

Cooperation the Governments of Indonesia and Australia Improves the Quality of Human Resources Through the Australia Awards Scholarship Program 2017-2022

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Abstract

Globalization encourages mobility and human reach. New challenges emerge to test the community's readiness. Based on the Global Talent Competitiveness Index, Indonesia is ranked 65th out of 132 countries. Research International Labor Organization indicates that nearly 20% of the Indonesian workforce does not qualify for the work they are doing. This data shows the low quality of education in Indonesia, especially the level of higher education. This journal examines Australia-Indonesia's efforts to meet the need to improve the quality of human resources through the Australian Awards program. Based on data from the final report of the AAI program, although 26% of scholarship participants came from Indonesia, it did not adequately represent the entire population of undergraduate graduates. This has been constrained by budget cuts, a change in Australian policy direction and successful promotions. This scholarship is known to be prestigious, but unfortunately the impact is not so significant on the development of the quality of human resources in Indonesia.

Keywords

Bilateral cooperation;
education; human
development



I. Introduction

Globalization encourages mobility and human reach. There are no more time and space restrictions (*borderless*). As a result, new challenges emerged from outside and within the country to test the community's readiness. This is a consequence of globalization and openness. Economic activity is integrated and unavoidable. This concept unites various countries, both hegemonic countries and developing countries in a global monetary and market system. Competition is no longer between state actors, but is moving wider and wider to each individual.

Based on the *Global Talent Competitiveness Index* (GTCI), Indonesia is ranked 65th out of 132 countries. Two ranks better than the previous year, where Indonesia was in 67th position (Bachtiar, 2021). However, this increase cannot be said to be sufficient. Indonesia is far behind its neighboring country, Singapore, which is ranked 3rd (Bachtiar, 2021). Furthermore, according to the *Political and Economic Risk Consultant*, the quality of Indonesian education is ranked 12th out of 12 Asian countries (Norhaliza, 2022).

Based on (Directorate General of Higher Education, 2020) data on the development of the number of new university students in each province from year to year is increasing. This proves the success of the government in increasing the ease of access to education. The fact is that education and training are developing followed by the increasing skill/quality gap of the nation. Research *International Labor Organization* indicates that almost 20% of the Indonesian workforce does not meet the requirements for the work they are doing (The Australia-Indonesia Centre, 2019).

The facts above illustrate the low quality of education in Indonesia and the unpreparedness of Indonesian human resources to compete both at the regional and international level. The ability of a nation to compete in the current of globalization and openness depends on the quality of human resources. Therefore, the problem of education in Indonesia is an urgency that must be addressed immediately. This is in line with the wishes of the Indonesian government conveyed by President Joko Widodo to fix the skills gap and call for massive human development. (Rakhmat, 2018). Human Resources (HR) is the most important component in a company or organization to run the business it does. Organization must have a goal to be achieved by the organizational members (Niati et al., 2021). Development is a change towards improvement. Changes towards improvement require the mobilization of all human resources and reason to realize what is aspired (Shah et al, 2020). The development of human resources is a process of changing the human resources who belong to an organization, from one situation to another, which is better to prepare a future responsibility in achieving organizational goals (Werdhiastutie et al, 2020).

Strategic cooperation between Indonesia and Australia in the field of education has existed since 1953. Bilateral cooperation between the two countries is not only based on geographical proximity, but is also driven by the interest to strengthen each other's existence in the global market. Responding to *human development*, the Australian Government through the AAS (*Australia Awards Scholarship*) program and the *Australian International Education 2025* (AEI2025) strategy aims to contribute to supporting the development needs of Australia's partner country (Australian Government DFAT) and enhance its role as a global education, training and research leader. (Kitchen, 2017).

It is the state's obligation to facilitate educational needs in order to improve the quality of its people. In the era of modernization and globalization, a country is not able to completely solve problems by relying on its own potential. Therefore, through this journal the author wants to see the impact of cooperation between Indonesia and Australia in the field of higher education (*high education*) through the *Australia Awards Scholarship* to minimize the gap in the quality of university graduates in Indonesia.

1.1 Problem Formulation

a. Major Problem Formulation

Based on the background above, the author formulates the main topic into a question, namely how the Indonesian and Australian governments cooperate to improve the quality of human resources through the Australia Awards Scholarship program?

b. Minor Problem Formulation

How significant is the result of the cooperation between the Indonesian and Australian governments in increasing the competitiveness of human resources in facing the economic integration of the Australia Awards Scholarship program?

