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Book Review – Papers and Debates on the Economics and Costs of Distance and Online Learning

Editor: Greville Rumble (2004). *Papers and Debates on the Economics and Costs of Distance and Online Learning*. 191 pages, softcover. Oldenburg, Germany: Oldenburg: Bibliotheks- und Informationssystem der Carl von Ossietzky University. ISBN: 3 8142 0886 2

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In the last few years, learners' and parents' interests in distance education were enhanced dramatically as a result of changes in society and advances in audio-visual media and telecommunication technology, which in turn resulted in an increase in both access and the subject areas offered by distance education institutions. In response to this interest, distance education has become one of the formal means of education for those who are unable to attend traditional campus due to cultural, economic, physical, or geographical obstacles.

The Internet, and the World Wide Web in particular, with its interactive tools, user-friendly interface and rich information resources, have become the most promising mediums for future distance education programs. However, the main assumption that encourages distance educators to use a new technology, like the Internet, is to reach a wider population of learners with significant cost savings.

This book provides us with a significant body of research to further our understanding about the cost-effectiveness of distance education and online learning. It assembles some of the most important papers and debates on the economics and costs of distance and online learning written by Greville Rumble over the past 20 years. The book is organized into three major parts:

1. Economics of mass distance education
2. The competitive vulnerability of distance teaching universities' debate
3. The economics of e-learning.

The first part contains three papers. In the first paper, “The economics of mass distance education,” Rumble focuses on the factors affecting the costs of developing, producing and distributing course materials, and the costs of student support, and the influence the breadth of the curriculum relative to the number of students enrolled has on costs. In addition, this paper seeks to indicate why some of the expectations of cost-efficiency can be dashed.

In the second paper “Technology, distance education and cost,” Rumble concluded that it is unlikely that any cost saving can be made from shifting to the Internet to deliver instruction. Whereas the design and development costs of textual/ highly interactive and quality on-line materials are more less or similar to those of print/interactive CD-ROMs, the range of variable and recurrent costs of maintaining the online course materials, supporting, assessing and administering students online, running and connecting the Web-server and access to the Internet by students, can add more tuition and administration workload and contribute significantly to overall costs of online learning.

The third paper, “The effect of employment practices on the costs of flexible and distance learning,” identifies certain trends in the labour market and applies them to distance education. He suggests that distance education lends itself to a situation in which capital replaces labour, resulting in increased productivity; tasks which were previously regarded as a part of a single academic job and now are divided up among different workers.

The second part of the book contains six papers written around the debate on the competitive vulnerability of the distance teaching universities. Three were written by Rumble and the others are a response to Rumble's papers with the aim of debating his views. Rumble's intention here is 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 out into resource-based teaching, which would be eventually set-up in their distance-teaching wings.

The third part of the book focuses on the costs of online education. This part, which contains four papers, seeks not only to identify the actual costs of e-education, but also to look at some of the policy issues that they arise. Rumble starts this part by identifying the mean of an e-education system. He suggests that an e-education system:

- Makes learning materials available to students in electronic format
- Teaches and support students online
- Provides online administrative services – e.g., enrolment, billing, information and advice

Rumble then discussed the reasons behind the widespread pressure to move towards e-education—from distance educators, from those working in campus settings, from trainers, and from new entrant firms. He noted that although the pressures to go electronic are clear, the associated costs are not that clear. He begins by identifying a methodology for costing e-education and estimating at the costs of the technologies, distinguishing between the costs of putting materials online, the costs e-teaching, the costs of e-administration, and finally comparing the costs of e-education with the costs of alternative approaches to distance education.

The author concluded that “if we broaden the definition of online teaching to encompass a fully fledged e-education system, then there are savings to be achieved, both within campus-based and within existing distance teaching institutions. These savings will be made in administration” (p. 133).

The second paper in this part goes further by emphasizing the importance of understanding the e-education system being “costed” so that the elements are not missed. Using a functional approach, Rumble looked at the costs of online learning and distinguished between the costs of

developing e-materials, teaching students online, accessing the website, administrating students online, and providing infrastructure and support within which e-education can operate. Specifically, by comparing online to other alternative approaches, the third paper sheds light on the costs of teaching and students support services in e-education systems.

The book ends by a compromising and general article titled “Just how relevant is e-education to global education needs?” In this article, Rumble arrives at the conclusions that he has little doubt that e-education:

“ . . . has enabled distance educators and others to improve the quality of the dialogue available to students, and often to provide them with a richer spectrum of materials . . . ”

“ . . . is more costly than first and second generation distance education, but I also suspect that it may prove to be more costly than traditional education” (p. 181).

The analysis of the cost structure and cost relationships of e-learning in this book shows that it is not possible to conclude that shifting to the Internet is always less costly than other approaches (e.g., print and CD-ROMs). However, the costs resulting from using the Internet to deliver instruction are influenced by many design and implementation-related factors, such as the purpose of the distance education programme, the objectives of learning, the pedagogical approach, the quality of learning materials, the lifetime of the course and enrolments.

Overall, the author attempted to prove that it is unlikely that any cost saving can be realized from shifting to the Internet to deliver instruction. Whereas the design and development costs of textual/ highly interactive and quality online materials are more less or similar to those of print/ interactive CD-ROMs, the range of variable and recurrent costs of maintaining the online course materials, supporting, assessing and administering students online, running and connecting the Web server, and access to the Internet by students, can increase tuition, increase administration workload, and contribute significantly to overall costs of online learning. In other words, instead of bringing the costs of tuition and delivery down using inexpensive technology, online learning systems add more costs to the additional institutional and access costs.

However, if there is a necessity to exploit the two-way interactive nature of the Web, as well as speed, flexibility and global access to the Internet - particularly in developing countries - these costs must be factored in the design of instruction, and taken into account for budgeting and enrolment purposes, particularly when comparative cost-benefit analysis between Web-based learning and other approaches are conducted.

Finally, there is no doubt that these well-chosen and edited papers allow interesting historical perspectives in the economics of e-education, and address its actual impact on the traditional cost structure of distance education. I found several aspects of this book appealing and believe that many distance and on-campus educators, and those charged with costing and implementing such systems, will find this book quite helpful.

