



ASIA UNIVERSITY FEDERATION

Sun Moon University, 100 Kalsan-ri, Tangjeong-myeon, Asan -City, Chungnam 336-708, Korea
Tel: (82-41) 530-2072 · Fax: (82-41) 530-2075
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Dr. Sugirin
Director of International Affairs
Yogyakarta State University
Indonesia
Email : Kerjasama@yogya.wasantara.net.id

September 22, 2005

Dear Dr. Sugirin,

It is my great pleasure and privilege as the president of the AUF (Asia University Federation) and Sun Moon University to invite you to participate in "The 6th AUF Annual Conference."

The conference of this year, entitled as "University Reform: Liberalization and International Education," will be held at Beijing, the Peoples Republic of China, from November 15 to 18, 2005, co-hosted by the AUF and Beijing International Education Exchange (BIEE).

The AUF, as you know, since its establishment in 1998 has made continuous efforts to promote cooperation among Asian universities and to enhance better understanding among the Asian people, as envisioned in the AUF Charter. The Federation has conducted a variety of activities, with good achievements, including international education and exchange programs as well as an annual conference of university presidents.

I am grateful for, and continue to hope for, your enthusiastic support for the AUF as a responsible and active member, contributing to making the AUF an eminent Asian organization in higher education.

For your participation in this year's conference as the representative of an AUF member institution, we will provide a travel grant for your air trip, plus hotel accommodations and meals for the duration of the conference. To register, please complete the attached Registration Form, and email or fax it to us no later than October 5, 2005.

We will keep you informed of further developments for the conference.

If you have any questions, please feel free to contact the AUF secretariat at the contact number above.

I look forward to receiving your positive reply with Response Form and meeting you in Beijing.

Sincerely yours,

Kyung-June Lee, Ph.D.
President
Asia University Federation
Sun Moon University

(AUF Secretary-General)
(Heung-Soon Park, Ph.D.)
Attn: 1. Conference Summary (Tentative)
2. Response Form

AN ASIAN NETWORK OF UNIVERSITIES AND COLLEGES

The 6th AUF Annual Conference
"University Reform: Liberalization and International Education"
November 15 ~ 18, 2005
Prime Hotel, Beijing, China

Conference Summary (Tentative)

As of September 20, 2005

1. Co-hosts: AUF (Asia University Federation), Beijing International Education Exchange
2. Dates: November 15 (Tue)- November 18 (Fri) (4 days)
3. Venue: Prime Hotel (Conference Hall), Beijing
4. Conference Title: University Reform-Liberalization and International Education
5. Contents: seminar, university fair, sister-hood ceremonies, cultural tour, visit to universities, official dinners, and other activities
6. Accommodation: Twin share, Prime Hotel (Conference Hall), Beijing (5 -star class)
7. Conference language: English (Chinese translation)
8. Schedule:

November 15 (Tue)	Arrival and Welcoming dinner
16 (Wed)	Opening ceremony (morning) Seminar (morning and afternoon) University fair
17 (Thu)	Seminar (morning) Closing ceremony (morning) Cultural tour/ visit to Universities/ free time Farewell dinner
18 (Fri)	Departure or free time (All day)

* Updated and detailed schedule will be announced later to the official participants.

9. Contact and Submission of conference participation

AUF Secretariat (Office of International Office)

E-mail: auf@sunmoon.ac.kr

oic@sunmoon.ac.kr

Fax: 82)41-530-2075

Tel : 82)41-530-2072~ 2076

10. Deadline: October 5, 2005



ASIA UNIVERSITY FEDERATION

Sun Moon University, 100 Kalsan-ri, Tangjeong-myeon, Asan -City, Chungnam 336-706, Korea
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Dr. Sugirin
Head of International Links
Yogyakarta State University
Indonesia
Fax, +62-274-520324

October 10, 2005

RE: AUF Presentation

Dear Dr. Sugirin:

Greetings from Asia University Federation!

