Indonesia international branch campus feasibility study and overview of TNE across ASEAN

Submitted to the Foreign Commonwealth & Development Office

March 2022

Ecctis

Acronyms

ASEAN	Association of Southeast Asian Nations
BAN-PT	Badan Akreditasi Perguruan Tinggi
BEIS	Department for Business, Energy and Industrial Strategy
BUILA	British Universities' International Liaison Association
DIKTI	Directorate General of Higher Education – Republic Indonesia
DIT	Department for International Trade
DfE	Department for Education
FCDO	Foreign Commonwealth and Development Office
HE	Higher Education
HEI	Higher Education Institution
IBC	International Branch Campus
Kemdikbud	Ministry of Education and Culture – Republic Indonesia
SEA	Southeast Asia
SEZ	Special Economic Zone
SWOT	Strengths, Weaknesses, Opportunities, Threats
TNE	Transnational Education
ToR	Terms of Reference
UUKi	Universities' UK International
UKCISA	UK Council for International Student Affairs

Contents

1. Executive Summary

Project Aims and Context

Ecctis was commissioned by the Foreign Commonwealth & Development Office to undertake a project that provides detailed, evidence-based, and in-depth insights into the opportunities, requirements, and constraints for a UK International Branch Campus (IBC) in Indonesia.

To achieve this, a mixed-method approach was deployed, including literature reviews, policy analysis, and key stakeholder engagement. The extent and nature of demand for UK degrees in the ASEAN was explored, along with the UK and local appetite for collaboration. As well as a contextual overview of the Transnational Education (TNE) landscape and operating environments in the ASEAN region, this report provides focused insight into Indonesia as a viable destination for UK IBCs.

Key Feasibility Findings

Demographic and student data indicate that the ASEAN region has high potential for TNE opportunities, with the key sending and receiving countries for international students indicated in the following figure:

Indonesia is not unique amongst ASEAN countries in incentivising IBCs, other countries in the region provide support and incentives for TNE. IBCs in Thailand and Vietnam can access support in the form of tax reductions or exemptions, land acquisition and assistance with visas. TNE regulatory models vary, with some ASEAN countries applying the same regulatory requirements as local provision, whilst others may set requirements such as working with local partners. With the rapid improvement in standing of ASEAN universities, reconceptualisation of traditional partnership models may be required to rebalance partner roles and reconsider each partner's perspectives on the added value of the partnership.

In 2018, changes in regulations enabled the establishment of IBCs in Indonesia, with Government Decree No. 53 outlining the following criteria for their establishment:

Total mobile ASEAN students (2019)

342,234

Top sending countries

1	🇻🇳	Vietnam	126,059
2	🇲🇾	Malaysia	59,144
3	🇮🇩	Indonesia	53,604

Top destination countries

1	🇦🇺	Australia	151,850
2	🇺🇸	US	57,953
3	🇯🇵	Japan	56,819

Location: Special economic zone

Ranking: Top 100 globally

Non-profit institution

Collaboration with Indonesian universities

Offer at least two study programmes

Programmes in priority subject areas

Regarding viable pathways to setting up an IBC in Indonesia, the Directorate General of Higher Education – Republic of Indonesia (DIKTI) states that it accepts applications from global top 100 universities but also invites universities that fall outside that range to register interest with them. Following DIKTI application approval, the legal status of the IBC is to be established through the Ministry of Justice and Human Rights. The legal status of the IBC can fall under the *yayasan* or *ormas* laws. Badan Akreditasi Perguruan Tinggi (BAN-PT) and/or other subject accreditation bodies will need to be contacted either prior to or during the establishment of the IBC. BAN-PT states that they are able to expedite the accreditation process for applicants who apply for accreditation in advance of opening provision.

Considering these regulations and pathways, as well as Ecctis' wider research into the challenges and pull factors associated with IBCs in Indonesia, the following key feasibility findings have been developed:

Strengths and Opportunities

- Indonesian Higher Education Institutions (HEIs) are keen to explore collaboration opportunities.

- Private Indonesian universities may have good potential to assist with establishing an IBC.

- PG degree provision by IBCs could be seen particularly favourably in Indonesia.

- Special Economic Zones (SEZs) consider improved UG provision resulting from IBCs as a strong positive.

- There is predicted strong growth in the number of students entering tertiary education in Indonesia and systemic shortage of places available in prestigious universities.

- Subject preferences emanating from survey data showed strong preferences for Economics, Business, and Social, Art, and Humanities subjects. This partially aligns with the Indonesian government's priority subject areas which focus on business, management, and STEM.

- Indonesian diaspora may be an effective pool of potential staff for an IBC.

- There is a high level of prestige attached to UK degrees in Indonesia.

- There are strong cultural ties to the family unit and a preference for students to remain close to home – suggesting an IBC may be more desirable for many compared to studying abroad.

- UK HEIs felt confident in their knowledge of Indonesian subject and cultural preferences, recruitment pathways, and student readiness for higher education.

- UK HEIs highlighted the desire to tailor TNE towards mutually beneficial advancement (the common good).

Weaknesses and Threats

- Comparatively poor availability of local teaching candidates.

- Visas for international staff may be limited in number and strict in duration.

- There are high costs associated with undergraduate education in Indonesia.

- Indonesia HEIs appear to have limited experience in forming partnerships.

- There are currently recognition issues for UK Bachelor degrees in Indonesia. These issues may affect those looking to work in the public sector.

- English proficiency amongst Indonesians is comparatively low for the ASEAN region.

- UK staff may be unwilling to relocate.

- Some data indicates a strong preference for studying at a UK campus as opposed to a UK HEI campus in Indonesia.

- The Ijazah SMA/MA is not seen to satisfy requirements of UK universities for direct entry onto undergraduate courses.

- UK HEIs indicated that increasing the number of students in IBCs was their lowest strategic priority. Recruitment to UK campuses was the highest.

- Low global ranking of potential Indonesian HEI partners detracted from the attractiveness of the Indonesian market.

- UK HEIs perceived some problems with engagement in the Indonesian HE market, including complex regulatory environment, perceptions of instability, challenges in navigating the government bodies to get an approval.

- UK HEIs felt unconfident in their knowledge of Indonesian quality assurance, the regulation of IBCs, and the regulation of SEZs.

2. Introduction

2.1. Context and aims

The Indonesian Ministry of Education, Culture, Research and Technology has announced their support for overseas universities to establish their presence in Indonesia. Yet establishing an International Branch Campus (IBC) is 'a non-linear…inherently risky…time intensive' process (Clifford, 2015).

Ecctis was commissioned by the Foreign Commonwealth & Development Office to undertake a project that provides detailed, evidence-based, and in-depth insights into the opportunities, requirements, and constraints for a UK IBC in Indonesia, developing a high-level and up-to-date overview of the wider TNE landscape and demand in ASEAN.

This necessitates a mixed-method approach, including literature-based research, policy analysis, and primary research to investigate the extent and nature of demand for UK degrees in ASEAN, and the UK, as well as Indonesian appetite for collaboration. Drawing on this approach, Ecctis has obtained direct access to key regulatory authorities and stakeholders in the region, including HE institutions and their students. This facilitates the collection of data and information, through the mixed method approach outlined above, which are used to develop the contextual overview of the TNE landscape and operating environments in the ASEAN region, focused insight into Indonesia as a viable destination for UK IBC, and the development of sound findings and guidance

It is hoped that this project will support the development and promotion of strategic, sustainable, and mutually beneficial TNE partnerships between the UK and the region. In a broader context, this will support the ambitions set out in the UK International Education Strategy: to increase the value of education exports to £35 billion per year and increase the total number of international students in the UK each year to 600,000 by 2030. Indonesia is noted by the UK government as one of five priority countries for the International Education Champion and UK higher education can help build local capacity, improve quality, and enhance governance and training to support skills development and attract international talent to Indonesia.

3. Methodology

This section aims to present the key guiding elements of the research methodology employed in this project. These include the research themes, indicators, and information on data gathering, stakeholder engagement, and analysis.

3.1. Research themes

The research themes included in this section were developed from a research plan, with their aim being to define the parameters and scope of the study. They were drawn on throughout the study in order to shape both research and analysis.

The following research themes were developed as a tool to centre in on the feasibility aspect of this study. These themes guided the lines of inquiry across all research activities. Along with the key stakeholder groups identified, these themes guided the development of the study's research questions at the planning stage.

Project research themes with descriptions
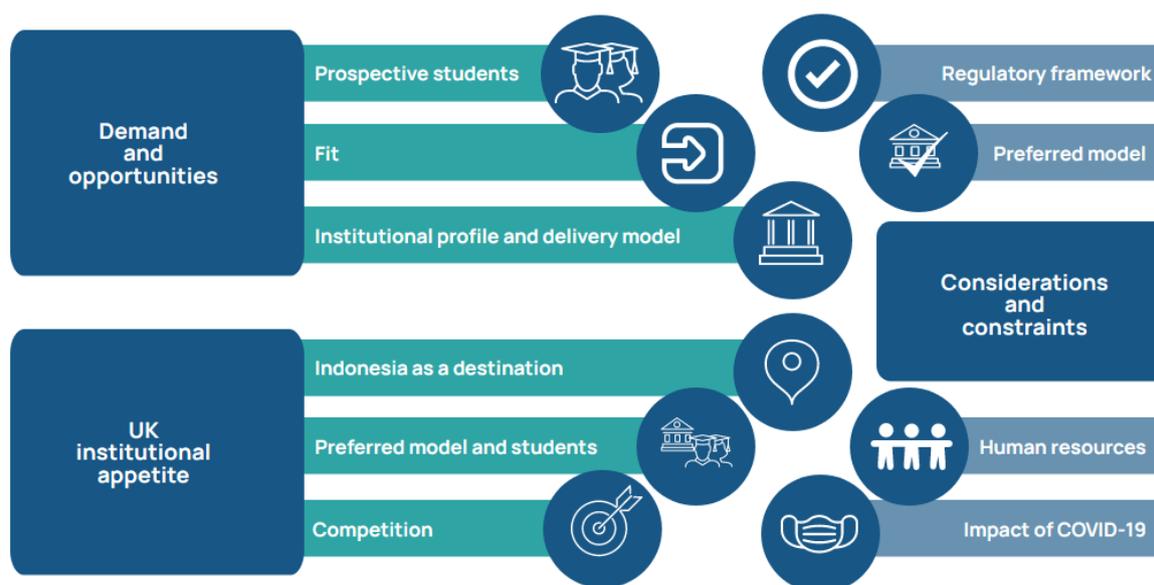
3.2. Indicators

In addition to the themes and sub-themes which guide the feasibility aspect of our study, Ecctis developed the following indicators as a tool to signify feasibility of a potential UK IBC model in Indonesia.

Project Indicators

Indicator number	Indicator
Indicator 1	**Number of Indonesia and ASEAN undergraduate students**
Indicator 1.1	Number of Indonesian students passing upper secondary education
Indicator 1.2	Number of Indonesian students entering HE
Indicator 1.3	Number of Indonesian students studying an international degree abroad
Indicator 1.4	Number of Indonesian students studying an international degree in Indonesia
Indicator 1.5	Number of ASEAN students passing upper secondary education
Indicator 1.6	Number of ASEAN students entering HE
Indicator 1.7	Number of ASEAN students studying an international degree abroad
Indicator 1.8	Number of ASEAN students studying an international degree in Indonesia
Indicator 2	**UK appetite for TNE partnerships in Indonesia and ASEAN region**
Indicator 2.1	Appetite of UK policymakers (FCDO, BEIS, DfE)
Indicator 2.2	Appetite among UK university partnership offices
Indicator 2.3	Appetite among UK university recruitment offices
Indicator 2.4	Appetite among UK university due diligence offices
Indicator 3	**Indonesian/ASEAN appetite for TNE partnerships with UK HEIs**
Indicator 3.1	Institutional appetite of Indonesian universities, policy makers and other stakeholders
Indicator 3.2	Willingness of Indonesian students to study a UK degree in their home country
Indicator 3.3	Willingness of Indonesian parents to send their children to a UK university in Indonesia
Indicator 3.4	Willingness of ASEAN students to study a UK degree in Indonesia
Indicator 3.5	Willingness of ASEAN parents to send their children to a UK university in Indonesia
Indicator 4	**Alignment of UK and Indonesian education system**
Indicator 4.1	Level of alignment of UK and Indonesian teaching skills
Indicator 4.2	Level of alignment of UK and Indonesian upper-secondary awards
Indicator 4.3	Level of alignment of UK and Indonesian Bachelor degrees
Indicator 4.4	English language proficiency
Indicator 4.5	Key cultural and pedagogical considerations in Higher Education
Indicator 5	**Ease of doing business in Education, Culture, Research and Technology in Indonesia**
Indicator 5.1	Level of ease of doing business in Education, Culture, Research and Technology in Indonesia as well as barriers and facilitators as reported by key stakeholders, paying particular attention to Trade Barriers, Campus Requirements Approval and Monitoring processes, Tax Exemption / Incentives
Indicator 6	**Impact of COVID-19**
Indicator 6.1	Reported impact of COVID-19 by key UK and Indonesian Higher Education stakeholders, with particular emphasis on factors affecting branch campus establishment

3.3. Data gathering and research approaches

This section explains how research was conducted in terms of the tools used to carry out the literature review, collect data, select stakeholder groups, and undertake stakeholder engagement.

The mixed methods approach combines both qualitative and quantitative data collection and analysis, providing more in-depth insights and findings than would be possible using only one method of data collection (Creswell et al., 2011). The use of a combination of methods will give us the opportunity to reap the benefits of each method (Bryman, 1984).

3.3.1. Data gathering overview

The following table presents the project indicators and the methods of data collection that were used to address the indicators included in this project.

Project indicators mapped against project data collection methods

Literature Review
- Indicator 1: Number of Indonesian and ASEAN students
- Indicator 2: UK appetite for TNE partnerships in Indonesia and ASEAN region
- Indicator 4: Alignment of UK and Indonesian Education Systems
- Indicator 5: Ease of doing business in education, culture, research, and technology in Indonesia

Surveys
- Indicator 2: UK appetite for TNE partnerships in Indonesia and ASEAN region
- Indicator 3: Indonesian/ASEAN appetite for TNE partnerships with UK HEIs

Interviews
- Indicator 2: UK appetite for TNE partnerships in Indonesia and ASEAN region
- Indicator 3: Indonesian/ASEAN appetite for TNE partnerships with UK HEIs
- Indicator 5: Ease of doing business in Education, Culture, Research, and Technology in Indonesia
- Indicator 6: Impact of COVID-19

3.4. Stakeholder analysis and engagement

Throughout the study, stakeholder engagement was a key component to understanding project progress, views and perceptions, any barriers to implementation, and any stakeholder recommendations. It was recognised that some stakeholders would be able to contribute across multiple research questions, and accordingly each stakeholder group's role and stake in the project was carefully considered and mapped thematically during the design of the

research tools. The following sub-sections map out our approach to stakeholder analysis and engagement across the project.

3.4.1. Stakeholder identification

The target stakeholders were identified by Ecctis in consultation with the FCDO and encompassed the following groups:

- Indonesian undergraduate students,
- ASEAN undergraduate students,
- Indonesian senior stakeholders from public sector bodies and key regulatory authorities,
- Indonesian Higher Education Institution (HEI) representatives,
- UK HEI representatives spanning partnerships, recruitment, and due diligence,
- UK public sector and policy bodies: e.g., UKCISA, British Council, FCDO, BEIS, DfE.

The diagram below represents the total stakeholder engagement completed over the course of this study, divided across generalised stakeholder groups and data collection method.

Stakeholder Engagement Reach

Stakeholder Engagement

UK HEI - Survey	UK HEI - Interviews
45	**13**
Individuals admissions and partnership departments in UK HEIs took part in our survey, representing 27 HEIS.	Interviews with senior staff at UK HEIs took place.
Indonesia - Survey	**Indonesia - Interviews**
66	**14**
Participants took part in our surveys to build a picture of Indonesian student and parent preferences and attitudes to international education.	Interviews with Indonesian HEIs, Government bodies, Special Economic Zones, and UK policy bodies working in the region.

3.4.2. Approaches to stakeholder engagement

3.4.2.1 Interviews

Interviews were conducted remotely through video-conferencing tools such as Zoom and Microsoft Teams. During the stakeholder engagement process, Ecctis ensured honesty and integrity as well as confidentiality and transparency. All ethical measures necessary to protect confidentiality of the informants were considered. The Ecctis team ensured that participants were able to give fully informed consent and understood what they were agreeing to take part in.

A process of thematic analysis was employed to analyse the qualitative data from the interviews. Qualitative data was then coded (searching for selected keywords and themes). Following that, Ecctis consolidated, triangulated, and synthesised these streams of data and mapped them against the Key Research Questions.

3.4.2.2 Surveys

The Ecctis research team conducted online surveys with Indonesian and ASEAN students as well as representatives of UK HEI offices. The online surveys were designed and administered by the Ecctis team and were disseminated through the Survey Monkey platform. The aim of the surveys with Indonesian and ASEAN students was to understand their views, perspectives, willingness to study a UK degree in Indonesia, the subjects that are of interest, and the factors that affect students' and parents' choice of institution, or specifically influence their choice of an international university. Surveys with UK HEIs' international offices were conducted to shed light on the needs and preferences for branch campus destinations and how this compares to Indonesian reality, providing an overview of TNE in Indonesia and exploring the UK institutional appetite for establishing an IBC in Indonesia.

4. Analysis

4.1. Overview of TNE activities in the ASEAN region
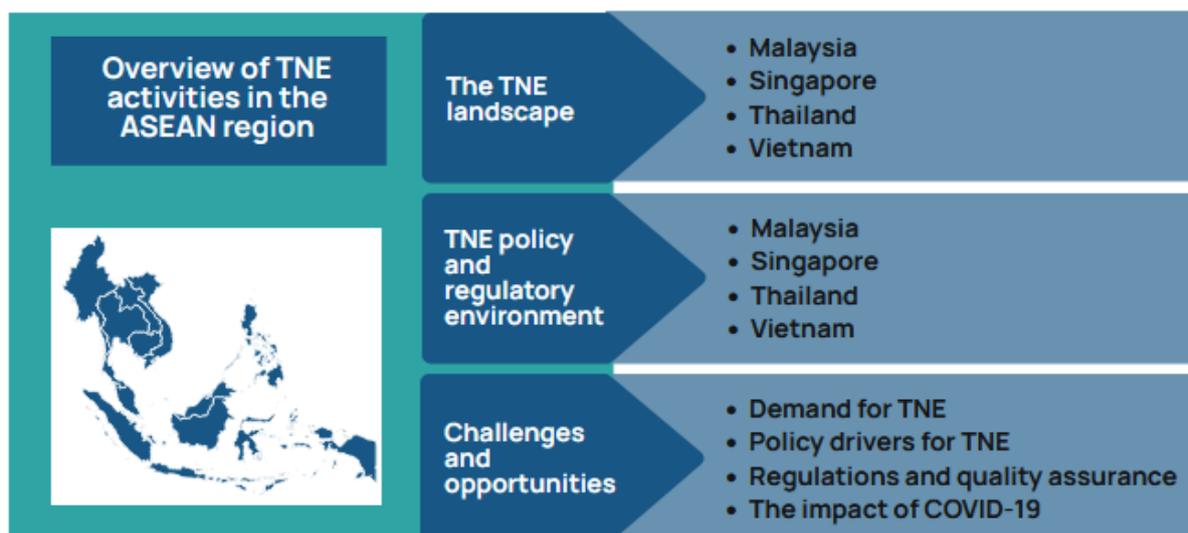
4.1.1. The TNE landscape

There are over 20 million students in HE in the ASEAN region, which is home to around 10% of the global youth population.[1] Demand for HE and international student mobility have increased significantly in recent years.

ASEAN students overseas[2]

In 2019, 29,590 mobile ASEAN students were studying in the UK.[3]

Universities in destination countries, such as Australia, the USA and the UK, have explored and capitalised upon the demand for international education and qualifications amongst the growing middle class in Southeast Asia by developing TNE provision in the region. At the same time, Southeast Asian governments have become more open to new entrants into domestic higher education markets.

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[1] Quinn, C. (2020). *Intra-ASEAN mobility remains a "challenge"*. The Pie News. https://thepienews.com/news/asean-students-member-states/
[2] UNESCO Institute for Statistics. (n.d.). *Global Flow of Tertiary-Level Students*. UNESCO. http://uis.unesco.org/en/uis-student-flow
[3] Ibid.

Malaysia, Singapore, Thailand, and Vietnam provide a comprehensive cross-section of various TNE models, regulatory activities, TNE market penetration levels, opportunities, and challenges. The following subsections focusing on TNE activities in the ASEAN region will draw on examples taken from these countries in order to illustrate the TNE landscape.

4.1.1.1. Malaysia

Malaysia is recognised as one of three TNE hubs globally, along with China and the UAE. It is also an increasingly popular destination country for international students. The Higher Education Blueprint (2015-2025) set an ambitious target of 250,000 international students by 2025; this appears unlikely to be met, due to the pandemic and growing competition for international students in the ASEAN region.

Overview of TNE in Malaysia

Main models of TNE	Franchise, twinning, international branch campuses, validated dual degrees
International branch campuses	10
• Countries of origin	Australia (3), UK (5), Ireland (1), China (1)
Foreign university subsidiaries	10
• Countries of origin	Australia, UK, USA, Singapore, India, Netherlands
International students	131,000 (2020) [4]
• Top countries of origin	1. China 2. Indonesia 3. Bangladesh
UK TNE students	44,800 (2020) [5]
• Students at IBCs	29,000 (2020) [6]

The majority of TNE programmes are franchise and twinning arrangements with Australian and UK universities. Some franchise programmes have now evolved into validated dual degree programmes as the local partners have been upgraded to university colleges and universities with degree awarding powers.

