an Indonesian HEI and prioritising Indonesian academic staff
- In 2013 the Constitutional Court found in favour of foreign HE campus

Branch campus model in practice prohibited

- Implementation of article 90 of Law No 12 of 2012 requires a Ministerial Regulation which has yet to be issued
- Ministry of Education Regulation 14 of 2014 on HE Cooperation does not recognize branch campus models
- A foreign company is **not** considered not for profit and HEIs must be organised on a non-profit basis

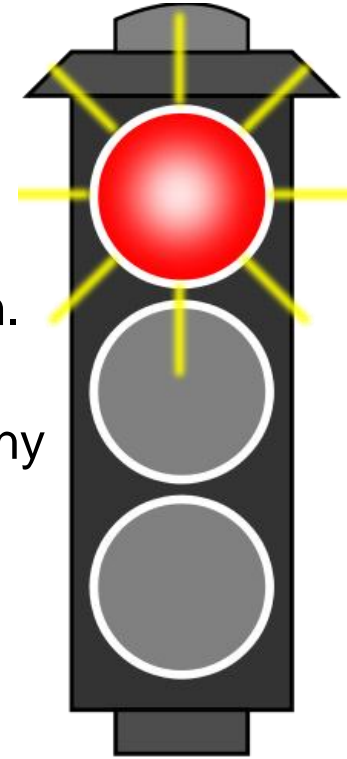


Ownership of a private university?

- The 2014 negative investment list allows up to 49% foreign ownership of a private university, in line with article 90 of Law No 12 of 2012 on HE

Foreign ownership prohibited

- Under Capital Investment legislation, foreign investment in Indonesia must be in the form of a limited company
- Law 12 of 2012 and MOE Regulation 95 of 2014 require a private university to be established by a non-profit organisation.
- A foreign company is not considered a non-profit organization and the establishment of private university by a foreign company is not enforceable
- Dikti has suggested an application for the establishment of a private university will not be accepted if the foundation has a foreigner on its Executive Board

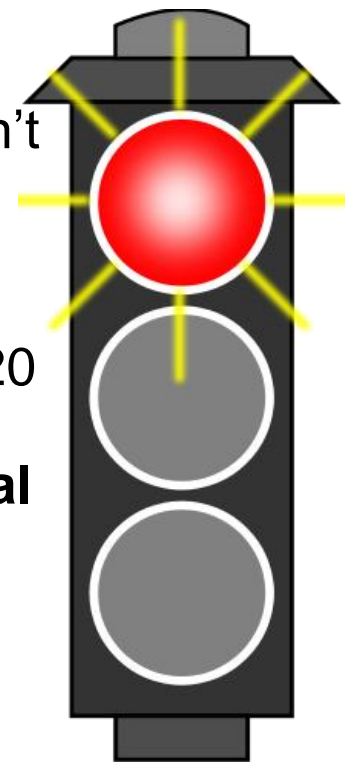


Franchise model?

- Foreign franchises generally allowed and provided for under Minister of Trade Regulation No. 53/M-DAG/PER/8/2012 on the Implementation of Franchising; and Minister of Trade Regulation No 7/M-DAG/PER/9/2014 (strong emphasis on local sourcing)
- Examples of foreign owned education franchises exist.

Franchises

- MoE Regulation No. 14 of 2014 on HEI Cooperation doesn't recognize HEI cooperation in franchise models.
- Law 12 of 2012, MOE Regulation 95 of 2014 and Law No. 20 of 2003 on the National Education System states that **formal** education must be organised on a non-profit basis
- Franchises are understood to be for profit

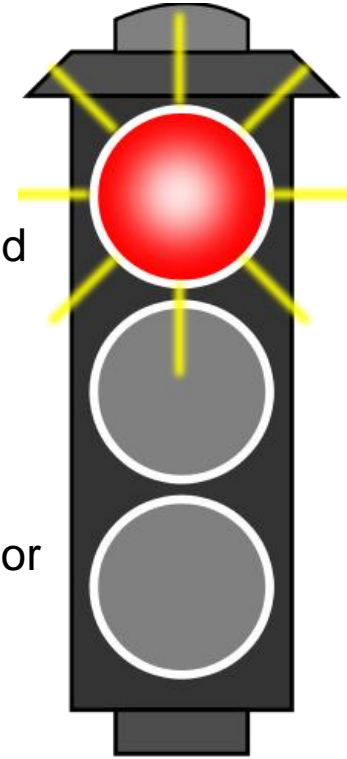


Distance and online degrees?

