

ADJUSTING SUPPLY TO DEMAND*

STRUCTURING THE MARKET

For distance education and training activities to be considered, on the whole, as a true cultural industry, able to be self-supporting in terms of having the capacity to generate income to balance the initial investments and the operating costs, it is necessary for society to recognise both the social and the market added value of the increased knowledge and improved qualifications to be acquired. The word "society" is used herein in its widest semantic context: individuals, acting by themselves; productive organisations and enterprises, motivated to maintain their competitiveness; professional associations, supporting the interests of their associates; employers' confederations, seeking the financial health of their productive sectors; trade unions, acting on behalf of their members; governments, involved in reducing unemployment, increasing prosperity and improving social justice.

Along the same line of reasoning, national constitutions generally recognise the right of citizens to access to all levels of formal education. To deal with this in an appropriate way States have created, supported and developed educational systems to take care of the needs of their populations. Private educational institutions act in parallel with the public system, being usually recognised and frequently subsidised by governments. Universities are peculiar institutions within the educational system, in the sense that they have a significant level of autonomy, this covering scientific, pedagogic and organisational matters; they are not in general fully autonomous in budgetary terms, even if a part of their expenditure may be covered by research contracts and tuition fees, the remainder being provided by State educational grants.

Continuing education and training are frequently not a part of the public educational system, their being assured by specialised governmental institutes or agencies, often included

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in portfolios of Employment or Social Affairs. This, incidentally, may cause some difficulties in transnational negotiations dealing with education and training matters, whenever two different ministries of the same country have to be involved in the decision making process.

In parallel with governmental structures, private organisations and operators provide training services and products both to enterprises and individuals. Sometimes they may act just as brokers or agents on behalf of those actually producing services or training materials. On the other hand, governments tend to rely a little bit too much on entrepreneurial structures to provide the required recurrent training services to their work force, usually reserving for themselves just the initiatives related to the initial training preceding entrance into the labour market or the ones concerning those who have left it unwillingly and seek new employment. From this point of view it can be said that continuing education and training are not generally considered as true social rights, in the sense of it being the State's duty to provide continuing education and training to all citizens, on the same standing, as any other social security arrangements that are nowadays taken for granted by their beneficiaries.

In a number of European countries characterised by large populations and a higher degree of economic and industrial development, the education and training market is fairly structured, there being a mutual understanding and detailed knowledge between the components of the demand and supply sides of the market, on the available products and services, on one hand, and on the profiles and specific needs of consumers, on the other. Most of all, structuring also means that a large spectrum of the users' specifications meet the characteristics of the offer made available by producers of materials and providers of services.

In other countries, the market is far from structured: either there is not a sufficient number of local suppliers of training services and products, or they are not diversified enough in terms of covering all the specifications on current demand; seen from the other side, clients may have as yet failed to recognise the advantages of updating or upgrading their institutional or individual qualifications, which may come together with their lacking the technical capacity for choosing appropriately among the panoply of training facilities made available to them. In these particular conditions, it could be properly said that a poor offer has not yet been recognised by an unqualified demand.

Independently from the degree of development of the country wherein they are operating, many large sized enterprises, both in the public and the private sector, have

adopted the expensive solution of creating their own training facilities, by installing training departments and by producing their own training products, tailored to their specific, and even circumstantial needs. In order to reduce the high *per capita* costs of this activity, distance education methods have frequently been adopted, despite the significant initial cost of installation of the necessary infrastructures. This is obviously a case of services being assured by the consumers themselves, or of supply and demand being a coincident in the same entity.

SPONTANEOUS OFFER AND RELUCTANT ACCEPTANCE

Considering that the education and training industry, whatever its degree of structuring in the different countries, is at its very beginnings, it is not unexpected that the supply side of the market takes most of the initiative in respect to the specifications and the design of products and services to be offered to potential consumers. Sometimes there is an underlying motivation for producing and offering some special products, related to the actual intention to promote and encourage the buying of equipments or technological facilities necessary for their efficient use: what is actually for sale is not the end product, but the hardware required to make it useful. From the consumer's point of view, this might be a legitimate proposal, on the condition that the training quality and efficiency thus provided is really assured, yielding some real improvement as compared with the use of more conventional means and methods.

Another current situation is the offering of "old" existing training products to new prospective clients, due to the sometimes prohibitive cost of having a new set designed and produced according to their specific needs. It is frequent that even knowledgeable clients are led to use these products for lack of a better alternative, this being the case of reluctant acceptance of a not too adequate offer.

Teaching and training institutions are other examples of suppliers of educational services that are not always attuned to the consumers' needs; this is even more true for public establishments than for the private ones, the latter being financially more dependent on the users' good opinion and favour. Higher education courses and diplomas tend to last for too long in their original format and content, well past the time of their total adequacy to the technological, scientific, cultural and social environment; updating of contents has a tendency to be done by addition rather than by substitution; current teaching methodologies frequently lag behind recognised and consolidated pedagogical evolution. Academic freedom

and scientific autonomy, strongly claimed and enforced by the teaching staff, may contribute to this tendency to maintain the *status quo*.

