

Environment for Transnational Education  
Partnerships and UK Qualifications:  
Challenges and Opportunities

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# Indonesia and the UK

Findings and recommendations  
from primary research

Part of Going Global Partnerships



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# 1. Introduction

This report considers the opportunities for higher education collaboration between institutions in Indonesia and the UK to develop and extend joint international partnerships in education. These include the provision of programmes from undergraduate to doctoral level. This research aims to identify areas that have the potential to strengthen the two countries' higher education engagement.

The report aims to provide a better understanding of the environment for transnational education partnerships. A review of the legislative, regulatory and policy frameworks for international higher education was undertaken. Interviews were then conducted with higher education stakeholders in both countries. These included government representatives, sector agencies, higher education leaders, partnership managers and academic course leads. The report contains their views relating to the opportunities and the main challenges and how these might be addressed. Their contributions in the interview discussions inform the recommendations.

Data in this report is drawn from three sources:

1. Desk research of the regulatory and policy context of higher education in Indonesia.
2. Semi-structured interviews were conducted between April and June 2022 with nine expert stakeholders from eight UK and Indonesian institutions. Forty-five per cent of the interviewees were women.
3. An online survey collected broad views on the environment for transnational education partnerships with Indonesia. However, there were limited responses from Indonesia.
4. The UK Higher Education Statistics Agency (HESA) Aggregate Offshore Record (2022) was analysed to provide a background on the current position on transnational education provision for the academic year 2020-21.

## 2. The current position

Indonesia is a very large country with a massive university population. After decades of rapid expansion, the Indonesian higher education system now comprises over 4600 institutions that together enrol some 10 million students (Chan, 2019). However, there is very little international engagement in higher education. The most recent UNESCO data shows that the 53,604 students undertaking degrees abroad represent just 0.6% of the domestic university population, compared with 2.3% for China, 4.8% for Malaysia, and 6.4% for Vietnam. The UK, with 3,087 students is the fifth largest study destination, after Australia, Malaysia, the United States and Japan. Similarly, there are very few international students in Indonesia, representing just 0.1% of the total student population (UNESCO, 2022).

While low rates of international student mobility are understandable given the country's focus on growing participation rates, Indonesia also has very low levels of TNE, which is surprising since foreign providers could play a role in growing the supply of higher education as has been the case in neighbouring Singapore and Malaysia. This is due largely to a highly restrictive regulatory framework, which has prioritised protecting Indonesian universities from foreign competitors (Rosser, 2015). Other impediments to international generally are a low per-capita income and a low level of English proficiency.

In the most recent data, for the 2020-21 academic year, there were 924 Indonesian students enrolled in TNE programs, around a third of the number of Indonesian students studying in universities in the UK. Data for most other provider countries are not available, but Australia is likely the largest provider country for TNE as it is for mobile students. Australia enrolled 1,587 TNE students in Indonesia in 2019 prior to the impacts of COVID-19. TNE student numbers are just 15 per cent of the 10,606 Indonesian students who were enrolled onshore in universities in Australia that year (DESE, 2021; DESE, 2022). In comparison, in much more open Singapore and Malaysia, Australia enrolls far more students offshore than onshore in Australia.

The country's first international branch campus was established by Australia-based Monash University in 2000.

Figure 1 shows that two-thirds of students were studying in distance education mode in 2020-21, one-third in the collaborative provision and very few were registered at overseas partner organisations. To ensure consistency in the reporting of TNE programmes, we use the programme typology used by the Universities UK International (UUKi).<sup>1</sup> In this report, we have simplified the term used by HESA, "Other arrangements including collaborative provision", with "Collaborative provision".

1. Universities UK International (2021, p.8), The scale of UK transnational education provision 2019-20: Analysis of HESA data. [https://www.universitiesuk.ac.uk/sites/default/files/uploads/UUKi%20reports/Scale%20of%20UK%20HE%20transnational%20education%202019-20\\_final.pdf](https://www.universitiesuk.ac.uk/sites/default/files/uploads/UUKi%20reports/Scale%20of%20UK%20HE%20transnational%20education%202019-20_final.pdf)