Malaysia was one of the first nations in Asia to support the establishment of IBCs. In 1998, the first branch campus, Monash University Malaysia, was established, followed quickly by the University of Nottingham Malaysia Campus in 2000.

TNE programmes in engineering, computer science, business management, accounting and finance, and health sciences are popular among local and international students. Lately, programmes in cybersecurity, artificial intelligence, data science, and robotics have gained popularity among IBCs.

Several education hubs or multi-campus education cities were established to support and promote the national goal of becoming an international education hub within the region; one,

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[4] Areej. A. (n.d.). *Malaysia Global Services assisting int'l students to pursue higher education in the country*. Academia Magazine. https://academiamag.com/malaysia-global-services-assisting-intl-students-to-pursue-higher-education-in-the-country/

[5] Universities UK International. (2021). *The Scale of UK Transnational Education 2019-20*. https://www.universitiesuk.ac.uk/sites/default/files/uploads/UUKi%20reports/Scale%20of%20UK%20HE%20transnational%20education%202019-20_final.pdf

[6] Ministry of Higher Education Malaysia. (2020). *Institusi Pendidikan Tinggi Swasta – Private Higher Education Institutions*. https://www.mohe.gov.my/en/download/statistics/2020/494-statistik-pendidikan-tinggi-2020-05-bab-3-ipts/file

EduCity Iskandar, remains active. None of the hubs were formally designated as special economic zones, but basic infrastructure and facilities, such as roads, telecommunications, power and other utilities, were provided by federal, state and local authorities.

4.1.1.2. Singapore

Since 2002, the Global Schoolhouse Strategy[7] has sought to attract international students and educational institutions to Singapore. In recent years, the policy has been recalibrated to focus on prestigious and specialised overseas institutions, while at the same time expanding capacity in local universities.

Because of the political sensitivity around attracting large numbers of international students, targets are not publicly announced, but Singapore hosts about 53,000 international students from the region and beyond, especially from the USA, Europe, and Asia. The high international standing of the National University of Singapore (NUS), Nanyang Technological University (NTU), and the other rapidly rising national institutions is attractive to the middle class across ASEAN.

Many American, British, and Australian institutions currently operate in Singapore with small enrolments; the national universities attract the majority of local and international students. Functional partnerships between key TNE providers and local institutions have enabled the local universities to enhance their own systems and structures.

Several TNE providers have ceased operations due to small and declining enrolments, the rising cost of living, and lack of continuing support from the state in terms of tuition, work permits, and accommodation for expatriate staff. Despite these challenges, there is still an active presence of UK TNE provided through local private institutions

4.1.1.3. Thailand

Although Thailand has not been a major destination for TNE, especially in the form of IBCs, the growing number of international schools and drive towards internationalisation of Thai tertiary education has increased the number of programmes and courses taught in English and facilitated many collaborative programmes with overseas universities, including UK universities. A British Council report[8] counted eight joint degrees and 79 dual and triple award collaborations between local and international institutions, including 14 collaborations with UK universities.

There are also a number of private universities and colleges which are partly foreign-owned, such as Assumption University, Stamford International University, and Asia-Pacific International University, which offer undergraduate and postgraduate programmes from UK, USA, European and Asian institutions. These can be considered a form of IBC. In terms of institutions following the more traditional IBC model, Carnegie Mellon University has recently collaborated with King Mongkut University of Technology to set up Carnegie Mellon – CMKL, while Taiwan National University has opted to set up a wholly-owned IBC.

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[7] Lo, W. Y. W. (2018). After globalisation: A reconceptualisation of transnational higher education governance in Singapore and Hong Kong. *Higher Education Quarterly*, *72*(1), 3-14.
[8] British Council (2018). *Transnational Education in Thailand: Exploring Opportunities for the UK.* https://education-services.britishcouncil.org/sites/siem/files/field/file/news/ThailandReport_2018.pdf

Thailand hosts around 25,000 international students, mostly from China, Myanmar, Cambodia, Lao-PDR and Vietnam, as a popular destination for intra-ASEAN student mobility.[9]

Although incentives are available for private HEIs, including corporate, personal and VAT tax reductions or exemptions for specified duration, land acquisition, and facilitated visa arrangements, much depends on case-by-case negotiations. Student loans or subsidies are minimal (and targeted at the poorest applicants) and are therefore not available to the vast majority of students on TNE programmes. IBCs, like private not-for-profit HEIs, are required to reinvest a substantial portion of their surplus.

4.1.1.4. Vietnam

Twinning programmes with UK and Australian universities have existed in Vietnam for many years. Regulations for international programmes offered in partnership with local HEIs were introduced through the Law on Higher Education 2012 (08/2012/QH13). In 2018, 2,270 students were enrolled on UK TNE programmes;[10] by 2020-21, this had risen to over 5,000.[11] The most popular programmes are Business, English as a second language, and Information Technology.

A number of overseas universities have a presence in Vietnam. RMIT International University is a 100% foreign-owned IBC, but most overseas universities are joint ventures with local institutions. The recently established British University Vietnam is supported by a consortium of UK institutions[12], enabling students to take the same courses and receive the same qualifications as those offered in the home institutions. Four other universities were established between 2008 and 2014 under intergovernmental agreements between Vietnam and a foreign partner, in the hope of creating a new model for internationalised research universities.[13]

4.1.2. TNE policy and regulatory environment

Approaches to the regulation of TNE provision within these national systems vary between countries. The policies that have enabled or restricted the development of TNE have also been shaped by the wide range of economic, social, and political factors reflected in national priorities for HE.

4.1.2.1. Malaysia

All TNE programmes, including those offered via IBCs, are subject to approval by the Ministry of Higher Education (MOHE) and programme accreditation by the Malaysian Qualification Agency (MQA) – the national quality assurance body. Accredited programmes are listed on

[9]UNESCO Institute for Statistics. (2020). *Global Flow of Tertiary-level Students.* UNESCO. http://uis.unesco.org/en/uis-student-flow; SHARE. (2020). *Study on Enhancing Intra-ASEAN University Student Mobility, Jakarta.* https://connectivity.asean.org/wp-content/uploads/2020/10/Study-on-Enhancing-Intra-ASEAN-University-Student-Mobility_Final.pdf

[10] Universities UK International. (2019). *The scale of UK higher education transnational education 2017-18.* https://www.universitiesuk.ac.uk/sites/default/files/field/downloads/2021-07/the-scale-of-uk-he-tne-2017-18.pdf

[11] Higher Education Statistics Agency (HESA). (2022). *Where do UK HE students come from?* https://www.hesa.ac.uk/data-and-analysis/students/where-from

[12] Comprising of the University of London and Staffordshire University

[13] Hoang, L., Tran, L. T., & Pham, H. H. (2018). *Vietnamese government policies and practices in internationalisation of higher education.* In L. T. Tran & S. Marginson (Eds.), Internationalisation in Vietnamese higher education (pp. 19–42). Cham: Springer.

the Malaysian Qualifications Register (MQR), which is a precondition for recognition of degrees for employment in the public sector and access to the government student loan scheme.

Establishment of IBCs was initially at the invitation of the Minister to reputable universities from UK and Australia. In 2014, amendments to the PHEI Act allowed overseas universities to apply to set up IBCs, but applications are still subject to the approval of the Director General of Higher Education Department and the Minister.

In 2010, IBCs were granted self-accrediting status, enabling them to provide programmes and courses without requesting MQA approval, while still remaining subject to MQA institutional quality assurance monitoring on a five-year cycle. MQA carries out a five-yearly self-accreditation continuation reviews to ensure that standards are maintained. MQA has allowed the IBCs to coordinate and synchronise their internal accreditation processes with their parent universities as much as is possible to minimise the added burden.

4.1.2.2. Singapore

The quality assurance system in Singapore is closely linked to the workforce and industry. The Ministry of Education (MOE) directly supervises and undertakes an external review process for the six autonomous universities. Private providers, including IBCs, are required to be registered with the Committee for Private Education (CPE) under the Private Education Act 2009.[14] As private institutions, IBCs are required to set up an Academic Board and an Examination Board responsible for institutional governance as well as to ensure that all teachers have genuine and relevant qualifications related to the programmes and courses.

4.1.2.3. Thailand

The Office of the Higher Education Commission (OHEC) is the authority which supervises and monitors HEIs in Thailand and is also responsible for promoting cross-border cooperation between Thai HEIs and foreign partners. The Office for National Education Standards and Quality Assessment (ONESQA) is responsible for external quality assurance. OHEC and ONESQA are working towards increased internationalisation in Thai HE by promoting the use of international standards for qualifications development and facilitating talent mobility in the region through the ASEAN Qualifications Reference Framework (AQRF).

Regulations for formal branch campuses were introduced in the Private Higher Education Act of 2003, but no such campuses were approved until new policies encouraging these campuses were announced in 2017, which greatly simplified and streamlined the approval process.[15] Overseas universities must have Thai partners to operate in Thailand. Additionally, according to the regulations, IBCs must be located in the SEZs and only offer programmes listed in Thailand 4.0 Plan.[16] IBCs are expected to contribute to the transformation of education in response to the challenges highlighted in Thailand 4.0 and pose no competition to local universities.

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[14] Ministry of Education (MOE) (2009). *The Private Higher Education Act*. Singapore, MOE.
[15] British Council. (2018). *Transnational education in Thailand - Exploring Opportunities for the UK*. https://education-services.britishcouncil.org/sites/siem/files/field/file/news/ThailandReport_2018.pdf
[16] Anuroj, B. (2017). *Thailand 4.0–a new value-based economy*. Thailand Board of Investment. https://www.boi.go.th/upload/content/Thailand,%20Taking%20off%20to%20new%20heights%20@%20belgium_ 5ab4e8042850e.pdf

4.1.2.4. Vietnam

Since 2012, the quality assurance framework in Vietnam has been moving from a centralised system to a decentralised approach.[17] Accrediting bodies undertake external assessment and recognise education providers and programs that meet the standards set by the Ministry of Education and Training (MOET).

Overseas universities and their programmes are required to be accredited in the home country, but the MOET requires some local units of study to be included in all programmes.[18]

Circular 38[19] allows foreign universities to provide blended and online degrees for the first time. A pilot project involving five Australian universities in partnership with local institutions has started to offer online and blended TNE programmes.[20]

In the Law on Education 2005 (38/2005/QH11), the government committed to giving priority to investment in education, including foreign investment[21] and the 2012 Law on Higher Education (08/2012/QH13) specifically encourages the mobility of students, academics, and researchers into and out of Vietnam by means of branch campuses, collaborative programmes, representative offices, and promotion events.[22] Overseas education providers are given tax breaks and land use as the incentives.[23]

4.1.3. Challenges and opportunities

The economic and demographic profiles of the ASEAN countries vary and present a mixed picture of future demand for higher education across the region, and the potential market for TNE provision.

4.1.3.1. Demand for TNE

ASEAN is an employability-based market, therefore programmes with a high market premium, such as STEM subjects, offer the most promising opportunities for TNE providers. STEM courses with high employment prospects currently attract high numbers of students in Singapore, especially those who have previously attended the local polytechnics. Postgraduate degrees in STEM disciplines, as well as technical and vocational programmes, are a priority for policymakers in Indonesia, with a focus on graduate employability and addressing skills shortages. Dual awards are popular among students in Malaysia due to the

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[17] Do, Q. T. N., Pham, H. T., & Nguyen, K. D. (2017). *Quality assurance in the Vietnamese higher education*. In The rise of quality assurance in Asian higher education (pp. 191–207), Elsevier Ltd.

[18] Department of Education, Australia (2014). *Overview of the Legal Framework affecting the Provision of Foreign Education in Vietnam*. https://internationaleducation.gov.au/International-network/vietnam/PolicyUpdates-Vietnam/Documents/Overview%20of%20Vietnam%27s%20legal%20%20framework%20for%20foreign%20Education%20providers%20Aug%202012.pdf

[19] Ministry of Education and Training. (2020). *Circular No. 38/2020/TT-BGDDT dated October 06, 2020 of the Ministry of Education and Training on providing regulations on joint training with foreign partners at bachelor's, master's and doctor's levels in the form of online and blended training*. Hanoi: Ministry of Education and Training.

[20] Sharma, Y. (2021). *Online degrees piloted with Australian universities*. University World News. https://www.universityworldnews.com/post.php?story=20210415150922291

[21] National Assembly of Vietnam. (2005). *Education Law*. Hanoi: National Assembly

[22] National Assembly of Vietnam. (2012). *Law on higher education*. Hanoi: National Assembly

[23] Socialist Republic of Vietnam. (2005). *Government resolution on substantial and comprehensive renewal of Vietnam's tertiary education in the 2006–2020 period*. Hanoi: The Government.

perceived opportunities for enhanced employability associated with holding both a UK and a Malaysian degree.[24]

For students, cost is an important consideration. In Malaysia, a student loan scheme is available for local students which reduces the burden of the relatively higher fees charged by private institutions and IBCs. In Singapore, by contrast, state tuition support through bursaries and scholarships is not available to students in private institutions. In Thailand, support is targeted only at the poorest students, so would not be available to most students considering study at an IBC.

Improving levels of English language proficiency and growth in English-medium HE programmes in Thailand suggests a positive outlook for TNE. Vietnam has also seen a proliferation of English language centres in recent years.

4.1.3.2. Policy drivers for TNE

In Indonesia, improving the quality of HE is a key driver for increased internationalisation. The government has sought to accelerate accreditation of HEIs and programmes by enabling independent accreditation bodies to review disciplines and inviting international accreditors. The introduction of a new type of private university with international collaborations (such as BINUS University) and an official commitment to raise the international standing of local institutions creates openings for IBCs to develop or expand the market for local study of an international curriculum in a foreign-managed institution.

Both Indonesia and Thailand specify that IBCs must offer programmes in subject areas identified as priorities by the state. TNE is viewed as a means of addressing gaps in local HE provision and building a skilled workforce to meet the needs of the national economy.

In line with national policy objectives, many ASEAN countries provide support and incentives for TNE. IBCs in Thailand and Vietnam can access support in the form of tax reductions or exemptions, land acquisition and assistance with visas. Subsidies and financial support from the state to overseas institutions in Singapore has diminished in recent years, meaning that TNE providers face higher costs. A number of TNE providers with campuses in the country have ceased operations. However, many twinning and franchise arrangements with local private institutions remain active.

4.1.3.3. Regulations and quality assurance

Quality assurance of TNE is an emerging issue in most Asian nations due to growing regional mobility. There is a strong need to develop a common quality assurance and regulatory framework for TNE by engaging governments as well as national quality assurance agencies. There are several challenges for effective quality assurance of TNE in the region, including state control, discontinuity of policy, insufficient resources, cultural differences, relevance to local context, and lack of regulations for quality assurance.

In some ASEAN countries, TNE provision, including IBCs, is subject to the same regulatory requirements as local HE provision. In Malaysia, all forms of TNE (except validated dual

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[24] QAA. (2020). *UK Transnational Education in Malaysia: Overview Report.*
https://www.qaa.ac.uk/docs/qaa/international/tne-overview-report-malaysia-20.pdf?sfvrsn=9ce8cd81_8

awards) are subject to local regulatory and quality assurance processes, including institutional licensing, programme approval and accreditation. Similarly, in Thailand, IBCs are subject to the same internal and external quality assurance requirements as local universities.

In some countries in the region, including the Philippines, Indonesia, Thailand, and Myanmar, working with a local partner is a requirement. The regulatory approach in Vietnam is shifting towards allowing wholly foreign-owned IBCs. The local partner requirement can be viewed as a burden by investors and ensuring congruence of goals is key to developing and maintaining a sustainable and healthy partnership. In addition, rapid improvement in the international standing of local universities requires reconceptualisation of the traditional model towards more equitable partnerships. This evolution in partnerships is visible in Singapore and Malaysia.

4.1.3.4. The impact of COVID-19

Over the past two years, international student mobility has been disrupted by the COVID-19 pandemic. However, there is clear evidence that demand remains strong and student mobility is recovering quickly.[25] Ongoing travel restrictions may, to some extent, boost TNE provision in countries of origin as a temporary solution and alternative to home campus-based delivery. However, the pandemic has increased some of the pressures on TNE operations, particularly IBCs, presenting challenges for student recruitment and financial sustainability.

For many TNE providers, the post-pandemic landscape may open up new opportunities. IBCs may contribute to the resilience of their home institutions through geographical diversification.[26] The future of TNE is likely to be characterised by a focus on regional over global destinations, an emphasis on internationalisation at home and increased adoption of digitalisation in teaching and learning.[27]

The impact of COVID-19 on education and the economy is also likely to have had some influence on the Indonesian public's acceptance of the need of new modes of education provision, including the *Merdeka Belajar Kampus Merdeka* (MBKM) initiative (2020) which enables students access accredited learning outside of the home university, at other learning institutes or in the workplace, and the establishment of the Indonesia Cyber Education Institute in 2021.

Moving forward, online and distance learning TNE is expected to grow in volume as the pivot to online teaching due to the pandemic has shown that online TNE can be credibly delivered with appropriate enhancements. Provision of online or distance TNE is expected to rise as providers integrate the use of educational technology and gain confidence in maintaining the quality of their programmes from afar.

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[25] Anderson, I. (2022). *Early signs of international student numbers rebounding*. University World News. https://www.universityworldnews.com/post.php?story=20220125081813147; Mitchell, N. (2022). International students: *Experts say it's no time to relax*. University World News. https://www.universityworldnews.com/post.php?story=20220128070233611

[26] Kleibert, J. M. (2022). *Post-pandemic, international branch campuses are upbeat*. University World News. https://www.universityworldnews.com/post.php?story=20220202133655763

[27] Hou, A. Y. C., Hill, C. Lin, A. F. Y. & Chen, E. (2021). *A Preliminary Exploration of Crisis Management Approach on Higher Education and Quality Assurance in Taiwan Under COVID-19 Pandemic -Relevance to Other Contexts?* Journal of Asian Public Policy (online).

Although ICT infrastructure, penetration, use and literacy has grown and developed across Southeast Asia, on-campus and face-to-face provision is still highly valued. Online delivery is also unlikely to be accepted at the same price tag. In future, improvements in online teaching, learning and assessment may reduce the gap in price perception.

Distance and blended learning TNE programmes are widely recognised in ASEAN. International online or distance qualifications are accepted for employment in the public and private sectors based on the international standing of the universities and accreditation in the home country in Malaysia, Indonesia and the Philippines. In Thailand, online distance learning degrees studied through TNE are recognised based on home university accreditation but not accepted for public sector employment.
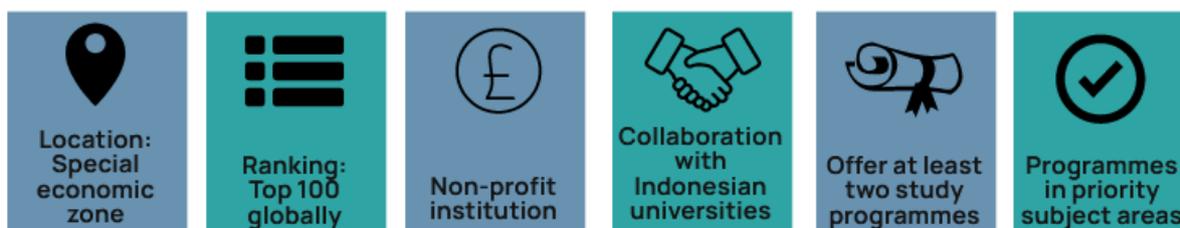
4.2. Indonesia: Regulatory environment
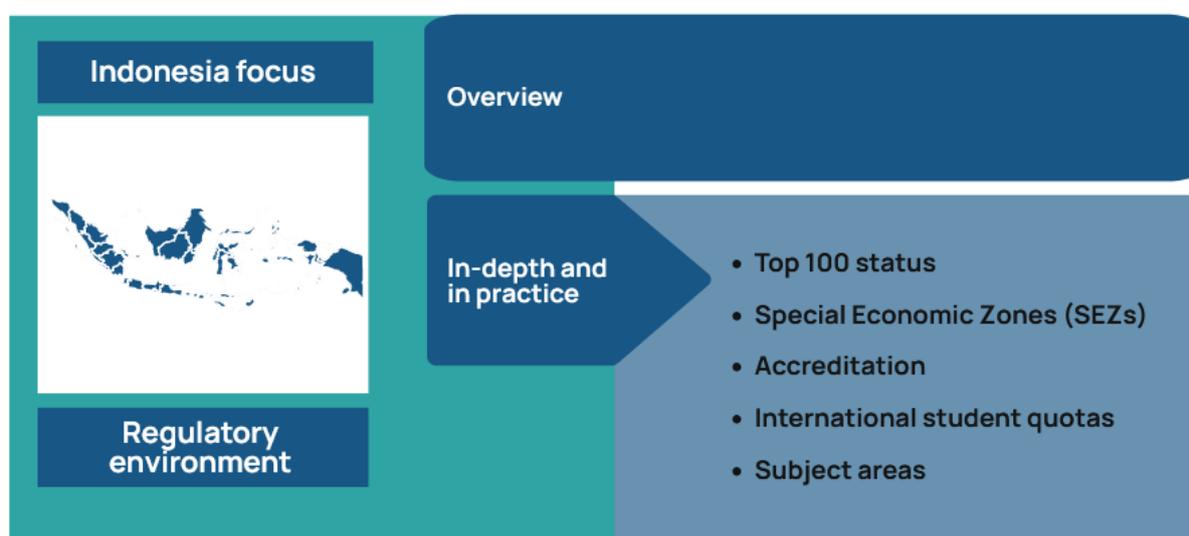
4.2.1. Overview

From a legal perspective, the development of HE accreditation in Indonesia started with the enactment of the Law of the Republic of Indonesia Number 2 1989 on the National Education System. Article 46 of the Law requires that the government assesses every education unit periodically and that the results be openly announced to the public. In 1994, the government established the national accreditation body, BAN-PT, with a mandate to oversee the accreditation of HEIs programmes, and to review the administration, academic and supporting staff, curricula, students, infrastructure and facilities, and overall condition of education institutions. In accordance with regulations issued in 2012 and 2016, BAN-PT is now assisted in conducting programme accreditation by a discipline-based independent external accreditation body (Lembaga Akreditasi Mandiri - LAM). Where a relevant LAM has not been established, accreditation of study programmes is conducted in full by BAN-PT, as previously.

