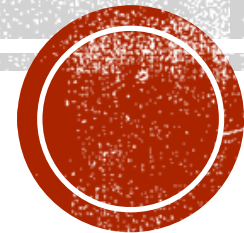


THE NATIONAL SUPPORT POLICY FOR UNIVERSITIES AND MICRO, SMALL & MEDIUM ENTERPRISES IN INDONESIA

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NATIONAL SUPPORT POLICIES FOR UNIVERSITIES

- Since 2021, the Indonesian Ministry of Education, Culture, Research and Technology has been raising the National Budget for Public and Private Universities up to 70% (IDR 2,90 trillion to IDR 4,96 trillion)

- Main objectives:
 1. Graduates can get jobs easier with more decent salaries
 2. Lecturers can get a better understanding about the needs of the society and industries
 3. Curricula can be more focused on collaboration and problem-solving skills of students



TRANSFORMATION OF NATIONAL BUDGET FOR INDONESIAN HIGHER EDUCATION



Allocations

Incentive

based on the
achievement of
Key Performance
Indicators of public
universities

Matching Funds

for cooperation
between universities
with external
institutions
(IDR 250 billion)

**Free Campus
Competitive Programs**
(IDR 500 billion)



KEY PERFORMANCE INDICATORS FOR INDONESIAN PUBLIC UNIVERSITIES



Quality of Students

decent jobs and salaries for graduates

working experiences outside campus for students

Quality of Lecturers

lecturers have experiences in public and industrial sectors

practitioners teach as visiting lecturers

lecturers' expertise are implemented in the society and gain international recognitions

Quality of Curricula

study programs with international standard

collaborative & participatory classes, case study methods

partnership with highly regarded overseas institutions



NATIONAL SUPPORT POLICIES FOR MSMEs

- Government has endorsed the Law on Small & Medium Enterprises Number 20 Year 2008 & the Law on Microfinance Number 1 Year 2013
- Government has improved the use of movable collateral by transforming the collateral registration from manual to online mode in 2013
- Government has endorsed the Government Regulation Number 23 Year 2018 that to reduce tax rate down 0.5% for SMEs
- Government has conducted The National Strategy for Financial Inclusion to improve the coordinative actions of government agencies to help MSMEs accessing finance
- Government has launched the Online Single Submission (OSS) as the 'one stop shop' licensing system that cuts bureaucratic procedures to obtain license in 2018
- The Ministry of Cooperative & SMEs, the Ministry of Industry and the Ministry of Trade have conducted trainings and capacity buildings for MSMEs
- The Ministry of Cooperative & SMEs suggests unicorn e-commerce platforms operating in Indonesia to restrain from selling importing products for Indonesian consumers



WEF & EVERMOS' STRATEGIC BLUEPRINT FOR SMES GROWTH

	Newcomer	Artisan	Emerging	Challenger	Mainstream
Market Shares	99%	0,5%	0,35%	0,14%	0,01%
Numbers of SMEs	6,229,948	31,464	22,025	8,810	629
Annual GMV in IDR	< IDR 1 B	>IDR 1 B, <IDR 5 B	>IDR 5 B, <IDR 100 B	>IDR 100 B, <IDR 500 B	>500 B
Mindset/skills requirement	Trading with short term gain focus	Determining the right business value proposition	Setting up a repeatable system to scale business	Building a robust omni sales channels	Branding & innovation focus
Material sourcing capability	No to little	Inefficient	Somewhat efficient	Efficient	Highly efficient, self produced
Production	No to little	Outsourcing	Inhouse & outsourcing	Efficient inhouse /outsourcing	Highly efficient inhouse/outsourcing
Capacity building capability	No to little	Little	Started to have system	Efficient	Highly efficient
Logistic capability	No to little	Little	Efficient	Highly efficient	Highly efficient
Sales Channels	One or two	Several	Multiple (online & offline)	Robust omni sales channel with multiple region coverage	Robust omni sales channel with national coverage



WEF & EVERMOS' RESEARCH FINDINGS

PROBLEMS OF 99,85% OF MSES IN INDONESIA: LACK OF A STRATEGIC GROWTH PLAN

Newcomer

- Identifying the target market
- Identifying what type of product/service needed
- How to make profit

Artisan

- Struggling with scalability
- Limited benefit of digital transformation
- No skill of value creation and system establishment

Emerging Business

- False perception about their accomplishment
- Lack of capability to develop their market channels based on their main industry
- Losing focus



CHALLENGES

- Creating and implementing a workable National Innovation System of Indonesia that includes Universities and MSMEs
- Balancing the recent focus of Indonesian universities from merely achieving a higher international rank by publication with obligatory implementation programs to support MSMEs as emerging partners
- Establishing a solid system of Indonesian Intellectual Property protection and commercialization that regards the universities as an *avant garde* sector and the MSMEs as right holders
- Implementing the new Indonesian Government Regulation Number 56 Year 2022 about Communal Intellectual Property for the best interest of MSMEs as the source communities of Genetic Resources, Traditional Knowledge, Traditional Cultural Expressions, Geographical Indication Potentials, and Indications of Source.