**Figure 1: Number of TNE students from 2018-19 to 2020-21**

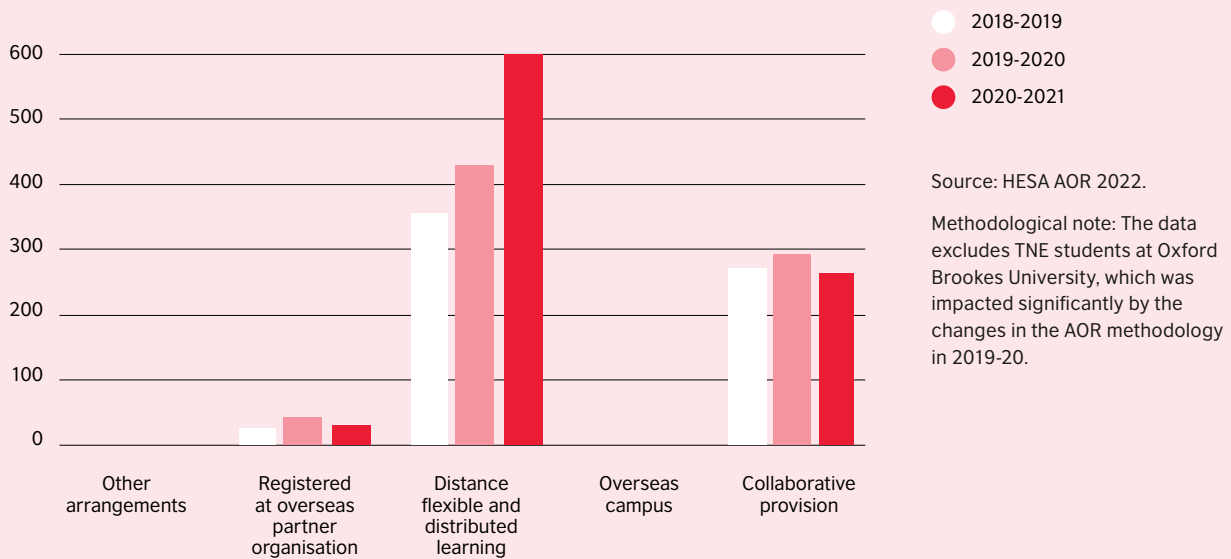
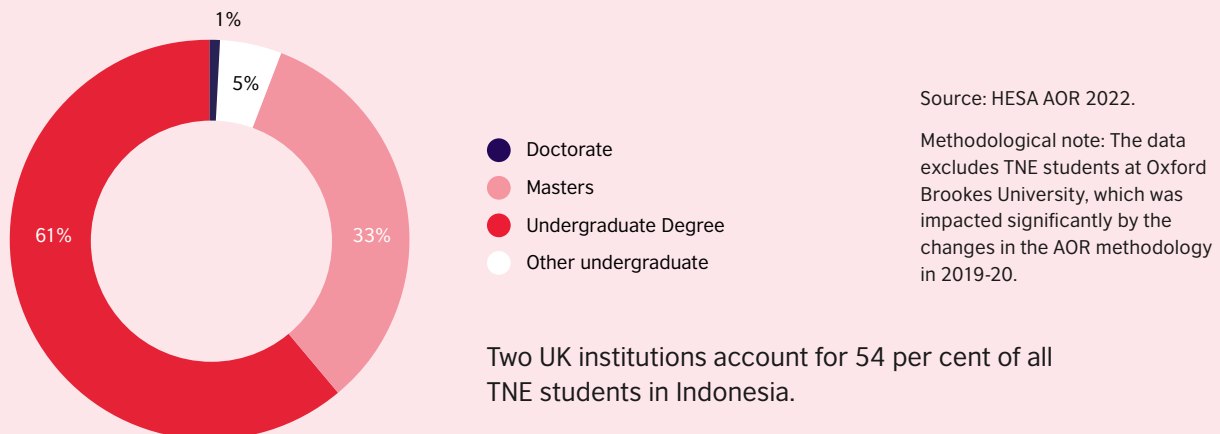


Figure 2 shows that 61 per cent of students (555) were studying towards a degree or other undergraduate program (HE certificate) in 2020-21, with a further 33 per cent (300) studying towards a Master’s level qualification. These proportions are in line with overall UK TNE levels of study.

**Figure 2: The level of study of TNE students in 2020-21**



## 3. Value of teaching partnerships and TNE

Because of the small number of TNE partnerships, it is difficult to see any impact at the national level when viewed in relation to the scale of Indonesia's overall higher education system.

Interviewees stressed that most TNE programs are currently offered by well-established private universities, whose students are typically more affluent and more proficient in English than those studying in public universities. TNE offers international degrees at a fraction of the cost of studying abroad for these students. For Indonesian partner institutions, TNE programs are a way to signal quality, both to prospective students and their families and to government agencies which take these into account during national accreditation and ranking processes.

