

# *Dual-Mode Universities in Higher Education: Way Station or Final Destination?*

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*Think piece:  
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Way Station or Final Destination?*

*Sir John Daniel  
Commonwealth of Learning*

## *Dual mode: a long history*

Some universities have offered distance-learning programmes alongside on-campus teaching for a century. This was notably the case for institutions in countries having large territories with scattered populations. Queen's University in Canada began offering Extension Studies in 1888. In the United States, the University of Wisconsin did likewise in 1908, when its president, Charles van Hise, proclaimed that 'the boundaries of the campus extend to the boundaries of the state'. The University of Queensland created Australia's first Department of Correspondence Studies in 1911 and 'external studies', as they came to be called, became an important element in a number of Australian universities.

Despite the impressive efforts of such universities, however, in the rest of higher education distance programmes were often seen as second best to classroom courses. It was the establishment of open universities, dedicated solely to this approach and deploying newer communications media, which brought distance education into the mainstream. Beginning in the 1970s, open universities multiplied and expanded, enrolling millions of students by the end of the 20<sup>th</sup> century and making a significant contribution to widening access (Daniel, 1996). These institutions delivered their programmes through multi-media forms of distance education based on print, audio, video, stand-alone computers and, often, elements of face-to-face tuition.

Seeing the success of distance education, a wider range of campus universities began to adopt it for some of their programmes, giving rise to the term ‘dual-mode provision’. Nevertheless, with traditional multi-media technologies it was difficult to create a sustainable business model for the distance education component. Either distance education was conducted by individual academics alongside their classroom teaching, in which case only small numbers of students could be accommodated and assuring continuity of provision was difficult, or the university had to make a significant investment in a central distance education unit. Lacking the economies of scale that open universities could achieve with their large undergraduate enrolments, the more successful dual-mode institutions concentrated their distance learning offerings on specialised graduate courses for which they could charge higher fees and attract reasonable enrolments by aggregating demand nationally and internationally.

The arrival of the Internet appeared to change this situation radically. With online learning it became much easier for academic staff to produce versions of their campus courses for distance students and to interact with them by e-mail and other web tools. This promise of a direct relationship between distant student and teacher, by-passing all the intermediate processes of traditional distance education (design and printing of documents, recording of audio-visual programmes, etc.), was hailed as a major step forward. Some observers, thinking that classroom teaching and distance learning were now so well integrated that institutions had best of both worlds, forecast the gradual disappearance of single-mode open universities.

## Online learning: a disappointment?

But claiming victory for the dual-mode model was premature. Tony Bates, a perceptive observer of technology-mediated learning, soon showed that having individual faculty design and offer their own online courses, which he had dubbed the ‘Lone Ranger’ approach (Bates, 1999), does not lead either to sustainability or to consistent quality. His recent findings, after a comprehensive survey of online learning in North America, suggest that the dual-mode model is not enabling eLearning to fulfil its potential because public universities do not have their hearts in the enterprise. His report *2011 Outlook for Online Learning and Distance Education*, (Bates, 2011) identifies three key trends in US higher education. Assuming that other countries follow the US dual-mode model as connectivity improves there is no reason to believe that the outcome will be any different.

The first trend is the rapid growth of eLearning. Enrolment in fully online (distance) courses in the USA expanded by 21% between 2009 and 2010 compared to a 2% expansion in campus-based enrolments.

His second finding is that despite this growth in demand, institutional goals for eLearning in public sector higher education are short on ambition. Bates argues that the intelligent use of technology could help higher education to accommodate more students, improve learning outcomes, provide more flexible access and do all this at less cost. Instead, he found that costs are rising because investment in technology and staff is increasing without replacing other activities; there is no evidence of improved learning outcomes; and in some institutions a failure to meet quality standards for eLearning. Most traditional public higher education institutions seem half hearted about eLearning. Many charge higher fees to online students, even though the costs of serving them are presumably lower, which suggests that they are either trying to discourage this option or simply make more money in a growing market. One reason may be that

many online students are not new 'distance' students but existing campus students simply seeking more flexible lifestyles to accommodate part-time jobs.

A third finding, which should stimulate the public sector to take eLearning more seriously given its rapid growth, is that in the US the for-profit sector has a much higher proportion of the total online market (32%) than its share of the overall higher education market (7%). Seven of the ten US institutions with the highest online enrolments are for-profits. For-profits seem better placed to expand online because they do not have to worry about resistance from academic staff, nor about exploiting their earlier investment in campus facilities.

A UK Report: *Collaborate to compete: Seizing the opportunity for online learning for UK higher education* (HEFCE, 2011), explicitly recommends that public higher education institutions should link up with for-profit companies in order not to get left behind in offering online learning. This is already a growing trend in the US. For example, Best Associates, a Dallas-based merchant bank with various investments in education, operates an *Academic Partnerships* programme with a steadily growing number of US state universities. The idea behind the model is to enable these institutions to offer high-demand and socially important programmes (e.g. M.Ed., B.Sc. Nursing) online at scale.

