



A woman reaches through the crowd to shake hands with US President Barack Obama after he delivered a speech at the University of Indonesia in Jakarta

US-Indonesia relations: Re-engaging America's universities

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One of the most critical strategic choices facing Indonesia is how to rapidly strengthen its higher education human resource capacity to produce the sophisticated modern skills and technology needed for its transformation into a world-class economy. It is hard to imagine a development need more central to Indonesia's emergence as a full-fledged modern global economy, able to meet the aspirations of its vast population. Indonesia needs not only to keep up with its neighbors in Asia who have been seized with meeting this challenge for their own growth, but to move ahead, especially in fields where it has comparative advantage. Fortunately, the present period seems the best opportunity in more than 20 years for Indonesia to make a paradigm shift in its higher education development, again with the willing help of the United States.

In the 1950s through the 1980s, American cooperation in building Indonesia's higher education human resource capacity was critically important and strategically utilized. The programs of the Ford and Rockefeller foundations starting in the 1950s, and of USAID

from the 1960s, sent tens of thousands of Indonesians to the United States for higher education studies. When they returned, they had the skills to rise to become the ministers and economic technocrats who guided Indonesia's steady economic growth (despite income distribution and many other issues) during the three-decade administration of former President Soeharto. So many of them originally studied at the University of California at Berkeley that they became known as the "Berkeley Mafia," but gradually hundreds of US universities provided these skills, and Indonesians who studied in the US overwhelmingly returned to Indonesia. From the 1960s to the 1980s, American and Indonesian universities also developed a robust network of university-to-university partnerships, many with the support of USAID.

However, in the early 2000s, US-Indonesian educational relations at the higher education level started a decline. Contributing factors were 9/11, a change in focus of US education assistance toward basic education, and a relative lack of effective educational marketing by the United States – all factors that have now changed or are changing rapidly. Nonetheless, the effect by about 2009 was a 40-percent decline during the last 12 years in the number of Indonesians studying in the United States, a sharp drop in the number of Americans studying in Indonesia, and a reduction in the number and vitality of university-to-university partnerships compared with before. Apart from the stunning exception that the presidents of our two nations each studied in the other's country, there had been a hollowing out of US-Indonesian educational relations at other levels.

We now have a game-changing opportunity. We will probably never see an-

other time in which we have a president of Indonesia and a president of the US calling for a Comprehensive Partnership, with education as a core component. The two leaders' 2010 declaration of a long-term bilateral partnership, with a strong higher education component, provides the architecture and impetus for the needed re-invigoration of US-Indonesian higher education relations. It aims to restore educational exchanges and partnerships to previous levels, including a doubling of the number of Indonesians studying in the US, and of Americans in Indonesia, over five years. It will engage the full range of government, university, foundation, NGO and private sector participants to play their respective roles in a collaborative way.

The two governments have announced an array of important new educational programs. The US has pledged at least \$165 million over five years, including a significant expansion of the Fulbright exchange program, with a \$15 million commitment for exchanges in critical fields such as climate change, food security and public health. English language training, so vital for exchanges, is supported with the return of the Peace Corps and an expansion of other English teaching programs, and support for Americans to study the Indonesian language abroad has been increased. Returning to the support of partnerships, USAID in an important new effort provides support to some 25 new university-to-university partnerships, and is engaging in a dialogue with the US university sector to incorporate their views. USAID is also undertaking a major effort with the Ministry of Education to enhance efficient management, as well as several grants for scientific research, in cooperation with the US National Science Foundation. Public-private partnerships to sponsor edu-

cation fairs for US universities in Indonesia, support for community college placements in the US, and several other programs also form part of the US government effort.

For its part, the Indonesian government has provided funding for at least 100 additional Americans per year to study at Indonesian universities, and is examining how to increase the range of subjects taught in Indonesia that are of interest to US students, such as climate change. Such fields will be attractive to American students and beneficial to the Indonesian universities that can organize to host them. There is also a large Indonesian government-funded program for overseas scholarships for faculty development and exchanges that needs more utilization by US universities, whose budgets are under pressure.

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As vital as these government programs are, all parties also recognize that government programs alone can account for only some 10 to 15 percent of the targeted 7,000 additional Indonesians studying in the US within five years. Government-funded full-scholarship programs from each country would require much more funding than is available to meet the scale of the increased student numbers required. To address the gap, initiatives beyond present government

programs to spur student exchanges are essential. These include innovative ways to reduce the costs of a US education, to access loan financing for US study, and to find and prepare Indonesians who will be competitive for admissions to US colleges and universities, which welcome such students. Apart from shared efforts to help attain government-declared goals, the non government sector wishes to focus attention on related issues that are timely to address if Indonesia is to make the most of the present interest in education and build its capacity to provide educational skills for the 21st century.

