



Start up in the Third Space: The Deakin Lancaster Indonesia (DLI) Experience

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DOI: <https://doi.org/10.71957/v1bp1z90>

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Abstract

In 2023, the Indonesian government granted license to foreign higher education institutions (FHEIs) to establish their international branch campuses (IBCs) in Indonesia, seen as an opportunity for Indonesian students to acquire world-class education at home. IBCs exist in a sort of “third space” between countries and cultures which has implications for teaching, research and operations in the respective host country institutions.

This case study explores the experiences of Deakin Lancaster Indonesia (DLI), a start-up IBC borne out of the partnership between Deakin University and Lancaster University, and documents various pain points in establishing visibility and legitimising identity such as challenges related to the recruitment of transnational and competent faculty, compliance to Indonesian regulatory frameworks that are different from home country assurance regulations - necessitating home institutions to monitor and regulate education programs, including national and regional accreditation mechanisms.

Introduction

In 2018, the Indonesian government granted license to foreign higher education institutions (FHEIs) to establish a physical campus in Indonesia as stipulated in the Minister of Research, Technology, and Higher Education Regulation (MRTHE) No. 53/2018. The arrival of FHEIs in Indonesia is seen as opportunity for Indonesian students to acquire world-class education at home. The establishment of an FHEI must follow strict government regulations, among these are global rankings, where in this case, only top 200 ranked foreign universities can qualify, which means that Indonesia will only accept foreign universities with high international reputation. This strict criterion affords talented Indonesian students with the opportunity to



study and learn from the world's best academics, including undertaking impactful research that brings them closer to international networks of scholars. Some of these opportunities are not available in Indonesia where there is perceived low quality of local higher education institutions (HEI), attributed to several factors such as the low quality of teaching, lack of research competence and capable teaching personnel, limited research funding, and poor governance. All these combined to make Indonesian higher education less competitive in the global education market.

Currently there are six (6) registered FHEIs operating in Indonesia. These FHEIs rank in the Top 200 universities in the world, a key requirement to obtain a license, offering undergraduate and post-graduate degrees in various STEM-related disciplines aimed at improving Indonesia's science and technology fields. In this study, we explore the question: How do foreign higher education institutions in Indonesia (FHEIs) establish their identity to legitimise themselves to their home country and host country stakeholders, what obstacles they have encountered in this attempt, and what can home country institutions offer in terms of ensuring sustainability in the face of these alleviating the obstacles.

The TNE Third Space

International branch campuses (IBCs) and BUs and the students they serve exist in a sort of "third space" between countries and cultures (Schuller et al., 2024). See Figure 1. Both IBCs and BUs interact with the TNE Third Space, which has implications for teaching, research and operations in the respective home country institutions. The TNE Third Space is the complex overlap that exists at a transnational higher education institution as it navigates the territory between home campus norms and expectations and home country structures and regulations (Schuller, et al., 2024 p.1156). See Figure 1.

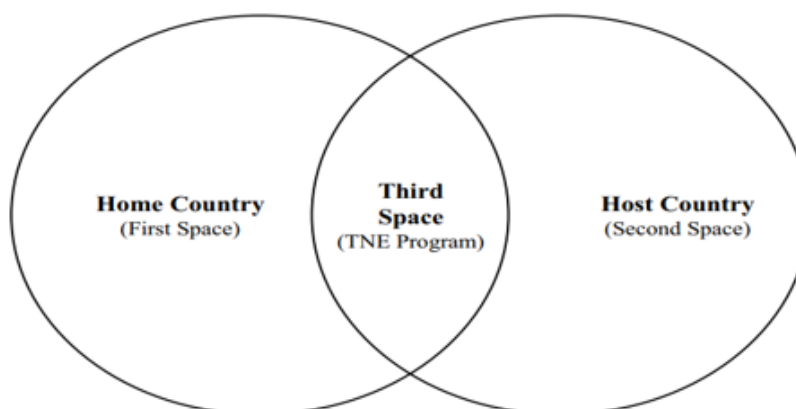
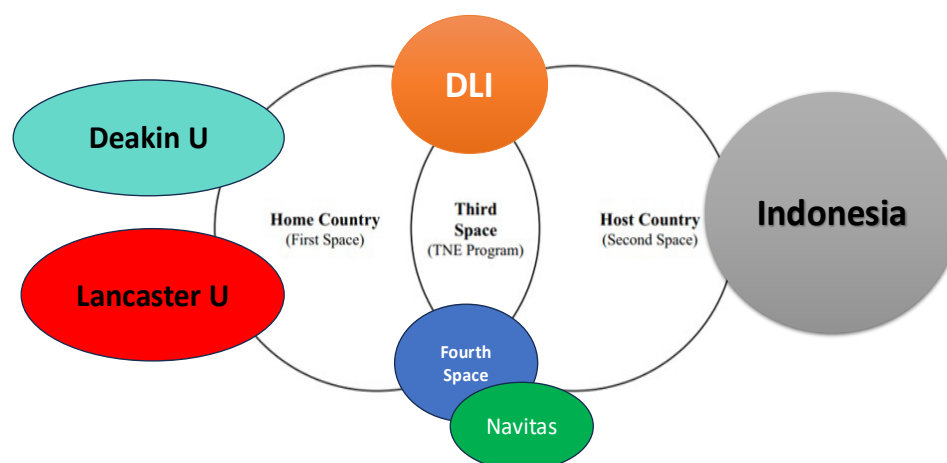


