

# New Paradigm and Indonesia-German Higher Education Cooperation<sup>1</sup>

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## I. Background

Development of sciences and technology produces some challenges that must be anticipated in the new millenium. Those challenges are globalization of information; economic transformation of national, regional and global economic; global free market; increasing the conciousness of the quality of human environment. Therefore, the quality of education has to be improved up to **international** standard level in order to produce graduate that can compete in the international job market.

The objective to reform the higher education system is to develop institutional credibility through the restructuring of the national higher education system, as well as the university system. The systems should be accountable to the public, demonstrated by high efficiency of its operation, quality and relevance of its outputs, and have an internal management system that is publicly transparent and comply with acceptable standards of quality. As a credible moral force, universities should also be able to contribute directly in solving the national problems. In able to do this a new legal framework for the status of universities and higher education system is priority.

Dealing with the quality improvement of the education system, the Directorate General of Higher Education (HE) introduce a New Paradigm in implementing the higher education processes. The New Paradigm includes strategy to improve **quality** of higher education system and its graduates based on **autonomy, accountability, accreditation and continuous evaluation**. Implementation of the New Paradigm can be achieved by improvement of the education processes toward betterment of RAISE<sup>++</sup> (*Relevance, Academic atmosphere, Internal management and organisation, Sustainability, Efficiency and productivity, Leadership and Access equity*).

Higher education in Indonesia is offered both by the government through public institution for higher education and by the private sector through private institutions of higher education. There are at present about 1500 institutions of higher education in Indonesia, of which 300 are junior colleges and 10% are public institutions. The number of courses offered are about 10,000 of which about one third are offered by the public institution. The number of students in higher education at present is about 2.5 million, which is 1% of the total population or 10% of the 19-24 year age group. Again about one third of these students are in public institutions. Most of the students, or about 75%, are enrolled in social sciences, 15% in engineering and the rest in natural sciences.

## II. New Paradigm

Higher Education in Indonesia bears several functions in society, which are education, research, and community services. Over the last twenty years, a new paradigm of the function of higher education in society has come into existence. More relevant roles of Higher Education Institution have been evolving over time: universities no longer pursue knowledge for its own

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sake, rather they provided qualified manpower and produced knowledge. With this new economically oriented paradigm, comes accountability. Higher education will be judged in term of output and the contribution it makes to national development. Quality, autonomy, accountability, accreditation, and evaluation, represent the five pillars of the new paradigm in higher education management.

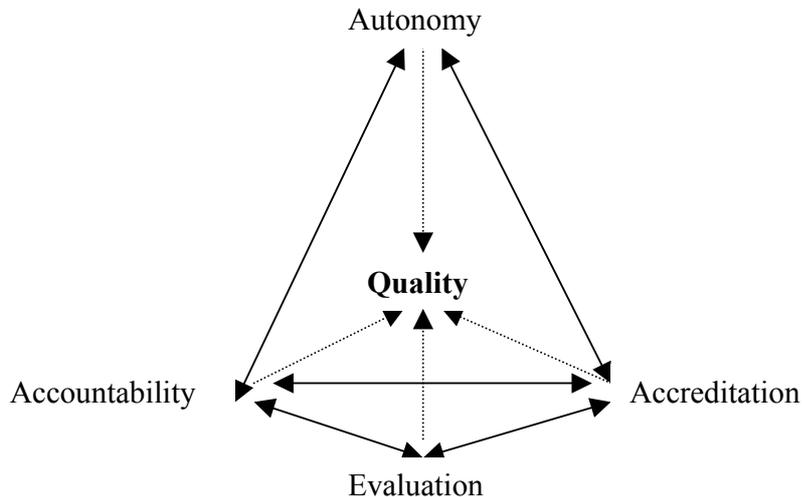


Figure 1. Five Pillars of the New Paradigm in Higher Education

### III. Implementation of New Paradigm

Different strategies will be required for each level of management hierarchy, i.e. the central authority (DGHE), universities, academic units within each institution, and individuals. The implementation of the concept includes granting an opportunity to the smallest unit to develop its own plan, implement the plan, and be responsible as well as accountable for that. Similar concepts have been implemented in the United Kingdom, Australia, New Zealand and Canada. The most important feature of its implementation is the decentralization of management-control away from the central authority to the individual institution. The implementation involved a shift from input control to quantifiable output measures and performance targets.

#### a. University Autonomy

The important success factor in achieving accountability is a change of university legal status. Currently public university were established as a government service unit under the Ministry of National Education (MONE) by Presidential Decree, whereas their counterpart in other country were established as legal entity. As a government service unit, a public university has limited autonomy and has to comply with all prevailing regulation applied for a government service unit, i.e. financial management, personnel management, appointment of rector, internal management and governance. As a government service unit, it is only accountable to the MONE instead of its stakeholders.