In 2018, the Ministry of Research, Technology and Higher Education (MORTHE) announced that the HE market would be opened to foreign universities. Around the same time, Presidential Decree 20/2018 was enacted, simplifying the procedure for highly skilled foreign workers to acquire a work license in Indonesia. The 2018 regulations outlined the following criteria for the establishment of IBCs:

Criteria for the establishment of IBCs

| Location: Special economic zone | Ranking: Top 100 globally | Non-profit institution | Collaboration with Indonesian universities | Offer at least two study programmes | Programmes in priority subject areas |

The regulatory and quality assurance policies for IBCs are still evolving and it is likely that lessons from IBC education hubs, including Malaysia, will help to shape the final policies.

Government decree No.53 (2018) on Foreign Universities allows for the establishment of IBCs in Indonesia. Market entry is available to global top-200[28] ranked universities, delivering the same standard of an existing accredited degree as delivered in the home country, with the addition of four compulsory courses at undergraduate level (UG): Indonesian language, religious studies, Pancasila studies and citizenship. Crucially, provision must be on a not-for-profit basis. According to the decree, the IBC should deliver a minimum of two STEM subjects, 'can' be established in an SEZ to obtain certain fiscal and non-fiscal benefits, and 'shall' cooperate with Indonesian HEIs.

4.2.2. Regulatory environment: In-depth

During interviews with key Indonesian government bodies, the following aspects of the Government decree No.53 (2018) were discussed in order to build an understanding of how laws may be interpreted and applied to IBCs opening in Indonesia.

4.2.2.1. Top 100 status
Although the Government decree No.53 (2018) and No. 86 (2020) specify top-200 universities in their texts, government representatives have confirmed it is indeed top 100 universities who are eligible to apply directly. It was put to government representatives that a number of committed potential HE partners that deliver cutting-edge courses and may be interested in the IBC model are not in the top-100 global rankings. The responses suggest that the Ministry of Education and Culture (MOEC) will allow some flexibility regarding the top 100 status:

> *"It can also be top 100 by subject, so if they can offer that programme in Indonesia, it can be accepted. Also, they can establish here by invitation, if they have a subject that is very relevant to what we need. So, under certain circumstances it can be by invitation from DIKTI. Depending on the subject area and the need and demand for it."* – DIKTI

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[28] Redefined as 'top 100' in conversation with ministry representatives

4.2.2.2. Special Economic Zones (SEZs)

SEZs are referenced by the decree as locations where an IBC *can* be established (no other alternatives are given in the decree). The aims of establishing an IBC in an SEZ are given as:

a) to provide fiscal and non-fiscal benefits to potential foreign investors,
b) support even and equitable development across Indonesia and,
c) to allay the fears of Indonesia's universities, private universities in particular, that IBCs will threaten their business, by 'limiting' the locations available to IBCs.

However, based on the decree's language ('can' rather than 'must' or 'should'), feedback from government stakeholders, and the example of Monash University Indonesia, it appears that IBCs do not need be located in an SEZ.

Representatives from DIKTI suggest that, although an SEZ is an option that brings with it certain benefits, foreign universities are free to establish an IBC outside of an SEZ, with permission from MOEC (and other relevant national and local authorities).

> *"In terms of regulation, it is practically the same, except for the investment regulations, it is the same whether in economic zone or not."* – DIKTI

Both the DIKTI representatives and the former MOEC senior adviser responsible for designing the IBC policy suggests that BSD City, where Monash University Indonesia is located, could yet be allocated SEZ status. The former advisor added that the MOEC would prefer an EduCity type arrangement, envisaging several IBCs located in one campus.

> *"Having an EduCity is the ideal, but you must remember that Indonesia's development policy is to develop all the regions, so there are other locations. So, that is why the government would like foreign universities in an SEZ, to distribute the development, so we are asking you to work together."* – Former MOEC representative

4.2.2.3. Accreditation

There is a validation model for accreditation in place whereby evidence of accreditation in the home country, either through the national accreditation agency or through professional organisations as relevant, must be submitted to MOEC. Accreditation is valid for five years, after which it needs to be reviewed.

Evidence of inclusion of the four compulsory courses: Indonesian language, religion, Pancasila and citizenship (UG only), must also be presented, although it is not clear how these subjects will be integrated and accredited.

A number of interviewees, including government officials and HEI representatives, were asked about the apparent contradiction between requiring a degree delivered by an IBC to be exactly the same as an existing course delivered in the home country, and the requirement at UG level for all degrees delivered by an IBC to include Indonesian language, religious studies, Pancasila studies and citizenship. There was no concrete answer, though the former senior

advisor suggested that delivery of these courses was a role that the Indonesian partner university could take on.

> *"There mustn't be any difference in quality, that's the first thing. What you can do is to substitute some of the courses with the compulsory courses like Pancasila, but it is important that the accreditation agency that accredits the 'home' degree accepts these substitutions."* – Former MOEC representative

There appears to be a need to clarify the roles of agencies involved in the accreditation process. According to DIKTI, BAN-PT need not be involved in the accreditation process. However, according to BAN-PT, upon submission of an IBC proposal, DIKTI will then liaise with BAN-PT.

A potential issue for UG provision is that the MOEC does not generally recognise the UK's three-year UG degree as equivalent to Indonesia's S1 UG degree. However, a four-year honours degree or a three-year degree with a final year project would be considered for equivalency to the S1. Issues around equivalency of taught PG qualifications have been resolved.

> *"Yes, there is still an issue. If it is a BA honours degree, then there is basically no problem, but if it is three-year, then there needs to be a final year project to be recognised and to be equalised as an S1, otherwise it will be equalised as D3. But for the MA this is not an issue; the one-year Master's is not an issue as far as I know."* – DIKTI

MOEC's former senior education advisor suggested that there is a need for HEIs to be explicit about learning outcomes and demonstrate how they align with Indonesian degrees.

4.2.2.4. International student quotas
According to IBC regulations, 20% of the student body in an IBC should comprise of international students. Inward student mobility in Indonesia is very low, and Indonesia is not yet established as a destination for HE. Most international students in Indonesia originate from other ASEAN countries or are recipients of the Indonesian government's developing countries scholarship fund.

DIKTI officials have not specified a timeline for meeting the 20% quota, however they assured the interviewers that a sufficiently long lead-in time would be agreed, anything from five-10 years following the establishment of an IBC.

> *"There is no timeframe at the moment, but it is a long-term aim, to have a mix of students, so you could say that we hope that proportion would be achieved in five-10 years. But there is not regulation for this yet."* – DIKTI

4.2.2.5. Subject areas
The government emphasises that IBCs should provide courses that are not already available, or widely available, in Indonesia. Examples given include frontier technologies such as

metaverse management, and other innovative approaches to priority subject areas identified by the government, including maritime technology, energy security, food security, fisheries, tourism, ICT, biomedical sciences and tourism.

MOEC is also very interested in the interdisciplinary approach and translational research. According to the DIKTI official, the Indonesian education model is quite European, and they are currently looking to move to a more US liberal arts approach so students can take on more subjects and specialise later.

> *"There are several areas, certainly STEM, and also tourism, frontier technologies, and aspects of learning that enhance the future of prospect of students to work globally."* – Former MOEC representative
>
> *"The subjects would need to be more on STEM as that will have the biggest impact on our human resources development and economic development. The degree can be at any level, S1, S2 or S3."* – DIKTI

Representatives of the three state universities interviewed noted the importance of an interdisciplinary, non-linear and more thematic approach to innovations in course provision, not just subject areas. For example, an IBC could draw on existing Indonesian HEI provision and combine subjects according to themes, such as maritime boundaries (e.g. geoscience and law) and AI (ICT, electrical engineering, humanities).

With regards to attracting international students, one of the state universities interviewed felt that courses containing an Indonesia-specific element were more likely to enable successful recruitment, as many international students had an interest in Indonesian culture.

Monash noted that STEM subjects tend not to pay their way. They have entered into discussions with DIKTI, as, in order to meet the government's stated preference for STEM subjects, there would need to be flexibility to include profitable courses in the IBC offer (to enable cross-subsidies).

4.3. Indonesia: Appetite for TNE and partnerships
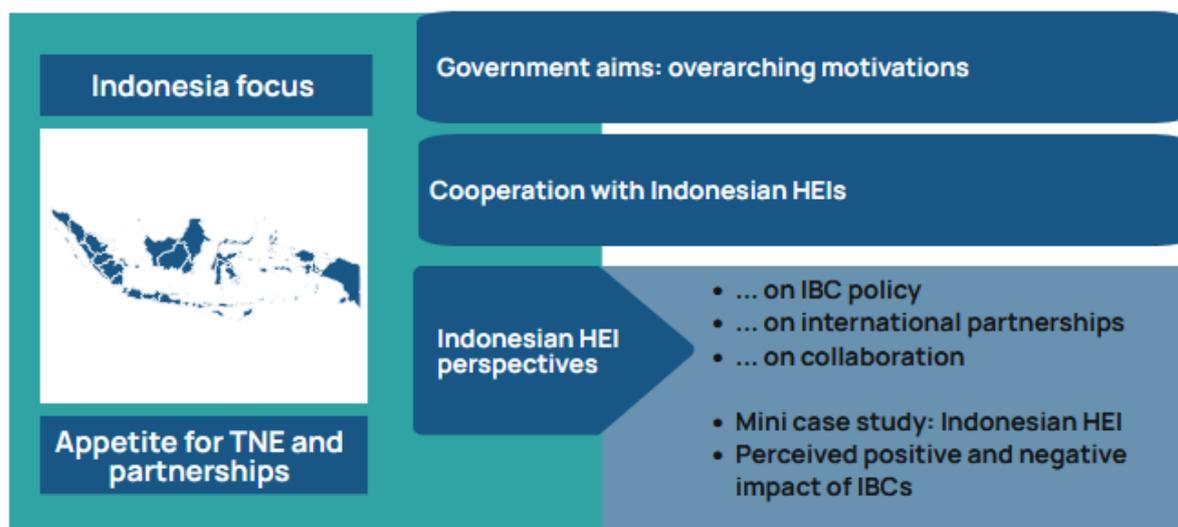
4.3.1. Government aims: Overarching motivations

At higher-government level, it is clear from interviews that establishment of IBCs is being enthusiastically promoted and supported by MOEC. Legislation allowing for IBCs was passed in 2012, yet it has proven politically difficult to follow up this legislation with required implementing regulations – until 2018. Interviews with DIKTI, MOEC, BAN-PT and a former senior adviser to MOEC (and architect of the 2018 government decree on IBCs) all confirm high levels of enthusiasm and support for the IBC policy. The aims and ambitions of the government are captured in the following soundbites:

> *"We welcome international partners to collaborate our universities, via kampus merdeka, student exchange, joint programmes, and we also welcome word class universities to operate in Indonesia."* – DIKTI

> *"We want our students to have the opportunity to study at a world class university in Indonesia, without having to go abroad. We want the presence of a global top 100 university to improve the quality of our universities by their presence, by being a good institution as a reference"* – DIKTI

> *"Addressing the issue of quality, but also some economic benefit. I can also see for example, if hundreds of students go abroad to study that is capital flight. If we can attract people from neighbouring countries, it would be a positive."* – BAN-PT

Ambitious targets aiming to increase human resource capacity in STEM and digital technology, coupled with a drive for increased foreign investment and a huge infrastructure development programme, have consolidated the political will to allow the establishment of IBCs as part of a broader overhaul of the HE sector in Indonesia.

4.3.2. Cooperation with Indonesian HEIs

The ministerial decree states that IBCs *shall* collaborate with Indonesian HEIs but does not require formal partnership with a local university to establish an IBC. An IBC may be established as a sole entity or in partnership with a local university.

With reference to the potential establishment of an IBC based on a consortium of foreign HEIs, or a consortium of foreign and Indonesian HEIs, government officials stated preference for a university-to-university arrangement (foreign university and Indonesian university), or maximum one foreign university with two Indonesian universities. Reasons given include complexities around degree articulation and focused development of an individual Indonesian HEI.

Partnerships, as envisaged by the government, would ideally be with top Indonesian universities as they are in the strongest position to scale the global HE rankings. Partnerships would adopt a capacity development role in administrative processes, international student recruitment, the creation of good research practice, curriculum development, appropriate pedagogies as well as the introduction of cutting edge new subject areas.

The government's focus on partnerships with Indonesia's top universities, most of which are located on the island of Java, could potentially undermine the usefulness of SEZ approach to the establishment of an IBC in Indonesia, given that most SEZs are located outside of Java therefore creating distance between IBCs and their targeted partners.

4.3.3. Indonesian HEI perspectives

4.3.3.1. HEI perspectives on the IBC policy

All universities interviewed as part of this project were aware of the IBC policy and it was evident that some state universities had been actively consulted by the government prior to the release of the policy and regulations. There were, however, mixed attitudes towards to the policy across the universities interviewed.

> *"We are beginning to be very open, not only inbound but outbound mobility, a more connected world is what the government is trying to achieve, allowing our students to have more options and have the skills necessary for their future"* – Participant K

> *"The standpoint is that we have to have mutual benefit. But this doesn't mean that we have to lose the best talent."* – Participant L

Participant K and Participant O saw both positive and negative aspects to the policy. Participant M and Participant N's responses to the IBC policy were buoyant and positive, with Participant N stating that it is keen to establish its own IBC campus in partnership with an overseas university.

Participant L indicated most concern about the potentially negative impact of the IBC policy and was also the most sceptical regarding the potential student market. Referring to the policy as a sensitive topic, Participant L did see some positives, but only when framed as a wholly

collaborative enterprise. Participant L struggled to comprehend why a foreign university would undertake an IBC on a not-for-profit basis and suggested that it would be beneficial for the university to run a marketing campaign clarifying their motivations for doing so.

4.3.3.2. HEI perspectives on international partnerships
All the universities interviewed are engaged in multiple forms of TNE collaboration, including joint degrees, flying faculty, credit transfer, joint research collaboration, joint publications and student exchange programmes. TNE and joint research is acknowledged as being an important aspect of HE internationalisation, which is in turn an important aspect of improving quality and thus global ranking.

With the exception of Participant N, the universities described an approach to international partnerships that is more reactive; they respond to approaches initiated by foreign universities rather than actively implementing an international partnership strategy. According to Participant K, potential international partners are often frustrated by the institution's slow decision-making process. Participant N is a private university with an entrepreneurial focus which lends to greater pro-active outreach in the field of partnerships. That said, Participant K stated that it has focused on the provision of international pathways for its UG programmes, with a mandate to expose its student body to international education. This focus on student exchange is currently supported by MOEC's Indonesian International Student Mobility Awards (IISMA) which provides scholarships to UG students to spend a semester at a top overseas university.

Participant O noted that it has benefited from the support of various incarnations of the Erasmus programme to initiate international partnerships and is currently part of a TNE collaboration with 11 European universities. Key benefits to the university include developing study programmes, improving their curricula and participating in student and academic exchange programmes. Participant O also noted that the partnership was key to addressing the issue of plagiarism.

All the universities are generally satisfied with the Indonesian government's support for international research collaboration. Participants L and M added that the benefits of research partnerships include creating good research practices and an effective research ecosystem. Participant N cited administrative and pastoral support from its international university partners, referencing a UK partner in particular, as key to enabling successful and mutually beneficial partnerships. Participant N was positive about all forms and levels of TNE collaboration and is currently looking to set up an international sandwich option for its doctoral programmes.

All universities expressed some degree of frustration at the 'one way' nature of TNE partnerships leading students away from Indonesia, particularly the asymmetric nature of student exchange programmes and joint degree offers.

4.3.3.3. HEI perspectives on collaboration
There was no overriding UG/PG preference for a TNE partnership amongst the Indonesian universities interviewed in this project. The universities raised a range of factors which may impact both UG and PG IBC provision.

Three of the universities stated a preference for taught PG degree TNE partnerships, in addition to PhD and research collaboration, citing different reasons:

- Complications for provision at UG level, including degree equivalency issues and greater curriculum oversight by the Indonesian and overseas university authorities (Participants L, M, O),
- UG provision would encroach on the domestic market more (Participant L),
- At UG level, it is compulsory for state university students to undertake a two-month period of community service (KKN) in the final year; the KKN activity must take place in Indonesia and cannot be substituted with a similar activity in the partner country (Participant O).

> *"With regards to PG, somehow I think this is easier, one plus one, as simple as that, so we have a number of students in the faculty of engineering, one year there and one year here, and all that needs to be arranged is the thesis, and examination by both institutions at the same time, using technology, so not one exam in the UK and one in Indonesia."* – Participant M

Participant K felt it was better prepared to undertake partnerships at UG level, having undertaken a process to create international pathways at UG level.

> *"We would like to see more partnership in terms of UG and PG students, but the incentive for UG because we usually tend to send our students out and we don't receive any in return."* – Participant K

Participant K was not as interested in the potential of joint research activities through an IBC, as individual faculties and academics tended to initiate collaboration through their international academic networks. Participant N was keen on all levels of partnership, UG, taught PG and research, as was Participant O, with the caveat that only joint degrees are currently considered feasible.

> *"The ideal one [collaboration] will be the joint degree if it is possible. That is the highest level, because it is very complicated. Double degree is too complicated for us, so we avoid this programme. Joint degree is a little bit more reasonable. Exchange lecturers would be the next level down, and when possible, the international university can assist us to engage in international research collaboration by helping us to get international funding."* – Participant O

> *"If we start from student exchange because that's how we start the collaboration, then we agree to have this exchange for one semester, and as long as we are together on the recognition, there is no drama. But when it comes to double degree, it is not something that is easy to do, first with regards the recognition, so for you to recognise Indonesian education, it can be quite long-winded process, while for us the complexity can come from our own government. It's not that they are not supportive, but we have our own regulations, so for a dual degree, it is not a straightforward process, although it is also doable. Exchange is something we can really start from; we don't need to worry too much about the length of course of study. But if we talk about the general arrangement, we need to think about this. So we need to talk about that, it is not impossible, we have been working with UK universities, there is good intention from the UK."* – Participant M

4.3.3.4. Mini case study: Indonesian HEI

Participant K provided a concrete example of the debate within the institution regarding the potential positive and negative impact of the IBC policy. This case study will also refer to Participant P, which is an established IBC in Indonesia.

Participant K has begun to open campuses in parts of Java; these campuses offer both part-time and full-time business degrees, such as the Master of Business Administration (MBA). This offering has potentially the same student target demographic as Participant P, which also offers part-time and full-time business degrees and executive courses.

Participant K leadership were concerned about the impact Participant P will have on their student numbers, and the quality of students in particular, as well as their current business model. They recognise that Participant P's higher international ranking will influence students' decision-making process, and it will affect how they need to position themselves in the market. As a top-ranking Indonesian university, they have not traditionally needed to focus on student recruitment activities.

The more positive argument made by Participant K is that that location of Participant P in relative proximity provides new opportunities to engage in a mutually beneficial partnership to provide students with the benefits of an international degree and a degree from a prestigious, influential, top-ranked Indonesian university with extensive industry and government networks.

4.3.3.5. Perceived positive and negative impact of IBCs

Most positives identified by the universities are based on the understanding of an IBC established in partnership with Indonesian universities, or at the very least active collaboration and partnership with local universities.

Perceived positive impact of IBCs

Positive impact
🏛 **Institutional development**
• Improve capacity to develop a more comprehensive and integrated internationalisation strategy. • Engage in more high-value partnerships. • Raise the prestige of the HE market in Indonesia. • Establish a community of best practice between international and Indonesian HEIs, including administrative processes and pastoral care for students.
🎓 **Student experience**
• Provide students with a truly global perspective. • Provide students with an immersive English language environment in which to maintain and improve their language skills. • Normalising a culture of non-linear academic progression.
⬤ **Faculty**
• Introduction of new courses and study programmes. • Curriculum development and co-teaching. • Professional development opportunities. • Introduce a more inter-disciplinary approach to teaching and learning.
🔬 **Research**
• Help develop good research practices, lab practice and a motivating environment for research activity. • Promote good practice and support the dissemination of research: publications, language and conventions. • Introduce a more inter-disciplinary approach to research.

The main concern expressed is the impact the IBC policy could have on competition for students between Indonesian HEIs and IBCs, not only in terms of numbers of students (top state HEIs are oversubscribed at UG level and in some cases at taught-PG level as well) but especially in terms of the quality of the students.

4.4. Indonesia: Operational considerations

4.4.1. Market considerations

> *"People seem to be interested in Indonesia based on the figures around population and economy. They appear to think that it's the next China. However, it's more complex and nuanced. There is no 'Next China'."* – British Council East Asia

Indonesia is noted by the UK government as one of five priority countries for the International Education Champion. It was speculated that Indonesia may have been highlighted as a priority country due to its demographics, governmental policy and motivations, views amongst parents, and UK HEI interest. The DIT has confirmed that there is an Indonesia-UK roadmap being developed and once approved it will be a shape-change in relations between the two countries. The roadmap isn't exclusive to education but does include elements of education and HE and it is starting to see real progress. It is expected that the roadmap will be published in the Summer of 2022. An output of the working group is to provide trusted and up-to-date information on operating in Indonesia and also facilitate the matching of UK and Indonesian institutions based on their goals and strategy. However, the DIT did note that the working group explores the full range of partnerships available to UK HEIs within the sphere of TNE and does not limit itself to one particular form of TNE – such as the IBC.

