

# Medium Enterprises, Campus Infrastructure Development with Private Partnership

Joko Suyono<sup>1</sup>, Agus Sukoco<sup>1</sup>, Muhammad Ikhsan Setiawan<sup>2\*</sup>, Paisal Halim<sup>3</sup>, Syamsiah Badruddin<sup>3</sup>, Tuswoyo<sup>3</sup>, Ahmad Hidayat<sup>3</sup>, A. Saleh A.<sup>4</sup>, Darmawan Napitupulu<sup>5</sup>, Dahlan Abdullah<sup>6</sup>

<sup>1</sup>Department of Management, Narotama University, Surabaya, Indonesia

<sup>2</sup>Department of Civil Engineering, Narotama University, Surabaya, Indonesia

<sup>3</sup>Institut Ilmu Sosial dan Manajemen STIAMI, Jakarta, Indonesia

<sup>4</sup>Financial Mathematics Research Group, AHMAR Institute, Indonesia

<sup>5</sup>Research Center for Quality System and Testing Technology, Lembaga Ilmu Pengetahuan Indonesia, Jakarta, Indonesia

<sup>6</sup>Department of Informatics, Universitas Malikussaleh, Aceh Utara, Indonesia

\*E-mail: [ikhsan.setiawan@narotama.ac.id](mailto:ikhsan.setiawan@narotama.ac.id)

## Abstract

Sustainable Development Goals (SDGs) ensuring inclusive and equitable quality of education and enhancing lifelong learning opportunities for all. Program Indonesia Pintar through the implementation of 12 Year Compulsory Education in the RPJMN 2015-2019 of which is increasing the number of educational participation with a target of 2019 APK of Higher Education of 36.7 percent. USA private fundraising for higher education are in Harvard, Stanford, Princeton, Texas, Massachusetts, Columbia, Pennsylvania, Texas, Northwestern, California, Chicago, Notre Dame, Duke, Cornell, Virginia, Yale, Washington and Emory. USA private fundraising for higher education are used for scholarships, especially for most outstanding students. USA private fundraising for higher education are used for library development, research in universities and other developments related. The use of funds makes USA higher education more sustainable. In 2012, the growing of private universities in India more strengthen, this is seen in the data of universities in India, which provide scholarships are 12,748 universities, but 9,541 university granting students in Indian universities is a private university. This has an impact on increasing access to private universities, with 64% of universities in India, is a private university, this is supported by private university admission applicants in India which accounted for 59% of total applicants of Indian universities. Narotama University in 2016 manages five faculties with 3,096 students and 112 lecturers. Private Partnership strategy includes Banks, and Private partners. Narotama Tower construction cost IDR 170 billion, 3 years construction, and will generate revenues of IDR 250 billion. Therefore, this strategy completes Narotama's development action besides financial analysis, planning and budgeting, performance reporting, cost accounting.

**Keywords:** Partnership Strategy of Private University; University Development; University Facilities; University Infrastructure

## 1. Introduction

The realization of investment has increased significantly since 2010. In 2013, Domestic Investment (PMDN) and Foreign Investment (PMA) investment in real estate, construction and hotel sector reached Rp28.758 trillion<sup>1</sup>. The Indonesia Stock Exchange (IDX) recorded market cap value for the property, real estate and construction sectors to reach Rp234.531 trillion<sup>2</sup>. Stable economic growth, relatively controlled political-security, rich natural resources and a strong investment climate have increased the number of middle-class population in Indonesia. Increasing middle-class population brings a wave of consumer spending one of them in the form of property ownership and investment<sup>3</sup>. The strong growth of the middle class and the purchasing power of domestic consumers, boosted the property business in several parts of Indonesia. Based on Bank Indonesia Survey in the second quarter of 2014, the selling price and rental of commercial property in Jabodetabek, Banten, Bandung, Surabaya, continues to increase for office segments, shopping and retail, apartment, condominium and hotel. Commercial banks' property loan portfolio includes housing and apartment loans, construction and real estate credit credits showing an upward trend<sup>4</sup>.

Sustainable Development Goals (SDGs) ensuring inclusive and equitable quality of education and enhancing lifelong learning opportunities for all. Program Indonesia Pintar through the implementation of 12 Year Compulsory Education in the RPJMN 2015-2019 of which is increasing the number of educational participation with a target target of 2019 APK of Higher Education of 36.7 percent.

