

## With National e-University, Britain Gets in the Online-Education Game

Little is known about the cooperative effort, and some major players remain on the sidelines

BY SARAH CARR

**S**O LITTLE IS KNOWN about the British government's plan for a national Internet university that it reminds some higher-education officials here of a current cultural phenomenon of a different sort.

"It is a bit like waiting for the new Harry Potter film," says Neil Gregory, the head of the research and projects division at the London School of Economics and Political Science. "We are told that it is going to be great when it comes out, but there is nothing to judge that on."

Leaders of Britain's e-University, a project that will bring together an assortment of distance-learning programs and courses to be sold to students all over the world, are hoping that the e-University will attract even a portion of the attention that the Harry Potter books have received.

Although only a few universities will offer courses through the e-University when it puts its first materials online next year, the government plan calls for all higher-education institutions in Britain to be members of the holding company that owns and administers the project. The e-University will not award degrees on its own, but the participating programs will be marketed jointly and will share some tech-



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nological infrastructure. The effort will be financed by a combination of government and private money.

Few details have been released about the venture, which is one of the world's few government-sponsored attempts to create a national university. Whether that rarefied status will prove more an asset or a liability in the long run is much debated.

### INSTANT CREDIBILITY

While some officials contend that the public-sector support gives the effort instant financing, credibility, and organization, others fear that the government will be unable to provide adequate financial support and the project will be bogged down in bureaucratic mire. Moreover, some administrators worry that the e-University will favor prestigious institutions over lesser-known ones that, like community colleges in the United States, focus on local needs.



*Alice Frost of the e-University says that institutions will be chosen to participate in the pilot project based largely on their experience with online learning.*

John Naughton, a professor at the Open University who is a critic of the e-University effort, says the creation of the new institution "in my opinion was not driven by any educational need."

"It was driven by a number of things, but mainly this notion that somehow Britain was missing out on the dot-com impulse in education," says Mr. Naughton. "And there was this vague feeling that if the United Kingdom doesn't get organized in this field, we are going to lose out."

The idea for the e-University was announced by the then-education secretary, David Blunkett, in February 2000. Since

that time, the project has been administered by the Higher Education Funding Council of England, the government agency that controls the distribution of money to colleges and universities.

The funding council has committed 62 million pounds (about \$88-million) to the project and last year hired the consulting company PricewaterhouseCoopers to devise a plan for setting up the new institution.

The plan calls for the e-University to begin offering online continuing-education and professional-development courses in

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## INFORMATION TECHNOLOGY

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2002. The project will start on a limited scale with a group of pilot efforts that will be chosen largely on the basis of how much experience the sponsoring institution has with online learning, according to Alice Frost, the e-University project manager at the funding council. She adds that about 80 universities or consortia submitted bids to participate in the pilot efforts, and that fewer than 10 are likely to be selected.

The project will start with graduate-level courses, and will include undergraduate courses at a later stage.

Nick Winton, the e-University's chief executive officer, declines to reveal which private companies plan to invest in the e-University, or PricewaterhouseCoopers's estimate of the project's cost. He also says he does not know how the names of the participating institutions will be used in marketing the venture.

The amorphous nature of the plans has turned off at least one potential participant with considerable experience in online learning. Mr. Gregory says officials at the London School of Economics decided not to seek one of the pilot projects until more details—such as the names of the commercial partners—are released. "They have really created a black box, and no one seems to know what is going on inside of it," he says. "The whole process has been shrouded in a degree of mystery."

**STRIKING DEALS**

The London school has already struck deals with two high-profile American ventures in distance learning, Fathom and UNext. Fathom is a company started by Columbia University that hopes to sell online courses and articles. UNext sells short business courses created with the assistance of professors from institutions such as the London school and Stanford University.

But Stephen Hill, the deputy director of the London school, says these partnerships would not preclude the institution from participating in the e-University later. "They simply haven't released any information which indicates what the financial returns to the universities will be, and we are waiting to see," he says.

Other institutions have responded to the funding council's invitation to submit bids to participate in the project, which in early conceptions was going to be open only to a select few.

"One of the initial ideas was to select a group of universities who would control

had been hoping to attract from the beginning.

Oxford, for instance, submitted bids for pilot projects in education research and computing, according to Tristram Wyatt, the director of online and distance learning at the university.

**"THE BEST COURSES"**

Mr. Wyatt says he is optimistic about the e-University effort. "It provides a way of developing the best courses in each subject from across the British higher-education sector," he says. "No single university would have the resources." Mr. Wyatt adds that many British universities, including Oxford, are joining with a variety of online-education projects and consortia to see which have the most staying power. "At this stage universities don't know which will be the most successful, so many are hedging their bets."

The relationship between the e-University and the Open University is still uncertain. "It could be a competitor for us," says Diana Laurillard, the pro vice-chancellor of learning technologies and teaching at the Open University. "It depends on how the whole thing is set up. But it will most likely be a competitor to the extent that we are all fishing around in the same pool, along with global universities all over the world."

Even so, the Open University has submitted bids to work with the e-University on some of its pilot projects. "The stance that the Open University has taken up to now is that we will work to collaborate," says Ann Floyd, the vice chancellor's representative for international academic partnerships.