Despite the interest in the Indonesian market from the UK HE sector, there is also some concern surrounding overall interest and motivations for entering the Indonesian market. With reference to UK expansion and the Indonesian market, representatives from the British Council have noted that there appears to be a downturn in expansion activities by UK HEIs and an overall reduction in enthusiasm for the Indonesian market in general. Others have questioned the approach to Indonesia which seems to have been informed by figures around population and economy, however, does not seem to take on-board the fact that Indonesia is a particularly nuanced market and therefore the figures may not result in a market comparable to that of other economies.

4.4.2. Geographical location

Comments made on IBC location and hubs, such as Malaysia's EduCity model, highlight the importance of establishing an IBC close to a major city and of being well-embedded within industry and the broader infrastructure.

> *"Monash having not established in an SEZ, just being outside of Jakarta, you also have to say location, location, location. It is difficult for a university to be an anchor in an SEZ, not like a shopping mall that serves as a significant employer and provides services to most residents."* – British Council East Asia

Taking the above into consideration and applying it to the Indonesian context, out of the five SEZs located in Java, none are located in Jakarta. There is one located in Bogor, often described as part of Greater Jakarta (Jabotabek) with two others located in East Java, close to Surabaya and Malang. It is therefore important to note the Monash University Indonesia is located in BSD City, a significant planned city development managed by Sinar Mas Land in Tangerang, Banten, within what is often described as the Greater Jakarta area. It is not, however, an SEZ, nor is there an SEZ located in its vicinity.

Monash University Indonesia stated that it opted for BSD City based on its proximity to Jakarta and access to significant student numbers, (including wealthy students and career accelerators), and potential industry partners, over the fiscal and non-fiscal benefits associated with SEZs. Other potential sites that were given serious consideration by Monash, such as the city of Bandung, West Java, are also not located in an SEZ.

In reference to the IBC regulations published by the government, the only explicit mention of location is of establishing in a SEZ. When considering geographies, it is notable that out of Indonesia's 19 SEZs, only five are located within Java, Indonesia's most populous island. There is potential for this to create a disjuncture between policy aims, as on one side the IBC policy aims to encourage cooperation between IBCs and Indonesia's top universities, however these are all located on Java. Furthermore, from a market perspective, Java is viewed as the optimum location for an IBC in terms of populace, household education spend, infrastructure and proximity to Indonesia's top universities.

This disconnect may be due to a compromise between education and foreign investment and development aims. One government official interviewed noted that the IBC decree is in fact part of Indonesia's foreign investment policy, enshrined under the so-called 2020 Omnibus Law, meaning that authority is in effect split between the foreign investment agency and DIKTI The official added that the definition of an SEZ in Indonesia has been evolving and that the government can simply establish one as it wishes, by making a proposal to parliament.

4.4.3. Special Economic Zones (SEZs)

Two SEZs were interviewed for this study, both located in East Java. The first, Singhasari, is located in Malang and focuses on tourism and digital technology. The second, JIIPE-Gresik, is located in the port town of Gresik, with a focus on industry (chemical, engineering, energy) and logistics.

> *"Eastern Economic Zone has been established by the Indonesian government. They are keen for this to become a kind of Indonesian 'Silicon Valley' although the incentives may not be as good as supposed on closer inspection."* – British Council East Asia

4.4.3.1. Singhasari

Singhasari SEZ focuses on tourism and digital technology development and is also part of the Indonesian *Proyek Strategis Nasional* (National Strategic Project). Singhasari SEZ is noted as having good links with the major East Javan cities of Malang and Surbaya and, in conversations with Singhasari SEZ, it was noted that there is potential for significant investment in technology and industry with a government-supported data centre to be built there.

Singhasari SEZ is very keen to partner with multiple education and industry stakeholders and is due to propose the expansion of their remit as Indonesia's first education SEZ, including the establishment of an IBC. Singhasari SEZ has stated they view the future of education as unbundled and that they are keen to move in the development of AI and micro courses. Singhasari SEZ's perspective on IBC provision appeared to favour the establishment of UG courses as this was seen to compliment the work they are undertaking in developing a feeder system for high school graduates and industry. It was noted in interviews with Singhasari SEZ that consideration had been given to the development of TVET-focused secondary education as a means of providing a suitably skilled workforce for industries potentially developing in the area.

Singhasari SEZ has established collaborations with universities across Indonesia, including those in the cities of Bandung, Jakarta, Malang and Surabaya. One university interviewed as part of this study cited numerous areas of collaboration with Singhasari SEZ, these are said to include:

- Student internships,
- Lecturer internship,
- Teachers from industry,
- Research from university in industry.

Singhasari SEZ is also involved in a British Council funded partnership with King's College London (KCL) and Universitas Indonesia. The partnership's aims are to explore place-based solutions for international education by scoping development of a joint-IBC through the delivery of education at Singhasari SEZ. According to KCL, the scoping study will explore a multi-disciplinary approach to the digital economy, including tourism, fintech, med-tech, digital and creative tech through an entrepreneurial exploration of curricula, looking at local and regional demands for education to support workplace development and the growth of the digital economy in East Java region. Singhasari SEZ's viability would depend on securing significant, visible financial investment, and establishing multiple reliable partners.

4.4.3.2. JIIPE-Gresik

JIIPE-Gresik SEZ is located within the Surabaya urban area and is a well-funded development lead by AKR Land, a subsidiary of AKR Corporindo, one of Indonesia's leading logistics and supply chain companies. JIIPE-Gresik was included in this study because of its location in East Java and because of the industrial sector focus which has been of interest to UK HEIs.

Upon being informed about the policy and regulatory links between IBCs and SEZs, JIIPE-Gresik's immediate reaction was of shock and surprise, as they had no prior knowledge of the link between the IBC policy and SEZs. The representative was not only surprised but had difficulty seeing the logic behind this policy of linking the establishment of IBCs in SEZs.

The JIIPE-Gresik SEZ representative stated that their main educational needs were related to the creation of a sustainable pipeline of high quality, work-ready senior high school level vocational students (SMK). The JIIPE-Gresik representative does, however, envisage the need for higher-level training facilities for professional development activities and the likelihood of industrial research and development partners in the future.

JIIPE is already collaborating with Sepuluh Nopember Institute of Technology (ITS) and Airlangga University, and this could be a way for overseas universities collaborate with JIIPE-Gresik in the future. However, the level of partnership envisaged would not require the establishment of an IBC. JIIPE-Gresik SEZ is also currently in talks with the German Embassy regarding AI and automation technology. The immediate educational focus, however, is on the production of a pipeline of work-ready SMK graduates, with the vocational skills that are needed in the manufacture and industrial sectors. In this regard, JIIPE receives support from the Ministry for Industry, not MOEC, as well as schools and colleges established by private companies that can train people to their needs and specifications.

JIIPE-Gresik is a relatively new initiative, very much in the development stage, so it may be premature to discuss IBC potential beyond possible needs relating to JIIPE's primary focus. For example, at the moment, 11 of JIIPE's 16 manufacturing sites remain vacant.

4.4.4. Staffing

According to the DIKTI representatives, staff recruitment will be the autonomous decision of the IBC, adding that they would nevertheless encourage the IBC to employ Indonesian lecturers, so long as they meet the same standards as the home institutions. There is an expectation that administration staff will be recruited locally. However, Indonesian labour law specifies a requirement to employ a majority of Indonesian staff. Further challenges to employing foreign nationals include limited work permit validity, which although has recently been extended to between 3-5 years, are not extendable. Thus, although DIKTI officials have stated that there will be no issues with immigration and work permits, Participant P has suggested that both the visa issue and Indonesian labour present some difficulties.

One potential source of academic staff is the Indonesian diaspora, currently teaching in HEIs overseas. Participant P cited that it has employed academic staff sourced from the Indonesian diaspora, and an Indonesian academic currently employed by a UK university said that they would be keen to see IBCs established in Indonesia as a way of returning to Indonesia whilst continuing with their research activities. Whilst diaspora academics may be interested in the

IBC option and bring with them the benefits of understanding both the foreign university and Indonesian educational contexts, this approach may be tempered by an expectation from students that they are taught by academics from the home institution, and not by fellow Indonesians.

> *"I do wonder about visas, who are they [Indonesian students] expect them to teach them, but I do know there were some issues around visas for faculty, but [for example] in India you will get a certain degree of expectation that there will be western lecturers teaching them"*– British Council East Asia

Regarding the recruitment of foreign academics, Participant P tended to recruit early career academics and academics nearing retirement. This is due in part to personal circumstances (less likely to have young children, for example) as well as the visa regime (limited length of contract) and importantly, domestic level wages. A further complication cited by Participant P was the stipulation of minimum quotas, for example, for the number of academic staff per institution and number of books in the library. However, it is unclear how these quotas are defined and regulated for IBCs as no mention of quotas is made in the regulatory policy specifically aimed at IBCs. There is reference made to expectations that the IBC maintains comparable quality to the home campus, although exactly how this is to be measured or enforced, and by whom, is not explicitly detailed.

4.4.5. Scholarships

Indonesia provides a number of scholarships to home students, mainly at PG level, most of which are disbursed via the *Lembaga Pengelola Dana Pendidikan* (LPDP). The LPDP manages scholarship budgets for all government scholarship schemes, with the current exception of MORA, as well as their own Master's and PhD scholarships. In terms of scholarships made available for Indonesian nationals to study abroad, only global top-50 international universities are currently eligible. During a conversation with DIKTI, it was confirmed that IBCs will be included in the list of Indonesian scholarship-eligible universities (or, more specifically, courses) and this has been further reinforced by that fact that all four Monash taught-PG courses have been included in the 2022 scholarship guide.

As LPDP scholarships are based on performance and are not means-tested, many students who achieve the best outcomes and receive a scholarship, come from the more privileged sections of Indonesian society, who in theory are more likely to be able to finance private UG/PG study without government support. This creates an interesting situation whereby students who may form an IBC's target demographic may be attracted elsewhere if scholarship opportunities are deemed more appealing.

> *"The LPDP fund is managed by multiple ministries and offers a generous scholarship scheme. Only the best students get these scholarships, but these are often the richest students from wealthy families. There is a sense that these students could probably afford to study overseas at elite universities without the need for a scholarship. Plus, there are some concerns about brain drain, but this is less of an issue in the Indonesian case."* – British Council East Asia

With reference to scholarships for international students studying in Indonesia, the MOEC does provide a scholarship to students from around 90 eligible countries known as the Developing Country Partnership Scholarship or KNB. Indonesia also offers the *Darmasiswa* scholarship to international students for study on a non-accredited course at an Indonesian university in Indonesian traditional arts and Indonesian language for a period of one year.

Scholarship types across various Indonesian government bodies are highlighted in the table below.

Scholarship types and providers

Scholarship type and providers			
LPDP	**DIKTI**	**MORA**	**Others**
Affirmative action scholarships	Scholarship for lecturers	5000 Doctors scholarship – PhD (the only major scholarship not currently managed by the LPDP)	Line ministries, state owned companies (SOE) and e.g., police and armed forces all have scholarships
General scholarship (prestige, co-funded)	Teacher educator programme		
Civil servants, security forces and state-owned companies' scholarship	IISMA (Indonesian International Student Mobility Award, part of *Kampus Merdeka* scheme) for UG students to gain a semester's experience in an overseas university		
Entrepreneur scholarship	Fast-track lecturer scholarship – cohort from recent UG graduates		

4.5. Indonesia: Prospective students
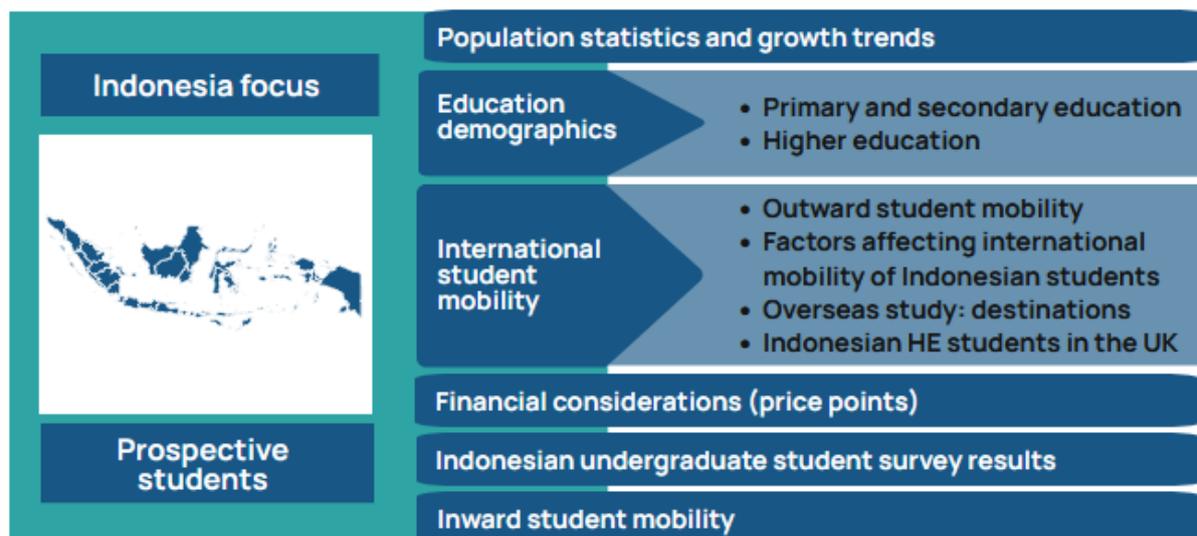
4.5.1. Population statistics and growth trends

Indonesia's demographics make it a potentially attractive destination for a UK IBC. The fourth most populous country in the world, Indonesia has a total population of over 275 million, which is projected to rise to 320 million by 2045.[29] Of particular note is its considerable youth population of over 63 million 0-14 year-olds and over 44 million 15-24 year-olds.[30]

Geographically, population growth is set to be concentrated in the island of Java. Home to major Indonesian cities such as DKI[31] Jakarta and DI[32] Yogyakarta, 56% of Indonesians live in Java.[33] The majority of people live in urban areas and the population of urban dwellers is set to increase rapidly, reaching 78% by 2035.

4.5.2. Education demographics

4.5.2.1. Primary and secondary education
The average number of years of schooling and the percentage of the population to have attained upper secondary education in Indonesia is increasing.

The average number of years spent in school in Indonesia is approximately 8.5 years, and this has increased by 2.7 years in the last 15 years.[34]

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[29] CIA. (2022). *The World Factbook: Indonesia.* https://www.cia.gov/the-world-factbook/countries/indonesia/#people-and-society

[30] CIA. (N/A). *The World Factbook: Age Structure.* https://www.cia.gov/the-world-factbook/field/age-structure/

[31] *Daerah Khusus Ibukota* – Special Capital Region

[32] *Daerah Istimewa* – Special Region

[33]United Nations Expert Group & Badan Pusat Statistik. (2020). *The Indonesian Population Census 2020 Highlights.* https://unstats.un.org/unsd/demographic-social/meetings/2021/egm-covid19-census-20210209/docs/s03-04-IDN.pdf

[34] United Nations Development Programme. (2019). *Human Development Reports. Expected years of schooling (years).* https://hdr.undp.org/en/indicators/69706#

The percentage of population aged 25 and over to have at least completed upper secondary increased from 26.4% in 2006 to 38.1% in 2020, an 11.7% increase in the last 14 years.[35] This figure sits towards the middle when compared to other countries in the ASEAN region.

Rates of completion of upper secondary education among population aged 25+

Rates of completion of upper secondary education in ASEAN (%)
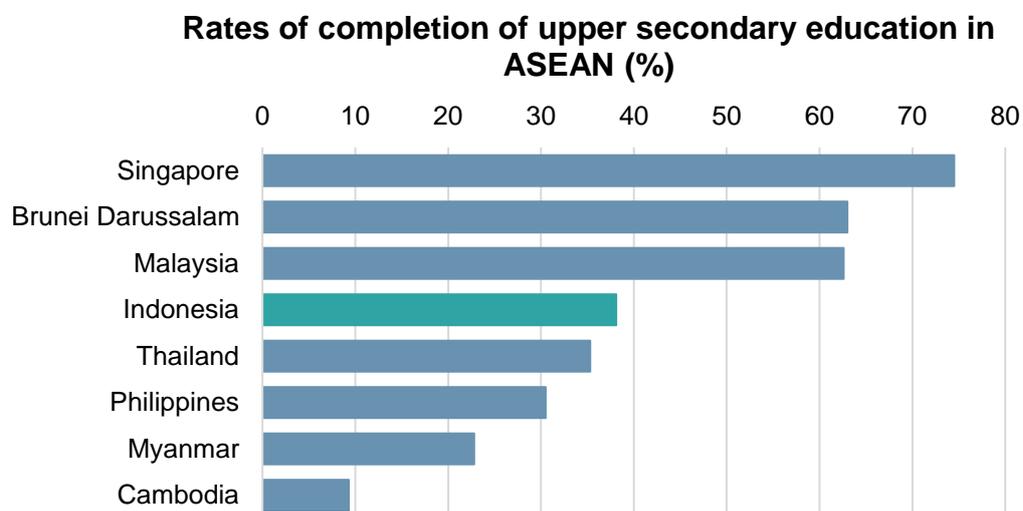
4.5.2.2. Higher education

The number of students enrolled in tertiary (ISCED level 6) education grew by 16.39% between 2015 and 2018. Growth is expected to continue on this trajectory over the coming decades due to the increasing number of upper secondary graduates, labour market requirements, and rising incomes.[36]

The Indonesian government's planned increased in the gross enrolment rate of tertiary education

2045 (target) — 60%
by 2024 (plan) — 43%
current (2021) — 31%

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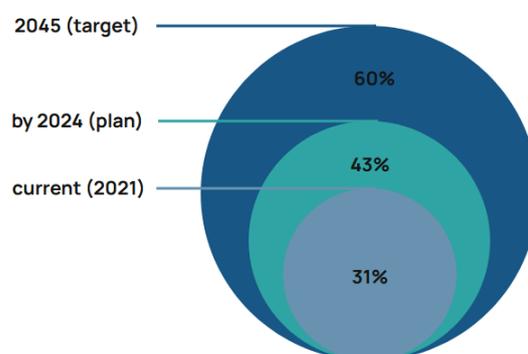
[35] World Bank. (2021). *Educational attainment, at least completed upper secondary, population 25+.* https://data.worldbank.org/indicator/SE.SEC.CUAT.UP.ZS?locations=BN-KH-ID-LA-MY-MM-PH-SG-TH-VN&most_recent_value_desc=true

[36] Lau, J. (2021). *Is South-East Asia higher education's next global hotspot?.* Times Higher Education. https://www.timeshighereducation.com/features/south-east-asia-higher-educations-next-global-hotspot; The World Bank & Australian Government. (2020). *The Promise of Education in Indonesia.* https://documents1.worldbank.org/curated/en/658151605203420126/pdf/The-Promise-of-Education-in-Indonesia.pdf

The gross enrolment rate in HE in Yogyakarta is 74%, the highest of all the provinces. In DKI Jakarta, the gross enrolment rate is around 40% and it is much lower in East, Central and West Java, with very little change over the past three years.[37]

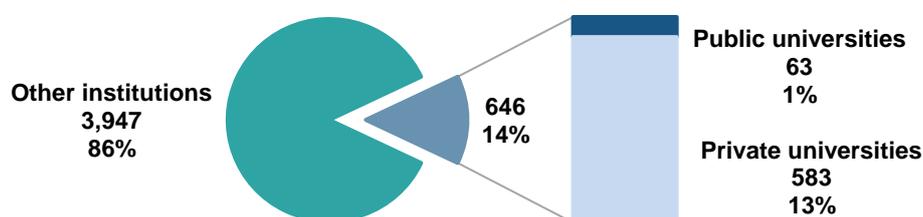*Gross enrolment rate in HE by province, 2021*
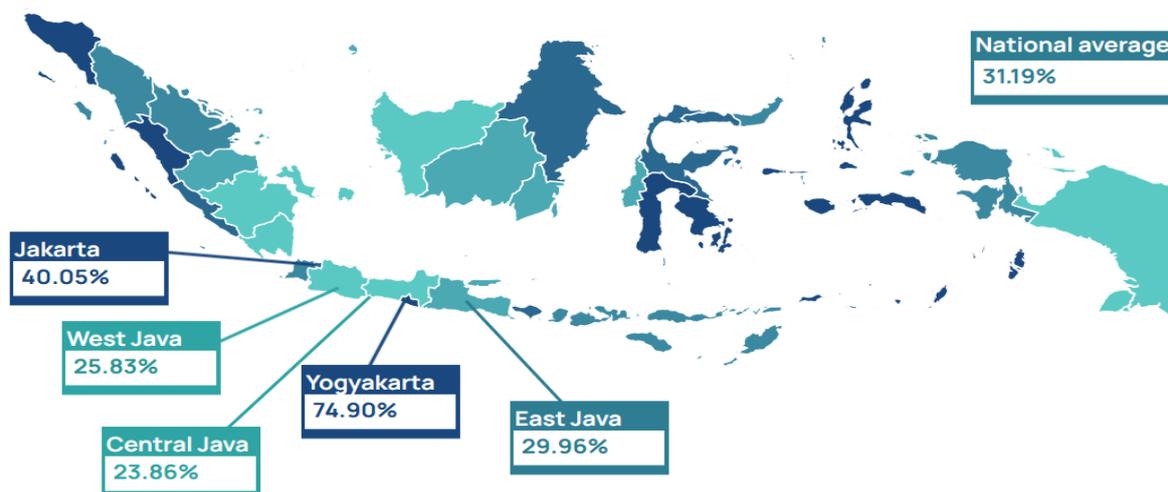
There are a total of 4,593 HEIs in Indonesia; universities make up a small proportion of the overall number of HEIs but enrol the majority of students.

Despite high numbers of private institutions compared to public, similar numbers of students are enrolled in both institution types.