Figure 1: Source: Schuller, et.al, 2024. The Third Space of TNE



According to Wilkins and Juusola (2018), one of the advantages of establishing FHEIs is that they are seen by the local population as providing high-quality programs due to high levels of competition and increased regulatory demands from home country quality assurance agencies. These agencies ensure that home country institutions implement their curricula to host countries – a situation that is often fraught with challenges because Indonesian regulatory agencies have different ways of measuring academic success. Institutional structures and policies in the host country may not always support the operationalization of quality assurance in transnational partnerships, which can lead to inconsistencies in quality management (Kayyali, 2024). Therefore, host countries often need to balance how home country requirements can be met. Legitimation of overseas universities presence in host countries require a great deal of social visibility through communication, coordination, mutual understanding of quality expectations, as well as political connection (Kayyali, 2024).

This case study is about Deakin University (DU) Lancaster University (LU) Indonesia, known locally as DLI. This institution is the first international branch campus offering a dual-degree and was borne out of the strategic partnership between Deakin University, Australia and Lancaster University, UK. DLI is supported by Navitas that provides operational services on the campus. DLI Governance is therefore a tripartite arrangement between these three partners. See Figure 2.



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Figure 2: DLI is an innovative partnership between Deakin University and Lancaster University, operationally managed by Navitas



The establishment and recognition of DLI addresses the growing demand for international high-quality international education. Lancaster University obtained the license to operate from the Ministry of Higher Education, Science and Technology on 6 November 2023 (Ministerial Decree no. 826/2023) while Deakin University's license was released on 7 December 2023 (Ministerial Decree no. 920/2023).

Research Approach

This case study uses reflexivity. Reflexivity has been established as one of the ways qualitative researchers could ensure rigor and quality in their work; it is the gold standard for determining trustworthiness (Teh & Lek, 2018). Using reflexivity, a researcher undertaking qualitative research needs to understand that all elements interacting in such a research space is contextual (Walsh, 2003). Purposive sampling was used to select 5 key informants who have been part of the conceptualisation, planning, design, establishment, and launch of DLI. In reflexivity, the researcher is included as a participant and observer. All of us six hold top leadership positions in Deakin University and Lancaster University. Understanding this positioning will enable the researcher to determine the relevance of the research for the context, as well as the possible applicability of the research findings in that context (Dodgson, 2019)

Data were collected through semi-structured interviews conducted, consisting of open-ended questions. There were four questions asked: a) How do foreign higher education institutions in Indonesia (FHEIs) establish their global identity to legitimise themselves to their home country and host country stakeholders; b) What obstacles have FHEIs encountered in attempting to establish their global identities in the host country; and c) What convergent aspirations for sustainability do FHEIs like DLI desire in partnership with their home country institutions?

After the interview process, the data were analysed using thematic analysis (Kvale & Brinkman, 2009). All the key patterns that emerged were compared, and the study gradually identified common themes across all the transcripts. These themes were then interpreted and discussed relative to the relevant theory and literature, and findings and conclusions were later drawn from these themes.

Findings

While DLI is an innovative partnership model bringing Deakin University, Australia, and Lancaster University, there are several areas of notable concerns arising from this case



study. These are a) legitimising global identity in the host country; b) collaborative ways of working between principals (LU, DU, and Navitas) and DLI; c) increasing student numbers; and governance structures.

Legitimising global identity in the host country

DLI is facing the challenge of establishing its global identity in Indonesia, and one key informant who holds a top management position and understands the vision of the university stated that *"it is important to leverage home-country reputation"* (Navitas top executive). Both Deakin University and Lancaster University have histories embedded in each institution's strength, as well as many years of international experience that supports the partnership. A top executive from Lancaster University commented that:

It is also worth noting how the international experience of the two university partners supports the partnership. This works on many levels as the project draws from the histories and embedded strengths of each institution. At a fundamental level though it is recognised that Deakin brought that twenty years of deep engagement and many connections to the table, while Lancaster which had been less connected to Indonesia brought the experience of establishing robust campus in Malaysia, China, Germany and elsewhere while Deakin had only very recently launched its first international campus in India (Lancaster University top executive)

The DLI partnership is the first of its kind globally and has drawn a lot of interest in Indonesia, Australia and the United Kingdom, but well beyond and helped raise the profile of both institutions as not globally connected but innovative in approach. Home country reputation will encourage strong interest in institutional engagements, and research collaborations as well as mobility opportunities for staff and students will make the name known. Institutional engagements and partnerships will produce outcomes that abide by regulatory compliance requirements based on the quality assurance frameworks of the UK and Australia.