**THE VALUE OF COORDINATION**

Although the e-University is only in the planning stages, officials still offer a range of predictions on the advantages and liabilities of running a government-controlled Internet university.

Supporters cite financing and organization as two of the chief benefits. Mr. Winton says that the large upfront costs of starting an Internet university mean that distance learning should not be left "to individual, disconnected efforts."

David Pilsbury, the chief executive officer of the Worldwide Universities Network, a distance-education collaboration among 11 universities in the United States and Britain that is vying to be part of the e-University's pilot phase, adds that the e-University will help institutions better

Winton. "Because the money is being spent on behalf of the public, the process has to be transparent, and that, of necessity, tends to be more cumbersome."

Others predict that the amount of financing put up by the government won't be sufficient, that the project will be bogged down by bureaucracy, and that the notion that the e-University will enable British universities to share the wealth of online learning is an illusion.

"You need a lot of money to start something like this, and the government here can't afford to do that," says Michael

that offers distance-learning courses from about 35 different colleges. Western Governors has not folded, but has failed to attract as many students as its founders originally hoped.

Other university officials who are less critical of the venture say they still fear that the project may not benefit all British institutions in the way that its organizers project.

Mr. Gregory of the London School of Economics says that no one has been explicit about what benefits membership in the holding company will bring. "To say

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Thorne, the vice principal at Napier University in Edinburgh.

He adds that the government may struggle to attract the necessary private-sector support. "The real issue is that there is little investment funding for universities in the United Kingdom," he says. "Capital investment is extremely limited, and without some sizable investment at the local university level, I don't see what will happen."

Mr. Winton says he has been hard-pressed to attract potential investors at times since the e-University, although it is essentially a for-profit enterprise, will sometimes place the public good over profit considerations—with, say, an expensive but noncommercial course in underwater basket weaving.

"Some of the private-sector partners are red-meat eaters, looking for how much they can make, how quickly, and for how long," he says. "And there are some requirements of this project where that mentality isn't entirely appropriate. But, at the same time, they are not going to sign up for something that is purely a cost and has no defined return."

In order to deal with this issue, Mr. Winton has told potential private-sector partners that any course or program of the e-University that is perceived to serve the public good, but has little profit-generating potential, will be identified and paid for by the holding company rather than the private sector. "We would approach the holding company, which has some funds for public-good activities, and tell them that if they wish us to carry through with the activity, there would be a cost associated and they would have to contribute to the cost."

Mr. Thorne says he believes the e-University will be not only under-financed, but also overly bureaucratic. "At this moment, I think they are trying to design what they do by committee, and I think that is a problem."

**DOOMED FROM THE START?**

The Open University's Mr. Naughton argues that the effort has been doomed from the start. "I think the business model they have created"—the portal approach to online learning, in which one organization tries to aggregate courses from different institutions—"is the same kind of business model as the ones that have folded on the Net. I'll be amazed if it works."

As an example he cites Western Governors University, an online-only institution

that it is an inclusive model is to say that everybody has been given a share in the holding company, but that means very little in practical terms," he says.

Other academics say that smaller, less-famous British institutions will not be selected to participate in the e-University, and will at most receive only nominal benefit from it.

"I know there is a concern at small institutions that the effect will be to pick out certain market leaders who will then get an advantage," says John Turner, the vice principal for planning and resources at the University of London. "Distance learning is a branding business, and at the moment the brands that will work are Oxford, Cambridge, the Open University, the University of London, and only a few more."

**WHO WILL BENEFIT?**

Mr. Turner says these institutions will probably emerge as leaders in British distance learning whether or not the e-University is formed, but he adds that it is still misleading to assert that all institutions will benefit equally from the project.

"If the e-University—led by the big-name brands—were to be a raving commercial success around the world, that would definitely put a question mark against other U.K. university products," adds Roger Waterhouse, vice chancellor at the University of Derby. But Mr. Waterhouse says he doubts that the e-University will achieve commercial success in the next few years. "We don't feel threatened by the government's initiative," he says. "First, we don't think it is going to happen quickly, and second, we are skeptical that they can deliver the necessary service and quality."

Mr. Turner, though, says the small colleges that have a lot of continuing-education courses could be hard hit by the e-University since, unlike community colleges in the United States, few have embraced distance learning. They may lose out on some students if the e-University becomes a popular choice for those interested in graduate courses, he says.

"This could lead to a shakeout, with research-intensive universities with a brand name putting a fair amount of pressure on less research-intensive universities," he says. "It may take away one of the major purposes of community institutions."

Or maybe, he suggests, it will just speed a shakeout that will take place no matter what.

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the e-University and invite others to participate," says Ron Cooke, the vice chancellor of the University of York and the chairman of a steering group that has helped plan the project. "The consultation process led us to realize that we really did want to get the whole of the system involved."

Since the business model came out, a variety of institutions have submitted proposals. Among them are some of Britain's most famous universities—including the University of Oxford and the Open University—which the e-University's leaders

market their online programs. "I think what we have lacked is a distribution mechanism and a sales and marketing arm," he says. "Clearly, as is the case in any organization, you get enormous economies of scale if you can have sales and marketing delivered together."

But even officials at the Higher Education Funding Council acknowledge that a successful union of government, higher education, and private industry may be a challenge. "With a government project, and with the sums involved here, one treads much more cautiously," says Mr.