II. Review of Literature

2.1 International Cooperation Theory

Basically, the scope of international relations discusses the interaction between countries to the smallest unit, namely the individual. Interaction can be in the form of conflict or cooperation. According to Koesnadi Kartasasmita, an international cooperation is driven by several factors: ⁽¹⁾increasing dependence on one another due to advances in technology, ⁽²⁾The development of one country's economic conditions can affect the welfare of other countries, ⁽³⁾The shift in the nature of war where there is a desire to protect

each other or defend themselves in international cooperation, ⁽⁴⁾The birth of awareness to negotiate in order to facilitate solving the problems faced (Kartasasmita, 1997).

The unequal distribution of wealth/commodities, the imbalance in industrial development and the lagging behind in human development create interdependencies that encourage countries to establish cooperative relationships (Rudy, 2002). The motivation of the state to cooperate is to achieve national interests and survival. The national interest is a vision to be achieved, related to the ideals of the nation. In this case, the national interests of each country are relatively the same, namely security, territorial integrity and welfare (Rudy, 2002).

On a national scale, interactions between two countries are often found which are called bilateral relations. Bilateral cooperative relations are carried out between two actors, to regulate the interests of both parties (Rudy, 2002). The main implementer of bilateral cooperation is the state (*government to government*) (Avivi, 2020). A partnership is said to be successful if it benefits both parties. Bilateral cooperation efforts can be carried out in various fields and the focus of this journal is the field of education.

The awareness factor to negotiate in order to find a solution to a problem (Kartasasmita, 1997) can be seen in the Indonesia-Australia cooperation. The Australian government is aware of the gap in the competitiveness of Indonesian university graduates and how this issue will impact the Indonesian economy in the future. This is of course a concern, because the unstable Indonesian economy also has an impact on Australia as a partner. Indonesia as a developing country is also aware of its limited potential in the field of education which is not as advanced as Australia's, so it is open and accepting the invitation to cooperate *with the Australia Awards Scholarship*.

Indonesia-Australia cooperation is of course based on their respective national interests. On the Indonesian side, this step is an attempt by the government to educate the nation's life. This collaboration is also a preventive measure for the government in facing the challenge of the demographic bonus, which is expected to be able to equip the productive age group with skills (Kominfo, 2022). For Australia, this is a step towards realizing the *Australian International Education 2025 (AEI2025)* strategic policy as a global education, training and research leader. Thus, the partnership between the two countries can be considered as a *win-win solution*.

III. Research Method

To conduct a study requires a design or design which contains a formulation of the object to be studied. Research methods that used is to use qualitative research methods, this method is selected because qualitative research can be carried out by researchers in the field of social sciences and politics. Refers to the issues raised as well as the available variables then this researcher only analyzes data based on data and information issued by the Australian governments in the Australian Awards Scholarship in Indonesia program and implemented theories in the study of relationships International.

IV. Result and Discussion

4.1 Background and Implementation of the Australia Awards Scholarships

Australia Awards Scholarship is a program initiated by the Australian Government. Cooperation between two partner institutions, DFAT (*Department of Foreign Affairs and Trade*) and SetNeg (Secretary of the Secretariat of the Ministry of Foreign Affairs). Coordination of departments such as BAPPENAS (Ministry of National Development

Planning), Ministry of Home Affairs, and Ministry of Finance. Australian government departments are represented within the Embassy, such as Austrade, Department of Finance and Department of Agriculture (Trade, 2021). This is a form of the Australian government's contribution to the development needs of its partner countries. Through this programme, the Australian Government provides opportunities for people in developing countries, particularly the Indo-Pacific region to undertake full-time undergraduate or postgraduate study at participating Australian universities. The study and research opportunities provided develop the skills and knowledge of individuals to drive change and contribute to development in their own country. Indonesia-Australia bilateral relations in the field of education have existed since 1953. In 2022, Indonesia became one of 27 developing countries to receive *Australia Awards Scholarships* (Department of Foreign Affairs and Trade, 2022).

The implementation of the *Australia Awards Scholarships Program* in Indonesia (AAI) focuses on seven provinces, namely Aceh, West Nusa Tenggara, East Nusa Tenggara, North Maluku, Maluku, Papua and West Papua. AAI is an eight-year program that runs from April 2014 – March 2022. AAI was inaugurated on 3 July 2014 and has been amended twice. The most recent amendment approved a four-year extension of AAI until 30 June 2022, although the official end date has now been agreed to as 31 March 2022 (Trade, 2021).

During 2014-2020, AAI supported: 2,070 long-term education recipients to study at postgraduate level at Australian universities; 660 participants in the selection received *English Language Training Assistance*; 2,474 short-term scholarship recipients to participate in short course activities in Australia with preparatory and follow-up activities in Indonesia. (Trade, 2021)

AAI is a continuation program of Australian support in the field of Indonesian education which began in the early 1950s under the *Colombo Plan*. This program provides access to Australian expertise and friendly relations through scholarships, which are now known as *Long Term Awardees*. Other forms of assistance offered include: ⁽¹⁾English language training (now called ELTA) through the *Indonesia Australia Language Foundation*, ⁽²⁾capacity building initiatives such as *Australian Leadership Awards/Fellowships*, ⁽³⁾programs *Short-Course Awards*, ⁽⁴⁾the involvement of scientists (known as *On-Award Enrichment (OAE)*), and ⁽⁵⁾the involvement of Alumni through networking provided through the *Alumni Grants Scheme* (Trade, 2021).