HEIs and enrolments in Indonesia, 2020

Higher education institutions in Indonesia

Other institutions
3,947
86%

646
14%

Public universities
63
1%

Private universities
583
13%

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[37] Badan Pusat Statistik. (2021). *Gross Enrolment Rate of Higher Education by Province.* https://www.bps.go.id/indicator/28/1443/1/angka-partisipasi-kasar-apk-perguruan-tinggi-pt-menurut-provinsi.html

Student enrolments by institution type

2,414,612
28%

6,068,601
72%

■University ■Other institution

Student enrolments in public and private universities

2,979,397
52%

2,736,371
48%

■Public ■Private
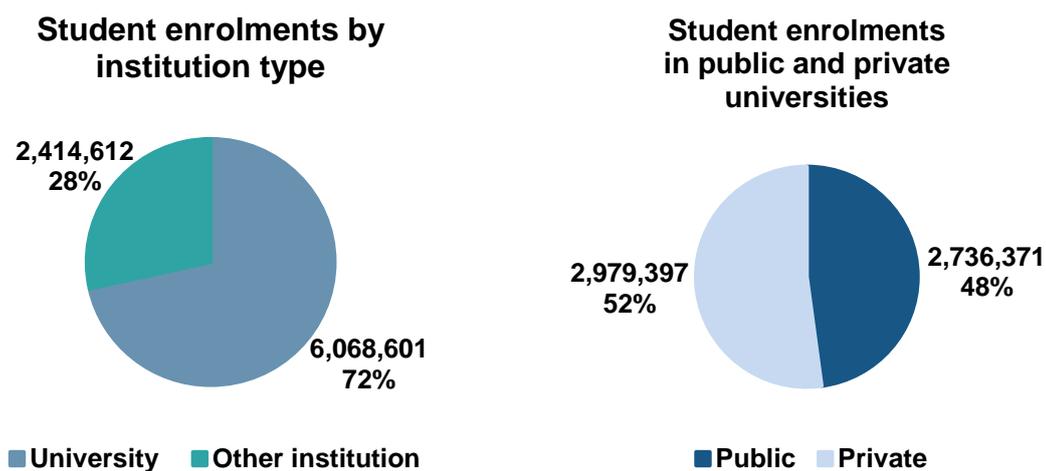
4.5.3. International student mobility

As of 2021, only 0.9% of Indonesian tertiary students are studying overseas, the second lowest amongst ASEAN members after the Philippines.[38] Discussions with Indonesian stakeholders highlighted a number of reasons for this low ratio, which tie in with reasons identified in literature.

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[38] Ibid.

4.5.3.1. Factors affecting international mobility of Indonesian students

Factors affecting Indonesian students' choice of study destination and university

Family and community	Affordability
Preference among students and parents for universities closer to home	**Cost is the most significant factor in higher education decision making**
• Importance of family in Indonesian culture.[39] • Concerns about homesickness and culture shock.[40] • Emotional security and support.[41] • Female students more likely to stay local.	• Parents and students compare cost against programmes, safety and academic reputation.[42] • Parental income directly and indirectly affects student attainment.[43] • The cost of university is usually paid by parents.
Prestige	**Employability**
Prestige has been found to heavily influence study abroad decisions	**Job prospects are an important consideration for students and parents**
• Rankings are perceived to reflect the quality of education provided by an institution.[44] • University reputation is seen as important for job prospects.[45]	• Universities with high levels of employability among graduates are seen as prestigious.[46] • Students believe that international experience is considered valuable by employers.[47]

A key theme identified by stakeholders is cost. Indonesians are not able to travel overseas for education in significant numbers due to the cost and it is noteworthy that many Indonesians are unable to afford the cost of HE in Indonesia.

Although cost is a significant barrier, many talented students opt to attend Indonesian state universities due to the combination of quality education, an education tailored to the Indonesian context, and the benefits of belonging to influential alumni associations. It was noted by HEIs included in this study that there is not a culture of inter-university movement amongst students wishing to pursue academic careers.

[39] ICEF Monitor. (2019). *Recruiting from Indonesia in a context of increased competition*. https://monitor.icef.com/2019/09/recruiting-from-indonesia-in-a-context-of-increased-competition/
[40] ICEF Monitor. (2019). *Indonesian outbound continues to grow with emphasis on regional destinations*. https://monitor.icef.com/2019/02/indonesian-outbound-continues-to-grow-with-emphasis-on-regional-destinations/
[41] Kusumawati, Andriani; Yanamandram, Venkata K.; and Perera, Nelson. (2010). *Exploring Student Choice Criteria for Selecting an Indonesian Public University: A Preliminary Finding*. Centre for Health Service Development - CHSD. 35.
[42] Broekemier, G. M., & Seshadri, S. (2000). *Differences in college choice criteria between deciding students and their parents.* Journal of Marketing for Higher Education, 9:3, 1-13, DOI: 10.1300/J050v09n03_01
[43] Harahap, D. A., Ahmas, R. H., Gaffar, V., & Amanah, D. (2018). *The impact of word of mouth and university reputation on student decision to study at university*. Management Science Letters, 8(6), 649-658.
[44] Westphal, J., Chervenkova, V., Harris, S. (2021). *International Student Recruitment: Why aren't we second? Part 2*. Universities UK International. https://www.universitiesuk.ac.uk/sites/default/files/field/downloads/2021-09/WAWS_2_Final.pdf
[45] Kusumawati, Andriani; Yanamandram, Venkata K.; and Perera, Nelson. (2010). *Exploring Student Choice Criteria for Selecting an Indonesian Public University: A Preliminary Finding*. Centre for Health Service Development - CHSD. 35.
[46] Ibid.
[47] Westphal, J., Chervenkova, V., Harris, S. (2021). *International Student Recruitment: Why aren't we second? Part 2*. Universities UK International. https://www.universitiesuk.ac.uk/sites/default/files/field/downloads/2021-09/WAWS_2_Final.pdf
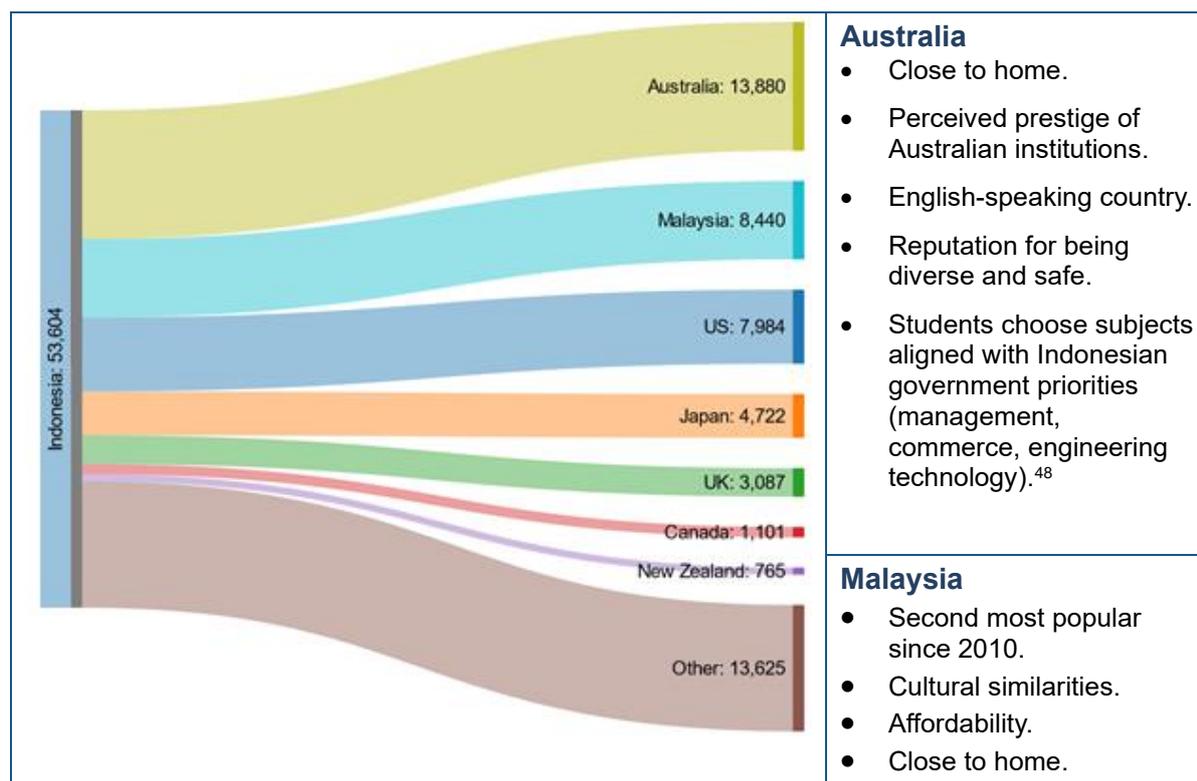
Cultural reasons were also highlighted by stakeholders. Indonesians are very family-oriented, the extended family is very important, and many just prefer to be close to home. Parents are also reluctant to send their UG-aged children overseas alone. In cases where students do study overseas, it was noted that middle class parents may send their children to Malaysia, Singapore or Australia, countries that are close by, that have cultural similarities and where families may have relatives as well as business interests.

English language capacity was cited as a significant barrier to greater uptake of overseas education, particularly in the uptake of PG-level scholarships due to English language requirements included in scholarship eligibility requirements.

Another barrier is insufficient knowledge about educational opportunities overseas, including the availability of free tuition in a number of European countries. This lack of knowledge around international education opportunities also applies to TNE provision within Indonesia, with HEIs in this study noting that many students are unaware of the international options available until after they have commenced their studies.

4.5.3.2. Overseas study: Destinations

Study destinations of Indonesian students, 2019

Australia
- Close to home.
- Perceived prestige of Australian institutions.
- English-speaking country.
- Reputation for being diverse and safe.
- Students choose subjects aligned with Indonesian government priorities (management, commerce, engineering technology).[48]

Malaysia
- Second most popular since 2010.
- Cultural similarities.
- Affordability.
- Close to home.

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[48] Export.Gov. (2019). *Indonesia – Education and training.* https://www.export.gov/apex/article2?id=Indonesia-Education-and-Training

4.5.3.3. Indonesian HE students in the UK

According to UNESCO data, the UK ranks fifth in total number of Indonesian overseas students.[49] HESA data included in the chart below alligns with the UNESCO data and also highlights fluctuations in student numbers over the past seven years.

As of 2019, the UK was ranked as the fourth preferred country in market shares, with Australia, US and Japan having increased their student populations. The cost of UK HE, coupled with low financial support for overseas students, is a perceived barrier to many Indonesian students.[50]

Number of full-time Indonesian students in the UK[51]

Number of full-time Indonesian students in the UK
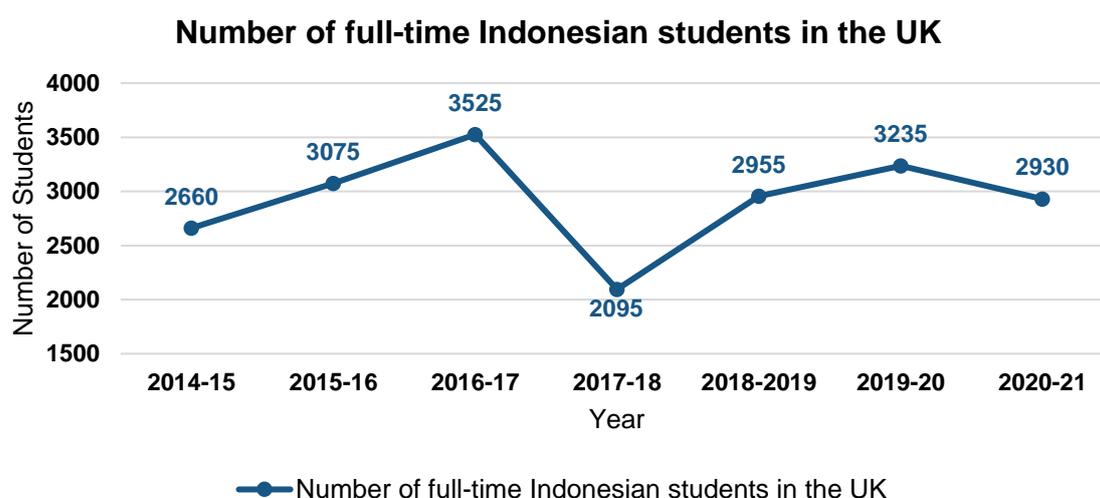
4.5.4. Financial considerations (price points)

Student fees at universities in Indonesia comprise a range of charges. These include tuition fees (typically calculated per semester) and additional charges such as registration fees, equipment fees, and a development fee.

Highly ranked public institutions exhibit a marginally higher cost than private institutions. There is not a substantial difference in student fees for general admission, although the provision of scholarships may dramatically alter the costs.

Ecctis looked at costs for subjects known to be in demand and aligned with the Indonesian government's upskilling targets.

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[49] UNESCO Institute for Statistics. (n.d.). *Number and rates of international mobile students.* UNESCO. http://data.uis.unesco.org

[50] Westphal, J., Chervenkova, V., Harris, S. (2021). *International Student Recruitment: Why aren't we second? Part 2.* Universities UK International. https://www.universitiesuk.ac.uk/sites/default/files/field/downloads/2021-09/WAWS_2_Final.pdf

[51] HESA. (2022). *Where do HE students come from?* https://www.hesa.ac.uk/data-and-analysis/students/where-from

Average yearly cost of Bachelor degrees at Indonesian universities

Subject	Average yearly cost (£)[52]
Business	3,808
Information technology	3,430
Engineering	2,426
Average (all subjects)	*3,393*

It is however important to note that the above averages apply to Indonesian nationals who study a single degree. In some instances, dual degrees required additional levies, or used an alternative student fee system. One Indonesian university working with a UK school of design is charging approximately $52,000 (USD)[53] for a full Bachelor degree. An Australian IBC which offers postgraduate degrees in Indonesia has a fee of Rp26,000,000[54] (IDR) per 6 credit point unit, with a full Master's degree consisting of between 72-96 credit points.

4.5.5. Student market: Home students

There was some scepticism amongst a number of the interviewees regarding the availability of significant numbers of home students that would opt for study in an IBC. According to the education agents, Indonesian students that can afford to study overseas are considered highly unlikely to opt for an IBC given the prestige attached to overseas study. Moreover, the education agent felt there was a danger that opening an IBC in Indonesia would devalue a degree from the home institution by making it too accessible and available, causing the institution to lose some of its prestige.

Two Indonesian HEIs interviewed in this study also suggested that there isn't a large enough segment of students in Indonesia that can afford to study overseas but would opt for an IBC instead. One HEI felt that many Indonesian students – particularly those looking to work in government, those who aspire to become lecturers, and those who will work in a highly Indonesia-specific context – would prefer to go to a top state university as it will be more relevant to their needs. Furthermore, as noted elsewhere, the alumni networks of the elite state universities are regarded as being highly influential in a way that is unlikely to be the case for an IBC alumni network.

An interview with an Indonesian education/student recruitment agent suggested that a student profile that might be a target market for IBC UG courses would be those that go to universities such as BINUS University and tend to go straight to work after UG studies rather than study further, but whose families are quite well off.

Joint degrees offered by an IBC in partnership with an Indonesian HEI were identified by the interviewees as a way to expand the market by providing the benefits of both an overseas and Indonesian education at an affordable cost. With English language capacity as a significant

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[52] Converted from Indonesia Rupiah (IDR) in March 2022
[53] £39,804 (GBP): accurate as of 15/03/2022, source: www.xe.com
[54] £1,348 (GBP): accurate as of 23/02/2022, source: www.xe.com

barrier to international education, it was suggested that a joint degree may act as a bridge for the student to improve their proficiency over time.

Potential target student profiles identified in discussion with the stakeholders interviewed for this study can be summarised in the following groups:

Prospective UG students likely to attend prestigious private universities

These are students that can afford an expensive local university, but that may not succeed in getting a place at an elite state university. They may also prefer to be with a cohort of like-minded students (e.g., entrepreneurs) or a 'mission' university (e.g., Protestant, Catholic or Islamic). This student market is unlikely to proceed to taught-PG level as they prioritise setting up their own enterprises or joining the family business.

Part-time taught-PG students and executive short courses: career accelerators

This is one of the key markets targeted by Monash University Indonesia, taught-PG students looking for part-time study options that enable them to develop their careers and career options. Geographical proximity is likely to be a significant issue for these students. These students may be self-funded or funded by their employers and are unlikely to be scholarship students. They are not likely to be concerned by DIKTI's recognition of overseas degrees, so long as they are recognised by their industries.

Wealthy UG students whose parents don't feel they are ready to study overseas

Parents may see an IBC as a viable option for UG study for their children. Their children will gain an international education and continue to improve and maintain their English language in place of placing them in an Indonesian UG course, followed by sending them overseas for taught-PG study.

UG and taught-PG students who choose international pathways at Indonesian universities

One HEI felt that there was a big enough market of home students to opt for its international pathways degrees which cost at least three times as much as the regular courses. This option may work best as part of a TNE partnership with an Indonesian university.

PG students looking to take advantage of flexible entry requirements

One HEI suggested that an emphasis on flexible, non-linear entry is a potentially powerful offer that is not yet well understood or widely available in Indonesia.

PG students looking for LPDP funded taught and research degrees

With Monash University Indonesia courses being included on the list of eligible home universities, students who might usually opt for an Indonesian university may opt for an IBC – assuming their English language proficiency is sufficient.

4.5.6. Indonesian undergraduate student survey results

Indonesian undergraduate survey results

Respondent educational background

Completed education in a public institution (67%)
Completed education in a private institution (33%)

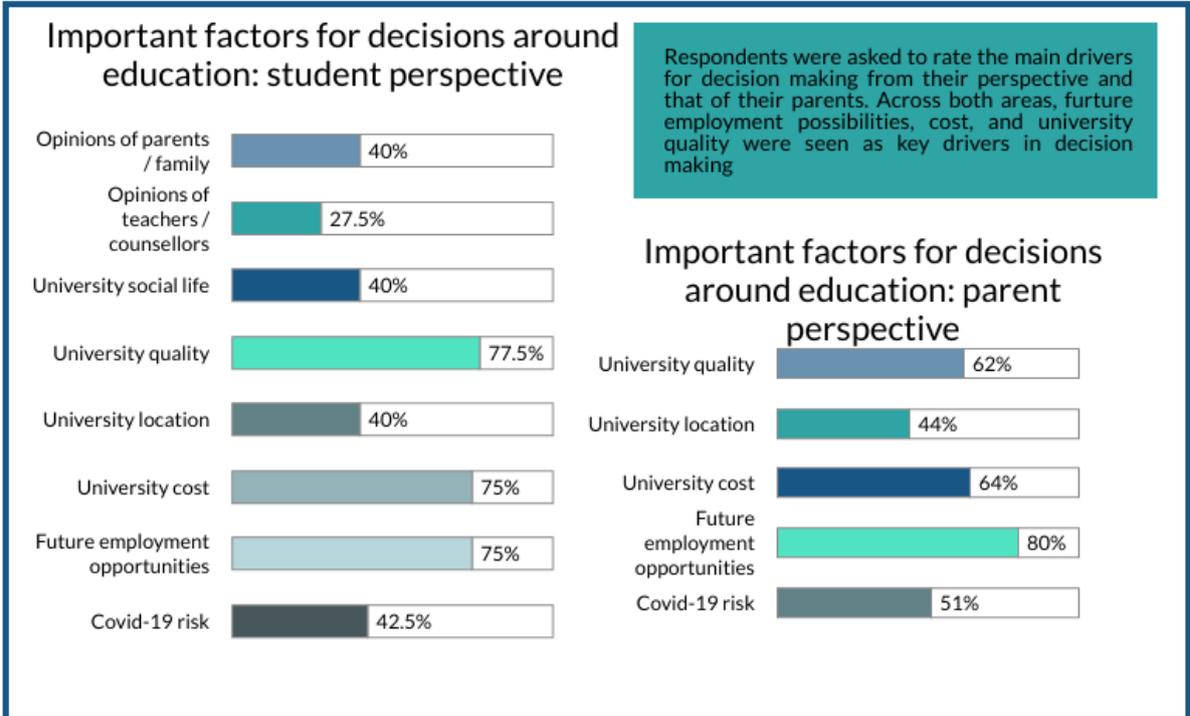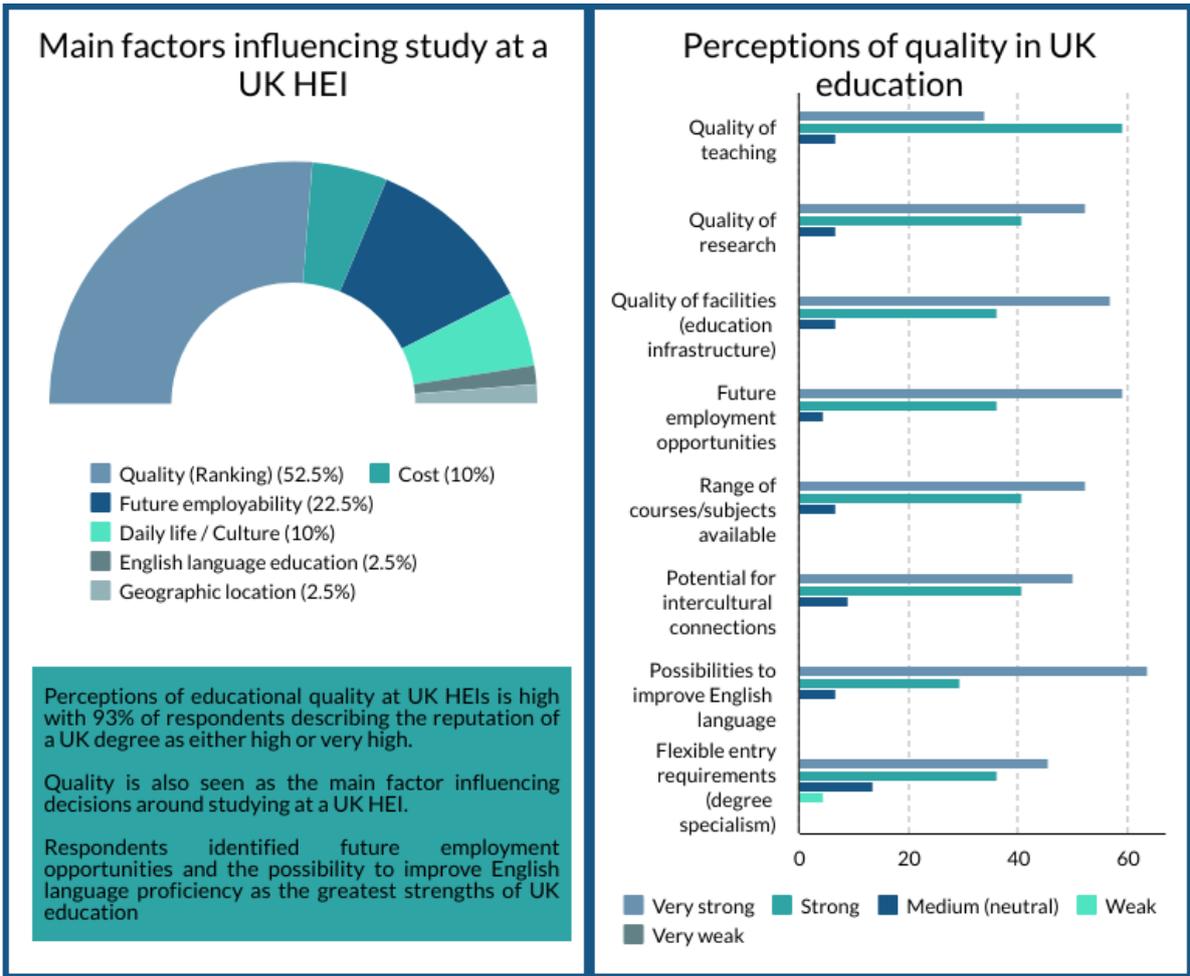The majority of respondents were female (66%) and they mainly studied at public institutions.