- Indonesian students have and do sign up for online and distance courses by overseas providers
- Frequent requests from Indonesian universities and government departments for support in online provision
- Increased interest in online and distance delivery of professional qualifications

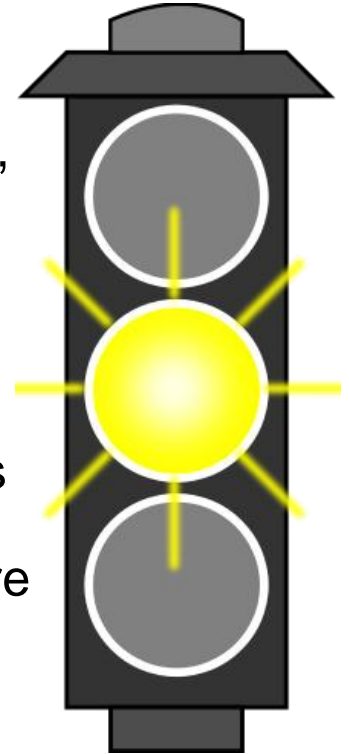
Distance and online degrees?

- Only *Universitas Terbuka* is allowed to provide distance and online degrees, in accordance with Dikti Circular Letter No. 2630/D/T/2000 and with reference to Government Regulation 30 of 1990 and Government Regulation 57 of 1998
- Dikti will not recognise and legalise degrees if gained through distance or online learning. For people wishing to work in the public sector this is problematic



Twinning? Allowed but not implemented

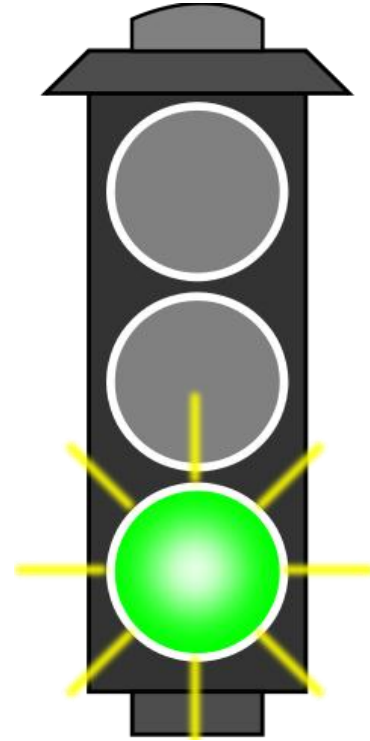
According to MoE Regulation No. 14 of 2014 on HEI Cooperation, twinning, where a Main Campus from 'country A' partners with an existing local campus/institution in 'country B' to develop an articulation system that that allows students to take course credits at local Institutions and/or Main Campus is allowed. However there are no examples of twinning and Dikti never promotes this model



TNE models that are allowed and encouraged

Allowed and accommodated under MOE Regulation No. 14 of 2014 on HEI Cooperation and further regulated under Dikti Guidelines:

- Joint degree – most popular option, one certificate
- Regular double degree (BA and MA), two certificates
- Accelerated double degree (MA and PhD), two certificates
- Credit transfer and credit earning
- Joint supervision
- Research collaboration
- Academic and student exchanges

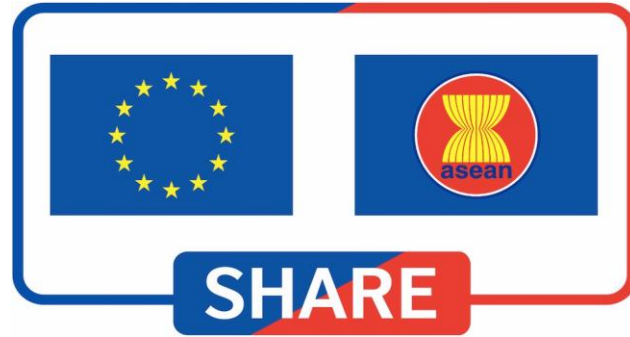


A photograph of an older man with white hair and glasses, wearing a blue and white striped shirt, sitting at a desk. He is looking down at a blue laptop. A younger woman with long dark hair, wearing a black jacket, is sitting next to him, also looking at the laptop. The desk is cluttered with papers, a pen, and a name tag that says "Binus Univer". The background is a dark curtain. The text "Looking forward" is overlaid in white on the right side of the image.

