

Widening Access to Quality Higher Education: the Role of Private Universities and Open and Distance Learning



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The Future of Education?*

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Introduction

Thank you for inviting me to this interesting and important conference. I bring you greetings from the Commonwealth of Learning. It is a special pleasure to be in Belgrade and to share this session with two eminent graduates of the University of Belgrade. Professor Milica Uvaliæ is a respected economist from the University of Perugia in Italy. Her sister Stamenka Uvaliæ-Trumbiæ was one of my most dynamic and productive colleagues at UNESCO. It augurs well for this conference that these two distinguished ladies, who have achieved international reputations in their fields, have returned to Belgrade for this event.

It is also a privilege to have with us Ron Perkinson, formerly of the World Bank's International Finance Corporation, who is doing so much to champion the role of private higher education of quality around the world.

The title of the conference asks whether private universities and open universities are the future of education. My topic is *Widening Access to Quality Higher Education: the Role of Private Universities and Open and Distance Learning*.

Let me start by putting my remarks in context. Making quality higher education widely available is increasingly seen as one of the keys to national development and success in the 21st century. It is not

necessary to believe everything that one reads about our living in an information age or a knowledge society to subscribe to the view that wide participation in higher education is important.

Expanding higher education: four challenges

But those who do subscribe to this view face massive challenges in almost all countries. I shall concentrate on developing countries and countries in transition because we are in Serbia.

The first challenge is the disparity in access to higher education around the world. The most developed countries now consider it normal for about half 18-23 year-old age cohort to undertake higher education. Yet in many developing countries, including very big ones like India, the Age Participation Rate or APR is less than 10%. In parts of Africa it is less than 5%. Serbia must be somewhere in the middle and, like other emerging countries, wants to close the gap.

I also note that it is not just a question of raising the participation rate for young people. This is an era of lifelong learning, when many people will return to higher education at various points in their lives. This is more than a theoretical idea; as I know from experience. Since I completed my doctoral degree in 1969 I have completed a master's degree, a diploma, and six other university courses as a lifelong learner. Moreover, I believe that this part-time study has had a greater impact on my career than my earlier full-time studies.

The second challenge is that most countries have built up their higher education systems on models that cannot be expanded and are probably not appropriate even if they could be scaled up. The nub of the problem is the role of the state. The extreme cases - and it is not an accident that they the ones with the lowest participation rates - are those countries where all higher education is provided by the state and no tuition fees are charged. No country - not even the richest countries - can provide all the higher education that their citizens need on this economic model. There is simply not enough money in any national treasury.

The third challenge is that in countries with low access to higher education the existing institutions conceive their roles too narrowly. First, they focus too much on teaching in classrooms on campus. This is unsuitable for many adult lifelong learners and is also increasingly unsuitable for younger students who want to be employed, at least part time, so that they can afford to study. Second, the higher education curriculum does not properly reflect the very diverse needs of the world we live in. Courses and programmes must reflect a greater awareness of the ways in which their students will earn their livelihoods.

The fourth challenge - and I shall limit myself to four challenges - is that even where institutions are trying to diversify their methods and their offerings they are missing important opportunities. In particular, they assume that they must 'go it alone' and develop all curriculum and systems themselves, rather than taking advantage of the rich resources that globalisation makes available.

For these reasons the profile of higher education in the 21st century is going to be very different from what we have been used to. Higher education will be a much larger enterprise. China recently doubled

enrolments in a few years and numerous countries now have double digit growth rates in higher education. This much-expanded world system will differ from what we have now in four ways.

First, the private sector, whether for profit or not for profit, will have a much larger role.

Second, study programmes will relate more closely to livelihoods. 'How does this study prepare me for employment or self-employment?' will be a key question.

Third, a far greater proportion of higher education will take place by distance learning, which many today call eLearning.

Fourth, and particularly in distance learning, we shall see the emergence of many cross-border partnerships that will improve the quality, lower the cost, and enrich the curricula of the courses on offer. Can partnerships and collaboration help countries in transition to develop their higher education systems?

I shall address these four issues in turn. About private providers I shall say relatively little because Ron Perkinson is going to talk about this later in more detail and from greater knowledge. I shall also make only a brief comment about livelihood-related study. Most of the rest of my remarks will be an attempt to demystify distance learning and to show the role that cross-border collaboration can play. But first, a word about private education.