Proponents of greater openness primarily desire to drive economic development by enhancing Indonesia's engagement with the global knowledge economy. Access to international education, academic collaboration and research linkages are all embraced through the lens of productivity. For example, the regulations governing branch campuses begin with the explanation that "The objective of the establishment of Foreign Universities shall be to improve the nation's competitiveness" (Republic of Indonesia, 2018).

In line with this thinking, Indonesian leaders have recently promoted more openness to international engagement in higher education. Under President Joko Widodo, there has been some movement towards liberalisation, most notably in international branch campuses and promoting outbound study abroad by Indonesian students. And yet the tension between competing approaches remains, and pendulum swings resulting from changes in government are not unusual.

The Ministry of Education, Culture, Research and Technology publicly supports more international collaboration and growing this is currently one of their key performance indicators. These actors are concerned that Indonesian universities have been insular and inward-looking. Programs aim to increase contact between Indonesian universities and industry, community and international partners. The current Minister of Education completed his secondary education at an international school in Singapore, then studied international relations at Brown University in the United States, followed by an MBA at Harvard Business School. He returned to Indonesia to work with McKinsey & Company.

The Campus Merdeka scheme, championed by the current Minister, is the government's flagship program for higher education internationalisation. It aims to increase university collaboration with third parties, not just with international partner universities but also with domestic and multinational companies, NGOs and community organisations. In 2021 and 2022, over 1000 students per year have been funded to undertake a semester abroad, including in the UK, with plans to increase that number in coming years.

# 4. Overview of international collaboration policy landscape

## 4.1 Online degrees

Online degrees offered by foreign universities to Indonesian students are not recognised by the Indonesian government, except where the online delivery is part of a double or joint degree with an Indonesian university. As in other countries, students enrolled with foreign universities who were forced to study online during covid will have their degrees recognised, but this is seen as a temporary measure.

## 4.2 Partner-supported programs

While there is no published regulatory framework for TNE partnerships, as will be discussed at length in the barriers section, some requirements are clear.

The Indonesian government allows two models of collaborative programme delivery – a joint degree, where the student receives a single qualification awarded by both universities, and a double degree, where the student receives a separate qualification from each university. In both cases, an Indonesian degree must be awarded.

Collaborative provision may be fully taught in Indonesia or involve some study in both countries. Since 2019 the Ministry has been approving collaborative programs in which some units offered by the foreign provider can be delivered online (British Council, 2021). This reduces the teaching staff's need for fly-in fly-out visits, thereby reducing costs.

There are 12 self-accredited Indonesian universities that can enter into collaborative program delivery without requiring approval from the Ministry. Partnering with these institutions is relatively straightforward, and consequently, these universities account for the majority of existing TNE partnerships. These universities are:

- Institut Teknologi Bandung
- Institut Teknologi Sepuluh Nopember
- IPB University
- Universitas Airlangga
- Universitas Diponegoro
- Universitas Gadjah Mada
- Universitas Hasanuddin
- Universitas Indonesia
- Universitas Padjadjaran
- Universitas Pendidikan Indonesia
- Universitas Sebelas Maret
- Universitas Sumatera Utara



Outside of this group, few public universities have existing TNE partnerships and those that do tend to have one or two partnerships in place (British Council, 2021). There are a handful of private universities that have extensive TNE offerings, namely:

- Indonesia International Institute for Life Sciences (i3L)
- Binus University
- Universitas Islam Indonesia
- Universitas Muhammadiyah Surakarta
- Universitas Pelita Harapan
- Universitas Trisakti

Profiles of the universities cited above are available in the British Council's (2021) guide, *50 leading Indonesian universities for international collaboration 2021 - 2022*, including details of their existing TNE offerings.

### 4.3 Branch campuses

The 2012 Law on Higher Education in Indonesia, for the first time, outlined the conditions that would govern the operation of overseas higher education institutions setting up in Indonesia. It stipulated that foreign universities may establish branch campuses and centres, provided that they are accredited in their home country, are not for profit, partner with local universities and prioritise the employment of Indonesians. Despite encouraging messaging from the government at the time, it took another six years for the enabling regulations to be adopted.

The 2018 Regulation on Foreign Universities permits international branch campuses to be established in special economic zones (Republic of Indonesia, 2018). To be eligible, in addition to the requirements of the 2012 law, foreign universities must also be ranked in the top 200 in the world. Foreign university campuses may offer programs in fields of study that have not previously been offered in Indonesia or which are in government priority areas. They are required to offer at least two STEM programs and must offer the Indonesian compulsory curriculum (religion, Indonesian language, state ideology and citizenship) in collaboration with an Indonesian university.