Looking
forward

Looking forward

- Rumours that the Ministerial Decree to allow branch campus model will be issued
- Dikti promoting joint/double degrees
- Dikti/Ristek Dikti is interested in online provision, esp to reach remote areas
- Fear of privatisation of state universities 'by stealth' and of foreign influence remains
- ASEAN Common Market will drive changes in attitude and practice



EUROPEAN UNION SUPPORT TO HIGHER EDUCATION IN THE ASEAN REGION





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Thank you and please feel free to contact me:
teresa.birks@britishcouncil.or.id

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Making partnerships with Indonesian HEI work

Lily Manoharan

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GeoXoLabs



Variety of partnerships

Keys to building value-adding partnerships

Lessons from specific cases

International Partnerships

ENGINEERING PROGRAM



PROGRAMS

- Industrial Engineering
- Mechanical Engineering

LSU labs – which will be recreated in Indonesia – are extensive and of international quality.

LSU | College of Engineering

BUSINESS PROGRAM



PROGRAMS

- **Management**
 - Marketing
 - Banking and Finance
 - General Management
- **Accounting**

Oregon State University belongs to the top 15 % of 16,000 universities worldwide, students will receive a General Business degree.

Oregon State UNIVERSITY **OSU** College of Business

UNIVERSITY PARTNERS

Double degree/ Twinning



UK UNIVERSITY PARTNERS



Bournemouth University



Coventry University



Cranfield University



Edinburgh Napier
University



King's College London



Northumbria University




University of
Northampton



The University of
Nottingham University of Nottingham



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 *Twining (double degree) program*

Variety of partnerships

Keys to building value-adding partnerships

Lessons from specific cases

Keys to starting (and sustaining) a partnership

Navigating the culture(s)

Government

Institution

Faculty/Staff

Parents

Students

Building Relationships

Champion, go –to persons, decision makers. opinion leaders

Sustained communication, and perceived care, respect and helpfulness

Interconnecting – why do this

Vision, goals, aspirations

Needs, resources, constraints

Environment, trends, public opinion

What is the story you will tell together?

Boosting
faculty mobility
and research

Diversifying
student body &
experience

Global
partnerships

Global
recognition



Keys to closing deal and implementing – project management

Effective communication; manage expectation and ensure buy-in

- Why are we doing this
- How to get from one point to another
- What is the next step, PICs, deadlines

Relationships – Speed of trust

- Project champion/owner, high level support
- Project team – knowledge transfer; sustainable results

