

Leading innovative approaches to the financial crisis

Dr. Sarah Guri-Rosenblit

A financial crisis as a crisis in any other domain, whether it takes place in our personal life, in a national context or in the international global arena, forces us to mobilize our imagination and creative thinking in order to overcome this crisis. By succeeding in overcoming it, we even aim to become better and stronger.

In this workshop we will try to analyze how distance teaching providers can mobilize new innovative approaches to the financial crisis, but not only to the financial crisis. We will also relate to what I term "an existential crisis" of distance education providers, coupled with the financial crisis.

When I speak about an existential crisis, I first of all refer to the mission of distance education, which for over 150 years was very clear, and is today no longer so clear. Distance education by its very nature was very different from campus-based universities. It has changed the philosophy and underlying premises of how a university worked. Instead of assembling students from different places onto one campus, the distance teaching universities reach out to students wherever they are located and prefer to study. Nowadays, through the new digital technologies, any university can reach out to students outside its residential campus. So the distinct role of distance teaching universities is not so clear any more.

Furthermore, when higher education systems started to expand in Europe and elsewhere in the world, mainly since the late 1960s, one of the important missions of the large-scale distance teaching universities was to provide economies-of-scale, i.e. – to demonstrate that it is cheaper to provide higher education in this modality, as compared to teaching at campus based universities. This goal has been achieved through the industrial model of distance education, pioneered by the UK Open University which was established in 1969. High quality study materials were prepared by small teams of experts and distributed to dozens of thousands of students. How to provide economies-of-scale in the digital age constitutes today a crucial and problematic issue. Many studies point to the fact that online teaching turns sometimes even more expensive than face-to-face teaching, if applied in small virtual classes taught by experts. Unquestionably, finding the balance between being able to enrol large numbers of students and providing them with high quality education at a lower cost presents an immense challenge for distance education providers in the digital age.

New terms have entered the discourse on distance education in the last decades, and it is also reflected in the programme of this SCOP meeting. E-learning, ICT-based education, flexible education and open education are terms which describe many distance education operations quite fairly, but in no way are they exclusive just to distance education,

A few years ago I published an article on "E-learning and Distance Education: Not the Same Thing", and I deal with this issue also in my recent book on "Digital Technologies in Higher Education: Sweeping Expectations and Actual Effects" (Guri-Rosenblit, 2009). E-learning is not a synonym for distance education. Based on an analysis of hundreds of articles, reports, books and reviews on the applications of digital technologies in higher education settings worldwide, I can tell you that currently most of the various uses of the digital technologies take place in campus based universities; and most of distance education at the higher education level is not delivered through digital technologies.

Other terms which are frequently associated with distance education are "open" and "flexible" education. If we refer to the term "open" as indicating open access, many distance teaching universities are not open at all. As matter of fact, only a few distance teaching universities have adopted an open admissions policy. Even our hosting university for this SCOP meeting, Universitat Oberta de Catalunya (the Open University of Catalonia), has entry requirements for most of its programmes. On the other hand, there are many campus based higher education institutions that

have an open admission policy and demonstrate other openness dimensions. So, openness is not a distinct feature of distance education providers. Also the term "flexible learning" does not characterise necessarily distance education. There are many campus based universities and colleges that apply flexible measures and policies. The community colleges in the US are very open and very flexible in the sense that anyone can complete an associate degree and continue towards a bachelor degree at a university. In California, for instance, graduates of community colleges can continue their studies even at highly ranked and prestigious universities like the University of California at Berkeley or UCLA, which is quite unthinkable at this stage in Europe or in many other parts of the world. No one would suggest that the community colleges in the US are natural candidates for joining the International Council for Open and Distance Education.

I point out these problems not just to highlight a semantic confusion. It seems that there is a much deeper confusion regarding the role of distance education in the contextual higher education arena right now.