Thank you very much for your positive response regarding participating the 6th AUF Conference: "University Reform: Liberalization and International Education" to be held November 15-18, 2005 in China, co-hosted by Asia University Federation and Beijing International Education Exchange, China.

The organizers are pleased to invite you as a presenter on the conference theme representing Indonesia.

We would like you to speak of the "University Reform in Indonesia." As an honorarium for your contribution, we will provide you in the local place.

If you can accept our suggestion, please let us know as soon as possible.
And the detailed information for the presentation will be sent you soon.

Thank you very much.
We look forward to meeting you in Beijing.

Best regards,

Mathilda S. Kim
Conference Coordinator
Asia University Federation

AN ASIAN NETWORK OF UNIVERSITIES AND COLLEGES



BEIJING INTERNATIONAL EDUCATION EXCHANGE

No. 18 Baiguang Road, Xuanwu District, Beijing, P R C 100053

Tel: (86-10) 83520601 · Fax: (86-10) 83520552

Email: xiao_nan122@yahoo.com.cn

INVITATION

From: (86-10) 83520552 BIEE (Beijing International Education Exchange)

To: 62-274-520324 Yogyakarta State University

Dear President Dr. Sugirin

October 18, 2005

It is my great pleasure and privilege as the director of the BIEE (Beijing International Education Exchange) to invite you to participate in "The 6th AUF Annual Conference".

The conference of this year, entitled as "University Reform: Liberalization and International Education", will be held at Beijing, the Peoples Republic of China, from November 15 to 18, 2005, co-hosted by the AUF and Beijing International Education Exchange (BIEE).

The AUF, as you know, since its establishment in 1998 has made continuous efforts to promote cooperation among Asian universities and to enhance better understanding among the Asian people, as envisioned in the AUF Charter. The Federation has conducted a variety of activities, with good achievements, including international education and exchange programs as well as an annual conference of university presidents.

Beijing International Education Exchange (BIEE) was founded in July 2000 with approval of Beijing Municipal Government. It is a nonprofit institution directly attached to Beijing Municipal Education Commission and enjoys full legal status. BIEE is located in Baiguang Road, Xuanwu District, Beijing. BIEE has an enthusiastic and competitive team with home and returned talents, young and senior, energetic and experienced, specialized in education, management or international exchanges. Entrusted by Beijing Municipal Education Commission, it takes up a few administrative and foreign affairs of educational institutions.

I am grateful for, and continue to hope for, your enthusiastic support for the AUF as a responsible and active member, contributing to making the AUF an eminent Asian organization in higher education.

For your participation in this year's conference as the representative of an AUF member institution, we will provide a travel grant for your air trip, plus hotel accommodations and meals for the duration of the conference.

If you have any questions, please feel free to contact the BIEE office of program team at the contact number above.

I look forward to meeting you in Beijing.

Sincerely yours,

Hongyu Ding
Director of the BIEE

AN ASIAN NETWORK OF UNIVERSITIES AND COLLEGES

CONFERENCE SCHEDULE

November 15(Tuesday)

Time	Event	Location
Whole day	Arrivals and Check-ins	Prime Hotel
18:00-19:00	Registration	Ball Room, Prime Hotel (2 nd Fl.)
19:00-21:00	Welcoming Dinner Host: Mr. Shengjie Ma, Vice Director, Beijing Municipal Commission of Education Greetings: Mr. Xuechao Geng, Director, Beijing Municipal Commission of Education Greetings: Dr Kyung-June Lee, President, Asia University Federation	Ball Room, Prime Hotel

November 16 (Wednesday)