Distance teaching universities are easier to adapt to new methods, courses and contents, due to their intrinsic centralised planning and management, both administrative and academic. However, the high investment costs required for each new subject or diploma discourage too frequent innovations – as well as the scraping of the more ancient courses and materials. On the other hand, they are normally willing and eager to accept proposals for the production of bespoke courses on behalf of institutional parties, provided there is a sufficient return to cover the related expenditure. This being generally of a considerable amount, there are not many clients possessing that kind of financial muscle.

NATIONAL MATCHING OF OFFER AND DEMAND

National distance education systems, such as exist in most West European countries, may provide a significant contribution to the desirable structuring of the education and training market. Governments, besides providing them with total or partial financial support, may use them as strategic instruments to cope with recognised national priorities in education and training, under contracts aimed at the production of educational materials or the provision of training services for large masses of end users. The civil servants, the agents of regional and local administrations, the teaching profession, the owners and the managers of micro or small enterprises, the professions at risk menaced by technological obsolescence, the unemployed and the youth seeking first employment, the work force in State owned enterprises and strategic industries, the immigrants and ethnic minorities, all classes of underprivileged and the handicapped – these are typical examples of large target populations that may be considered under the State's direct responsibility.

From another perspective, national distance education systems should be closer in operation and in the cooperation with national training agencies, for they are confluent in nature as well as in general objectives.

However, the experience of different European countries has shown that these are difficult alliances (and almost incompatible marriages), perhaps due to their contrasting situations in terms of financial autonomy (more favourable to the training agencies) and of autonomy of decision (where distance education systems have possibly more degrees of freedom).

Another way to increase the mutual understanding and to improve the interaction between "providers" and "demanders" of training is the creation of instruments suitable to stimulate the flow of information in both senses. Specialised journals and newsletters; fora, congresses and seminars; dedicated political debates and parliamentary conferences; and, most of all, comprehensive and updated databases, with friendly and easy access to everybody.

Finally, although this is a delicate matter, subject to strong ideological bases and heavy economical consequences, we consider that the best way to enhance and to develop the education and training industry in a structured way, is to involve directly the end users in this process, rather than expecting all initiatives to be taken primarily by enterprises and by governments. We have the experience of introducing mechanisms of tax deduction for enterprises, related to their net expenditure in training activities for their staff; but we know also that these mechanisms are often perverse in terms of final results.

If continuing education and training is considered both a national and a transnational priority for the progress of the nations of Europe, ways have to be found to stimulate the individual motivation of users on the one hand, and to provide the collective resources, on the other hand, necessary to take appropriate care of this priority.

One such way is to ensure the whole process be driven by an endogenous pressure, through the recognition of continuing education and training as true social rights. We have to face the fact that this might be a major political issue in a number of countries, but the appropriate way to reach conclusions is to launch national debates on this subject and to analyse it within the classical triangle of interests relevant for social concertation, including government, employers and trade unions.

Assuming that the debate and the following negotiations would reach a positive conclusion, this would probably be the best way to achieve the structuring of the education and training market at national level.

THE EUROPEAN DIMENSION

Much of what has been proposed as solutions aimed at the structuring of the education and training market at the national level may be directly extrapolated to its full European dimension. Difficulties, however, increase proportionally to the increment in area and in population.

While, in many European countries, national distance education systems are integrated (even if they do not represent the totality of organizations and operators active in this field), there is no similar integration of systems at trans-European level, despite the existence of fruitful associations of efforts and interests under the form of European Associations, Networks and Consortia. But there is no doubt that the needs of Europe in the field of education and training will be growing exponentially in the years to come and that the use of distance education methods and systems is the most suitable way to deal with the huge increase in demand.

This general subject has been studied by an EADTU working group dealing with the long term developments for distance education in Europe, taking into account the prospective scenarios of environmental factors and educational contexts for the next decades. The corresponding report supports the 1988 EADTU statements produced in the previous paragraph.

To achieve the desirable degree of coordination and harmonisation of distance education initiatives and activities designed specially for the European-wide scene, some sort of integrative structure has to exist, or to be created for this purpose. But it is doubtful that the European Community governing bodies (the Parliament, the Council and the Commission) will be ready to accept the idea of creating and supporting an expensive infrastructure designed to provide distance education and training to the European populations, due to the underlying argument that education was, or should be, a national prerogative of the Member States. From a more economy oriented perspective, it may be added that it would be a waste of effort and resources to create a new structure that in fact would overlap the already existing national distance education systems.

With a re-orientation of purpose, it might instead be judged appropriate by the European Authorities to create much lighter structure aimed at the rationalisation of existing resources and experiences, and to take other steps to promote the structuring of the demand side of the training market. According to the suggestion advanced for the national level, it might yield positive results to promote the concertation between representatives of trade unions, confederations of employers and the Community governing bodies, on matters related to the general problem of recognising continuing education and training as a social right of the citizens of Europe.