So far, only one international branch campus has been established by Monash University, but likely, others are actively considering establishing a presence in the near future.

# 5. Challenges

The challenges detailed in this section are in the context of Indonesia's significant transformation in relation to opening up to international collaborations in higher education and TNE partnerships. The latter is used as a vehicle to improve the quality of higher education provision in the country, hence the requirement for top-ranked universities to set up branch campuses. Since 2018, the regulatory provision has focused mainly on IBCs; the first in was Australia-based Monash University with six master's programs in 2021, and more universities are likely to follow. Further liberalisation is observed towards blended learning of foreign components of TNE programs, there is less need for fly-in fly-out teaching, which significantly reduces the delivery cost. With the right regulatory support, collaborative blended learning provision will continue to expand.

## 5.1 Communication with the Ministry of Education

Indonesia has the world's largest tertiary education system, with a huge task for the Ministry to improve the efficiency of interactions with overseas universities interested in forging TNE partnerships in the country. In light of this pressure, the feedback from interviewees is perhaps unsurprising. Nevertheless, it is a valuable prompt for considering how each side might enhance processes to achieve mutually beneficial and timely outcomes.

The feedback from interviewees was based on their individual experiences. They observed that the Ministry regulation of TNE is complicated and uncertain. Minor curriculum changes involve arduous processes to revise and review the whole programme. Foreign universities perceive the Ministry's management of credit arrangements and curriculum for joint and double degrees as onerous. They were often unclear whether proposals would meet the Ministry's requirements. This could discourage some universities from establishing partnerships.

British universities typically rely on intermediaries when engaging with Indonesian government agencies rather than directly communicating with the government. Indonesian partner universities typically lead engagement with the Ministry and convey information received to the British university. In some cases, the British Council has been extensively involved in communications with the government on behalf of the UK university.

## 5.2 Transparency in the regulation of joint and double degrees

There are no published regulations for double and joint degrees offered by Indonesian and overseas universities; although, the Ministry presents updates on the process to Indonesian universities periodically. There is no expectation that a foreign university would communicate with the Indonesian government about joint and double degrees; all communication and applications for permission are undertaken between the Indonesian university and the government, sometimes supplemented by the involvement of the British Council.

The MoE's requirements for collaborative provision also seem to change, so programs that had earlier received Ministry approval may be periodically required to revise program structures to meet changed expectations. It is often not clear whether these changes are due to staffing changes within the Ministry, differences in interpretations of rules between officials and expert reviewers, or due to revised rules. The impact is that UK providers are often not clear about the Ministry's expectations and must be prepared to periodically revise collaborative offering arrangements as the Ministry's expectations change.

For example, it appears that decisions about the percentage of credits that each university must provide are made on a case-by-case basis. In some cases, the Ministry has stipulated that the Indonesian university must teach 75 per cent of the credits to award their degree. In comparison, in other programs, only 50 per cent of credits have been required to be delivered by the Indonesian partner.

Reaching an agreement on program design between the two universities and the Ministry can be time-consuming. Some Indonesian universities feel that UK universities have more rigid internal rules for credit arrangements than their partners from other countries. Many of the partnerships that have been implemented are at the master's level, in large part because the regulation of curriculum is less complicated in postgraduate programs. If the scale of TNE programmes in Indonesia was larger, universities would be less concerned about the regulatory burden involved in their establishment. However, many double degrees have had small number of enrolments, leading both the Indonesian and UK partners to be unsure whether such partnerships are worth the effort. While short-term returns on investment are few, those that remain engaged are driven by the promise of benefits accruing over the longer term.

To support the TNE partnership approval process, the British Council has developed a detailed guide for UK universities, which describes the application stages and how to complete the required documentation. To signal the commitment to the partnership, the respective universities need to sign an MoU.

### 5.3 Recognition of online programs

Indonesia recognises online degrees awarded by Indonesian universities. Prior to COVID-19, there were reportedly 22 Indonesian universities offering degrees fully online (Ariff, 2020). However, online degrees delivered solely from foreign universities are not recognised. This deters students who intend to work in government, in a regulated profession or undertake further study.

When students apply to have their foreign degrees recognised, they must provide visa documentation to demonstrate that they resided in the country in which the awarding university is located. Some students have effectively appealed this requirement and have had degrees recognised that have involved some online study. Some interviewees suggested that the Ministry would recognise degrees if at least half of the study was on campus, some suggested that shorter periods on campus may be adequate if the qualification was deemed worthy, citing the case of postgraduate diplomas in nursing. There appears to be no firm rule in place, and little transparency in decision-making, meaning that students have an anxious wait until after graduation to find out whether their partially online studies have been recognised.