07:00-09:00	Breakfast	Café Wangfujing, Prime Hotel (1 st Fl.)
10:00-10:40	Opening Plenary Opening Remarks Dr. Kyung-June Lee, President, Asia University Federation/Sun Moon University Welcoming Remarks Mr. Shengjie Ma, Vice Director, Beijing Municipal Commission of Education Mr. Yue Du, Vice Secretary-General, National Commission of UNESCO, China	Ball Room, Prime Hotel
10:40-11:00	Coffee Break	
11:00-12:30	Session I Chairperson: Dr. Gani A. Radi, Rector, Hasanuddin University, Indonesia Presenters: Dr. Molly N. N Lee, Program Specialist, UNESCO Bangkok Mr. Mingyin Yan, President of Liao Ning Institute of Science and Technology, China <u>Dr. Sugirin</u> , Head of International Links, Yogyakarta State University, Indonesia	Ball Room, Prime Hotel
12:30-14:00	Lunch	Café Wangfujing, Prime Hotel
14:30-16:30	Session II Chairperson: Dr. Gonzalo T. Duque, President, Lyceum Northwestern University, Philippines Presenters: Dr. Dusanee Thanaboripat, Vice President, King Mongkut's Institute of Technology, Ladkrang, Thailand Dr. Sukiman Sarmani, Deputy Vice Chancellor, Universiti Kebangsaan Malaysia, Malaysia Dr. Samiel Salvador, Vice President, Polytechnic University of the Philippines, Philippines Mr. Zhanshu Si, Vice Chief, International Cooperation and Exchange Section, Beijing Municipal Commission of Education	Ball Room, Prime Hotel

16:30-16:50	Coffee Break	
16:50-18:30	AUF Fair (All Participating Institutions) & Meeting with Chinese Universities	
19:00-20:30	Dinner	Chinese Restaurant, Prime Hotel (2 nd Fl.)

November 17(Thursday)

07:00-09:00	Breakfast	Café Wangfujing, Prime Hotel
09:30-11:00	Session III Chairperson: Dr. Soon-Kil Hong, President, Hankuk Aviation University, Korea	Ball Room, Prime Hotel
Presenters:		
Dr. Qingbiao Qu, President, Liaoning Normal University, China		
Dr. Chon-Sun Ihm, Professor, Sejong University, Korea		
Dr. Hoang Van Phu, Vice Director of International Affairs, Thai Nguyen University, Vietnam		
11:00-11:20	Coffee Break	
11:20-12:00	Session IV: Discussion on the Future of the AUF Chairperson: Dr. Kyung-June Lee, President, Asia University Federation (Dr. Heung-Soon Park, Secretary-General)	Ball Room, Prime Hotel

Closing Plenary

12:00-13:30	Lunch	Café Wangfujing, Prime Hotel
13:30 -	Sightseeing (or Individual Schedule) - The Great Wall of China ✓ - Visiting universities	
20:00	Farewell Dinner Host: Dr. Kyung-June Lee, President of Asia University Federation	Beijing Quanjude Roast Duck, Qianmen

November 18(Friday)

07:00-08:30	Breakfast	Café Wangfujing, Prime Hotel
08:30-11:30	Sightseeing (or Departure) - Forbidden City - Individual Schedule	



DEPARTEMEN PENDIDIKAN NASIONAL UNIVERSITAS NEGERI YOGYAKARTA

Alamat : Karangmalang, Yogyakarta 55281

Telp. (0274) 586168 Hunting, Fax.(0274) 565500; Rektor Telp.(0274) 512192

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E-mail : kerjasama@yogya.wasantara .net.id Home Page : <http://www.uny.ac.id>.

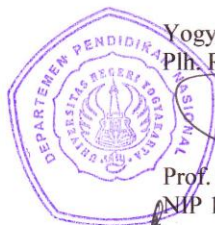
SURAT IJIN / PENUGASAN

Nomor: 78/J.35/LN/2005

Mengacu surat dari Presiden AUF tgl 22 September 2005, untuk menghadiri the 6th AUF Annual Conference, serta undangan resmi dari Beijing International Educations Exchange, dengan ini Rektor Universitas Negeri Yogyakarta mengijinkan/menugaskan:

Nama	: Sugirin, Ph.D.
NIP	: 131411083
Pangkat/Golongan	: Lektor Kepala, IV/a
Unit Kerja	: Kantor Kerjasama, Humas, dan Protokol UNY
Keperluan	: Menghadiri the 6 th AUF Conference di Beijing, China.
Waktu	: 15 s.d. 18 Nopember 2005
Keterangan	: Biaya keberangkatan ditanggung oleh AUF.

