

## ODL MARKET AND POLICIES IN EUROPE\*

The most current definitions of *Market* include (or imply) the dichotomy between supply and demand or between providers and users of the specific products and services that give substance and existence to each particular market. Moreover, it also includes a strong connotation of something possessing a high degree of stability, structure and organisation: that can be found at the ancient Arab *soukhs*, in the beautiful XIXth century ironwork markets in all classical cities of Europe and today's almost virtual environments that make possible world trade activities.

Hence, structure and organisation are necessary conditions for a market to establish and to flourish, identifying the actors of the supply side and putting them in contact with the prospective consumers and buyers, while making sure that both sides will be happy with their transactions. Written and unwritten rules and codes will be adopted by mutual consent, regarding fairness of price, conformity with specifications, protection of property, diversity of choice, promptness of delivery and of settlement; also, ethics, honesty and good manners (however much the latter seem to become unfashionable in other contexts).

When dealing with a whole new kind of commodities such as it happens with open and distance learning products and services, trading has not yet gained the experience and tradition that have led to the institution of older markets. Transactions occur in a spontaneous, rather than in an organised way; providers have difficulties in identifying the users (and vice-versa); specifications of products or services are sometimes absent, some other times cursory or outright misleading; quality control is much more the result of the willingness of the suppliers than of a covenant established with the users; consumer protection is virtually non-existent.

This just means that this particular market is still at an incipient stage and far from having reached some kind of structuration, this being the natural consequence of its comparative immaturity. We can find a deeper reason for that in the fact that ODL products

---

\* Comunicação apresentada no Seminário *ODL Policy*, organizado pelo SCIENTER (Ricerche e Servizi Avanzati per la Formazione), de 26 a 28 Maio de 1997, em Copenhaga. (N.E.)

and services were, at the dawn of their creation, aimed just at an inner circle of individual consumers set around an educational institution of provincial or, at most, national character. Such being the case, ODL organisations had the prime duty of providing an adequate complement to conventional, classroom-type education and training systems, with the added value of being able to cope with target populations having a few degrees of freedom in terms of time, space and contents.

When time went by, ODL organisations began to bloom, mainly due to the fact that qualifications they conferred proved to be as credible as those acquired at conventional institutions; until they reached the state of being recognised as a very powerful tool for human resources development at all levels of qualification and to be able to cope with large populations of students, however dispersed they might be. Evaluation of operating costs showed them to be competitive as compared to conventional institutions and much more so as their size increases, by taking advantage of economies of scale characteristic of capital-intensive investments.

The fact that ODL systems can operate in a way that is mostly independent of distance between them and their students, combined with the tendency to grow in size so as to achieve a better cost/benefit rate, encouraged them to cross national borders and to become transnational, offering their services in the free international marketplace. This was not an easy operation due to some difficulties related to transferring materials (even if in a limited amount of weight and volume) from one to another country; also, to the differences expected to occur between the original and the new populations of users, in terms of cultural profiles, motivations and ultimate goals.

Operating across national borders is made easier when the target populations involved present some degree of affinity between them like, for instance, when a multinational organisation launches a training initiative for their global staff; or when an educational programme is shared between countries possessing the same language and a common cultural heritage. Contrariwise, international transfer of ODL products and services becomes more and more difficult when cultures, languages and motivations drift away from their original source, requiring careful and sometimes extensive (and expensive) adaptations to each local context of application.

At least one common ground exists, on the other hand, when the ODL activity refers to a precise formal education level, as in the case of higher education. Regardless of cultural distances and of certain fluctuations in general standards and in specific certification criteria,

contents of science, technology, humanities and arts are not so widely different in different countries and continents; and so provide a common platform for international collaboration between distance teaching universities.

In the case of vocational training there is no way to find a common denominator in the qualification needs of literally millions of enterprises world-wide, according to size, nature and productive strategy, even if we try to group them by sectors of activity or by singularity of product. Experience shows, also, that the smaller the dimension of the organisations, the more widely different are their training needs, for they are determined by a small number of individual random profiles of competence and experience. The obvious solution for this kind of difficulty is to be able to deliver customised training initiatives, organised by putting together a number of narrow-spectrum training actions, selected from a large panoply of available products and services at every possible level of qualification.