Respondents who would consider studying at a UK HEI

Yes (91%)   No (9%)

Of the 9% who would not consider studying at a UK university, approximately 50% would consider studying at a UK university campus in Indonesia.

Preferred location for studying at a UK HEI

England/Scotland/Wales/NI (83%)
Indonesia (10%)   Other ASEAN country (7%)

Respondents demonstrated a marginally positive attitude to studying at a UK university through online or distance education, with 59.52% stating that they would consider studying online/distance and 40.48% stating that they wouldn't consider it.

Subject area preferences among respondents

Economics and business (31%)
Social, art, and humanities (21%)
Education (12%)
Built environment and infrastructure (12%)
STEM (12%)   Health (10%)
Political science & law (2%)

Subject preferences among respondents indicated preferences for economics and business, and social, art and humanities subjects. There was no standout preference for STEM subjects which may be important considering the government preference for development in this subject area.

Preference for English medium of instruction

Studying through English language was universally important to respondents, with 100% stating that it was either important or very important. 85.71% stated that it was very important.

Main factors influencing study at a UK HEI

- Quality (Ranking) (52.5%)
- Cost (10%)
- Future employability (22.5%)
- Daily life / Culture (10%)
- English language education (2.5%)
- Geographic location (2.5%)

Perceptions of educational quality at UK HEIs is high with 93% of respondents describing the reputation of a UK degree as either high or very high.

Quality is also seen as the main factor influencing decisions around studying at a UK HEI.

Respondents identified future employment opportunities and the possibility to improve English language proficiency as the greatest strengths of UK education

Perceptions of quality in UK education

Quality of teaching

Quality of research

Quality of facilities (education infrastructure)

Future employment opportunities

Range of courses/subjects available

Potential for intercultural connections

Possibilities to improve English language

Flexible entry requirements (degree specialism)

- Very strong
- Strong
- Medium (neutral)
- Weak
- Very weak

Important factors for decisions around education: student perspective

Opinions of parents / family	40%
Opinions of teachers / counsellors	27.5%
University social life	40%
University quality	77.5%
University location	40%
University cost	75%
Future employment opportunities	75%
Covid-19 risk	42.5%

Respondents were asked to rate the main drivers for decision making from their perspective and that of their parents. Across both areas, future employment possibilities, cost, and university quality were seen as key drivers in decision making

Important factors for decisions around education: parent perspective

University quality	62%
University location	44%
University cost	64%
Future employment opportunities	80%
Covid-19 risk	51%

49

4.5.7. Inward student mobility

One of the aims of the IBC policy is to attract international students to Indonesia. Indonesia's top HEIs seek to attract international students, however numbers remain low. One factor is likely to be that only three of Indonesia's universities have made it into the list of global top 500 universities (UI, ITB and UGM), with only UI included in Asia's top 200 list.

There are programmes aimed at bringing international students to Indonesia. The MOEC manages the Developing Countries Partnership Scholarship (KNB) for students from developing countries to study in one of 23 eligible universities (state and private) at both UG and taught-PG levels.

All of the HEIs interviewed receive international students, but the numbers are small relative to the student body. One HEI has 1,500-2,000 international students out a student body of 40,000, mostly coming from Malaysia, Japan, and other ASEAN countries, with a small but significant number from Germany. Another currently has around 96 international students out of a student body of 2,000. A third HEI has hosted 9 KNB students this year, though it received over 200 applications. The majority of its non-Indonesian students are from Thailand, East Timor and Malaysia including a number of self-funded students. Scholarship students come from countries such as Afghanistan, Egypt, The Gambia, Palestine, Tanzania and Sudan.

Another interviewed HEI runs international student exchange programmes and summer programmes for international students, but their focus has been on developing international pathways for their UG students. They estimate that they host around 100 international students. According to this HEI, a significant number of international students in Indonesia are attracted to study programmes that feature Indonesian culture and Indonesia-specific study programmes.

Other than one HEI representative who felt that it would be much easier for an IBC in Indonesia to recruit international rather than domestic students, most of the interviewees had little to say regarding the prospects of attracting international students, not least as it is something that they are struggling with themselves. Proximity to Malaysia and Singapore was highlighted as an issue, as those countries may be considered more established TNE options. Malaysia was noted as having potentially better regional links to other countries in Asia, including India, Pakistan and China.

4.6. Alignment of the UK and Indonesian education systems
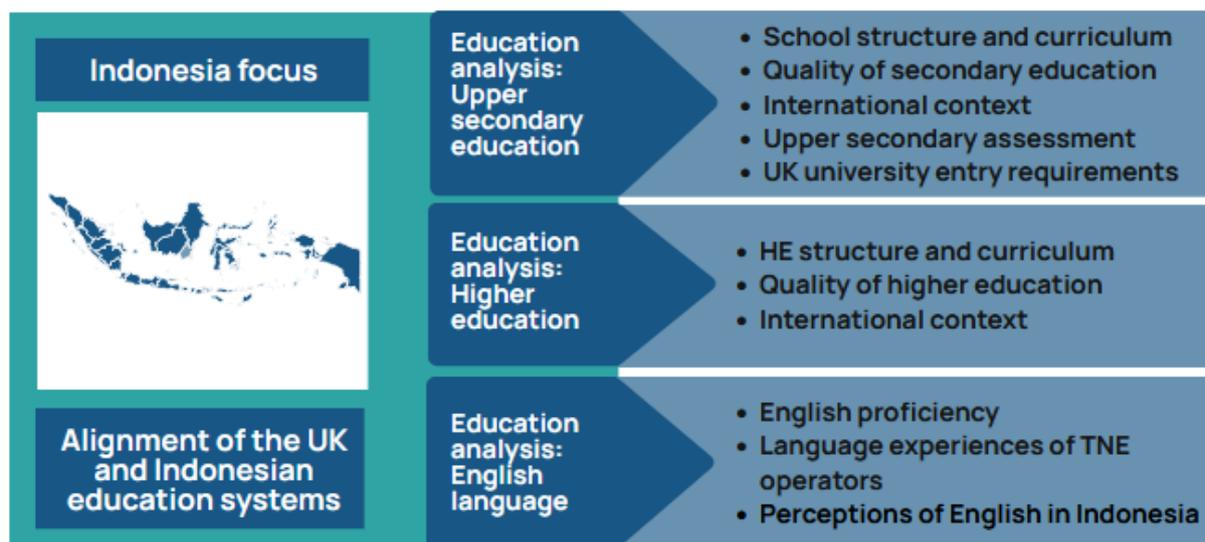
4.6.1. Education analysis: Upper secondary education

The alignment of education systems plays a key role in determining entry requirements and also the type of additional support required for students to transition between education systems and cultures.

4.6.1.1. School structure and curriculum

The Indonesian school system comprises a six-year primary cycle, a three-year junior secondary cycle, and a three-year senior school cycle (6+3+3). The latter is offered by both general senior secondary schools (*Sekolah Menengah Atas* - SMA) and Islamic senior secondary schools (*Madrasah Aliyah* - MA).[55]

The senior school curriculum covers a broad number of subjects and is thus distinct from the comparatively more specialised nature of UK A level study.

Characteristics of the SMA/MA

Award Title	Ijazah - Sekolah Menengah Atas / Madrasah Aliyah (SMA / MA) (Diploma - General / Islamic Senior Secondary School)
UK ENIC Comparability	GCE Advanced Subsidiary (AS) level / Scottish Higher
Award style	Baccalaureate-style award; broad number of subjects studied
Duration	Three-year upper secondary cycle
Streams[56]	Education is provided by general and Islamic senior secondary schools
Medium of instruction	Typically Bahasa Indonesia

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[55] Islamic schools provide the regular academic curriculum, however, supplement it with classical Arabic and religious classes.
[56] Pupils may also choose to follow a separate vocational stream at upper secondary level. The curriculum and qualifications associated with this stream fall outside the scope of this research.

Access to higher education	Potentially grants direct access to higher education in-country, though students may be required to sit national or private university entrance examinations
Subject levels / specialisation	Pupils can specialise in mathematics and natural sciences; social sciences; or languages and culture
Compulsory subjects	Core subjects: English; Bahasa Indonesia; Indonesian history; mathematics; Pancasila and civic education; religious education and character Cultural, environmental and social subjects: art and culture; craft and information technology; physical education, sports and health
Optional subjects	Mathematics and natural sciences: biology, chemistry, mathematics, physics Social sciences: economics, geography, history, sociology Languages and culture: anthropology, Bahasa Indonesia and literature, English language and literature, other foreign language and literature
External assessment	Now limited to a Minimum Competency Assessment in literacy and numeracy, taken in the penultimate year
Assessment style	The format and content of school assessments is at the discretion of the individual school
Grading scale	Schools use a 0-100 scale, with a pass threshold determined by the school
Grading trends	High failure rates were observed in the national examination (*Ujian Nasional* - UN), discontinued in 2019
Key grade thresholds	Grades would not be considered directly comparable to the full suite of UK A level grades

4.6.1.2. Quality of secondary education

An Ecctis comparative analysis of Indonesian subject-specific upper secondary curricula with UK GCSE syllabi reveals a broad overlap in course content. However, under current regulations, Indonesian secondary school graduation is dependent upon *completing* the curriculum, demonstrating a "good" attitude, and passing the internal assessment, for which the pass threshold is determined by the individual school. There is thus no guarantee that secondary school graduates are reaching the standards suggested in the syllabi.[57]

Research has identified a notable disparity between the learning outcomes outlined in the curriculum, and the knowledge pupils acquire in practice. The same study also revealed that even upon completion of secondary school, many learners struggled with primary school-level mathematics.[58] Data from 2019 shows that fewer than 12% of provinces had an average class XII national examination score above the pass mark.[59]

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[57] The World Bank. (2020). *The Promise of Education in Indonesia.*
https://documents1.worldbank.org/curated/en/658151605203420126/pdf/The-Promise-of-Education-in-Indonesia.pdf
[58] Beatty, A., Berkhout, E., Bima, L., Coen, T., Pradhan, M., & Suryadarma, D. (2018). *Indonesia Got Schooled: 15 Years of Rising Enrolment and Flat Learning Profiles*. RISE Programme in Indonesia.
https://riseprogramme.org/sites/default/files/publications/RISE_WP-026_Indonesia.pdf
[5959] The World Bank. (2020). *The Promise of Education in Indonesia.*
https://documents1.worldbank.org/curated/en/658151605203420126/pdf/The-Promise-of-Education-in-Indonesia.pdf

The low quality of teaching in Indonesian schools has been widely reported, owing to a system which privileges rote learning over critical thinking.[60] Research conducted in 2019 saw teachers perform poorly on a pedagogical assessment, while class IV teachers fared modestly on a literacy and numeracy assessment relating to primary-level content.[61] Learning resources, too, have been found to be lacking, including reliable access to the internet at school and / or home.[62]

Another key challenge is attracting and selecting the most suitable and qualified candidates for access to the teaching profession. Various initiatives have been introduced with a view to improving the standards of teaching, however, there remains a not insignificant proportion of teachers who do not hold the requisite qualifications and / or certification, and comprehensive pedagogical training remains in its infancy.

4.6.1.3. International context

On recent measures of international pupil achievement, Indonesia has been outperformed by several of its closest neighbours.

International student performance indicators

2020 Human Capital Index (HCI)[63]

- A score of 625 represents advanced achievement; 300 represents minimum achievement.

- Indicated that Indonesian children could only expect to cover 7.8 years' worth of material over 12.4 years of schooling.

Harmonized Test Score Comparison

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[60] Dobson, S., Zuhdi, M., (2021). *Indonesia's 'Freedom to Learn' movement at risk as students lose attention amid digital learning: how do we reclaim their drive to learn?.* The Conversation. https://theconversation.com/indonesias-freedom-to-learn-movement-at-risk-as-students-lose-attention-amid-digital-learning-how-do-we-reclaim-their-drive-to-learn-161866

[61] The World Bank (2020). *Estimates of COVID-19 Impacts on Learning and Earning in Indonesia: How to Turn the Tide.* https://openknowledge.worldbank.org/bitstream/handle/10986/34378/Main-Report.pdf?sequence=1&isAllowed=y

[62] The World Bank (2018). *Learning More, Growing Faster.* https://documents1.worldbank.org/curated/en/305361528210283009/pdf/Indonesia-economic-quarterly-learning-more-growing-faster.pdf; The World Bank. (2020). *The Promise of Education in Indonesia.* https://documents1.worldbank.org/curated/en/658151605203420126/pdf/The-Promise-of-Education-in-Indonesia.pdf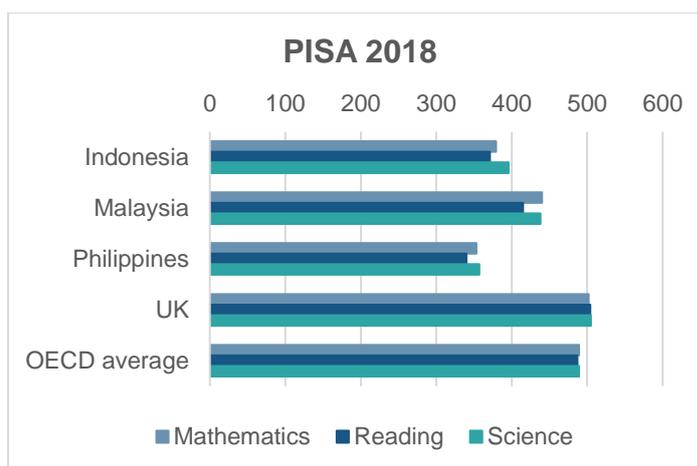; OECD. (2018). *Indonesia: Student Performance (PISA 2018).* https://gpseducation.oecd.org/CountryProfile?primaryCountry=IDN&treshold=10&topic=PI

[63] The World Bank. (2020). Human Capital Project: *Indonesia: Human Capital Index 2020.* https://databank.worldbank.org/data/download/hci/HCI_2pager_IDN.pdf?cid=GGH_e_hcpexternal_en_ext

Programme for International Student Assessment (PISA)[64]

- Measures proficiency of 15-year-olds in mathematics, reading and science.

- The 2018 edition saw Indonesia score below the OECD average on all three measures.

PISA 2018 — bar chart showing Mathematics, Reading, Science scores for Indonesia, Malaysia, Philippines, UK, OECD average.

4.6.1.4. Upper secondary assessment

SMA students now take internal school examinations (*Ujian Sekolah* - US) upon completion of class XII. As of 2020, schools have the autonomy to set and administer their own assessments, which may take the form of written tests, portfolios, and other group / written assignments.[65] There is likely to be considerable variation in format and complexity. As the pass mark is determined by the school, it is difficult to ensure that graduation standards are applied consistently.[66]

The mother tongue class XII questions reviewed did not appear to fall in line with the type of critical thinking and analytical skills expected of UK students when entering undergraduate study.

Specimen class XII questions for core mathematics placed varying levels of demand on students. While some corresponded to content and learning outcomes typically associated with GCSE level (percentages, sequences, triangles, etc.), others, assessing topics such as calculus and matrices, more closely resembled AS / A level standard. Even those questions specific to the mathematics and natural sciences stream appeared to straddle RQF levels 2 and 3[67]. As with the mother tongue assessment, all questions reviewed were multiple-choice.[68] The role of external assessment is limited and has been reduced in recent years. A national examination known as the *Ujian Nasional* (UN) was previously taken upon completion of class

[64] OECD (2018). *Programme for International Student Assessment (PISA) Results from PISA 2018.* https://www.oecd.org/pisa/publications/PISA2018_CN_IDN.pdf

[65] Kementerian Pendidikan dan Kebudayaan. (2019). *Mendikbud Tetapkan Empat Pokok Kebijakan Pendidikan "Merdeka Belajar".* https://www.kemdikbud.go.id/main/blog/2019/12/mendikbud-tetapkan-empat-pokok-kebijakan-pendidikan-merdeka-belajar

[66] The World Bank. (2018). *Learning More, Growing Faster.* https://documents1.worldbank.org/curated/en/305361528210283009/pdf/Indonesia-economic-quarterly-learning-more-growing-faster.pdf

[67] In this instance between RQF levels 2-3 is used to represent that the questions reviewed were not deemed to clearly fall at either RQF level 2 (GCSE - grades 9, 8, 7, 6, 5, 4) or RQF level 3 (A-level)

[68] Pustekom Kemdikbud RI. (n.d.). *Daftar Mata Pelajaran.* https://banksoal.belajar.kemdikbud.go.id/Home/DaftarMataPelajaran?kelasID=134; AQA. (2015). *GCSE Mathematics.* https://filestore.aqa.org.uk/resources/mathematics/specifications/AQA-8300-SP-2015.PDF; AQA. (2017). A-Level Mathematics. https://filestore.aqa.org.uk/resources/mathematics/specifications/AQA-7357-SP-2017.PDF; Department for Education. (2013). *Mathematics: GCSE Subject Content and Assessment Objectives.* https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/254441/GCSE_mathematics_subject_content_and_assessment_objectives.pdf

XII but was discontinued after 2019.[69] The national examination had garnered a reputation for cheating and incurred criticism for its "material-heavy" nature, which neglected to adequately assess pupils' reasoning skills.[70]

As of 2021, external, school-based assessment is limited to a Minimum Competency Assessment (*Asesmen Kompetensi Minimum* - AKM) in literacy and numeracy. Specific to class IV, VIII and XI students, and designed to measure school rather than individual performance. This latest form of assessment performs a very different function to the UN.[71]

While some HEIs admit applicants primarily based on their secondary school achievement or independent examinations, access to state universities in particular is often subject to a selective process known as the *Seleksi Bersama Masuk Perguruan Tinggi Negeri* (SBMPTN). Since 2019, the SBMPTN has used the results of the Computer-Based Written Examination (*Ujian Tulis Berbasis Komputer* - UTBK) and / or other criteria determined jointly by the public universities.[72]

4.6.1.5. UK university entry requirements

In line with UK ENIC's evaluation of the school diploma, Ecctis research indicates that few UK HEIs accept the Ijazah SMA/MA for direct access to their Bachelor degree programmes. Rather, Indonesian applicants are typically required to have successfully completed a minimum of two years' undergraduate study in-country, or an international foundation programme (IFY), for admission to the first year of a UK degree.

4.6.2. Education analysis: Higher education

4.6.2.1. Higher education structure and curriculum

The Indonesian tertiary education landscape encompasses a diverse range of institutions, in both the public and private sectors.

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[69] Kementerian Pendidikan dan Kebudayaan. (2020). *Mendikbud Terbitkan SE tentang Pelaksanaan Pendidikan dalam Masa Darurat COVID-19.* https://www.kemdikbud.go.id/main/blog/2020/03/mendikbud-terbitkan-se-tentang-pelaksanaan-pendidikan-dalam-masa-darurat-covid19

[70] The World Bank. (2018). *Indonesia Economic Quarterly: Learning more, growing faster.* https://documents1.worldbank.org/curated/en/305361528210283009/pdf/Indonesia-economic-quarterly-learning-more-growing-faster.pdf

[71] The World Bank. (2020). *The Promise of Education in Indonesia.* https://documents1.worldbank.org/curated/en/658151605203420126/pdf/The-Promise-of-Education-in-Indonesia.pdf

[72] Atlantis Press. (2020). *Changes in the New Student Selection System as an Effort to Improve Prospective Student Achievements.* https://www.atlantis-press.com/article/125948694.pdf

Different types of tertiary education institution in Indonesia

Universities	• Academic and professional education to doctoral level. • May also offer *Diplomas III* and *IV.*
Institutes	• Academic and vocational education in one particular field. • More limited range of programmes.
Colleges	• Education in one field. • Slightly lower status. • Typically no doctoral programmes.
Polytechnics	• Vocational education in a wide range of technical fields. • Up to Master's level.
Academies	• Vocational training up to Diploma IV. • Usually in one vocational field.
Community academies	• Vocational training to meet local employment needs. • One- to two-year programmes leading to Diplomas I and II.