There is a further problem which describes the existential crisis of distance education providers in developed countries. When distance education expanded in the second half of the 20th century, only some 5%-10% of the relevant pool of students participated in higher education. Currently, in some European countries and in the US, the relevant age cohort participating in higher education is over 50%. So, obviously the relevant pool out of which distance education establishments can source undergraduate learners is getting smaller.

An additional problem faced by distance teaching universities is the much greater competition for students and resources. Many campus universities and new private institutions offer today distance education programmes. It is interesting to note that most members of our workshop group do not represent single mode distance teaching universities. Some come from campus teaching universities, like Hong Kong University, one of the leading research universities in the world, a member of Universitas 21, and ranked as the second research university in Asia. Hong Kong University has established a professional continuing education school which has now become independent. It teaches around 23,000 students on its campus, and nearly 100,000 in various continuing and professional education programs outside its residential campus. The range of new distance education providers has become really plural. One of the defining features of higher education in the last decades is the growing diversity of higher education institutions, and there is certainly more diversity among distance education providers. So there are currently not just dual- and single mode distance teaching universities, but in-between you have many sub-types of distance education. In Germany, for example, you have a virtual university in Bavaria which is a network developing e-learning courses for over 20 Bavarian universities, and is not an autonomous university. In Brazil, many corporate universities have been established in the last decade utilizing distance teaching, and there are many more manifestations of distance education operated by various-type institutions.

As aforementioned, the cost-effectiveness of distance education in the digital age poses a serious dilemma. Many studies point out that if you really want to employ the wide range of capabilities offered by the electronic technologies, sometimes it costs even more than face-to-face education. So we have to deal with it. It constitutes an immense challenge, particularly to the large-scale single mode distance teaching universities that are based on the industrial model. Sameness constitutes one of underlying principles of the industrial model. The same study materials, assignments and exams apply to all students. Very little flexibility is enabled in such a system. Whereas, online teaching calls for applying flexible methods in the teaching process in order to cater to the needs of different students, and take into account the products of a collaborative teaching/learning process. Definitely, the implementation of online teaching requires a redefinition and an overhaul of the existent infrastructures of many distance teaching universities.

Another dilemma relates to the problem of getting donors' funds for experimenting with new study environments enabled by the digital technologies. Many donors in the philanthropic world are

approaching renowned research universities when they are willing to donate large amounts of money for experimenting with these new technologies. When Bill Gates first had the idea of an I-Campus in 1999, he approached MIT in the United States and Cambridge in the UK, not the UK Open University or UMUC. Maybe we will see a change at the UK Open University with the new Vice-Chancellor coming from the corporate world.

An additional problem which confronts distance teaching universities relates to their academic reputation and future budgeting. You heard today in the keynote address of the growing importance of ranking tables. There are currently many ranking tables, but the two most important ones are the Times Educational Supplement in the UK and the Jiao Tong Shanghai University ranking of 500 leading research universities. In these rankings, research plays a very important role. The last decade has witnessed increasing cuts from government to higher education budgets, and research activity constitutes an important variable for government funding. Since most distance teaching universities are not well renowned for their research, it might affect in the future both their budget and academic status. Governments are requiring today from higher education institutions a much greater accountability, side by side with encouraging them to demonstrate a greater entrepreneurship in generating funds for their ongoing operation. Distance teaching universities have to be most resourceful and creative in finding new paths for strengthening their financial base.

After outlining the major challenges facing the future existence of distance teaching universities, I would like to relate to the term "innovative approaches". According to the Collins English Dictionary, "innovation is the introduction of a new idea or method that is introduced in the way that something is done or made". Changes in our life and in organizations take place all the time, while an innovation is something that has to be initiated in order to improve something. Not all innovations are successful. Some innovations might turn disruptive if to use a term introduced by Christensen (2008). Unfortunately, the implementation of many innovative technologies has turned out to be disruptive. There are many examples in the last decade of dot.com endeavours established by leading universities in the US which failed, causing the loss of huge amounts of money. I would even say that one of the ideas which we heard in the keynote address that suggested to adapt a policy of managing a football team to higher education might turn disruptive in many higher education contexts.