The Australia Awards program in Indonesia focuses on offering two types of scholarships to the most promising candidates after a competitive selection process, namely: postgraduate courses (*Long Term Awards*) and special intensive short courses (*Short Term Awards*) (Embassy of Australia Indonesia). These scholarships are offered on a bilateral basis, in line with the priority sector of each recipient country at the long-term vocational, undergraduate, Masters or PhD level at an Australian institution. *Short Term Awards* are intensive training programs targeted at addressing specific technical or *soft skills*, through study opportunities or formal training, with a duration of three months (Department of Foreign Affairs and Trade, 2022).

To ensure equality and broad participation, the Australian Government encourages gender equality, persons with disabilities, ethnic minorities, people living in rural areas and members of socio-economically disadvantaged groups to apply.

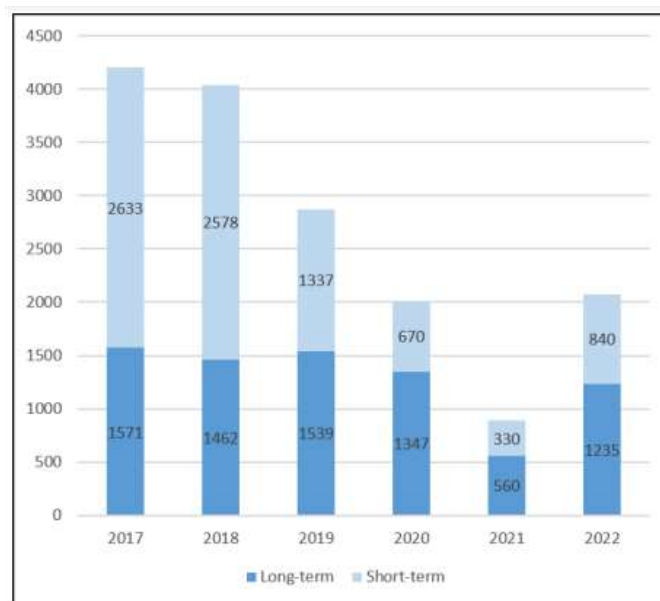
4.2 Significance and Impact of Australia Awards Scholarships

Since the Colombo Plan in the 1950s, Australia's scholarship program has always aimed to have a mutually beneficial impact through both development cooperation and public diplomacy. This is demonstrated by AAI's statement of purpose.

'Indonesia's development is enhanced by the contributions of internationally qualified professionals and a strong and positive relationship with Australia.'
(Trade, 2021)

In the era of globalization, every country moves together and influences each other. Australia has also played a role in improving the quality of life of its partner countries for regional stability. Australian assistance is also a policy realization of the *Australian International Education 2025* (AEI2025) strategy as a global education, training and research leader.

Over time, the 40% budget cut for Australian global aid announced in the semi-annual financial outlook in December 2014 and implemented in the May 2015 budget had an impact on program assistance in Indonesia and AAI. This was accompanied by a successful promotion, so that AAI scholarships became more competitive and prestigious with the success rate dropping from 23% of applicants in 2014 to only 4% in 2020.



Source: Department of Foreign Affair and Trade, 2022

Figure 1. Graph of AAI Recipients for the Period 2017-2022 All Australian Partners

Intake Year	Financial Year	Intake Number (new awards)	Long-term	Short-term	Total Cost (\$m)
2017	2016-17	4,204	1,571	2,633	303.3
2018	2017-18	4,040	1,462	2,578	300.5
2019	2018-19	2,876	1,539	1,337	290.5
2020	2019-20	2,017	1,347	670	259.0
2021	2020-21	890	560	330	185.6
2022	2021-22*	2,075	1,235	840	200.0

*=estimated costs

Source: Department of Foreign Affair and Trade, 2022

Figure 2. Table of Participant Acceptance and Expenditure of All Australian Partners

In the graph and table above, it can be seen that there has been a decline in AAI scholarship participation, both for postgraduate courses (*Long Term Awards*) and special intensive short courses (*Short Term Awards*). As explained earlier, there was a budget constraint on the part of the Australian government and the successful promotion of the scholarship. So when there is an increasing interest in joining the AAI program, the available budget is not entirely adequate. In addition, it is undeniable that the effects of the Covid-19 pandemic have limited the mobility of this program.