## 2. Review of Development of Universitas Infrastructure

Private fundraising, for the higher education, has been commonly done by higher education all the world, they get funding for the interest of higher education development. Examples in the USA are Harvard have external private fundraising \$26 billion, Yale have external private fundraising \$12 billion, Princeton and Stanford have external private fundraising over \$10 billion, 19 universities have external private fundraising over \$1 billion<sup>5</sup>. USA private fundraising for higher education are in Harvard, Stanford, Princeton, Texas, Massachusetts, Columbia, Pennsylvania, Texas, Northwestern, California, Chicago, Notre Dame, Duke, Cornell, Virginia, Yale, Washington and Emory.

USA private fundraising for higher education are used for scholarships, especially for most outstanding students. USA private fundraising for higher education are used for library development, research in universities and other developments related. The use of funds makes USA higher education more sustainable. USA private fundraising for higher education can also be obtained, by involving government, private or public-private partnership, in the management of USA higher education, through grants, or contracts. As a note, the grant or contract, should support the development of universities, for education and research development. Example in the USA, local governments encourage increased access, cooperation of university partners with private industry parties, especially in the field of technology transfer, such activities include consulting services, joint research, technical assistance. All these activities are closely related to the development of research and development of education that has an impact on improving the quality of universities<sup>6</sup>.

Higher education in India, shows interesting things. Students prefer private universities rather than state universities. The value of private universities, their ability to give employment access to graduates, after they complete education. Private universities in India also provide greater opportunities for the development of student in job careers such as engineering, management, and architecture, while state universities in India focus more on public education, such as the field of humanities and social sciences. The advent of private universities in India is driven by a very urgent demand in the supply of experts, and not just meet government policy. In 2002, universities in India reached more than 4,000 universities, with 3,000 of them, more than 70 percent, are private universities<sup>7</sup>.

In 2012, the growing of private universities in India more strengthen, this is seen in the data of universities in India, which provide scholarships are 12,748 universities, but 9,541 university granting students in Indian universities is a private university. this

has an impact on increasing access to private universities, with 64% of universities in india, is a private university, this is supported by private university admission applicants in India which accounted for 59% of total applicants of Indian universities<sup>8</sup>.

### 3. Development of Narotama University infrastructure

Indonesia has 4,468 universities, therefore a tight competition among them is unavoidable. Thus, quality of education and campus development has become very important to ensure survival. Narotama University in 2016 manages five faculties with 3,096 students and 112 lecturers.

Location and surrounding area of the NET TOWER Narotama University is shown in Figure 1. Revenue of IDR 39.931 billion, 25% for the development of facilities and infrastructure, 68% for Tridharma (education, research, public services) and salaries.