Structure of higher education in Indonesia
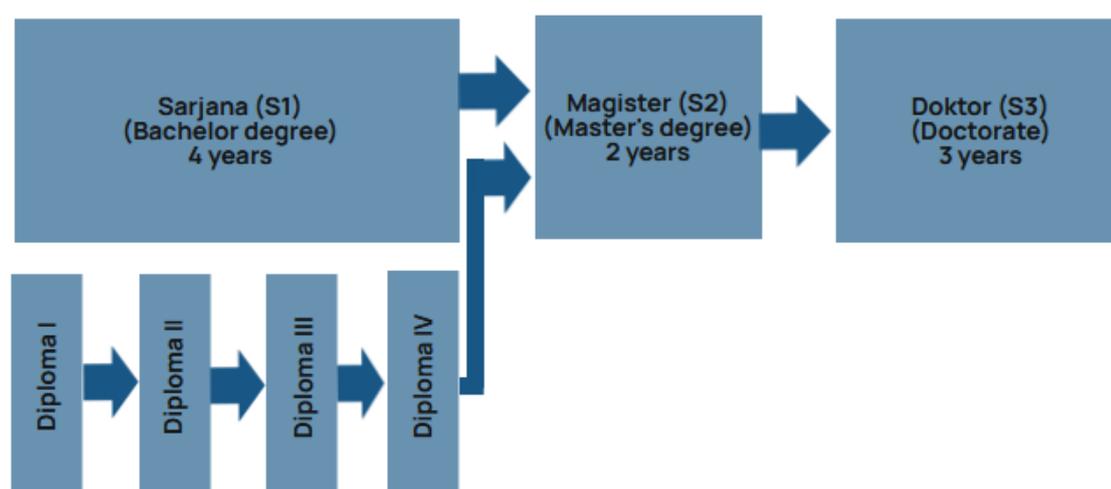
Sarjana (S1)

The undergraduate degree is known as the *Sarjana*, but commonly abbreviated to S1. A minimum of four years in duration, it is typically comprised of 30-40 credits of general courses, approximately 30 credits of foundational courses in the main field of study and between 70 and 80 credits of specialist courses. As such, not all modules are directly related to the main area of study. The broader nature of the *Sarjana* (S1) is, however, to an extent offset by its four-year duration.

Characteristics of the Sarjana (S1)

Award title	S*arjana (S1)*
UK ENIC Comparability	UK Bachelor (Honours) degree[73]
Award style	Academic in nature, encompassing a broader range of modules initially, and becoming increasingly specialised as the programme progresses
Duration	Minimum four years
Medium of instruction	Typically Bahasa Indonesia
Graduation requirements	Minimum 144 credits and completion of a thesis
Grading scale	0-4.0 GPA scale, with a pass mark of 2.0; letter grades may also be used
Key grade thresholds	Qualitative data suggests a grade threshold of 3.2 may be considered broadly comparable to a UK Upper Second-Class degree
Framework level	Benchmarked at level 6 of the Indonesian Qualification Framework
Onward progression	Grants access to postgraduate *Magister* degree programmes in-country

Diploma IV

The Diploma IV, also known as a *Sarjana Terapan,* is an applied Bachelor degree in a vocational field. Offered by a range of institutions including universities, it is benchmarked to the same level as the standard *Sarjana* (S1) on the Indonesian Qualification Framework (IQF) and grants access to Master's degree study in-country.

Characteristics of the Diploma IV (D4)

Award title	Diploma IV (D4)
UK ENIC Comparability	UK Bachelor (Honours) degree[74]
Award style	More vocational and applied in nature than the *Sarjana* (S1)
Duration	Minimum four years
Medium of instruction	Typically Bahasa Indonesia
Graduation requirements	Minimum 144 credits; a final research project; and a dissertation worth six credit points
Grading scale	0-4.0 GPA scale, with a pass mark of 2.0; letter grades may also be used
Key grade thresholds	Qualitative data suggests a grade threshold of 3.2 may be considered broadly comparable to a UK Upper Second-Class degree
Framework level	Benchmarked at level 6 of the Indonesian Qualification Framework
Onward progression	Grants access to postgraduate *Magister* degree programmes in-country

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[73] Holders of a *Sarjana* (S1) should be considered for access to a UK postgraduate degree on a case-by-case basis. Consideration should be given to the level of accreditation held by the awarding institution; it is recommended that institutions hold one of the top two tiers of accreditation (*Unggul* or *Baik Sekali*; previously A or B).

[74] The *Diploma IV* is more applied in nature and may thus serve as insufficient preparation for more academically rigorous UK postgraduate programmes.

4.6.2.2. Quality of higher education

Quality of learning and instruction

The Indonesian government has made positive strides in relation to HE quality assurance, including the formation of four independent accreditation agencies to support the work of the National Accreditation Board for Higher Education (*Badan Akreditasi Nasional Perguruan Tinggi* - BAN-PT), and the introduction of 24 National Standards of Higher Education (SN *DIKTI*).[75]

However, the overall quality of Indonesian HE was described as "low" by the World Bank in a 2019 report, with graduate attainment levels reportedly falling short of international standards. Recent data indicated that only 16 percent of lecturers hold a PhD, while instruction methods and curricula have not kept pace with wider international standards.[76]

Questions have also been raised regarding domestic quality assurance as a number of institutions remain unaccredited.[77]

Indonesia has a relatively high degree of academic freedom, as indicated by its category B status in the 2021 Academic Freedom Index (AFI), the second-highest category.[78]

Learning outcomes

Generic and subject-specific learning outcomes associated with Indonesian degree programmes appear to compare favourably with those of their UK counterparts. Both refer to a capacity for skills such as critical thinking, analysis, research skills, independent learning, data handling, and communication. A high-level mapping of subject content has, too, found similarities.[79]

However, employers in-country have noted that graduates, and particularly those of *Diploma* programmes, do not typically demonstrate the requisite communication, creativity, critical thinking, and problem-solving skills.[80] Degree courses are considered to be too theoretical, offering students insufficient work placement opportunities that would help ensure a smoother transition to the labour market.[81]

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[75] The World Bank. (2020). *The Promise of Education in Indonesia.* https://documents1.worldbank.org/curated/en/658151605203420126/pdf/The-Promise-of-Education-in-Indonesia.pdf

[76] Ibid.

[77] Ibid.

[78] Global Public Policy Institute. (2021). *Free Universities: Putting the Academic Freedom Index into Action.* https://gppi.net/media/KinzelbachEtAl_2021_Free_Universities_AFi-2020.pdf

[79] Kementerian Pendidikan dan Kebudayaan. (2019). *ASEAN Qualifications Reference Framework Referencing Report of Indonesia.* http://kkni.kemdikbud.go.id/asset/pdf/INDONESIA_Referencing_Report_VER_05_B_-_DES_2019.pdf; QAA. (2014). *UK Quality Code for Higher Education: Part A: Setting and Maintaining Academic Standards.* https://www.qaa.ac.uk/docs/qaa/quality-code/qualifications-frameworks.pdf; QAA. (2019). *Subject Benchmark Statement: Accounting.* https://www.qaa.ac.uk/docs/qaa/subject-benchmark-statements/subject-benchmark-statement-accounting.pdf?sfvrsn=da39c881_7; QAA. (2019). *Subject Benchmark: Statement Languages, Cultures and Societies.* https://www.qaa.ac.uk/docs/qaa/subject-benchmark-statements/subject-benchmark-statement-languages-cultures-and-societies.pdf?sfvrsn=4ce2cb81_4

[80] The World Bank. (2020). *The Promise of Education in Indonesia.* https://documents1.worldbank.org/curated/en/658151605203420126/pdf/The-Promise-of-Education-in-Indonesia.pdf

[81] Ibid.

4.6.2.3. International context

Only one Indonesian HEI is ranked in the top 1,000 of The *Times Higher Education* World University Rankings 2022: the University of Indonesia, which is ranked in the 801-1,000 band. Two institutions – Bandung Institute of Technology (ITB) and Universitas Pendidikan Indonesia – place between 1,000 and 1,200. A further 11 institutions appear in the top 1,600.[82]

4.6.3. Education analysis: English language

4.6.3.1. English proficiency

Large-scale macro indicators, such as the EF Index and IELTS scores, suggest that English language proficiency is comparatively low for Indonesia.

In the 2021 EF Index, Indonesia appeared in 80th place with a 'low' proficiency level.[83] For comparison, within the ASEAN region, this puts Indonesia in the same bracket as Vietnam and above countries such as Myanmar, Cambodia, and Thailand.

General IELTS scores place Indonesian language proficiency lower than some other ASEAN countries. However, Academic IELTS scores are much more promising.[84]

IELTS scores in selected ASEAN countries
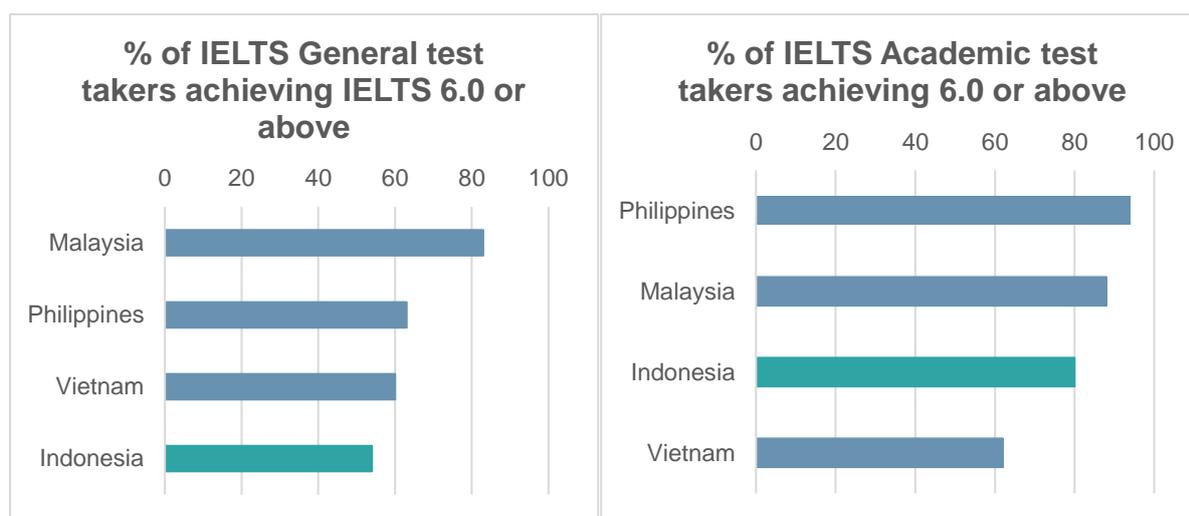
At all levels in the Indonesian education system, there are concerns about the quality of English language learning and teaching.[85] One suggested cause for this is that English is only mandatory at lower and upper secondary school levels,[86] with lower uptake at elementary schools compared to some other countries in the ASEAN region.

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[82] Times Higher Education. (2022). *World University Rankings.* https://www.timeshighereducation.com/world-university-rankings/2022/world-ranking#!/page/0/length/25/sort_by/rank/sort_order/asc/cols/stats
[83] EF. (2021). *EF English Proficiency Index.* https://www.ef.com/wwen/epi/
[84]Ibid.
[85] Kohler, M. (2019). *Language education policy in Indonesia: A struggle for unity in diversity.* In A. Kirkpatrick & A. J. Liddicoat (Eds.), The Routledge Handbook of Language Education Policy in Asia. Routledge.
[86] Westphal, J., Chervenkova, V., Harris, S. (2021). *International Student Recruitment: Why aren't we second? Part 2*. Universities UK International. https://www.universitiesuk.ac.uk/sites/default/files/field/downloads/2021-09/WAWS_2_Final.pdf

At the tertiary level, studies[87] have highlighted low levels of proficiency of students in domestic institutions. Around 64% of lecturers from 41 institutions responding to a British Council survey highlighted this issue.[88]

In addition to these findings about students, concerns have also been raised about the weak English language skills of lecturers.

One further issue affecting language proficiency at the tertiary level is the lack of institutional policy in terms of English medium of instruction (EMI), which needs to be strengthened.[89] Few Indonesian institutions offering EMI programmes were able to state English language entry requirements of students beginning courses and only two were able to give specific scores.[90]

There is an urban/rural divide in English proficiency in Indonesia, with higher levels of proficiency in urban areas, and lower levels in rural areas,[91] which is a trend in many emerging economies. Accessibility to English language resources and related study and professional opportunities may be limited to certain groups in society, especially urban, middle-class individuals. For this reason, some have cautioned that there is a danger of access to English entrenching and deepening societal inequalities.[92]

4.6.3.2. Language experiences of TNE operators in the ASEAN region

In the Vietnamese context, studies[93] have identified some of the challenges associated with a switch to EMI. These challenges are at the governmental, institutional and classroom level, and include low or unsuitable English language requirements for admission, low language proficiency of students and staff, and teachers' unfamiliarity with the pedagogy of teaching through EMI.

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[87] Dewi, A. (2017). *English as a Medium of Instruction in Indonesian Higher Education: A Study of Lecturers' Perceptions BT* - English Medium Instruction in Higher Education in Asia-Pacific: From Policy to Pedagogy (B. Fenton-Smith, P. Humphreys, & I. Walkinshaw (Eds.); pp. 241–258). Springer International Publishing. https://doi.org/10.1007/978-3-319-51976-0_13; Wahyuningsih, S., & Afandi, M. (2020). *Investigating English Speaking Problems: Implications for Speaking Curriculum Development in Indonesia*. European Journal of Educational Research, 9(3).

[88] British Council. (2021). *The state of English as Medium of (EMI) in Higher Education Institutions in Indonesia*. https://www.britishcouncil.id/sites/default/files/the_state_of_english_as_medium_of_instruction_in_heis_in_indonesia_full_report_final.pdf

[89] Ibid

[90] Ibid.

[91] Manara, C. (2014). *"That's what worries me": Tensions in English Language Education in today's Indonesia*. International Journal of Innovation in English Language Teaching, 3(1).; Zentz, L. R. (2015). *The porous borders of language and nation*. Language Problems and Language Planning, 39(1), 50–69. https://doi.org/10.1075/lplp.39.1.03zen

[92] British Council. (2021). *The state of English as Medium of (EMI) in Higher Education Institutions in Indonesia*. https://www.britishcouncil.id/sites/default/files/the_state_of_english_as_medium_of_instruction_in_heis_in_indonesia_full_report_final.pdf

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Useful lessons may also be drawn from Indonesian domestic institutions offering programmes delivered through EMI. In a 2021 British Council report,[94] Indonesian HEIs identified challenges stemming from lower student and teacher proficiency, which lead to compensatory strategies such as code-switching. In order to support students, many institutions provide English for Academic Purposes (EAP) programmes to help students to develop academic language skills.

Monash University in Indonesia offers a bridging programme to support students whose language level may not be sufficient to begin a course of study.[95] This 14-week, part-time bridging course develops students' English proficiency and includes subject-specific language required for their destination courses, as well as helping them 'adjust to an Australian-university educational culture'.

4.6.3.3. Perceptions of English in Indonesia

At the institutional level, the growth in EMI programmes was kickstarted by indications of enthusiasm at ministerial level. The Ministry of Research, Technology and Higher Education announced that it was preparing a bilingual curriculum to use Bahasa Indonesia and English in universities nationwide. Though no specific bilingual curriculum emerged, many institutions took this as an encouragement to develop their own EMI programmes.[96]

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[94] British Council. (2021). *The state of English as Medium of (EMI) in Higher Education Institutions in Indonesia*. https://www.britishcouncil.id/sites/default/files/the_state_of_english_as_medium_of_instruction_in_heis_in_indonesia_full_report_final.pdf

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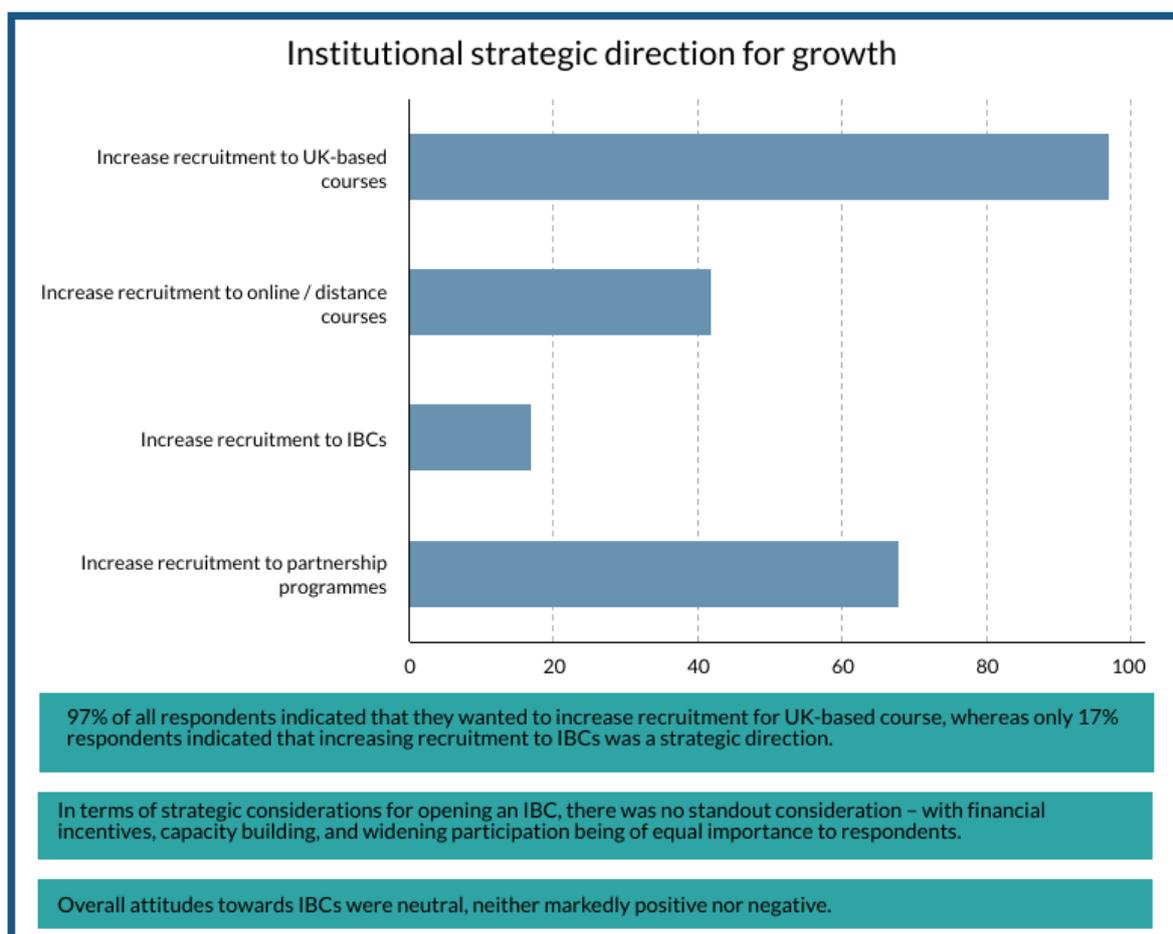
4.7. UK TNE Focus

4.7.1. UK HEI appetite

UK HEIs were identified as a major stakeholder in the feasibility of establishing a UK international branch campus in Indonesia. Ecctis took a two-pronged approach to engaging with UK HEIs. A survey was used to establish general attitudes towards TNE strategy and Indonesia as a destination. In addition to the survey, Ecctis invited ten senior leaders from UK HEIs to comment in further detail on the viability of establishing an international branch campus in Indonesia.

4.7.1.1. UK HEI Survey Results:

Respondent Role

- International admissions managers / directors (39.42%)
- International partnerships managers / directors (12.5%)
- International admissions officers (19.23%)
- Other (28.85%)

Respondents to the Ecctis survey consisted of a broad cross-section of UK HEI staff, and represented 27 UK HEIs.

Institutional Engagement in TNE

- Engaged in TNE activities (68%)
- Not engaged in TNE activities (32%)

68% of respondents stated that their institution is actively engaged in TNE activities.

Institutional strategic direction for growth

97% of all respondents indicated that they wanted to increase recruitment for UK-based course, whereas only 17% respondents indicated that increasing recruitment to IBCs was a strategic direction.

In terms of strategic considerations for opening an IBC, there was no standout consideration – with financial incentives, capacity building, and widening participation being of equal importance to respondents.

Overall attitudes towards IBCs were neutral, neither markedly positive nor negative.

Overarching perceptions of Indonesia as a destination

Legend: Very Positive, Positive, Neutral, Negative, Very Negative

Respondents felt most positively about Indonesia's potential for long-term growth, economic and political stability. They were mainly neutral towards its approach to academic freedom, intellectual security, and corruption.

Perceptions of Indonesia HE landscape compared to other ASEAN countries

Legend: Favourable, Unfavourable

In a question asking respondents to compare factors of the Indonesian market to other ASEAN countries, Indonesia was viewed favourably. The most positive areas of comparison were: academic outcomes for undergraduate students, HE market saturation and student demographics. The weakest areas were financial incentives, infrastructure, and the suitability of local teaching candidates.

4.7.1.2. UK HEI interviews

Interviews were carried out with ten senior leaders from UK HEIs at pro-vice-chancellor (international) level or equivalent. All participants from a representative range of Russell Group, Alliance Group and Million Plus institutions, and two unaligned universities, all with a longstanding track record of extensive TNE provision. The 60-minute interviews were semi-structured, and the transcripts were analysed for key themes.