Challenges and Constraints

The interviews with stakeholders reveal many areas of concern that need to be given attention as DLI aims to establish its legitimacy to host and home country stakeholders. The challenges DLI face relates to a) increasing student numbers which is often a normal condition at start up stage; and b) convincing government regulators that DLI is a legitimate institution, established by two top quality-tiered overseas higher education institutions,



because the Indonesian public lack of awareness of this partnership. This was evident in the long application process where DLI had to explain this operating model:

The DLI campus is well socialised and well supported at both Deakin and Lancaster but

I think there is no doubt our application process took longer...we spent more time with the regulator as we were required to go deeper into showing the detail of our operating model. But through the process we got a deeper appreciation of the mission and operations of the regulator which has led to us having a productive and respectful way of working now that we are in operation (Lancaster University top executive)

The impact was low student interest and delay in recruiting students. A Deakin top executive stated thus:

We had difficulty convincing the market that DLI is legitimate to agents, parents and prospective students, e.g. the infrastructure was in place late, resulting in a one-year delay in recruiting students (Deakin University top executive)

Other challenges related to governance structures and collaborative, balanced ways of working between partners as well as lack of IT infrastructure and delay in the preparation of teaching and learning materials.

Aspirations for Sustainability

Figure 3 below shows the aspirations for sustainability that stakeholders wanted to DLI to pursue and implement:

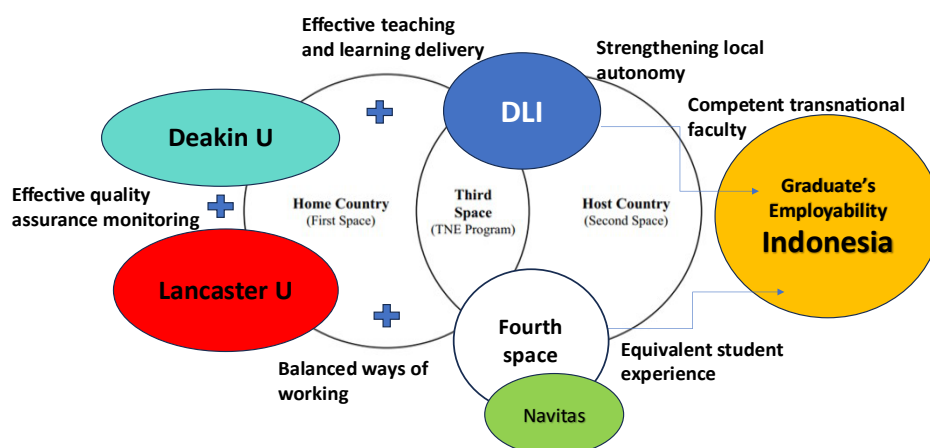


Figure 3: Aspirations for sustainability



The study identified five factors for the sustainable development of TNE like DLI, including a) the effectiveness of the teaching and learning operations; b) the internationalization of the curricula ensuring the equivalence of students' transnational experience; c) the development of the transnational staff; d) the existence of a proper regulatory framework in the host countries; and e) the development of a global systematic data collection for quality assurance. Most of all, DLI needs to keep active connections with industries and businesses to understand their skills needs and plan programs for portfolio-building. Further, strengthening local autonomy for DLI needs to be a primary agenda in the coming years while ensuring that DLI continues to comply with local regulations as well as home-country regulations.

These are all necessary to ensure successful student employability and positive industry response to DLI graduates. In addition, the study suggests that while the transition from domestic into a foreign programme can be rewarding, establishing global identity and national recognition demand appropriate planning and strategy execution.

Study Implications

Agencies such as the Quality Assurance Agency (QAA) in the United Kingdom, and Tertiary Education Quality and Standards Agency (TEQSA) in Australia safeguard standards through guidelines and reviews (Bordogna, 2020). For DLI, the challenge is how to maintain academic standards, maintain academic integrity in entry requirements and marking assessments, and ensure the equivalence of program content and student experience with that delivered in the home institutions. This objective cannot be achieved if FHEIs like DLI fails to ensure academic staff preparedness of these quality assurance standards and with the help of home institutions, facilitate the knowledge transfer in the host countries (Tran, et.al. 2023).

Conclusion

One advantage of establishing an IBC in Indonesia is that it will serve as a hub from which Australia and the UK can deepen their relationship and connections with all levels of government, local universities, business, and industry. DLI sees these activities as areas of mutual interest and mutual benefit through the taught programs, research and projects, and community engagement for both partners. By doing these, DLI is committed to advancing the development agendas and opportunities that exist between Australia, the UK, and Indonesia.



However, this case also shows that establishing an IBC under the TNE framework can be met with serious challenges that require a thorough understanding of the contextual regulatory mechanisms, as well as effective and collaborative partnerships.

At the present time DLI has successfully recruited competent faculty members who are overseas educated to serve the increasing number of students, moving from five (5) initial lecturers to twelve (12). It has established and continues to maintain good working relationships with Indonesian regulators and have made headways in developing partnerships with industries and organisations that can support programs on employability and career pathways for its students. Teaching and learning infrastructures are now in place and DLI continues to abide by quality assurance regulations of home campuses. DLI believes that with leadership's commitment and drive, as well as competent ground staff and teaching faculty, it can gradually rise above the travails experienced by many TNE start-ups in contexts vastly different from their own.

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