For example, there is a need to provide Indonesia with expert knowledge of other countries' experience with foreign investment in the education sector, so that it will be able to make its own knowledgeable decisions about whether, and if so, how to facilitate overseas private investment in its education sector, as other countries have done. To provide the mechanism for finding innovative non-government responses to such education sector needs, non-government parties in the US and Indonesia joined with the Indonesian government to create a US-Indonesia Joint Council for Higher Education Partnership, announced in July 2010. To engage the US university community, the US co-chair is M Peter McPherson, president of the Association of Public and Land-Grant Universities (APLU). Other current members from the US side are the US-Indonesia Society (USINDO), the Institute of International Education (IIE), the East-West Center, the American Association of Community Colleges (AACC), and the ExxonMobil Foundation.

Reflecting the key role of the government in the Indonesian education sector, the Indonesian co-chair is Dr Fasli Jalal, the

former deputy minister for National Education; the Indonesian vice chair is Deputy Minister of Finance Dr Anny Ratnawati; and Dr Dino Djala, the Indonesian ambassador to the US, is a council member. Two Indonesian educational foundations – the Putera Sampoerna Foundation and the Ancora Foundation – are council members, and further private sector participation in both countries is being added.

In their Joint Declaration on the Comprehensive Partnership, US President Barack Obama and Indonesian President Susilo Bambang Yudhoyono gave key policy support, declaring they were “pleased to welcome the formation of the US–Indonesia Council for Higher Education Partnership, which seeks to harness the energies of the non-governmental, public, and private sectors in both countries in support of expanding bilateral programs in higher education including to help build Indonesia’s capacity to provide world-class university education and to double within five years the number of American and Indonesian students who study in each other’s country.” The council’s goals are, first, to make a significant difference in attaining the goal of some 7,000 additional students studying in the United States through non-government efforts. This will require innovative thinking and methods on a wide front. It must include a broad mix of public universities, private colleges and universities, and community colleges; increase the utilization of existing Indonesian government programs for overseas study by Indonesians; include appropriate numbers of students in Science, Technology, Engineering, and Mathematics (STEM), with appropriate representation of women; include appropriate numbers of

students from disadvantaged socio-economic backgrounds; and also seek out US options that are cost-competitive with education in alternative destination countries.

These options include private university scholarships. Quite a few US private universities still have full scholarships for foreign students and would welcome qualified Indonesian students, who would bring diversity to their student body, but they have not had the applicants. It is not that hard to find universities with such funds; the challenge is in finding the highly-qualified Indonesian students with sufficient English language skills, and getting them in front of these universities. The schools that welcome such applications need to be publicized in Indonesia. At state universities, new cost options might be found that are consistent with the needs of Indonesian students and US institutions. This would require a special effort from state universities that are motivated to accept more Indonesian students. US state universities are also an excellent place to study for Indonesian faculty from Indonesian public universities who wish to study in America, and who have access to Indonesia government scholarships.

Only around 60 Indonesian faculty and lecturers with access to Indonesian government scholarships have studied in the US, out of more than 2,000 in all overseas destinations combined. This does not result from any lack of interest in study in the US, but from factors including differences in country application systems. The new council hopes to work with its US counterparts to find out what is the constraint and fix it. Nearly one-third of Indonesians studying in the US attend community colleges, concentrated at about nine community colleges in California and Washington

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State. Twenty other community colleges throughout the US are part of the State Department's Community College Initiative, which supports Indonesian student enrollments and institutional capacity building.

Many Indonesians go on from two-year community colleges to complete four-year degrees in the US. The Association of American Community Colleges and the Council are working on a strategy to increase the uptake of Indonesians at community colleges, which are very affordable options. If practicable, there is a need to create new financing methods such as student loans for Indonesians to study in the US. Although there are many other key factors, such as enhancing student preparation for overseas study, innovating a properly structured student loan program for Indonesians to study abroad could well be one of the best mechanisms to address the cost issue. Such a program may also qualify for targeted government support. The education of paying foreign students in US universities is an export of services that would have a similar effect on US exports as the export of a US commodity. Therefore, a properly structured student loan program for Indonesians, with appropriate participation by key Indonesian institutions, is a potentially eligible area for coverage under the programs of the US Export-Import Bank.

In Indonesia, the Putera Sampoerna Foundation, a member of the joint US-

Indonesia council, has already been developing a pilot student loan program for Indonesians to study in the US, which has attracted key support. The council is keenly interested in this effort, and it plans to be helpful when this program is ready to go from pilot to a national effort, for example by assisting in participation by Indonesian banks, or other needed ingredients. It would be a notable accomplishment if Indonesia could be the first country to fashion a viable student loan program for a large number of Indonesians to study in the US, and use this program to enable it to better achieve its targets for US study.