Demikian surat ini diberikan untuk dilaksanakan dengan sebaik-baiknya dan setelah selesai agar melaporkan hasilnya.



Yogyakarta, 21 Oktober 2005

Ph. Rektor,

Prof. Sugeng Mardiyono, Ph.D.
NIP 130687369

Tembusan:
Dekan FBS



SEKRETARIAT NEGARA
REPUBLIK INDONESIA

Jakarta, 31 Oktober 2005.

Nomor : KL. 04.03/SBKR/1475
Sifat :
Lampiran :
Perihal : Persetujuan penugasan
ke luar negeri

Kepada Yth.
Sekretaris Jenderal
Departemen Pendidikan Nasional
di
Jakarta

u.p. Kepala Biro Kerjasama Luar Negeri dan Humas

Sehubungan dengan surat Departemen Pendidikan Nasional nomor : 49350/A7.1/LN/2005 tanggal 25 Oktober 2005, dengan hormat di beritahukan bahwa Pemerintah menyetujui penugasan ke luar negeri :

Sdr. Sugirin, Ph.D - NIP. 131 411 083

Kepala Kantor Kerjasama Humas dan Protokol, Universitas Negeri Yogyakarta;

untuk mengikuti *The 6th Asia University Federation (AUF) Annual Conference*, mulai tanggal 15 s.d. 18 November 2005, di Beijing, Republik Rakyat China.

Persetujuan Pemerintah ini diberikan dengan ketentuan-ketentuan :

1. **Seluruh biaya** penugasannya ditanggung oleh **Asia University Federation (AUF)**, sehingga Pemerintah Republik Indonesia tidak perlu mengeluarkan tambahan biaya apapun;
2. Setelah menyelesaikan tugasnya, yang bersangkutan segera kembali ke Indonesia dan bekerja di lingkungan instansinya semula, serta dalam waktu selambat-lambatnya 30 hari sudah menyampaikan laporan tertulis tentang hasil tugasnya kepada **Sekretariat Negara**.

Atas perhatian Saudara, kami sampaikan terima kasih.

Sekretaris Menteri Sekretaris Negara
u.b.

Kepala Biro Kerjasama Teknik Luar Negeri

Rizal Basri
NIP. 180002609

Tembusan :

1. Dit. Konsuler, Dep. Luar Negeri;
2. Kedutaan Besar **Republik Rakyat China** di Jakarta
3. Yang bersangkutan.

Os/diknas/05/1



THE 6TH AUF ANNUAL CONFERENCE

**"UNIVERSITY REFORM: LIBERALIZATION AND
INTERNATIONAL EDUCATION"**

NOV. 15 – 18, 2005, PRIME HOTEL, BEIJING, CHINA

SESSION I: NATIONAL PERSPECTIVES

INDONESIAN UNIVERSITY REFORM, LIBERALIZATION AND INTERNATIONAL EDUCATION

Sugirin, Ph. D.

Head, Office of Domestic and International Links
Yogyakarta State University, INDONESIA

ASIA UNIVERSITY FEDERATION

INDONESIAN UNIVERSITY REFORM, LIBERALIZATION AND INTERNATIONAL EDUCATION

SUGIRIN

Head, Office of Domestic and International Links
Yogyakarta State University (UNY), INDONESIA

ABSTRACT

Globalization has been considered the biggest force of reform in various aspects of life. Some people believe it brings them into a natural process of development and maturation leading towards what is relatively acceptable in the global community. Sooner or later, to achieve the level of acceptance, the relative disaggregation of the existing system will happen. The different attitudes towards this disaggregation is dependent upon the gap between the embraced existing system and the one the global community adheres. It is therefore quite natural that different nations or institutions will have different level of readiness in adhering to the concepts of reform, liberalization and international education. In the Indonesian context, education actors have already thought globally, but circumstances still force them to act locally.