Private universities

Higher education is a private good that gives direct benefits to those who participate; but it is also a public good. The proportion of people with higher education correlates well with a society's economic and civic development. By tradition, governments control public goods in order to extend their benefits to all citizens. But how far should the principle of public control apply to education?

Practice, principle, and pragmatism all challenge the notion of higher education as a public monopoly. Past practice reveals that private bodies, such as churches and foundations, were providing higher education long before governments took an interest in doing so. The challenge from principle concerns the right role of government and holds that apart from services like defence, government is most effective when it monitors and regulates the provision of public services by others, rather than controlling them directly.

Demography and demand present pragmatic challenges. Rapidly increasing numbers of young adults in the developing world will want education at all levels. In this era of lifelong learning there is no way that governments can provide, at no cost, all the education that people will need throughout life. They will have to focus their contributions.

There is a choice between inadequate provision of higher education by a public-sector monopoly and meeting the demand by a combination of public and private institutions. This is a political dilemma for many developing-country governments, which now realize that a public-sector monopoly on higher education is a serious handicap to national development.

How can governments get more resources into higher education by taking advantage of for-profit private-sector higher education? The answer is to achieve a balance between accessibility for students, quality of provision, and returns for the investor.

Fees: The Heart of the Issue

The heart of the issue is fees, because fees generate the return for the investor. Fees are a special problem for those countries that made higher education free - i.e., totally subsidized by the state - in the days when only a tiny proportion of the population was expected to go to university. At that time entry to higher education was highly competitive, but many citizens believed - and still believe - that the combination of competitive entry and free tuition would produce equitable participation in higher education from all socio-economic groups.

A abundant research now shows that this is simply not true. The socio-economic profile of students in countries that charge fees while also providing scholarships and loans for poorer students is more broadly based than in those that do not charge fees. This is a very important finding, and one that governments are only gradually finding the courage to act on. It does take courage - and not only in the developing world. In the United Kingdom the scars that Prime Minister Tony Blair carries for raising fees in the public universities are almost as deep as those he got for taking Britain into the Iraq War.

Another government that has taken action is Mauritius. As is common in many developing countries, there are no fees at the University of Mauritius. However, the government of Mauritius has pulled off the remarkable coup of starting a second public university, the University of Technology of Mauritius, with a fees regime. None of the island's volcanoes erupted in protest, which means that the fees precedent is set for future new universities.

This kind of move is important, because what the public sector does in relation to fees clearly constrains the private sector. Having a free public sector alongside an expensive private sector does not create an effective higher education system. As countries gradually introduce fees in the public sector, either because of a conviction that it is more socially equitable or because there is no financial alternative, the private sector finds itself on a more level playing field. This gives private institutions much greater latitude to set fees, which makes them more attractive as investments.

This in turn makes it easier for the private sector to build arrangements for need-based scholarships and loans into their fees regimes. Obviously it takes time to build up enough scholarship funds for admissions policies to be truly blind to a student's wealth, but if private institutions are to play a major role in the expansion of higher education, they must be able to attract a diversity of people. Only then can they truly claim that private investment in higher education is making its contribution to widening access and that it is thus contributing to the public good.

In widening access, private institutions also foster good relations with governments and the public higher education sector, thereby gradually reducing the scepticism of many governments about expanding the private sector. It is in this context that I am so glad to see both public and private universities represented at this conference. The net result will be that within a decade or two, private, for-profit provision, already

estimated at \$385 billion worldwide, is likely to account for a larger proportion of higher education in the developing countries than it now does in the industrialized world.

Ron Perkinson will have much more to say about this, so let me now say a word about curriculum.

Learning for Livelihoods

We live in a young world. In some developing countries the median age is less than 20 years and in many it is less than 25. Enabling these youngsters to grow up into adults with livelihoods is the greatest development challenge facing the world today.

Although there is a general correlation between education and the ability to earn a livelihood but many countries complain of unemployed or underemployed graduates. The challenge is to make the link between education, training and livelihoods much tighter.

Singapore, for example, has expanded its tertiary education system very rapidly but has no significant graduate unemployment. Its neighbour, Malaysia, is also expanding its university system rapidly but does have graduate unemployment. Singapore says that it has succeeded by linking its tertiary education expansion very closely to research on the labour market. Malaysia might fairly point to the greater difficulties of mopping up unemployment in a very different economy with a big rural sector, but you get the point.

Private institutions, by following the market, have tended to focus naturally on livelihood-related programmes. Indeed, in some jurisdictions private institutions seem to focus exclusively on business, information technology and languages. This is fine, but private institutions - and public institutions - do need to do a reality check from time to time to ensure that the topics they teach really do link well to livelihoods. Market signals sometimes lag the reality.