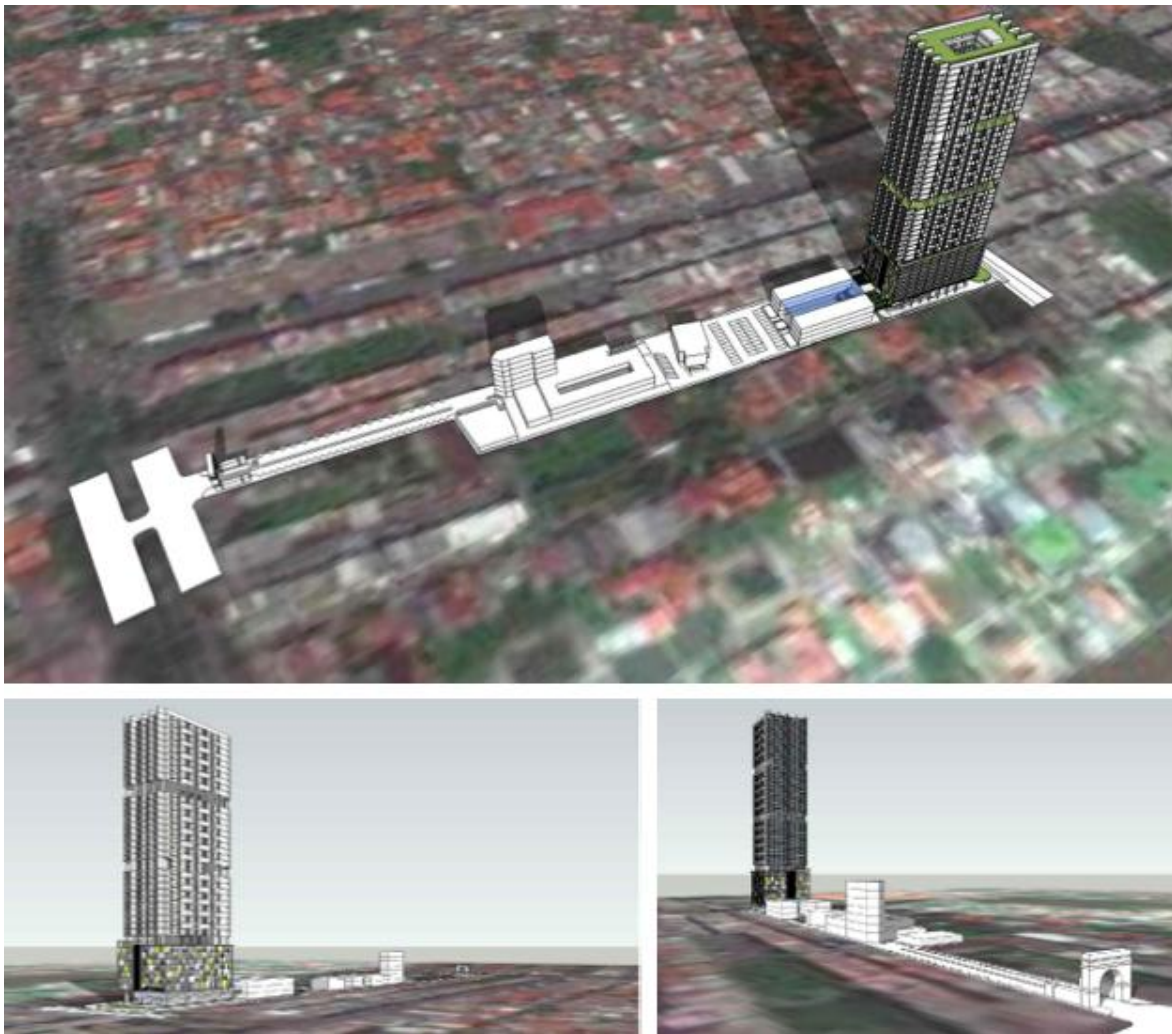
Narotama's total land is only 1.45 hectares, functioned for education infrastructure. This condition obviously requires a breakthrough for campus development ahead, and it has been answered by private partnership. Narotama's development strategy is to build a 100 m Tower with total area of 30,000 m<sup>2</sup> (on an area of 2,500 m<sup>2</sup>).

Figure 2 show the NET TOWER perspective 3D of Narotama University. Not only as a campus facility as well as student apartments, it will also become a source of university's income.

Private Partnership strategy includes Banks, and Private partners. Narotama Tower construction cost IDR 170 billion, 3 years construction, and will generate revenues of IDR 250 billion. Therefore, this strategy completes Narotama's development action besides financial analysis, planning and budgeting, performance reporting, cost accounting.



Fig. 1: Location and surrounding area of NET TOWER Narotama University



**Fig. 2:** NET TOWER perspective 3D of Narotama University

**Table 1:** Building Function (Area and Unit)

| Level          | Function      | Total area (m <sup>2</sup> ) |
|----------------|---------------|------------------------------|
| Basement       | Campus        | 1.230                        |
|                | ME area       |                              |
|                | Parking       |                              |
| Ground         | Service       | 1.046                        |
|                | Lobby         |                              |
|                | Campus        |                              |
|                | ME area       |                              |
| Floor : 2      | Parking       | 1.049                        |
|                | Service       |                              |
|                | Retail        |                              |
| Floor : 3 - 7  | Campus        | 5.248                        |
|                | Parking       |                              |
| Floor : 8      | Service       | 1.055                        |
|                | Apartment     |                              |
|                | Fitness       |                              |
|                | Playground    |                              |
|                | Sky Garden    |                              |
|                | Pool Deck     |                              |
| Floor : 9 - 32 | Swimming Pool | 20.205                       |
|                | Service       |                              |
|                | Apartment     |                              |
|                | Service       |                              |

#### 4. Results and Discussion

The fund sources of Narotama University came from students and non-students. Non-student sources were from Yayasan Pawiyatan Gita Patria (BHP PT), Ministry of Research and Technology, Lo-

cal Government, and Business Unit. The source of funds were for the sustainability of funding Narotama University. Universities and Foundations encourage to increase non-spp revenues. In collaboration with the Investor for the development of 34-storey NET

Tower Campus Apartment. Total value of IDR 170 Billion. The target of implementation was early 2018 or the end of 2020.

