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der Carl von Ossietzky Universität Oldenburg

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Greville Rumble (Ed.)

Papers and Debates on the
Economics and Costs of
Distance and Online Learning



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Series Editors' Foreword

The assembled *Papers and Debates on the Economics and Costs of Distance and Online Learning*, selected for this volume primarily serve as a reader for students in the Master of Distance Education (MDE) in the course *Management of Distance Education I: Cost-Analysis*. Clearly, the readings are also of interest for the wider audience of distance educators and managers.

Greville Rumble, the author of most of the papers in this volume, worked under the roofs of the distance teaching 'cathedral', the Open University in Milton Keynes in the United Kingdom. He occupied different positions, as a planner in the headquarters, as director of a regional office, as a faculty and research fellow in different academic areas, and as the editor of *Open Learning*. Last but not least he enjoyed being a student at the OU taking courses such as 'Renaissance Art', which signals his interest in life-long learning as well as his confidence in the quality of the teaching and learning opportunities provided by his home institution.

Rumble developed a professional perspective on distance education as being based on an ethical remit to open access to education, which is realized through efficiency advantages of the distance education format and the scale economies that can be harvested.

But, Rumble also named the possible weaknesses of distance education without ambiguity: (i) interactivity, the dialogue between the student and the teacher, which is the Achilles Heel of distance education, where this kind of student support tends to be a cost-driver taking away the efficiency advantages of distance education; (ii) the wide scope of courses and disciplines, which tends to erode scale economies; (iii) and time lags between development and delivery as well as shelf life, which may endanger reasonable scale economies and may lead to content obsolescence. All this is discussed in part one of this volume.

In part two, the centerpiece is the article on *The Competitive Vulnerability of Distance Teaching Universities*. Rumble's intention was to stir the 'deans of the cathedral' out of their self-contented slumber and awaken them to the arising competition from campus-based universities that were finding it cost-efficient to branch into resource-based teaching and would eventually set up distance-teaching wings. Even if this type of operation may not lead to a more cost-efficient new type of institution or improve the quality of distance teaching, the mushrooming of dual-mode institutions has made inroads in a market that was long reserved for specialized distance teaching universities. Their vulnerability lies in the 'piranha effect' - many small-scale alternatives take students away from the previously captive market of dedicated distance teaching universities - thus weakening the scale economies on which traditional distance education is based. This classical debate between Rumble, White, Mugridge, and Keegan, and sets standards.

The emergence of e-education affects distance education in all its three major components of a distance education system - the development of teaching materials, the provision of student support, and the administration of the teaching and learning processes - and requires that the debate should be revisited. New technologies provide new levels of media sophistication and are a cost driver. The same is true for student support. It

facilitates costly student-teacher dialogue, re-introduces teaching in classes and tends to re-establish the link distance education prided itself to have overcome: the relation between volume (number of students) and cost that characterizes the conventional education system. It is mainly in administration where Rumble sees potentials for savings.

E-education may amplify the tendencies identified in the vulnerability debate when introduced on campus. Learning Management Systems make it increasingly easy to transform lectures into online materials and wrap them in computer-mediated communication.

The challenge is to find ways to exploit the potential and promises of new technologies without losing sight of the original remit of distance education: to open access beyond the audiences of the privileged elite and the rich. The papers presented here do not solve this question (if it can be solved at all). However, the problem is analyzed and the remit of distance education emphasized, making the reader less vulnerable to the ICT hype.

It needs to be pointed out that the papers assembled here were written over a certain period of time and intended for different audiences and for different purposes. There are redundancies in the book. The added value of this edition lies in having a reader that assembles otherwise scattered papers of importance for a specialized field within distance education. For our students these repetitions may be referred to as pedagogical redundancies, which will help to 'carve out' the core arguments to be applied.

The editors of this volume of the ASF Series are grateful to Greville Rumble as author, colleague and co-editor for making this reader with an elaborated index possible. Students in the cost-analysis course of the MDE, which is team-taught by Rumble and Hülsmann, will benefit from this volume as well all those readers interested in the economics and costs of distance and online learning.

Franziska Vondrlik deserves our thanks for her editorial assistance. Thomas Hülsmann and Christine Walti also supported the editing of this volume in word and deed.

The Editors
January, 2004

Author's Preface

Distance education is a fast-moving field not least because the technology upon which it depends changes so quickly. When Ulrich Bernath and Thomas Hülsmann first suggested that I should bring together some of the papers I had written over the years on the economics and costs of distance education I was skeptical about the value of the project. In many cases the data and the examples are out-of-date, yet I was encouraged to agree because some of the ideas still seem relevant. In particular, the general cost structure of distance education (as opposed to on-line education) remains the same, and the factors that affect its costs and hence have a bearing on the cost efficiency of distance education relative to face-to-face education remain the same. Among the factors that influence the costs of distance education, and that have not received the recognition they should have, are organizational structure and employment practices, upon which I had written a conference paper. This had never been made a more widely available paper, yet the arguments seemed to me (and still seem) valid – and the preparation of this volume gave me an opportunity to give the paper a wider circulation. Also it seemed to me that the arguments raised in the papers on the theme of the competitive vulnerability of distance teaching universities still had force – a view that has been reinforced by the lively debates that I have on this issue with students taking *The management of distance education 1: Cost analysis course*, which is part of the on-line Masters Degree programme which was launched by the University of Maryland University College (UMUC) and the Carl von Ossietzky University of Oldenburg, on which I am a visiting expert. Finally, the papers that I wrote in the main in 2001 on the costs of on-line learning still have currency. So in the end I agreed on the third time of asking to the project and this is the book that has resulted.

The book would not have been as powerful, however, had it not included the papers written by Desmond Keegan, Ian Muirhead, and the late Vernon White, in response to my paper on the competitive vulnerability of the distance teaching universities. I am delighted that these papers have been included.

I am also grateful to the publishers who have given permission for works that originally appeared elsewhere to be republished in this format. These are *Open Learning*, *Prospects*, *SCIENTER*, *The Journal of Asynchronous Learning Networks*, and *The Journal of Education and Development in the Caribbean*. In preparing the papers for publication a very few changes have been made to the originals, mostly to correct spelling mistakes and make uniform the system of referencing other works. In a few cases I have inserted additional footnotes with a late comment. These are always indicated.

Finally I am grateful to Ulrich Bernath and Thomas Hülsmann for proposing the volume, and to Franziska Vondrlik for her work in turning the various original manuscripts into a coherent whole.

Greville Rumble

Nutley, East Sussex, UK

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