Effective follow up and follow-through

- Minimize assumptions
- “tick-tock” game

Responsiveness and nimbleness to leverage opportunities

Agility to deal with obstacles and find creative solutions

Strategy is nothing with **execution!**

Variety of partnerships

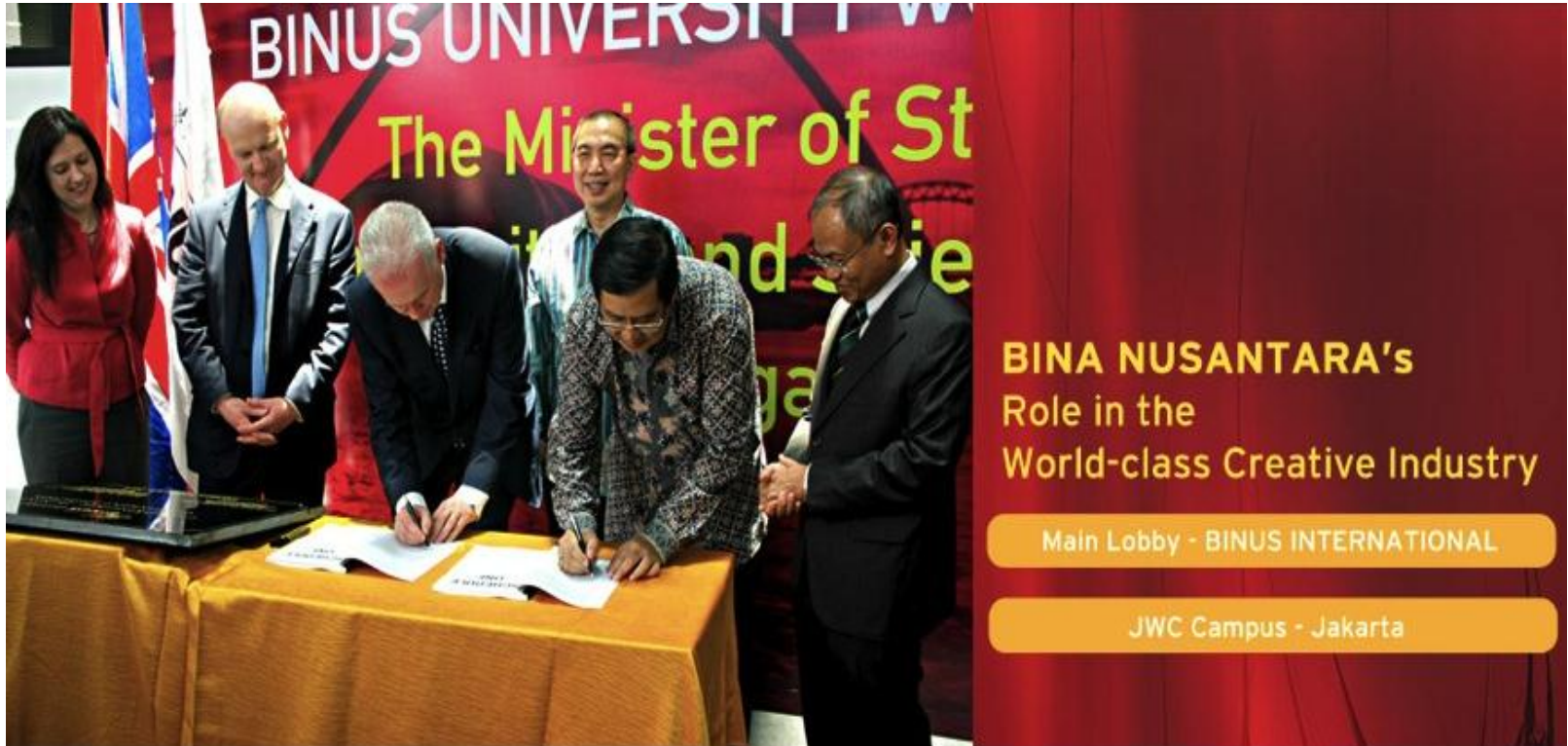
Keys to building value-adding partnerships

Lessons from specific cases

Double-degree articulation with The University of Nottingham



Getting government support - BINUS Northumbria School of Design



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- Students are encouraged to develop greater curiosity, initiative, reflection, influence, and leadership in global settings
- Students are challenged to navigate and excel in multi-cultural contexts

✓ MENTORING & SUPERVISION

- Full time staff to mentor and train students
- Every student's academic performance are monitored by counselors

✓ INTERNSHIP OPPORTUNITIES

- Although internship is not compulsory for all majors, students are encouraged to intern with BINUS' respected industry partners

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- Sari Pan Pacific Jakarta Hotel

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Presidential Special Envoy for Poverty Alleviation

 **Dr. Simatupang Boto**
Vice Rector IV for Cooperation
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 **Irfham Dilmay, Dr., MBA**
(Advisor, Amrop)

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Dr. Kirk Simmons
Director of Global Relations,
The Pennsylvania State University

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Global Leadership Forum EXCELLENCE IN LEADING HIGHER EDUCATION IN A GLOBALISED WORLD

Tuesday, July 2, 2013 | 1:00 - 3:15 pm

VENUE
Auditorium 4th Floor, Angrek Campus, BINUS UNIVERSITY
Jl. Kebon Jeruk Raya No. 27, Kebon Jeruk
Jakarta Barat 11530, Indonesia

Global leadership forum is a very special event bringing together top international academic leadership panelists from the most renowned universities in UK, Asia, as well as policy leaders from Indonesia. Participants include the Nottingham Global Network (NGN) and the Nationwide University Network in Indonesia (NUNI).

PANELISTS

Prof. Ir. Nizam, M.Sc., Ph.D.
Secretary of Higher Education Council,
Directorate of Higher Education,
Indonesian Ministry of Education and Culture

Prof. Christine Ennew, Ph.D.
Pro-Vice-Chancellor/Provost and CEO,
The University of Nottingham, Malaysia

Prof. Dr. Ir. Satryo Brodjonegoro
Advisor to BINUS University
Former Director General of Higher Education,
Indonesian Ministry of National Education

Prof. Da Hsuan Feng, Ph.D.
Senior Vice President of Global Strategy,
Development and Evaluation,
National Tsing Hua University, Taiwan

Moderated by Lily Manoharan

RSVP by email (subject: GLF RSVP) to lo@binus.edu by 1pm Saturday, June 29





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