## 5. Conclusions

Sustainable Development Goals (SDGs) ensuring inclusive and equitable quality of education and enhancing lifelong learning opportunities for all. Program Indonesia Pintar through the implementation of 12 Year Compulsory Education in the RPJMN 2015-2019 of which is increasing the number of educational participation with a target of 2019 APK of Higher Education of 36.7 percent. USA private fundraising for higher education are in Harvard, Stanford, Princeton, Texas, Massachusetts, Columbia, Pennsylvania, Texas, Northwestern, California, Chicago, Notre Dame, Duke, Cornell, Virginia, Yale, Washington and Emory. USA private fundraising for higher education are used for scholarships, especially for most outstanding students. USA private fundraising for higher education are used for library development, research in universities and other developments related. The use of funds makes USA higher education more sustainable. In 2012, the growing of private universities in India more strengthen, this is seen in the data of universities in India, which provide scholarships are 12,748 universities, but 9,541 university granting students in Indian universities is a private university. This has an impact on increasing access to private universities, with 64% of universities in india, is a private university, this is supported by private university admission applicants in India which accounted for 59% of total applicants of Indian universities. Narotama University in 2016 manages five faculties with 3,096 students and 112 lecturers. Private Partnership strategy includes Banks, and Private partners. Narotama Tower construction cost IDR 170 billion, 3 years construction, and will generate revenues of IDR 250 billion. Therefore, this strategy completes Narotama's development action besides financial analysis, planning and budgeting, performance reporting, cost accounting. The fund sources of Narotama University came from students and non-students. Non-student sources were from Yayasan Pawiyatan Gita Patria (BHP PT), Ministry of Research and Technology, Local Government, and Business Unit. The source of funds were for the sustainability of funding Narotama University. Universities and Foundations encourage to increase non-spp revenues. In collaboration with the Investor for the development of 34-storey NET Tower Campus Apartment. Total value of IDR 170 Billion. The target of implementation was early 2018 or the end of 2020.

## References

- [1] Bintoro, T. (2002). Reformat! Nasional Penyelenggaraan Good Governance dan Perwujudan Masyarakat Madani, LAN, Jakarta.
- [2] Bratakusumah, DS. & Dadang, S. (2002). Otonomi Penyelenggaraan Pemerintah Daerah, PT Gramedia Pustaka Utama, Jakarta.
- [3] Doli, DS. (2002). Optimalisasi Pemberdayaan Maria Kekayaan Negara, Penam Konsultasi Penilaian dalam Pemilihan Ekonomi Nasional, PT Gramedia Pustaka Utama, Jakarta.
- [4] Flippo. EB. (1992). Manajemen Personalial, PT Gowa Aksara Pratama, Jakarta.
- [5] G. Kertasapoetra, dkk. (1987). Administrasi Perusahaan Industri, PT Bina Aksara, Jakarta.
- [6] Gunawan, W. (2002). Pengelolaan Harta Kekayaan Negara - Suatu Tinjauan Ywidis, PT Rajagrafindo Persada, Jakarta.
- [7] Hamzah Y. (199). Administrasi Materil, Manunggal Utama, Ujung Pandang.
- [8] Handyaningrat S. (1994). Admmistrasi Pemerintahan dalam Pembangunan Nasional, CV Hani Masagung, Jakarta.
- [9] Harionowo, C. (2002). Uang Pemerintah, Perkembangan, Prospek dan Pengelolaannya, PT Gramedia Pustaka Utama, Jakarta.
- [10] Ibnu, S. (1983). Administrasi Perlengkapan Materil, PT Bina Aksara, Jakarta.
- [11] J.B. Kristiadi. (1994). Administrasi Manajemen Pembangunan (Kumpulan Tulisan) Ketua Lembaga Administrasi Nasional, Jakarta.
- [12] Kaho, R. (1988). Prospek Otonomi Daerah di Negara Republik Indonesia, PT Raja Grafindo Persada, Jakarta.
- [13] Komaruddin. (1994). Ensiklopedi Manajemen, Bumi Aksara, Jakarta.
- [14] Mardiasmo. (2002). Otonomi dan Manajemen Keuangan Daerah, Andi, Yogyakarta.
- [15] Moeljarto, T., dkk. (2001). Birokrasi dalain Polernik, Pustaka Pelajar bekerjasama dengan Pusat Studi Kewilayahan Universitas Muhammadiyah Malang.