The lack of structure of the ODL market of products and services, in Europe and in the world at large, requires both the quantitative and qualitative expansion of the offer, as much as improving the mutual knowledge between providers and consumers. From the supply side, a serious effort aimed at the correct specification of products and services offered, should provide the proper foundation for a wide marketing action, able to reach and to motivate all prospective users. From the side of the latter, professional associations, trade unions, sectorial entrepreneurial associations and confederations of employers should take the initiative of making more visible their specific education or training needs, thus contributing for the clarification of the demand side of the market.

As a general rule, every possible form of association between individuals and between institutions or organisations, as groups of interests related to education and training activities, would be extremely useful to have both sides of that market properly organized.

It so happens that, at European level, the spontaneous formation of special interest groups has led to the actual existence of a number of associations linking distance education and training systems. EADTU, AECS, EDEN, EUROPACE 2000 are credible examples of this trend, together with many more associations operating mostly at national level.

Besides problems of structure and organisation of the market, it is certainly relevant to deal with its actual dimension as well as with its prospective development. The dimension of the ODL market in Europe is still small enough: the probable dimension of the providers of these products and services should not reach even one thousand, only a small fraction of which are dedicated organisations, dealing mostly with the ODL mode. The corresponding

number of yearly individual users will probably have a dimension smaller than one million. The corresponding orders of magnitude worldwide are estimated at ten to twenty times as much.

The uncertainty of these numbers is due mostly to the fact that a significant part of the organisations working in the ODL field may have a small area of influence and do not interact visibly with similar ones, thus lacking international visibility and failing to be identified and counted as such. On the other hand, ODL operation may be just a small part of the activities of many education and training institutions, which, for this reason, do not recognise the need of making this fact known outside their sphere of intervention. Taking into account these factors, we believe our estimate to be over-conservative.

The foreseeable evolution in the number of both providers and users of distance education will increase manifold, we believe, in the next few years, reaching an almost-exponential growth rate. Three reasons combine to produce this effect.

The first one stems from the fact that distance education and training is now firmly established in terms of credibility, efficiency and strategic value for extensive human resources development. Governments, international agencies, educational authorities policy and decision makers seem to have finally found distance education as one adequate answer to some of their worries in this field; while public opinion, which provides the main source of prospective users, is becoming acquainted with the special advantages of this methodology of learning.

Another reason is related to an explosion of the number of conventional educational institutions and training operators, working formerly in the so-called classroom mode, which recognise the strategic value of adopting also the distance learning mode, thus becoming dual-mode or mixed-mode systems. This applies to both the public and the private sector of education and training institutions and we believe that this trend will continue for a long time.

Finally, the recent evolution in information and communication technologies have made easier (and also, more attractive and efficient) the dialogue between distance education systems and their users, as well as among the users themselves, contributing to improve the quality of student support mechanisms and, ultimately, the quality of learning itself.

Related to this last point, a whole new trend may appear in the next future: the worldwide integration of communication networks may lead to their becoming mega-operators

of ODL on their own right. In any case, we expect this particular market to become fully globalised in the next few years.

It may be obvious that the previous considerations on markets and their development have been entwined with the other side of the theme of this presentation, regarding policies related to ODL. Nevertheless, some particular points have been left untouched until now.

National governments in Europe have been showing an increased interest in reinforcing ODL public structures within their respective countries and, as it is the case of Greece, in creating whole new systems. On the other hand, partnerships between these systems and national telecommunications operators or public television chains provide evidence of more attention being given to distance education and training.

This may be the result of an increased visibility of ODL policies within EU itself, due to the explicit mention of this particular kind of methodology in Programs, actions or initiatives related to R & D (Research and Development) or to the human resources development through education and training. To provide an immediate example, both SOCRATES and LEONARDO include ODL streams in their specifications. To take into account the scope of interaction between the Union and other parts of the world, Programs such as ALPHA and TEMPUS (aimed at the cooperation with the American Continent and with Central and Eastern Europe respectively) also include distance learning as a recognised means of operation.