In July 1999 the government decreed the Government Regulation 61/1999 making it possible for public universities to change their legal status. Under the regulation, a public university should demonstrate its intention to change its status by submitting a plan for autonomy to the government. A set of criteria and procedure is defined by a MONE's decree. Only those

who meet the criteria and procedure will be granted a new status by issuing a government regulation establishing the university as a separate legal entity. Under the prevailing law, the government has the mandate to establish a new state owned legal entity by a government regulation separating its asset (excluding land) from the government's asset.

In December 2000, the government issued the Government Regulation No. 152/2000; 153/2000; 154/2000; and 155/2000 for the establishment of University of Indonesia, Gadjah Mada University, Bogor Institute of Agriculture, Bandung Institute of Technology as a state owned legal entity respectively. Each of the institution will have a period of five year for a transition process to become fully acting as a state owned legal entity, since there are a number of things to be conducted such transfer of asset (excluding land), transfer of personnel, establishment of necessary apparatus within the institution, development of control system, development of new budgeting system, and many others. There will be no point of return for those institutions once they are in the new status.

### **b. Competitive Development Grant**

- New innovation that are related to the implementation of the new paradigm are,
- a) The advent of a block grant multi years funding for institutional activities. The block grant scheme replaces the rigidity found in the existing line item budget. This is an important breakthrough since such scheme has never been experienced before.
  - b) Under the block grant contract, fund is allocated directly to the institution's special account, by passing all existing bureaucratic structure.
  - c) The introduction of site visit to the proposers during the evaluation of the submitted proposals was also a new scheme that has never been implemented before.

It is acknowledged that competition is a central force in higher education. Under the new public management theory, the provision of educational services should be made contestable. It provides an opportunity for the beneficiaries not to be uniform, and relies mostly to the proposer ability to participate within a predetermined corridor. In order to accommodate a variety of stages of development, however, institutional maturity geographical location, and specific disciplines, competition should be introduced in a tiered format.

The paradigm shift requires a tremendous structural change within the university governance, as well as the central government. The implementation is therefore carried out gradually beginning with a pilot project, called the DUE (Development for Undergraduate Education) project, assisted by the World Bank in 1996. The introduction of the new paradigm concept for institutional development, which is relatively loosely related with research, had to overcome significant resistance at the beginning. The common argument was that the previous experiments were only limited to the best universities, which are more prepared to participate in competition. The experiment is not expandable to include less established institutions. Therefore the project chose to begin with the least established universities which had not received significant input in the last 5 to 10 years.

After the experiences in DUE Project, the same team began the preparation activities for QUE (Quality for Undergraduate Education). It is basically a free competition and offered to all study programs, including those in the private institutions. In the fiscal year of 1999/2000 the government is introducing a similar scheme to a fully funded government project by opening a tiered competitions for a fraction of the government budget, under a project called "DUE-Like". In order to have an acceptable fairness of competition, public universities are grouped in 6 groups. The vertical grouping is done based on the institution's stage of development and previous level of investment, whereas horizontal grouping is done based on their specific disciplines.

In the fiscal year of 2001 the government initiates a similar scheme to the Asian Development Bank assisted project called "DUE-like". In order to have an acceptable fairness of

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#### **IV. New Paradigm and International Higher Education Cooperation**

##### **a). Advantages of international cooperation**

Various benefits would be obtained from international Networking for collaboration and partnership program, namely:

1. Internationalization atmosphere which ensure the quality and standard of education
2. Broader perspective and experiences of students and lecturers toward globalization

According to Berchem (2000), higher education cooperation between German and developing country will give following contributions:

1. Enhancement higher education quality in the developing countries in respect to teaching, research and services, as well as strengthening their function in their society.
2. Creation of Networking between North-South and South-South elements.
3. Development of mutual understanding of German universities toward cooperation development.

##### **b). German Higher Education Reforms**

The spirit of Higher Education reform exists right now in German higher education as well. According to Schaal (2001) modernization of German higher education can be placed under one key word: Competition. Furthermore, competition means striving for excellence which is not necessarily characteristics for state-run, state-financed and bureaucracy-controlled higher institutions as Germany has them right now. Giving the general shortage of funding implies defining new priorities. Networking between universities (such as joint curricula and degrees) on a regional and also on an international level must be part of such strategy. Real competition requires a high degree of autonomy. Universities and Fachhochschulen need a higher degree of autonomy in financial, academic and organizational terms than they have now. Autonomy implies accountability. This means that institution must report in a comparable and transparent way on facts and figures of their performance to the public.