The other key constraint, at least as large as costs, is finding and preparing highly qualified students. A major new player on the scene in this regard is Access Education Beyond, an initiative of the Putera Sampoerna Foundation, which aims to help between 2,000 and 3,000 additional Indonesians study in the US within five years. Of course, the council will also work with all other facilitators of US study for Indonesians, such as AMINEF, the new @America cultural center, Education USA and US alumni associations. The council may also wish to seek out new paths to find qualified students for US study and match them with opportunities. The massive growth of Facebook, Twitter and other social media in Indonesia can be utilized to attract Indo-

nesian students interested in US study and get their names in front of US universities, which could then encourage competitive candidates to submit applications.

Second is the requirement to facilitate the goal of doubling within five years the number of American students studying in Indonesia annually. The goal is to double from about 100 to 175 students per year to 200 to 350 students per year. This will require: (a) promoting studies by American students in existing programs in Indonesia in language, arts, culture and anthropology; (b) promoting the creation of new programs of interest to American students in which Indonesia has a comparative advantage, such as climate change, tropical forestry, tropical agriculture, oceanography, biodiversity and marine science; (c) developing Indonesian centers at US universities to promote study in Indonesia programs; (d) strengthening existing university-to-university partnerships for student exchange.

Yudhoyono has already announced the expansion of the government's "*Dharma-siswa*" program, which partially funds the costs of the study of foreign students, by an amount which will permit at least 100 more Americans per year to study in Indonesia. The US and Indonesian partners must work together to make Americans aware of this program and be sure any constraints to its utilization are addressed

Third is the requirement to expand joint university research partnerships. The council wishes to stimulate and facilitate additional US-Indonesia joint research partnerships in areas of global concern. This will be enabled both through the next phase of USAID-funded partnerships as well as

projects funded from other sources. Potential areas include STEM fields, agricultural, marine, and biological sciences, climate change, health and medicine. An excellent example of the type of partnership we will encourage dealing with climate change is now being formed between Cornell University, the University of Indonesia and the Institute of Agricultural in Bogor (IPB). Either independently, or in partnership with USAID or other US government agencies, the council wishes to see and assist with the formation of several research partnerships in areas of global concern for which Indonesia is the logical partner.

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Fourth, there is a requirement to enhance faculty, lecturer and staff exchanges. There is an immense opportunity to increase faculty and staff exchanges between US and Indonesian universities. This can be done through such means as enhancing the utilization of Indonesian government faculty funding programs for US study, including masters and doctorate study, graduate "sandwich" programs with a six-to 12-month duration, and "recharging" of post-doctoral faculty; increasing the numbers of US faculty in Indonesia through university partnerships, separate volunteer programs for US faculty, or volunteers to teach at Indonesian schools

and universities; and building the capacity of Indonesian studies programs in the US and American studies programs in Indonesia.

Fifth, the aim is to work for progress in two broad areas: science, technology, engineering, mathematics (STEM); and business, and medical and health-related education. The council will work to achieve concrete progress in the two areas above, areas of interest to the academic communities in the US and Indonesia, as well as to the Comprehensive Partnership of the two governments.

The sixth aim of the council is to mobilize private sector resources. Resource mobilization is important to achieve the goals of the council, and the private sector has a critical role. The effort will seek enabling help from corporations, corporate and other foundations, private individuals and others, as well as to coordinate its actions with corporate social responsibility programs in the education sector. If government participation in some form is needed to make an idea feasible (such as government guarantees for student loans), such ideas will be brought to governments for their consideration, along with the private sector as appropriate.

Finally, “knowledge support” will be provided by the World Bank to the council as appropriate. Areas of such support may include advising on how Indonesia can develop research capacity in STEM and other research capacities; advising on the experience of other countries in liberalizing laws to encourage foreign investment in the education sector; offering website information and reports on what other countries are doing in

higher education; and briefing the council on a forthcoming World Bank study on what employers believe are the missing skills in the Asian workforce. The subject of foreign investment in education is a delicate one in Indonesia. Some see education as a sector to be guarded from foreign influence, particularly in private sector ventures. Others believe that in today’s interconnected world, without command of English, global technology and exposure to international standards of commerce, business and law, Indonesia will not be able to play the role it is capable of in global affairs, and will slow its skills levels growth and restrain its rapid development toward achieving the globally significant economic status it would otherwise achieve.

It is not for outsiders to say how this debate should be resolved, but now seems a much better time for Indonesia to begin it than years later. The World Bank is in a position to provide multilateral technical advice and cross-country experience in the education sector to support Indonesia’s decision making. The stakes of the effort to improve US-Indonesia educational cooperation are high. It is at least as much a qualitative effort as it is a quantitative one. It is about how Indonesia, through engagement with the full range of US educational institutions across a wide front of cooperation, can utilize the educational capacity of the US. In doing so, Indonesian can develop its human resources and receive everything the US has to offer in the range and depth of skills that Indonesia needs to take the shortest path to become a world-class economy. The opportunity of the next five years - to be a game-changer - must be seized within both countries.