INTRODUCTION

The forces of globalization and information technology are radically reshaping the university environment, while repositioning of the role of the government, together with more open competition in the higher education marketplace, will encourage disaggregation of the existing university system (Coaldrake, 1999:18). However, the main functions of higher education remain the same – teaching, researching, and serving the community. Therefore, in facing the globalization era, Marton (1999:18) points out that developing more powerful ways of seeing the world is the most important function of higher education – in research, teaching and community service.

While there is a continuing open debate in many countries between the centralized and decentralized frameworks, the relative importance of the public and the private, about the role of the government, and the autonomy of the universities, the Indonesian government realized the need for a paradigm shift in the organization of higher education. The challenge to public policy is in combining the efficiency and flexibility associated with a view to guide, regulate and subsidize the universities. The main aim of such a guidance and reform is the provision of the minimal standards of quality and consumer protection, appropriate academic coverage for the needs of economy and society, and assurance of access for those of high ability and motivation, but of families unable to afford payment.

THE NEW PARADIGM IN THE INDONESIAN HIGHER EDUCATION

Like those in most countries in the world, a university in Indonesia has three important functions: teaching, researching, and serving the community. The community, as the source of university funding, has the right to be informed of the quality of the university's performance. In order to provide objective information to the community, the National Accreditation Board (BAN-PT) was established in 1994. The accreditation process is conceptually not limited to activities carried out by the BAN-PT. It could also include benchmarking conducted by other national or international agencies, i.e. certification by professional associations. In addition to the external evaluation through accreditation, a widely accepted good practice in management is decision making based on data/information collected and presented through a self-evaluation process.

The new paradigm in university management requires the support of the five pillars: *quality, autonomy, accountability, accreditation, and evaluation*. The five pillars require different implementation schemes for each level of management hierarchy, i.e. the

central authority (Directorate General of Higher Education or DGHE), universities, academic units within each institution, and individuals. The implementation includes granting an opportunity to the smallest unit to develop its own plan, implement the plan, and be responsible as well as accountable for its implementation. The most important feature of the implementation is the decentralization of the management control from the central authority to the individual institution. This involves a new contractual arrangement coupled with a new accountability and funding structures, a shift from input control to quantifiable output measures and performance targets.

This paradigm shifts requires a tremendous structural change within the university governance as well as the central government. It is therefore implemented 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 encountered significant resistance at the start. The common argument was that the initial experiments were only limited to the best universities, which were more prepared to participate in the competition. The experiment was not expandable to include less established institutions. Therefore, the following projects, which include QUE (Quality for Undergraduate Education), and DUE-Like (1999/2000), were granted through a tiered competition. In order to provide an acceptable fairness of competition, public universities were grouped vertically in accordance with their stage of development and previous level of investment. Horizontal grouping was done based on their specific disciplines (Brodjonegoro, 2005).

In 2001 the government initiated a similar scheme the TPSDP (Technological and Professional Skill Development) project, a project assisted by the ADB. Other than using award system through tiered competition, the project also considered separate grouping

of public and private universities, geographical locations, and educational streams (vocational and academic). In addition, it was compulsory for the winning institution to provide counterpart funding from its own revenue to secure the “sustainability” of the programs upon the completion of the project implementation.

UNIVERSITIES AS LEGAL ENTITIES OF EDUCATION

On the 8th of July 2003, Act No. 20/2003 on the National Education System was enacted. Article 53 spells out that: (1) The formal education unit and/or formal education provider organized by the Government or community shall have the form of a legal entity of education; (2) The legal entity set forth in Verse (1) shall be based on the principle of non-profit organizations and can manage funds needed for developing an education unit.