Besides "top-down" initiatives, many more are seeing the light as "bottom-up" ones. One interesting example is provided by the Conference of European Rectors, whereto most of the European conventional universities belong, namely the oldest and more prestigious ones, has created a Permanent Working Group on Distance Education, for the specific purpose of keeping abreast of new developments in this field and of designing strategic policies for their membership of European universities.

We believe that, in the medium term, the present tendency for some conventional universities in Europe to become dual-mode institutions (and by that we mean, operating both in the conventional classroom mode and in the distance learning one) will be followed by many, many more of these institutions. This is due to what could be called a "survival instinct": public universities in Europe have been facing, for consecutive years, the dilemma of having an increasing demand of candidates to higher education and a stagnant or shrinking budget to cope with it. The distance learning mode, due to its intrinsic cost-effectiveness, is one possible way out of this dilemma.

Seen from another perspective, this trend will increase the awareness of the productive sector on open and distance learning as an effective means to achieve initial or continuous training for their workforce. As a matter of fact, many entrepreneurial organisations are presently linked to higher education institutions as University Enterprise Training Partnerships (UETPs), which we believe was the result of the massive influence on this issue provided by the previous COMETT Program. A further development in this field will be provided by the V<sup>th</sup> Framework and the Telematics Applications Programs, designed to increase competitiveness, growth and (possibly) employment in European enterprises, through the intensive use of Information and Communication Technologies.

The EU is also taking precautions in terms of stimulating the autonomous conception and production of media and multimedia materials for every possible use, from entertainment and news to education and training. This is a matter of the highest priority due to the fact that the worldwide penetration of this kind of products makes Europe vulnerable to the aggressive and high-quality competition of American and Asian producers putting into jeopardy Europe's capacity to spread (and to protect) the unique characteristics of its culture, both within and without this region.

In the same line of reasoning one must keep in mind that this is not enough: whoever owns the capacity of diffusing information, data and more complex products like training or "edutainment" packages, has also the upper hand in winning the corresponding market. De-regulation of telecoms and liberalisation of prices of communications in Europe will make it open to outside competition, which will increase the risk of "invasion" of products and services of non-European origin. The only way out of this danger is to make sure that European products in this field will be accessible to consumers in all possible kinds and shapes and for every possible purpose and that they will be both cheaper and of better overall quality than those from any other origin.

Not everything that will come out of evolution and innovation, both technological and social, will be of positive nature. We have seen that the changing size and nature of enterprises in developed nations of the world have brought in endemic unemployment; in the case of Europe this has created persistent worries, for it is not sure that this phenomenon is only the consequence of extraneous causes like a purely circumstantial and transient recession in world economy. It may happen that the present evolution will become more like a mutation in society involving such structural changes in its fabric that we may not be able to exactly foresee.

This is the reason why the European Commission has taken some precautions in trying to evaluate and to forecast the true nature of the incoming Information Society, through launching a number of studies on this subject and by proposing a number of working documents for public discussion and governmental appreciation. Along the same lines, a Forum and a High Level Expert Group have been created by the Commission, with the explicit task of evaluating the possible societal consequences of the onset of the Information Society. The preliminary reports on the work of both groups have been published, showing the huge complexity of the whole question, for it includes almost all aspects of society, from production to employment, work and leisure, media and culture, social organisation and democracy, besides sectorial fields like education, health, public administration, etc.

A Green Paper on roughly the same issues has been published by the Commission: comparison of its contents with the above-mentioned reports shows a marked difference in outlook, the former being clearly more optimistic than the latter, which might be expected due to political reasons. Indeed, the HLEG report puts some emphasis on the problem of the "excluded of the Information Society": these social groups that from one or another reason are prevented to access the benefits of the new society; this exclusion will be the result of lack of access to new technologies, for other reasons besides economic ones: educational, social, cultural, even emotional.

This is a domain for public intervention, both national and European, for which the principle of subsidiarity clearly applies: governments, as well as the civil society, have to take the necessary steps to prevent the situation of exclusion to spread within their own countries; the EU should provide the strategic guidance, the available funding and the political influence to turn all national initiatives into a synergetic effort of Europe to prepare, in the best possible way, the well-being of all its citizens in the next century and millennium.