So the challenge facing distance teaching providers today is to identify and adopt sustainable, rather than disruptive, innovative approaches to handle the financial crisis and other current and future challenges.

In our workshop we will deal with five domains which are relevant to the identification of innovative approaches to tackle the existential and financial crisis of distance education providers. The five domains are related to the: missions of distance education, student constituencies, scope of programmes and curricula, technological infrastructure, collaboration and competition.

The traditional mission of distance teaching universities has been to widen access to academic and professional studies mainly to second-chance students. Second-chance students were those that for a variety of reasons could not study at a campus university, due to lack of entry qualifications, work/family/health constraints, living in a remote location, being a woman, serving in the army, etc. The large scale distance teaching universities that were established since the late 1960s could draw from a large pool of second-chance students, and also got relatively generous government funding, which is not the case right now.

This mission of widening access to second-chance students is also valid for today distance education providers, though many conventional campus universities offer nowadays study tracks for non-traditional student clienteles. Leaders of distance teaching institutions should rethink the current missions of distance education. They should decide whether they opt to operate in the global arena or focus mainly on local and national goals. They should consider how to launch a closer interface with labour markets and the corporate world, and decide whether they would like to shift their focus to

providing lifelong learning and professional upgrade. They should deliberate on how it is possible to monitor and enhance quality while operating in a global network. Definitely, these are complicated and challenging tasks which will shape the future development of distance education providers.

Listening to the keynote today and from discussions at the reception yesterday, it came to my mind that maybe an important mission of global bodies, like ICDE, is to mainstream distance education as an integral part of higher education. It is not just to coordinate different distance education providers, but very much to integrate distance education more fully into the higher education systems in the various national jurisdictions. I read carefully the UNESCO World Conference conclusions following the World Conference on Higher Education which took place in July 2009 in Paris. Article number 24 states that: "International cooperation in higher education should be based on solidarity and mutual respect". "Mutual respect" is a key issue. I can tell you from my experience of researching higher education systems in the last 15 years that while in many higher education contexts distance teaching universities have gained respect, in many others - distance teaching universities have not gained the respect of traditional universities. Respect is a tremendously important factor for collaboration and for the future status of distance education.

When I started my research on distance and campus universities 15 years ago, I chose a sample of five single mode distance teaching universities: the UK Open University, Athabasca University in Canada, Fernuniversität in Germany, UNED in Spain and the Open University in Israel. I discovered a conceptual divide between scholars that deal with higher education, and those that focus on distance education. In many studies of higher education, distance teaching universities are not mentioned at all, and if mentioned they are presented as operating on the margins of higher education systems, or even outside the realm of higher education. When you read the literature of scholars who deal with distance education, on the other hand, they view it as the most innovative development in higher education since the Middle Ages, as revolutionary establishments, or the only way of studying in the future. There is a huge conceptual gap between mainstream and distance education scholars. In my book on "Distance and Campus Universities: Tensions and Interactions" (Guri-Rosenblit, 1999) I tried to combine between these two worlds that do not interact and show how each distance teaching university in its national context contributes to higher education at large. I believe that we still have a lot of work to do in mainstreaming distance education into higher education systems.

The second issue we will deal with in our workshop is that of student constituencies. The traditional constituency of distance teaching universities has been usually older (30+), mostly employed, part-time, living mainly in national or local jurisdictions, and mostly pursuing undergraduate degrees. Right now we have a much more diverse student constituency, and the question is - who will be our future student constituencies? Should we also be attractive to young students while still studying at high school? At the Open University of Israel, for instance, we have talented high school students, some of who complete their degree at the same time as their high school diploma. Should distance teaching universities compete for full-time students, and offer them campus-based studies? We can see today more and more distance teaching universities, particularly new universities, which teach concurrently part-time and full-time students, offer on-campus and off-campus studies, which was not the case 40, 30, 20 and even 10 years ago.