University Management

According to Act Number 20, Year 2003 on the National Education System, the fundamental change in the education system management is the implementation of school-based management in the primary and secondary education, and university autonomy at the level of higher education. Unfortunately, university autonomy is mostly discussed within the context of government role in providing funding and program license, whereas the meaning of accountability is commonly limited to financial auditability. Although those aspects are critical, there are many other aspects of no less in importance, or even more fundamental, i.e. the government’s control over staffs through civil service, centralized planning, lack of involvement of stakeholders in university governance and, perhaps, the most fundamental is the fading moral ground.

Current public universities were established as “government service units” which were only accountable to the Ministry of National Education (MONE) instead of their stakeholders. As government service units, current public universities have limited

autonomy and have to comply with all prevailing regulations in force for government service units, i.e. in financial management, personnel management, appointment of Rector (University President), internal management, and governance.

With universities as legal entities of education, the government through the DGHE will not be directly involved in implementing policy directions, but rather acting as a mediator through various peer organizations, e.g. Board of Education, National Accreditation Board, as well as other professional associations and organizations. As a mediator, the government could protect the public welfare and fulfill its constitutional responsibility by providing various schemes of subsidy and investment. The provision of funding could also be used to protect national interests, implement policies to encourage universities to enrich culture, social life, and critical citizenship, to produce highly skilled manpower, generate knowledge, and promote educated citizenry (Brodjonegoro, 2005).

To pilot for university autonomy, the government invited the four most established universities in Indonesia - University of Indonesia (UI), Bogor Institute of Agriculture (IPB), Gajah Mada University (UGM) and Bandung Institute of Technology (ITB) – to submit a proposed plan for autonomy. It was realized that implementing the new public management theory would be much more difficult and complex in these universities. Establishing new universities would involve a structural adjustment as well as a much larger mandate – preparing them to be a moral force (Brodjonegoro, 2005).

In December 2000 the government issued the Government Regulation No. 152/2000, 153/2000, 154/2000, and 155/2000 for the establishment of UI, IPB, UGM, and ITB as a state-owned legal entity, respectively. Each of the institutions has a period of five years for a transition process to be fully acting as a state-owned legal entity, as there are a

number of issues to be settled, such as transfer of assets (excluding land), transfer of personnel, establishment of the necessary apparatus within the institution, development of control system, development of a new budgeting system, and so forth. Once they have the new status, there will be no point of return for those institutions.

While the Government Regulation No. 61 Year 1999 makes it *possible* for public universities to change their legal status, the 2005 draft of the Bill on Legal Entity of Education (BHP) requires that every higher education unit (public as well as private) *should* have the status of Legal Entity of Higher Education (BHPT). Article 46 Verse (1) of the Bill says that any university bearing the status of a state-owned legal entity has to adjust its status to the status as a legal entity of education within three years after the promulgation of the Bill. Verse (2) states that any existing university that has not obtained the status of legal entity of education at the time the Bill is passed, must adjust the status within six years after the promulgation of the Bill. However, the period of transition from a current status of the employees as civil servants to the status of employees of a legal entity can take as long as ten years.

Under the Government Regulation No. 61 as well as the 2005 draft of the Bill on Legal Entity of Education, the components in the university management consists of, among others, the Board of Trustees (WMA), Audit Board, Academic Senate, Rector and Vice Rectors, and other units considered necessary. The Board of Trustees has a central role as it will be responsible to appoint the Rector and oversee his/her performance. Only through this board can the government be involved in the university governance. The Academic Senate will comprise only elected staff (including professors) as members, and become more of a body representing various internal stakeholders within the university. In order to give the university freedom to design the internal mechanism that best suits

the university's unique needs, the Government Regulation 61/1999 does not provide any guideline for internal governance other than the afore-mentioned structure. However, the internal governance within individual university should also adopt the spirit of democracy, participation, transparency, and public accountability (Brodjonegoro, 2005).