Remember also that linking education to livelihoods is not just a matter of what you teach but how you teach it. For many people it will be more effective, as well as much more economic, to study part time while continuing in employment. Studying for a Master's in Business Administration is a particularly striking example where feedback indicates that combining work and study and thereby confronting theory and practice on a daily basis produces much deeper learning than studying full time.

Distance Education

This brings me to my third issue, which is distance learning. Enabling part-time study on campus by offering courses in the evening allows many urban people to engage in lifelong learning. However, for those who do not live in cities, or whose work does not follow a predictable schedule, evening courses in a classroom are not the answer. In the last thirty years we have seen dramatic growth in distance learning. In India, for example, 24% of tertiary students are learning at a distance. In South Africa a majority of black Africans enrolled in universities study at a distance.

Ten years ago I coined the term '*mega-university*' for a university teaching at a distance that enrolled more than 100,000 students. Thirty years ago there were no such institutions. Now there are eight mega-

universities in the Commonwealth alone and they enrol four million students between them. Some of them do so with high quality and I shall return to that in a moment, but first let me try to demystify distance learning with a simple guide.

Distance learning and remote-classroom teaching

I begin by distinguishing two approaches to distance education. The first is called remote-classroom teaching and used to be popular in the United States. The idea is that you link a teacher through an audio or a video telecommunications link to students in a series of remote classrooms. This allows a teacher to reach a larger number of students spread over a wide area. If the equipment is well designed and the instructor well trained useful interaction can take place between the students and the teacher.

However, I shall not talk further about this approach because it has several problems. First, it tends to be expensive, because of the telecommunications links. Second, you can't scale it up beyond a limited number of remote classrooms. Third, it still requires students to be in the classroom at a set time, so it does not give much flexibility.

I shall focus instead on the second approach to distance education, which I call distance learning. The aim here is to take to the individual learner, at home, at work, or travelling, whatever is necessary for effective and enjoyable study. There are three ingredients, so you can think of distance learning as a student sitting on a three-legged stool.

The first leg is good study materials. Today you can use lots of media for this, audio, video, print, the Web, CDs and DVDs, the Internet and so on.

The second leg is good student support. Most students cannot succeed on independent study alone. They need support from teachers or tutors. Some of this can be provided by phone, e-mail or correspondence. Sometimes students get together physically in local groups.

The third leg is good logistics. Study materials are no use unless they reach the students. Examinations must be administered, supervised and marked. Often these operations have to be carried out on large scale - I mentioned the mega-universities with over 100,000 students. If you operate on that scale even an administrative error that affects only 1% of students means more than a thousand unhappy students.

So far I have presented distance learning as a matter of convenience for part time students, but it is much more than that. Let me explain. Governments want education to meet three criteria.

They want it to be accessible to large numbers, they want to keep the cost as low as possible, and they want education of quality. I put these vectors together in what I call the iron triangle. Iron; because until recently it is been a severe constraint - a straitjacket - on the expansion of education. That is because, with traditional classroom teaching, it is hard to change any side of the triangle for the better without making the others worse. Put more students in class to increase access and people will say quality is going down. You may have heard the cry 'more means worse'.

Reduce investment in education to cut cost and you may reduce access and quality. Invest in quality through better teachers or materials and costs will go up. These trade-offs have reduced access to

education throughout history. Distance learning is revolutionary because it recasts the iron triangle. It allows you to increase access, increase quality and cut costs - all at the same time. This has never happened in education before.

How does distance learning do this? The key is the use of media for study materials and the economies of scale that this gives you. Even with old media, such as print and books, it costs little to produce the thousandth or ten-thousandth copy. It costs almost nothing for an extra person to tune into a radio or TV broadcast or to visit a website. Copying CDs and DVDs is also cheap.

This also promotes quality. If you are going to sell a lot of copies of a book or a DVD you can afford to invest in making them of high quality. This is what allows the mega-universities to serve tens of thousands of students with high quality learning at low cost.

However, as I said earlier, students do not live by study materials alone. They need human support. This is inherently more costly because more students mean more tutors. But if you use the good industrial principles of specialisation and division of labour you can get those costs down too. The same applies to the third leg of the stool, logistics. A large-scale computer based warehousing operation will usually be more effective as well as more efficient, than a cottage industry approach.