Notwithstanding these challenges, a liberalisation of blended programmes is taking place, resulting in greater openness towards the foreign-taught components of blended TNE programmes. This means less need for face-to-face teaching faculty, which significantly reduces the travel and related costs of the programmes. This area presents an opportunity to further develop TNE partnerships.

## 5.4 Recognition of franchise delivery

International qualifications can only be delivered in Indonesia as part of a joint or double degree arrangement with a local university. Franchise programs, in which students study with a local partner institution but only obtain an international qualification, are not permitted. This rules out some of the UK's largest online and distance learning providers which rely on this partnership model.

Some students who are more interested in an overseas qualification than an Indonesian qualification enrol in a double degree program in Indonesia and then drop their Indonesian program once they have transferred to the international university program. While convenient for some students, this can be problematic for the Indonesian university, as these students are recorded as non-completing, which indicates program quality.

## 5.5 Recognition of international degrees and qualifications

Indonesia's approach to qualifications recognition is very focused on program duration. This poses difficulties for the UK. Graduates of three-year bachelor programs will be assessed as having the equivalent of an Indonesian diploma, rather than an Indonesian degree since this is four years duration. Equally, one-year masters programs are not assessed as being equivalent to an Indonesian two-year masters qualification.

Formal recognition of foreign educational qualifications is significant in three circumstances – seeking public-sector employment, seeking further study, and seeking professional licensure. Private sector and foreign employers are usually unconcerned with Ministry recognition of foreign qualifications.

A joint or double degree delivered through a TNE partnership is one way of allowing Indonesian students to obtain recognition for UK degrees while also reducing the amount of time students need to study overseas. Joint and double degree programs, therefore must be at least four years in duration at the bachelor level and two years at the masters level, in line with Indonesian program duration requirements.

## 5.6 Financial barriers

Pricing remains a significant impediment to the expansion of TNE partnerships. Few Indonesian students can afford study in the UK, and while TNE programs are much more affordable, the costs are still significantly higher than studying the Indonesian program. Fees proposed by UK universities for online study are sometimes considered unrealistically high.

Students at many Indonesian universities must continue to pay their Indonesian fees even when doing the part of the program taught by a foreign partner, whether in Indonesia or the UK. There have been complaints at some universities by students who feel that they are paying two sets of fees, and this issue has also stymied negotiations of some partnerships.

## 5.7 English language proficiency

Education First (2022) rates English language proficiency as low, ranking 80 of the 112 countries assessed. English language education in secondary schools is improving quickly, leading to more universities offering English medium instruction undergraduate programs.

More affluent urban students, who typically study at top-tier public and private universities, usually have better English, and joint and double degrees are concentrated in these institutions. For the vast majority of Indonesian universities, low levels of English proficiency amongst students remain a significant impediment.

# 6. Summary

## 6.1 Summary of evidence

Indonesia is one of the five countries identified in the UK's International Education Strategy as an immediate priority, alongside India, Saudi Arabia, Vietnam and Nigeria. This indicates Indonesia's potential for growth and reflects the UK's commitment to work towards removing barriers to bilateral relations.

Collaborative forms of TNE are seen as means to improve the quality of the domestic higher education system and respond to national priorities. As more Indonesian students seek to study abroad, TNE partnerships will be attractive in reducing the amount of time students need to study overseas and the cost of their education. English language proficiency is steadily improving, which increases the pool of students likely to be drawn to such programmes.

While the regulatory oversight is perceived as onerous, the recent changes in the regulatory provision of TNE signal a significant increase in Government support for international collaboration through TNE partnerships.

## 6.2 Recommendations

Institutions considering TNE engagement with Indonesian HEIs may want to consider the following:

- Because of pendulum swings in support for international collaboration, combined with the very long lead time required to establish relationships and work through administrative processes, institutions should not expect quick outcomes. Instead, lay the groundwork with partners and be responsive to opportunities as they arise. Timing of establishment is important.
- There may be an opportunity to have online study recognised in light of the experiences during COVID.
- Take great care in partner selection since UK universities rely entirely on their partner for government relations.
- Expect that the establishment phase will take a lot of time, with detailed negotiations on many aspects of the curriculum required to meet regulatory requirements

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Author: Christopher Ziguras

Edited by Janet Ilieva

Additional analysis Rebecca Finlayson

Project owners at British Council: Liz Dempsey & Kevin Van-Cauter

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