The existing universities other than the four mentioned above, including Yogyakarta State University (UNY), are now preparing themselves to be legal entities of education. The staff are making use of the research and teaching grants they have won to support the achievement of the university's excellence through action research studies in their respective fields of expertise. As a university with a high commitment to producing teachers, UNY set a high priority on teaching excellence. Besides, it has also been conducting internal studies to seek information on the staff's responses to the BHPT bill, gathering information from the four universities above-mentioned and other state universities on problems and solutions (real and anticipated) in regard to the implementation of the legal entity of education. Results of the studies have not been finalized. However, financial management is one of the issues of concern.

Funding Mechanism

Since a university as a separate legal entity has never existed, the MONE, the Ministry of Finance, and other government institutions are inexperienced in implementing the funding of the new legal entities of education. Many government officials think that changing the status into a legal entity of education is an act of "privatization" instead of "corporatization" so that the government subsidy will be gradually reduced. The government decides to provide a block grant budget allocation to the universities to demonstrate its whole-hearted commitment to the reform process.

The funding of the higher education system is crucial, as it involves many other aspects beyond education sectors, practical as well as philosophical. As the political economics shifts globally from the concept of welfare state to national competitiveness and wealth creation, funding available to higher education for discretionary activities is constricted. The mistaken concept of privatization often narrows down the distinction between knowledge and commodity. The fact that limited government budget gives priority to supporting primary and secondary education, due to their higher social impacts and benefits as well as their inclusion in the human rights, funding mechanism also affects the higher education direction (Brodjonegoro, 2005).

With limited budget for university development, as a consequence of the shift in the government role from supervisory and regulatory body toward more as a funding agency, the government funding mechanism will also be significantly affected. Since the only regular source of funding other than the government appropriation (currently comprising budget for personnel and is rigidly line itemized) is student tuition, it is inevitable that the university demands a higher tuition rate. The need for higher parents' contribution is also apparent as they benefit much more compared with other segments of the population. However, the management component of an academic unit should understand the socio-economic status of the parents of their own students. There are academic disciplines that are traditionally chosen by students from a better off families, and some others chosen by those from less fortunate families. There are universities attracting more students from upper middle class economic background and others, which do not. In any case, admission should be based on academic merit, not student's economic background. Students who come from families with adequate financial ability should not be unfairly subsidized. They should be charged a higher tuition rate. The surpluses acquired will be used to cross-subsidize those who are financially unfortunate

through various schemes of scholarship. Thus, a system of student tuition should be carefully conceived and developed to be fully transparent, accountable, and involving the parties concerned to participate in the design process as well as in its implementation.

INTERNATIONAL EDUCATION AND LIBERALIZATION

As mandated by Article 65, Act No. 20 Year 2003 on the national education system, an accredited or recognized foreign educational unit can organize educational activities in the territory of the Republic of Indonesia. Other acts related to immigration and foreign capitals also open opportunities for providing educational services in Indonesia.

Other laws governing the commitment of the Republic of Indonesia in proposing the offer to the WTO Forum in the education sector are:

1. Act of the Republic of Indonesia No. 7 Year 1994 on the Ratification of establishing WTO, a world trade body controlling the trade of goods and services as well as intellectual property rights, of which education is part.
2. Act of the Republic of Indonesia No. 25 Year 2000 on the National Development Programs, which says:
 - (a) In the process of globalization, it is important to reduce constraints in trade and development, which give priority to the communities' initiatives so that they can maximize benefits and minimize the negative impacts of foreign cultures
 - (b) In anticipation of global era, education is demanded to prepare competent human resources so that they have competitiveness in the global job market.
3. Act of the Republic of Indonesia No, 20 Year 2003 on the National Education System, which includes:
 - (a) Consideration: A national education system should ensure equal opportunity, improvement of quality and relevance and efficiency in management to meet various challenges in the wake of changes of local, national and global lives; therefore it requires a well-planned, well directed, and sustainable education reform.
 - (b) Article 65 Verse (3): The provision of education programs shall work together with the Indonesian education institutions in the territory of the

Republic of Indonesia by involving the Indonesian organizers and educators.