Distance teaching universities have a natural capacity to reach outside national borders. However, when we relate to transnational students, we should be aware that most of them are enrolling at campus based universities. I can be considered as a transnational student when I moved from Israel to the United States to study for my PhD. Most of the students who go to New Zealand, Australia, the United States and Europe are not distance education students. Again "globalization" is a blurred concept. Globalization per se is not conducted mainly through distance education. Distance education leaders should invest efforts in enhancing the number of their transnational students.

Another interesting question to consider in relation to future student constituencies is whether distance teaching universities should focus mainly on offering academic degrees, or shift their

operation to providing more short-cycle professional upgrade programs, and courses for personal development and recreation.

The scope of programmes and curricula is the third issue which will be dealt in our workshop. When I read the memoirs of Lord Perry, the first Vice-Chancellor of the UK Open University, he confessed that at the beginning he was thinking of developing totally new innovative programmes. But then he got cold feet because he decided that if he did so, graduates would encounter problems to be accepted to any other academic institution. The same worry applies today - do we want to offer programmes that are the same as in conventional universities or different and unique? Do we want to offer a broad comprehensive curriculum or focus on niche areas which have a high market demand? More and more distance education providers, mainly for-profit institutions, are concentrating today on niche areas, such as business administration, law, computer science, etc.

Furthermore, most of the distance teaching universities focused in their early operation on undergraduate studies. The time is ripe to reconsider this trend. In my opinion, graduate studies are much more suitable for distance education, because you get students who have gone through academic studies, and they can much more easily adapt to a self-study environment. Many studies point to the fact that the biggest successes of online education take place at the graduate and postgraduate levels.

The fourth issue to be dealt in our workshop relates to the technological infrastructures of distance teaching providers. Most of the large scale distance teaching universities offer high quality print-based materials augmented by other media. The digital technologies are used mainly for add-on functions, and do for substituting the printed materials and the tutorials. Universitat Oberta de Catalunya is exceptional in the European landscape of distance education. It was established 15 years ago as an online university. In the United States, too, most distance education is carried out through the use of digital technologies.

As aforementioned, the implementation of the digital technologies within distance teaching universities which are based on the industrial mode requires a major restructuring of the teaching mode of these universities. Other challenges which are associated with the implementation of the digital technologies relate to the urgent need to bridge the digital divide between developed and developing countries and between rich and poor; the challenge to find a working model of distance education that continues to offer cost effectiveness advantages in the digital age; the efficient utilization of the open educational resources to minimize costs; and how to overcome language barriers when operating in the global arena.

The last issue to be dealt in our workshop relates to the crucial importance for distance education providers to identify partners and competitors, and to base their business and academic models accordingly. In the past, distance teaching universities emphasized their being stand-alone and autonomous universities. It has been of immense importance to establish their autonomous status vis-à-vis the traditional campus universities. But the rules of the game have changed dramatically in the higher education market in the last decades. Universities are required to operate in a global market, in which it is an imperative to combine forces with other higher education institutions and the corporate world, and identify the potential competitors. In our workshop will deal with how we can mobilize fruitful collaborations in order to attract new student clienteles, reduce costs for course development, enhance flexibility, ensure high quality mechanisms, provide richer and better programmes, and strengthen the financial basis of distance teaching institutions. It is not easy to maintain a successful collaboration. The relevant literature is full of stories of failures of collaborations. Finding appropriate partners and maintaining a fruitful collaboration constitute most challenging tasks that are crucial for the future of distance education providers.

References

Christensen, C. M. (2008). The ongoing process of building a theory of disruption, *Journal of Product Innovation Management*, 23, 39-55.

Guri-Rosenblit, S. (1999). *Distance and Campus Universities: Tensions and Interactions*. Oxford: Pergamon Press & International Association of Universities.

Guri-Rosenblit, S. (2009). *Digital Technologies in Higher Education: Sweeping Expectations and Actual Effects*. New York: Nova Science.