There are further measures that have been taken by the German higher education system in order to become internationally even more recognized. German has already joined a process which has been initiated by the Sorbone Declaration (1998), Bologna Declaration 1999, and Salamanca and Prague Declarations (2001). In particular, the Bologna declaration stipulates the establishing a two-tier degree system and promoting mobility of student and staff (Schaal, 2001). This factor could be in line with the spirit of international Higher Education Cooperation. Germany knows that its number of foreign students is too small when comparing the figures with those from other countries. DAAD and HRK have been developing a whole range of structural improvements in order to make Germany more attractive for international student: a) A standardized test for German as a foreign language (TestDaF) is offered since April 2001. Examination can be taken in the home country, b) Special counselling programmes ensure that international students find sufficient help and advice at German Universities, and c) Special degree programmes in English and structured graduate programs leading to a Ph.D. qualification.

##### **c). Co-operative Academic Program (Co-op Program)**

Increasing the number of graduates without a matching increase in the quality of education will steadily raise the difficulties for those graduates' entry to the labor market, due to their inability to fulfill work requirements. The policy issued by the Minister of Education and Culture for responding to the above problem until 1998 was known as "link-and-match".

The New Paradigm includes strategy to improve graduate **quality**. Quality improvement in the New Paradigm can be achieved by improvement of RAISE components. RAISE components consist among others Relevance, which in its simple meaning similar to "link-and-match. Curriculum development and work-integrated learning program can enhance Relevance aspect. The so called Co-operative Academic Program (Co-op Program), which is a work-integrated learning program is viewed in line with RAISE component of Relevance. Co-op program is one type of internship program. Co-op program relates to only one aspect of the quality of the graduates, that is, their capability to enter the workplace already in possession of relevant skills and confidence. A pilot project for the co-op program was being conducted in 1995 for the first time, at the initiative of the Coordinating Team for Overseas Funds Optimization Plan for Education and Training (COTOFOPET), by inviting the participation of 30 medium and large national and overseas companies. During the first year of efforts for socializing the co-op program, 30 companies stated their willingness in principle to join the national co-op program and to receive students from higher learning institutions for working under the co-op scheme.

The advent of the co-op program is highly pleasing and needs support both in terms of its development direction for facing the 21<sup>st</sup> century as well as financially, so as to enable its wider expansion to become the common culture connecting reciprocally education and the business community in Indonesia. For these requirements, it was deemed necessary to establish a Council for the Development of Partnership Programs among Higher Learning Institutions and the Business Community (DPPK/CDPP). Since its foundation in 1997, DPPK/CDPP has enjoyed good and productive cooperation with the DGHE, PT Telkom and other major industries. With full support of the DGHE as well as a number of industries, mainly PT Telkom, DPPK/CDPP has facilitated some 700 students to a number of universities to do co-op.

### **c. International Network**

The Directorate General of Higher Education (DGHE) of the MONE has been involved in the socialization of and support for the implementation of co-op program nation-wide since 1995. With the cooperation of the industries through DPPK/CDPP, the DGHE has facilitated the sending more than 700 co-op students to various industries in the country. With this experience, the DGHE has then supported a pilot-project of international co-op program to Germany. The implementation was facilitated by the Indonesian Cultural Attache in Germany who assisted the placement of the students, and by the DPPK/CDPP, which did the selection of the students to be proposed to the German industries. The pilot project was quite successful. Twenty Indonesian students were accepted in internship programs in Germany. In facing the challenges of globalization in this new century related to the quality of university graduates, and with the success of the German International co-op program, DGHE sees that there is a need to continue the international network with other countries. One of the challenges is international competition.

World Association for Cooperative Education (WACE) is an international non-governmental organization in the field of developing co-op programs for enhancing relations between the education sector and the industrial/business sector. Indonesia, through the DPPK/CDPP has been active participant of WACE conferences since 1995. The next conference to be attended is the WACE world Conference in Rotterdam, The Netherlands, August 2003.

## **V. Conclusion**

The New Paradigm includes strategy to improve **quality** of higher education system and its graduates based on **autonomy, accountability, accreditation and continuous evaluation**. Implementation of the New Paradigm can be achieved by improvement of the education processes toward betterment of RAISE<sup>++</sup> (*Relevance, etc*). As it was shown by Co-op program, it is obvious that there is a need to continue the international network with other countries in facing the challenges of globalization in this new century related to the quality of university graduates

Higher Education reform in Germany especially regarding to the establishing a two-tier degree system and promoting mobility of student and staff can provide a better ground for German-Indonesia Higher Education Cooperation.

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