4. Government Regulation No. 20 on Foreign Direct Investment, Article 6 Verse (1): The Indonesian partner's shares in the joint venture company shall be at least five percent (5%) of the total paid-up capital of the company upon its establishment.

Other Considerations:

1. Revenue saving: There are so many Indonesian students studying overseas. For example, there were 18,100 Indonesian students studying in Australia in 2004. If every student spent AUD 1,500 per month, they spent AUD 27,150,000 per month or AUD 325,800,000 annually. Why don't they spend it in Indonesia?
2. Quality Improvement: In relation to point 2.1, the revenue saving may be realized if high quality (primary to higher) education institutions are available in Indonesia so that the students do not have to study overseas.
3. Improvement of the accountability of the education organization: Organizing education in collaboration with an international education institution will improve accountability, as the collaborative partner requires a report on the execution of the education provision. In turn, this will improve the rate of efficiency in organizing education in that particular education institution.

Principles in deciding the commitment in education service sector in the framework of WTO:

1. Not-contrary to the Indonesian laws (in line with Act No. 20 Year 2003 and other acts related to immigration and foreign capitals).
2. With extra care (in the areas of education with minimum ideological risks, e.g. in polytechniques and vocational schools: in mechanics and electronics).
3. Large Investment (polytechniques and vocational schools in mechanics and electronics need a large investment; international institutions are welcomed)
4. Not those belonging to the "government service." The government is responsible for completing the nine-year compulsory education program. It is impossible to offer primary education to an international institution.
5. Step by step. In the Doha Round, Indonesia's offers are given only in five cities which are considered prepared: Medan, Jakarta, Bogor, Bandung, and Yogyakarta. The last cities already have institutions bearing the status of *BHP*.

6. Fewer than that allowed by the regulations. According to Act No. 20/2003, international education institutions may operate all over Indonesia (except Aceh/NAD). The regulation in force allows the participation of international capitals up to 95%, but the Indonesian commitment puts only up to 49%.
 7. Supporting the achievement of the goals of the education development.
 8. Inevitable. The inclusion of Mode 1 (cross-border supply) and Mode 2 (consumption abroad) as "none" for the market access is because these two modes are inevitable. Distance learning, tele-education, and independent learning through virtual networks is wide open. Besides, the Indonesian government never forbids its people to study anywhere overseas.
 9. Considering other education sub-sectors. The sector of education services in Indonesia also "requests" other members of WTO to open market access for the Indonesian education. For example, the sub-sector of out-of-school education services made a "request" to USA, EEC, Australia, New Zealand, Korea, Japan, and Canada for the opportunity to open market access for the beauty and spa courses. Initially, the USA already includes beauty courses.
 10. Single Undertaking. Commitment in the service sector, including the education service in the Doha round depends much on the progress of negotiation in the goods sector and "rules" such as matters related to "Emergency Safeguard Measures" (ESM). Thus the education service sector does not stand by itself; it influences and is influenced by other sectors of services and goods.
- (Adjisuksmo, 2005)

In order to maintain the unity of the Republic of Indonesia, limited offers are given in the areas of education with minimum risks of ideological infiltration. The offers are, therefore, given in polytechniques and vocational schools in the fields of mechanics and electronics. To organize polytechniques and vocational schools in the fields of mechanics and electronics needs a large investment. Therefore, international education institutions are welcomed to participate.

Finally, as long as the coming of international education units is in the corridor of partnership, there should be nothing to worry about. "Partner for Progress" and/or "Partner for New Challenges" based on mutual trust, common values, democracy and human rights, tolerance, rule of law, aspiration for peace, and principles of open economy, is the core of the national education partnership today and tomorrow.

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