According to the final report of the AAI program, that during the same period, there was a significant strategic change in the priorities of the Australian government in Indonesia (2014-15), which affected AAI namely:

1. A strengthened focus by the Australian Embassy on raising the profile of Australia in Indonesia, by promoting educational excellence.
2. Increased focus on strategic relationships between individuals (public diplomacy).
3. A reduction in the number of long-term scholarships combined with parallel adjustments in program priorities, particularly an increase in the number of short-term scholarships.
4. Extension of Australian alumni coverage beyond the Australia Awards Scholarships to include tertiary graduates from Australian universities or institutions.
5. Priority engagement with the Australian and Indonesian private sectors to build trade links and generate opportunities for collaborative economic development.

The shift in AAI's policy direction has changed the process and outcomes of development in Indonesia. The focus of AAI appears to have been increasingly on promoting and expanding networks, building relationships and influence to enhance *soft power* through *people-to-people diplomacy*.

There is no denying that Australia's world-class education, training and research is critical to Australia's continued prosperity. According to the final report of the AAI program, prior to COVID-19, the international education sector was the third largest export for the economy, contributing \$30.3 billion to the economy in 2017. Educational links are an important feature of the broader economic and diplomatic relationship between Australia and Indonesia. Education is Australia's important soft power asset in Indonesia (Trade, 2021).

Rank	Country	# of current scholars	% of total scholars	Female	Male	TVET	Undergrad	Postgrad
1	Indonesia	156	26	84	72	0	0	156
2	Papua New Guinea	46	8	23	23	0	4	42
3	Kiribati	43	7	31	12	5	24	14
4	Samoa	40	7	25	15	0	39	1
5	Solomon Islands	39	7	23	16	0	26	13
6	Myanmar	36	6	23	13	0	0	36
7	Vietnam	31	5	17	14	0	0	31
8	Tonga	22	4	18	4	0	0	22
9	Laos	18	3	12	6	1	0	17
10	Nauru	16	3	8	8	0	13	3
-	All other countries, total	151	24	76	75	0	31	120
-	All countries, total*	598	100	340	258	6	137	455

Source: Department of Foreign Affairs and Trade, 2022

Figure 3. Top 10 Countries Recipient of Australian Awards Scholarship 2022

Based on the table above, 26% of Australian Awards recipients are from Indonesia. However, the number of 156 participants is still too small to represent the entire population of productive age human resources in Indonesia. Therefore, participation in the AAI program cannot be a benchmark for improving the quality of Indonesian human resources. According to the Global Talent Competitiveness Index data in 2021, Indonesia is ranked 80th out of 134 countries. Down 15 places from the previous year. This shows that the AAI program has not had a direct impact on the development of the quality of human resources in Indonesia.

Effective human resource development depends on successful education recipients acquiring new skills and knowledge that can then be applied. According to the final report of the AAI program, it was found that AAI implemented pre-departure training activities in providing English language training. In addition, the success of the *Short-Term Awards* has consistently shown a high level of relevance and satisfaction among scholarship recipients. More than half of AAI participants classified classes and sciences as 'highly relevant' to their work and 84 percent were able to apply it to their scope of work (Trade, 2021).

The bilateral relationship between Indonesia and Australia in the field of education is a *win-win solution*. Indonesia can also be proud because it is listed as Australia's number 1 education partner. However, the significance of this program is not yet real in Indonesia because the percentage of acceptance does not cover the breadth and the large number of undergraduate graduates in Indonesia.

V. Conclusion

Bilateral cooperation usually regulates the cooperation relationship between two countries, *government to government*, as well as cooperation between Indonesia and Australia. The cooperation between the two is based on the awareness to negotiate in order to find a solution to a problem and the national interest. The Australian government is aware of the gap in the competitiveness of Indonesian university graduates which in the future could destabilize the region. From the aspect of national interest, this program is a step towards realizing the *Australian International Education 2025* (AEI2025) policy strategy as a global education, training and research leader.

On the other hand, Indonesia as a developing country is also aware of its limited potential in the field of education which is not as advanced as Australia. For Indonesia, this step is an attempt by the government to educate the nation's life. This collaboration is also a preventive measure for the government in facing the challenges of the demographic bonus, which is expected to be able to equip the productive age group with skills.

A partnership is said to be successful if it benefits both parties. Thus, the partnership between the two countries can be said to be a *win-win solution* (mutual benefit). But over time with budget cuts, successful promotions and a shift in the direction of Australian policy, the content of this program is no longer focused on its main objectives. On the Indonesian side, despite meeting almost a quarter of the scholarship quota, this figure does not represent the population of undergraduate graduates in Indonesia. So that the success of this program cannot be used as a benchmark for improving the quality of human resources in Indonesia.

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