The public institution sets the fees, of which it retains 20-30% with the rest going to Best Associates, which provides key elements of the online learning system. This system can operate profitably with substantially lower fees than these institutions would normally charge. Some have reduced their fees accordingly but others have not. Such public-private partnerships may be a way of making the dual-mode approach work effectively, although one wonders whether the for-profit enterprise might not dispense with the public partner if it could secure independent accreditation.

Bates concludes his report by drawing attention to a growing market that is not well served by campus-based education. Public colleges and universities are not moving into online distance learning fast enough to meet the demand. "If public institutions do not step up to the plate, then the corporate for-profit sector will". With access to broadband Internet connections spreading rapidly, this statement may well prove true outside North America as well.

## Will higher education split?

This leads us to an interesting question: will higher education split over the coming years into a public sector focussed on research and a for-profit sector doing most of the teaching? Several trends make this a plausible hypothesis.

First, UNESCO's 2009 World Conference on Higher Education identified rapidly increasing demand as the major trend because nearly one-third of the world's population (29.3%) is under the age of 15. Today there are 165 million people enrolled in tertiary education<sup>[1]</sup>. Projections suggest that that participation will peak at 263 million<sup>[2]</sup> in 2025. Accommodating the additional 98 million students would require more than four major campus universities (30,000 students) to open every week for the next fifteen years. This suggests that alternative models of provision will be needed.

Second, international university rankings, such as those from Shanghai's Jiao Tong University, which are mostly focused on research performance, are making even those public universities that do not appear in these league tables give greater priority to research. Research performance has come to be the main criterion for designation as a 'world-class' university and some countries are lavishing funds on favoured institutions in a – probably futile – attempt to get them into the list of the top 100 – or top 300 – research universities. The upshot, made very explicit in the dramatic funding cuts made in 2011 by the Higher Education Funding Council for England [was at [www.lfhe.ac.uk/governance/newsarchive/news\\_item2feb2010.html](http://www.lfhe.ac.uk/governance/newsarchive/news_item2feb2010.html)], is to swing the balance of public investment in higher education significantly towards research and away from teaching.

Where does this leave us? A disruptive technology, which online learning may prove to be, rarely favours existing providers. When photography went digital the electronics industry displaced the makers of film from the market. Bates notes that over 80% of US students are expected to be taking courses online in 2014, up from 44% in 2009. Clearly, the providers that are already established in this mode of delivery, i.e. the for-profits, will have the advantage. These institutions, which are operating in the online world with greater determination and professionalism, could steadily take over the teaching function of higher education. Indications are that the for-profit sector has ample room to cut fees for eLearning and still make good profits. Currently this sector makes high profits because it operates a lower-cost model of provision but can set fees comparable to those of the public sector with its higher cost base.

This is not meant to imply that the public sector sets tuition fees – in jurisdictions where it is allowed to do so – on the basis of costs. Few universities have much idea of the real costs of their activities and so they usually set fees to reflect the perceived prestige of the institution or the programme. This was shown rather clearly in England in 2011, when many universities opted for the maximum permitted fee level (£9,000) because they did not want to appear to be second class. However, in countries like the US and the UK, where fees have now reached challenging levels, there are some indications that students are beginning to make value-for-money assessments. The Open University, by setting its full-time-equivalent fees at just over half the maximum (£5,000), has challenged students and the public to start making such calculations more carefully. If such market forces fee reductions in the public sector, the for-profit sector will readily follow the downward trend.

Some governments have long desired to see higher education divided into research universities and teaching institutions. Extrapolating these trends suggests that their wish may come true, with the added feature that most research will take place in publicly-supported institutions while most teaching will be done by for-profit enterprises. Today most for-profits are dual-mode institutions with both on-campus and distance offerings. However, to judge by the operations of the Whitney International University System, a for-profit enterprise of six universities in five Latin American countries also controlled by Best Associates, classroom-taught programmes are steadily being converted to distance mode for reasons of cost efficiency and cost effectiveness.

## The Open Education Resource University: a game changer?

One development that could inject new life into the dual-mode model is the Open Education Resource (OER) University that is being explored by a group of public universities from several countries. Open

Educational Resources may prove to be the most disruptive element of the impact of eLearning in higher education. How might they help to widen access, cut costs and give dual-mode provision new relevance?

Some institutions are already encouraging the use of OER to avoid each teacher having to re-invent the wheel for each course. For example, once academics at the Asia eUniversity have developed course curricula they do not create any original learning materials, but simply adapt good quality OER from the web to their needs. Similarly, Athabasca University will only approve development of a course once those proposing it have done a thorough search for relevant open material that can be re-purposed.