Let me illustrate this with reference to the mega-university that I know best, which is the UK's Open University. This has around 200,000 students and, when cost comparisons were last done, operated at between 60% and 80% of the cost per graduate of a conventional UK university. Of special interest here is the reputation for quality that the Open University has achieved.

Rankings based on subject-by-subject assessment of teaching quality place the Open University fifth out of the UK's hundred universities, one place above Oxford, where I was a student. Furthermore a recent survey of 170,000 students across all UK universities put the Open University in first place for student satisfaction. That may seem remarkable for students learning at a distance. What it means is that the Open University does a first-rate job on each of the three legs of the stool: materials, support and logistics.

What does all this mean for Serbia? I am delighted that Serbia already uses the term 'open university' in the Subotica Open University. Subotica seems to me a splendid exemplar of the intellectual openness that open universities try to cultivate and a model of how academic institutions should rise above ethnic differences.

Cross-border partnerships

How can Serbia take distance learning further? This brings me to my final issue: cross-border education. An international authority on global cross-border education, Stamenka Uvaliaë-Trumbiaë, is here in the room, so I will simply talk about a relevant example.

When the Berlin Wall came down the countries of Central Europe looked for ways of coping with the huge needs for education and training that were generated by the end of communism. Private organisations, first in Hungary, then in Russia, and soon in Czechoslovakia, Bulgaria and Romania all came to the UK Open University seeking partnerships. This led to a series of related partnerships. Indeed,

the partners talked of forming a consortium that they called the *Open University of the Danube*. With Serbia now taking an interest in open universities, perhaps now is the time to think regionally and to create an entity that combines regional economies of scale whilst remaining rooted in local realities.

What happened in the 1990s was that the Certificate and Diploma Programmes in Management of the UK Open University were translated into Hungarian, Russian, Slovak (and later Czech), Bulgarian and Romanian and the Open University trained each of the partners how to run the student support system and the logistics. This also involved training local tutors.

The Central European partners are all private but all slightly different. Euro-contact in Hungary was created in 1989 by the Hungarian Society for Organisation and Management Science. LINK is a private institution that was created in Russia by a group of engineers from the Space and Aeronautics Centre. Today it is an accredited higher education institution.

The City University of Bratislava was established as a private university in 1990. Similarly the New Bulgarian University was created in 1991. In Romania the Centre for Open Distance Education for the Civil Society or CODECS, was created by people from the University of Bucharest.

These programmes continue and many of the graduates of the certificate and diploma programmes are now studying the Open University MBA, although this is not translated into the local languages. The numbers in the programmes are significant: LINK in Russia has around 11,000 students over the three levels this year; CODECS has 2,800. These programmes are still directly operated with the Open University.

Euro-Contact offers the programmes by itself under a licensing agreement and the New Bulgarian University has moved to a validation arrangement whereby the students receive Open University awards but the Bulgarians are responsible for all the management of the programme.

I mention these programmes because they are a nice example of how cross-border partnerships can allow a private institution - or a public one - to offer distance learning of quality rapidly and at reasonable cost, without having to go through the major expense of curriculum and systems design. I am sure that the Open University, and its Central European partners, would be delighted to discuss such partnerships in the context of Serbia. As you can see, such partnerships can operate in a variety of ways: direct teaching, licensing, or validation.

I should also mention that the UK Open University is about to become an important player in another new development of great importance called Open Educational Resources. These are teaching and learning materials that are made freely available in electronic form so that you can adapt them for your own use provided that you put your new version back into the common electronic space, which is called a learning object repository.

The Open Educational Resources movement gained momentum when the Massachusetts Institute of Technology put the lecture notes of its faculty on the web. The fact that the UK Open University is now going to make a large volume of self instructional materials available for general use is another major step

forward that creates an even more favourable environment for new initiatives such as the ones you are talking about.

Conclusion

I shall stop there. I realise that my presentation has been highly succinct and I should be happy to expand on these themes in discussion. I have argued that private universities will play a growing role in higher education, notably here in Serbia, and have urged you to play close attention to the development of the labour market in designing programmes. Then I tried to demystify distance learning and show by a concrete example how the combination of distance learning and cross-border collaboration can help you to serve significant numbers of students with good programmes.

These are exciting times for higher education in Serbia. I am sure that you feel you have lots of catching up to do. However, higher education in the 21st century will be different from higher education in the last century and there may be advantages to starting new initiatives now in this spirit of this new century.

Thank you for inviting me. I wish you well.