All the participants recognised that Indonesia is a country with huge potential for TNE. With two exceptions, none of the participants interviewed had considered TNE in Indonesia. There were a number of reasons given for not considering the market, which are analysed in more detail below. Generally, however, there was a view that while Indonesia has great potential for TNE, it is considered something of an unknown market. Most of the main markets for UK TNE outside Europe, with the notable exception of China, are former UK colonies with educational systems and traditions that remain aligned with that in the UK (e.g., Hong Kong SAR, Singapore, Malaysia, United Arab Emirates, Oman, Egypt, Ghana, South Africa).

The reasons the participants gave for not considering Indonesia can be broadly clustered into four categories: those to do with the home university, the UK government, the Indonesia government/bureaucracy, and joint venture partners. These overlap to a certain extent. For example, a perception by staff that there is widespread social and legislative discrimination in Indonesia on grounds of religion, gender and sexual orientation may fuel resistance to TNE by university stakeholders.

4.7.1.2.1. Home university
Participant I opened by asserting that:

> *"The main barrier to all of these [TNE] developments is at home. It's being clear at home about what your objective really is. Because if you're clear about what your objective is, then you can do the necessary work to understand whether your objective is feasible, realistic in what sort of timescale, and what level of commitment and investment is needed to achieve that. I think the problem with things like campus developments or some [other] areas of TNE is a lack of internal honesty about what the objectives are and that's what causes the problem three or five years down the road, because you might have achieved those objectives, but you haven't achieved the real objective that you didn't want to articulate honestly"*. – Participant I

Another obstacle is risk aversion on the part of the either the executive or the university council. Participant H explained that, despite having over 14,000 TNE enrolments,

> *"We don't have any campuses overseas and indeed that is an agreement within our strategy with our [council] that we will not have campuses overseas. We do not have any flying faculty and indeed that's also within our strategy, although to be honest that slot was largely born by experience"*. – Participant H

Participant E described a similar risk aversion on the part of the executive, although, paradoxically, this aversion had increased the more successful the university's TNE activities had become.

> *"I think there's a new concern about having more TNE students than home students. Now we've got over 10,500 TNE students and I think that brings a sense of nervousness. In the past, it's always been quite a fundamental part of the strategy to increase numbers. I'm not quite sure where this will sit going forward".* – Participant E

Participant D argued that the UK-centric focus of academic staff at the home campus opposed the development of programmes that are suited to TNE participants:

> *"I think that politically, institutionally, we've probably still got a little bit of work to go in terms of fully embracing internationalisation and not first and foremost thinking about the UK market when we're looking at programme development".* – Participant D

A number of participants argued that they engaged in TNE for wider motives, primarily internationalisation of the university and social justice in terms of increasing access to HE. As participant B noted, TNE "means that we offer a strata of society the opportunity to get higher education that they would otherwise not get".

> *"We have a very strict approach that it [TNE] should contribute in some way to individual institutional or national advancement. It also must reflect a local need and enhance rather than compete with local provision".* – Participant B

> *"Our mission as a university for the common good is absolutely embedded in everything that we do and it is fair to say that we have turned down a number of quite lucrative financial offers of TNE because it doesn't fit our common good mission. I would say [the reasons] largely relate to human rights issues, involvement in arms trades; these are the kinds of things that we have turned down in the past. And as I say, some of them quite lucrative".* – Participant C

Other participants felt that the primary purpose of TNE was to raise their global visibility and that, given the generally low ranking of Indonesian universities, TNE partnerships would not serve their purpose.

> *"When I started in the sector, hardly anybody would talk about brand and now you can't go a day where somebody's not talking about the brand of the university. We are a global player. In the QS league tables […]we don't want to be outside the top 200, we want to be easily within the top 200".* - Participant A

Even the most international of Indonesia's universities – Universitas Indonesia, Bandung Institute of Technology, Airlangga University and Bogor Agricultural University are all well

outside of international university ranking systems. So, TNE partnerships with them do not serve the purpose of advancing the UK university ranking systems.

Another obstacle is resistance from staff, which can manifest itself either in participatory forums like senate or academic boards voting down proposals for TNE, or in passive resistance and a reluctance to engage with teaching overseas or engaging with TNE partners. Multiple reasons for this were cited, including a general perception that resources should be invested in teaching and research on the home campus, not used on foreign ventures, and an unwillingness on the part of research-active staff and those with young families to engage in international travel to support TNE. In general, participants felt staff engagement in TNE was limited to young staff at the beginning of their careers and those approaching retirement.

4.7.1.2.2. UK government

Participant I recalled that Indonesia has been a priority country for the British Council shortly after the turn of the century. 'You recall that the UK Government identified Indonesia as a key country of interest relatively soon after 9/11, when it was trying to develop its friends in predominantly Muslim countries', he noted. 'But it was on-off too much. We didn't visit the same places often enough.' Generally, participants felt that the UK Government had not committed to developing TNE in Indonesia with the same focus and follow-through as their Australian counterparts, who have aligned trade policy and financial resources to support their universities' TNE in-country.

> *"How come Australia can have so much [TNE] activity in this large country and the UK doesn't? It doesn't make sense. And I know that geography is always the reason that's given. How long does it take to fly from Jakarta to Melbourne, 10 hours? It's still a long way away. So, I don't think it's just about geography. It's about the level of [government] commitment".* – Participant I

There was a general view that UUK International (UUKi) had been promoting TNE very effectively, but that, in-country, the British Council could do much more to promote TNE partnerships if it was better funded.

4.7.1.2.3. Indonesian government

Some participants noted that a number of senior Indonesian ministers and officials are alumni of Russell Group universities, especially in disciplines like agriculture and engineering, and are well-disposed to the UK HE sector generally. However, there was a consensus that both the Indonesian bureaucracy and the regulatory environment make it difficult to do business in the country at the present time. As participant G noted "you've got the overseas obstacles, around [the] regulatory framework in a given country. I think that of all the countries that we've found the most challenging, I'd say it's Indonesia". Significantly, Participant G manages TNE partnerships in more than 20 countries around the world.

4.7.1.2.4. Indonesian government bureaucracy

Participants cited a range of difficulties related to negotiating with the Indonesian government, including understanding the complex, bureaucratic organisational structure, the difficulty of gaining access to key decision-makers and the compounding effect of rapid turnover of both ministers and senior civil servants.

> *"I found very it difficult understanding the landscape in terms of institutions, regulation and decision making. There are so many ranks of Minister…[and] they all seem to carry similar titles when they are translated to English. And there seems to be a very high degree of turnover, both of the political appointments and civil service appointments as well. So, I think that dealing with the state sector is very, very complicated".* – Participant I

Some participants claimed that host governments are often unclear about what they want from TNE. Participant A argued that

> *"The government's obsessed with export education. And you know international branch campuses. They know very little about them. They have been poorly briefed, and they're only ever briefed by individual players and not by UK universities as a group. I believe that kind of collective action will be a lot better for host governments if we do that rather than act in the self-interest of individual universities".* – Participant A

4.7.1.2.5. Indonesian regulatory regime

Regulations set by DIKTI and its affiliates, notably BAN-PT, are perceived as a potential hurdle to IBC profitability were they fully enforced on IBCs. BAN-PT's quality measures are all input-driven and include permissible minimum institutional per-student norms for the numbers of lecturers, library books, square metres of study and classroom space. As one participant explained, taken at face value these requirements 'will wreck the business model' and ignore the opportunities afforded by digital technology to remotely access books, journals, teaching materials and video-recorded classes from the home campus online.

Participants also noted that immigration rules for working in Indonesia make it difficult to recruit international staff or second staff from the home campus, while potentially institutionalised discrimination against LGBTQI+ staff in-country may cause the UK universities difficulty, given their stance as equal opportunity employers. Participant F concluded "I don't think there's a simple fix to this because these are deeply embedded cultural norms that, frankly, even in this country [the UK] or the West exist against, you know, being gay".

Some participants cited two interrelated concerns. Firstly, that regulations are subject to abrupt change and, secondly, that regulations can be inconsistently applied, meaning that they can be waived when the foreign partner is in vogue and arbitrarily reimposed if it falls out of favour. Participant H dismissed the UK's official university missions to Indonesia as the 'triumph of hope over expectation', claiming that universities 'quickly ran into the buffers that was their regulatory environment. That [obstacle] came partly from their inherent bureaucracy and partly from their use of bureaucracy to defend their interests'.

4.7.1.2.6. Recognition of TNE awards

All the participants recognised challenges in offering UK qualifications in foreign jurisdictions where they either may not be recognised by national agencies, local professional bodies and employers. As Participant E noted, 'be very, very careful that the qualification that you're offering is viewed the same in country'. One issue is that professional bodies are sometimes reluctant to recognise TNE qualifications where these appear to compete with those from local

providers. This preference is difficult to negotiate as it involves government-to-government level discussion.

Some participants cited a suspicion on the part of many stakeholders in Indonesia that TNE is a form of neo-colonialism. Participant I claimed that 'the TNE well [in Indonesia] is poisoned by their perception of [TNE as an] exploitative neo-colonial activity'.

> *"Social and economic nationalism pervades everything in Indonesia"* – Participant I

Participant D noted that sometimes professional bodies at home could also inhibit TNE. They explained that ' [an accreditation body] were far, far more picky over what one should and shouldn't engage in. And they talked a lot about partnerships of equals. The problem that you've got is that partners of equals […] don't want to do things like franchise'.

4.7.1.2.7. Joint venture partners

Some of the participants who had tried to set up scalable TNE partnerships in Indonesia found that their university partners lacked the organisational experience and infrastructure to operate effectively. Participant G explained that 'the [Indonesian] organisations themselves are amateur in their understanding and do not have a set up to support TNE. We have actually set up a partnership with [a university] in Indonesia, but they don't have an infrastructure to support TNE. The programme has been a niche programme, it couldn't be scaled'. Speaking of the same TNE venture, Participant J noted that 'I won't say [it] collapsed because the link with the university still struggles forward with ten students a year. We're still recruiting large numbers of Indonesian students [to study in the UK], but the TNE where we were absolutely front and centre …we're no longer in that position'.

5. Key Findings

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Overview of TNE Activities in the ASEAN region

Indonesia's TNE development follows a similar pattern to that of other countries in the ASEAN region

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- ASEAN is an employability-based market, therefore programmes with a high market premium, such as STEM subjects, offer the most promising opportunities for TNE providers.
- Dual awards are popular among students in Malaysia due to the perceived opportunities for enhanced employability associated with holding both a UK and a Malaysian degree.
- Indonesia is not unique in incentivising International Branch Campuses (IBCs), other countries in the region provide support and incentives for TNE. IBCs in Thailand and Vietnam can access support in the form of tax reductions or exemptions, land acquisition and assistance with visas.

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Indonesia: Regulatory Environment

The regulations surrounding IBCs may appear strict but there appears to be room for consultation with the government

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- DIKTI (Directorate General of Higher Education - Indonesia) approval is subject to an institution being globally ranked top 100 either at institutional or subject-level.
- DIKTI has cited that there is no immediate requirement to recruit 20% of students internationally thus reducing the burden on IBCs to recruit international students into a country with typically low inward student mobility.
- IBCs are required to gain approval from DIKTI and accreditation at subject level from either BAN-PT, LAM, or an alternative subject accrediting body.
- BAN-PT accreditation of IBCs is based on a validation model whereby standards at an IBC must meet those of the home campus.
- Academic regulations do not differentiate between IBCs inside and outside of SEZs.
- IBCs are required to register in Indonesia on a not-for-profit basis (as a *yayasan*).
- Corporate income tax holidays are offered for establishing in Special Economic Zones (SEZs).

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Indonesia: Appetite for TNE and Partnerships

The Indonesian HEI environment does not pro-actively foster partnerships both internationally and domestically

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- An IBC would be expected to collaborate with Indonesian HEIs but there is no mandated partnership format. An IBC can establish as a sole entity or in partnership with an Indonesian HEI.
- DIKTI sees partnerships with top Indonesian HEIs as ideal, and IBCs may want to locate close to partner institutions to take advantage of economies of agglomeration.

However, as most top Indonesian HEIs are located in major urban areas on the island of Java, there is potential for this to undermine the government push for IBCs to locate in SEZs, as most SEZs are located outside of Java and not in major urban areas.

- Indonesian HEIs interviewed were keen to explore partnership opportunities, especially on their international programmes, although cited that they are not typically pro-active in establishing partnerships both internationally and domestically.

- Due to links with private developers and fewer capital restrictions, Indonesian private universities may be in a better position to assist with the establishment of an IBC compared to public universities.

- Indonesian HEIs wanted to see mutual benefit in partnerships so understanding a potential partners' development goals and strategy will be valuable.

- There are sensitivities to the IBC approach on the part of Indonesian HEIs which may be linked to nationalistic sentiment and a perception that financial factors were the main driver for an IBC. It therefore appears that the government's push for IBCs to develop in SEZs is a means to allay fears of competition and encroachment on the part of Indonesian HEIs.

- The role of location is critical. Being located outside a major population centre does entail risk, as for instance found in Malaysia, where the high cost of living in EduCity appears to have made it difficult to draw students from the nearby city of Johor Bahru.

- There is concern from UK senior bodies that the approach to Indonesia as a market seems to have been informed by figures around population and economy, however, may not take on-board the fact that Indonesia is a particularly nuanced market and therefore the figures may not result in a market comparable to that of other economies.

Indonesia: Operational Considerations
Potential issues around staffing and SEZ experience in the market

- Indonesian labour law specifies a requirement to employ majority Indonesian staff.
- Visas for international staff appeared to be issued for between three and five years and were finite in number.
- UK TNE providers cited logistical issues with flying faculty to Indonesia and a lack of will on the part of established UK faculty to permanently relocate.
- Alumni from the Indonesian diaspora were cited as a potential source of staffing for IBCs.
- Surveyed UK HEIs indicated that Indonesia does not compare favourably to other ASEAN countries in the availability of local teaching candidates.
- DIT, in partnership with DFE, FCDO, the British Council, and Indonesia's ministry of education (MOERCT), are drafting the education MOU renewal, which will include closer cooperation, and the sharing of expertise, in HE, including in TNE and partnerships.
- SEZs interviewed were keen on developing feeder networks from secondary education into industry and saw UG provision as a logical next step.
- The development of SEZs with a focus on education appeared to be in their infancy with little pre-existing capacity to host an IBC.

Indonesia: Prospective Students
High prestige attached to UK degrees and a preference to study in the UK

- There is a high level of prestige attached to UK degrees in Indonesia.
- Mobility data and interviews with Indonesian HEIs signalled that there are strong cultural ties to the family unit and a preference for students to remain close to home. Data from the student survey conversely showed a strong preference for studying at a UK campus as opposed to a UK HEI campus in Indonesia.
- There is predicted strong growth in the number of Indonesian students entering tertiary education and systemic shortage of places available in prestigious universities. However, despite strong indications of a demographic dividend in the future, one key UK policy maker highlighted that Indonesia is a niche market and there will not be 'another China'.
- Postgraduate (PG) provision at an IBC was seen as more favourable than Undergraduate (UG) provision by both Indonesian and UK stakeholders due overall due to financial commitment, less perceived competition with Indonesian HEIs, and fewer regulatory requirements (such as the teaching of compulsory subjects).
- There are high costs associated with undergraduate education in Indonesia, with fees for international programmes at prestigious universities approaching typical UK university tuition fees.
- There is, however, a strong domestic and international scholarship and bursary system which is predicated on academic ability and is not means tested. This is seen to re-enforce socio-economic inequalities, as those with access to the best secondary education are more likely to receive a scholarship. It was also reported by UK universities that a high percentage of Indonesian students studying at UK campuses are scholarship recipients.
- The Indonesian government has confirmed that programmes taught at IBCs in Indonesia are eligible for government scholarships.
- Subject preferences emanating from survey data showed strong preferences for Economics, Business, and Social, Art, and Humanities subjects. This partially aligns with the Indonesian government's priority subject areas which focus on business, management, and STEM.
- University quality, cost, and future employment opportunities were highlighted as the most important factors in making decisions around education by students and matched their perceptions of their parents' priorities.
- There are currently recognition issues for UK Bachelor degrees in Indonesia (see Section 4.2.2.3). These issues may affect those looking to work in the public sector but were deemed unlikely to affect those looking to work in the private sector.

Alignment of the UK and Indonesian Education Systems

Indonesian upper-secondary graduates may not satisfy requirement for direct entry to UK undergraduate programmes

- The Ijazah SMA/MA (Indonesian upper-secondary completion award) is not seen to satisfy requirements of UK universities for direct entry unto undergraduate courses.
- SMA students only take internal assessments and, as of 2020, schools were granted autonomy to establish and administer their own assessments. At the time of analysis, it was unclear how oversight of internal assessment was maintained therefore leading to the potential for variation in assessment outcomes.
- The use of external assessment at upper-secondary level is limited to a Minimum Competency Assessment in literacy and numeracy.
- English proficiency amongst Indonesians is comparatively low for the ASEAN region.
- During interviews with Indonesian HEIs, English proficiency was cited as a significant barrier for greater uptake in overseas education; particularly for those wishing to receive post-graduate-level scholarships, due to English language requirements in place.

UK TNE Focus

An important market with multi-faceted layers of difficulty for entry

- Surveyed UK HEIs indicated that increasing the number of students in IBCs was their lowest strategic priority. Recruitment to UK campuses was the highest. However, were an IBC to be pursued, there was a preference indicated for a multiple-faculty campus. A single-faculty campus was deemed to lack dynamism and not offer students a comparable experience to studying at the home campus.
- Interviewed UK HEIs highlighted the recent importance of building brand and reputation. They highlighted that the international university ranking of potential Indonesian partners detracted from the attractiveness of the Indonesian market.
- Financial factors were not deemed a priority and were identified as a very long-term consideration.
- Engagement with UK HEIs demonstrates that Indonesia has been strongly considered as a destination but likely ruled out as a key target market.
- Indonesia was deemed to be a regulatorily complex and highly bureaucratic market. Concerns around regulatory stability, corruption, and discrimination were raised.
- UK HEIs who have tried to engage in the Indonesian market cited problems in contacting key Indonesian government bodies.
- UK HEIs felt confident in their knowledge of Indonesian subject and cultural preferences, recruitment pathways, and student readiness for higher education.
- UK HEIs felt less confident in their knowledge of Indonesian quality assurance, the regulation of IBCs, and the regulation of Special Economic Zones (SEZs).
- UK HEIs highlighted the importance of tailoring TNE to contribute towards individual institutional development or national advancement (the common good).

COVID-19
Increasing acceptance of online/distance learning but face-to-face instruction still highly valued

- COVID-19 was not commonly referred to as a driver for a specific form of institutional direction or strategy.
- One interviewed UK HEI cited COVID-19 as a driver to further invest in TNE and an IBC.
- COVID-19 was seen as a driving factor for a change in Indonesian regulation of distance/online learning.
- ICT infrastructure, penetration, use and literacy has grown and developed across Southeast Asia, on-campus and face-to-face provision is still highly valued. Online delivery is also unlikely to be accepted at the same price tag.
- TNE hubs have been shown to adapt their offer around COVID-19 restrictions. EduCity Iskandar moved to offer itself as an intermediate destination for students to study securely whilst waiting to move to campuses abroad.
- The impact of COVID-19 on education and the economy in Indonesia may have been the catalyst for establishing new modes of education provision, including the *Merdeka Belajar Kampus Merdeka* (MBKM) initiative (2020) and the establishment of the Indonesia Cyber Education Institute in 2021.

6. SWOT Analysis

Strengths	Weaknesses
Indonesian HEIs are keen to explore collaboration opportunities. Private Indonesian universities may have good potential to assist with establishing an IBC. PG degree provision by IBCs could be seen particularly favourably in Indonesia. SEZs consider improved UG provision resulting from IBCs as a strong positive. There is predicted strong growth in the number of students entering tertiary education in Indonesia and systemic shortage of places available in prestigious universities. Subject preferences emanating from survey data showed partial alignment with the Indonesian government's priority subject areas.	Comparatively poor availability of local teaching candidates. Visas for international staff may be limited in number and strict in duration. There are high costs associated with undergraduate education in Indonesia. Indonesia HEIs appear to have limited experience in forming partnerships There are currently recognition issues for UK Bachelor degrees in Indonesia. These issues may affect those looking to work in the public sector. English proficiency amongst Indonesians is comparatively low for the ASEAN region.
Opportunities	**Threats**
Indonesian diaspora may be an effective pool of potential staff for an IBC. There is a high level of prestige attached to UK degrees in Indonesia. There are strong cultural ties to the family unit and a preference for students to remain close to home – suggesting an IBC may be more desirable for many compared to studying abroad. UK HEIs felt confident in their knowledge of Indonesian subject and cultural preferences, recruitment pathways, and student readiness for higher education. UK HEIs highlighted the desire to tailor TNE towards mutually beneficial advancement (the common good). TNE hubs have shown themselves to be adaptable in the face of Covid-19. There is potential for increased interest and trust in distance learning, stemming from Covid-19-enforced adjustments to learning patterns.	The regulatory environment can be complex to navigate. UK staff may be unwilling to relocate. Some data indicates a strong preference for studying at a UK campus as opposed to a UK HEI campus in Indonesia. The Ijazah SMA/MA is not seen to satisfy requirements of UK universities for direct entry onto undergraduate courses. UK HEIs indicated that increasing the number of students in IBCs was their lowest strategic priority. Recruitment to UK campuses was the highest. Low global ranking of potential Indonesian HEI partners detracted from the attractiveness of the Indonesian market. UK HEIs perceived some problems with engagement in the Indonesian HE market, including complex regulatory environment, perceptions of instability, challenges in navigating the government bodies to get an approval. UK HEIs felt unconfident in their knowledge of Indonesian quality assurance, the regulation of IBCs, and the regulation of Special Economic Zones (SEZs).

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