Some would go much further. In February 2011 New Zealand's Open Education Resource Foundation convened a meeting to operationalize the concept of the *Open Educational Resource University*. The idea is that students find their own content as OER; get tutoring from a global network of volunteers; are assessed, for a fee, by a participating institution; and earn a credible credential. The concept has echoes of the University of London External System that innovated radically 150 years ago by declaring that all that mattered was performance in examinations, not how students acquired their knowledge.

As regards the first step in this process, OER are certainly being sought out. Millions of informal learners and students are using the OER put out by MIT, the UK Open University, and others. The 32 small states of the Commonwealth are working together within a network called the *Virtual University for Small States of the Commonwealth* to develop OER that they can all adapt and use.

Martin Bean, vice-chancellor of the UK Open University, argues that the task of universities today is to provide steps from this informal cloud of learning towards formal study for those who are interested. Good steps will ensure continuity of technology because today many first encounter modern higher education institutions such as the Open University through iTunesU, YouTube, TV broadcasts or the resources on various university websites. Those who elect to enrol as students will find themselves studying in similar digital environments.

The institutions best equipped to make a success of the OER University concept are most likely to be public institutions that already operate successfully on one or more of the steps between OER and reputable credentials. Two such institutions, which both opened for business forty years ago, are the Open University in the UK and Empire State College of the State University of New York (SUNY) in the US.

Let us examine each step in the OER University. The first step, namely access to OER, is increasingly solid. The pool of OER is growing fast in a variety of media and it is becoming progressively easier to find and retrieve them.

For the second step, student support, institutions that teach at a distance have the skills necessary because they already manage extensive networks of tutors or mentors. SUNY's Empire State College has unique skills given that students will often be working with OER they have discovered for themselves rather than material created by an institution. Its unusual mentoring model is well suited to this. Some envisage the emergence of a body of volunteer tutors rather like *Médecins sans Frontières* or *Engineers without Borders*. That may work in some places, but having students buy support on a pay-as-you-go basis might make for a more sustainable model.

Furthermore, social software is greatly enriching the possibilities for student support and interaction. Digital technology is breathing new life into the idea of communities of students and scholars. Social software gives students the opportunity to create academic communities that take us well beyond the rather behaviourist approaches that give some eLearning a bad name. Some software-based social learning activity involves various forms of informal assessment that can be helpful in preparing students for the formal kind.

At step three, assessment, payment is probably essential but this is well travelled territory. It takes us back 150 years to the University of London External model with the difference that some assessments would have to be designed for curricula developed by the student, not the institution. With credible assessment by reputable institutions the next step, the granting and transfer of credit, is straightforward and leads to the top step of credentials, of which the solidity depends on the involvement of accredited institutions that resonate with this approach.

Planning for the OER University assumes that it would not be a new stand-alone institution that would seek its own accreditation, but instead an umbrella organization for a network of already functioning and fully accredited participating institutions. This is partly because no established dual-mode institution is likely to adopt the OER University model for its core operations in the foreseeable future if only because the revenues – as well, of course, as the costs – would be much lower than most are used to. However, the University of Southern Queensland, which has a long and strong track record in open, distance and blended learning, intends to test the waters by offering studies on this model initially as part of its community service function, which seems a sensible approach. Other institutions in the planning group are considering similar moves.

The availability of OER poses an interesting dilemma to the for-profit sector. Philosophically, it prefers to lock its virtual learning environments and educational materials into proprietary frameworks. However, it also likes to operate efficiently and must be tempted by the availability of high quality open access material that can be re-purposed at will. Some of the early volume producers of OERs, such as MIT and the UKOU, tried to prevent this possibility by placing the ‘Non-Commercial (NC)’ restriction on their Creative Commons licences, but the general trend is towards the more open CC-BY-SA licence. This simply obliges the re-user to acknowledge the source and put their new version back into the common OER pool. The for-profits may have to choose between the opportunity to cut costs and the obligation to operate more openly.

The wider issue is that higher education generally it will no longer be able to use the function of presenting content, whether through lectures or learning materials, as justification for the major element of its costs. In a world where content is everywhere, institutions will need to compete through the services they offer for the other steps of the OER university. This may well be a more wrenching adjustment for the public sector than for the for-profit sector.

## Conclusion

In the title I asked if dual-mode institutions were a stable ‘final’ model for higher education or a step on the way to something else. Only a few institutions seem able to function in dual-mode (i.e. with distinct

groups of distance and classroom students) in a successful and sustainable way. Some institutions now claim that all their students are engaged in blended learning, which mixes the two modes, but almost none have begun to act on the economic consequences of this development by changing their cost structures (e.g. by decommissioning classrooms). Meanwhile, forecasts of the death of single-mode open universities appear to be exaggerated. While these institutions may also be evolving in the direction of blended learning, they do so from a more appropriate cost structure and, at least in the western world, often score higher in surveys of student satisfaction than their campus counterparts.

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[1] ISCED levels 5 & 6. UNESCO Institute of Statistics figures

[2] British Council and IDP Australia projections