BACKGROUND PAPER 1

A Study of Distance Education Public Policy and Practice in the Higher Education Sectors of Selected Countries

Synthesis of Key Findings

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1. THE CHANGING ROLE AND CHARACTER OF DISTANCE EDUCATION IN HIGHER EDUCATION

1.1 THE ROLE OF DISTANCE EDUCATION IN THE PROVISION OF ACCESS TO HIGHER EDUCATION

Across the six country case studies analysed[1], the use of distance education (DE) in higher education (HE) has, with one exception (Brazil) significantly increased the number of places available in the higher education system. The installation of large dedicated distance education higher education institutions has in some cases increased the capacity of the country's higher education system by factors of 20% or more. Some estimates predict that, factoring in the distance education provision offered by dual-mode higher education institutions, countries like India, Pakistan and Indonesia may soon reach the situation where more than 50% of the students in the higher education sector will be studying, at least some of the time, in a distance education mode. Current national figures in the sample case studies show that from 10% to 30 % of their higher education systems are distance education based. As most of the distance education provision is additional to previous face-to-face programmes, rather than replacing them, the above figures give an idea of the overall increase in capacity of the higher education systems.

[1] As part of the Council on Higher Education's investigation into distance education in the South African higher education system, research on distance education policy and practice in six countries with comparable socio-economic contexts to South Africa was commissioned to provide some international perspectives. The six countries chosen were Brazil, India, Pakistan, Sri Lanka, Malaysia and Indonesia.

The exception is Brazil, at least in terms of the official figures on students in *approved* programmes offered by distance education. These suggest that in Brazil, only about 3% of the total provision of higher education is by distance education mode. However, this is a misleading figure, as it fails to include many programs that are actually running and graduating students, but (for reasons explained in the following section) have not yet passed through the recently implemented accreditation/approval process. It also fails to take into consideration the very common dual-mode provision "Brazilian style" – if up to 20% of a programme is taught by distance education while the bulk is taught face-to-face, the courses may operate pending the completion of approval. This will also be discussed further in sections 2 and 3 of this paper.

A further aspect of access typically promoted by distance education programmes is access by students who would otherwise not participate in face-to-face programmes due to the long distances to the higher education institution or timing conflicts with other duties. Limited data on this issue was furnished in only some of the studies. However, those that did give information, such as for example Indonesia, show that the real-life results are mixed. Most certainly, many of the students at UT (Universitas Terbuka, Indonesia's Open University) are able to participate in higher education due to the flexible study time. Also they can participate in a way that is integrated with their job requirements and characteristics (e.g. teachers can study pedagogy in-service, applying what they learn directly to their own teaching activities). However, in this particular instance, geographic considerations are not central as the majority of UT's students live in Java, the most densely populated Indonesian island, and tend to reside in urban rather than rural areas.

A third dimension of access is the reduction of cost of participation in higher education. The vast majority of higher education programmes listed in the six country case studies either demonstrated or claimed lower operating costs which were passed on to the students in the form of lower fees. The Indonesian country case study documents in detail how an economic crisis may divert very significant proportions of students from the face-to-face sector to the distance education sector because of the cost difference. However, in distance education as in any other area of enterprise "you get what you pay for". The data on costs and fees supplied in the case studies generally refer to the more established large scale distance education programs that generally are based mainly on print materials and correspondence interaction, even if the correspondence occurs via E-mail rather than through the postal system.

The situation regarding costs may be somewhat less favourable to distance education as the higher education institutions move to offering more sophisticated E-learning modalities, especially those that entail a large amount of small group discussion and project activities. Data now emanating from some "high-tech" distance education projects in the USA and Europe are demonstrating that the costs of Web based E-learning courses may sometimes be higher than of the face-to-face alternative. Also, recent studies have appeared that document the amount of time spent by students and lectures in conventional campus-based and online versions of the same courses. The amount of time spent by teachers tends to be reported as at least twice as much in the online version as in

the face-to-face version. Ultimately, when the euphoria of innovative experimentation passes, someone will have to pay for this extra time, or lecturers will stop teaching online. The most probable scenario is an increase in student fees.

1.2. THE CHANGING PERCEPTIONS OF THE ROLE OF DISTANCE EDUCATION IN HIGHER EDUCATION

These comments lead us into a discussion of one aspect that was reflected in all six case studies. There are some indications that, although the current mainstream of distance education provision uses print and conventional audio-visual media, the interest of those involved, both in the higher education institutions that practice distance education and in the Ministries of Education that promote it, is to move towards an E-learning mode. As many of the traditional higher education institutions get "wired", the urge to use the newly available technologies in the teaching/learning process appears to "take over" from a more cautious needs-based approach to innovation. Also, the currently prevailing educational philosophies that advocate collaborative learning methodologies support the adoption of technologies that allow group interaction in both synchronous and asynchronous modalities, despite the fact that this increases both the initial investment and operational costs. Furthermore, at Ministerial and donor-agency levels, these high-tech projects, although often much more expensive, sometimes have an easier time getting funded due to their "cutting edge" novelty. Thus, many new projects are springing up, especially in the conventional campus-based higher education institutions that see E-Learning as a means towards the goals of expansion and, in some cases, better cost/benefit. The data now available from countries such as the USA, where E-Learning has been widely implemented in higher education, suggests that some of these higher education institutions are going to be disappointed regarding one if not both of these goals.

1.3 ROLE OF DISTANCE EDUCATION IN THE GENERAL IMPROVEMENT OF THE WHOLE HIGHER EDUCATION SYSTEM

A further often-quoted spin-off benefit of distance education systems is that they lead to better planned learning procedures and supporting materials and that in time these improvements filter down into the mainstream of higher education, so improving the effectiveness of the system as a whole. This was a characteristic that was observed in the UK back in the 1970's, as a result of the systematic development of the Open University's learning materials by interdisciplinary teams and the distribution of these superior quality materials at below average price through the regular bookshops. Although mentioned in passing in some of the current studies, no evidence was presented in the cases that this was indeed occurring, or that it's possibility was even being tracked. More research is needed on this aspect. If the national investment in distance education can produce benefits and improvements across the whole higher education system, for

example through the mass adoption of materials that have been evaluated and shown to be of superior quality, then the return on investment may be much greater.

However, such across the board benefits are not automatic. They must be initially planned and later evaluated. The impression left by the six country case study reports is that there are no plans in place to integrate distance education development across institutions and so gain that extra return on investment. The tendency so far seems to have been for each institution to implement its own independent projects with little attention paid to integrating their efforts with those of other institutions. There are some possible exceptions to this general rule, where consortia of higher education institutions have been formed to jointly design, develop and implement new distance education programmes.

2. REGULATION OF DISTANCE EDUCATION IN PUBLIC-SECTOR HIGHER EDUCATION INSTITUTIONS

2.1. INTRODUCTION

Different amounts of detail have been obtained on the distance education regulatory processes in place in each of the six countries investigated. Therefore, after touching on some common general issues, we shall in this section use a case-study approach, selecting the cases that are more fully documented to make our general points. These case studies are Brazil, Indonesia, Malaysia and India. The detailed information available on Sri Lanka and Pakistan is insufficient to make detailed comparisons and contrasts. However, the information is sufficient to make some initial general comments.

2.2. GENERAL COMMENTS

In broad general terms, there is a similarity across all six of the country case studies, in that the issue of using distance education as a delivery mode in higher education is seen as one that requires centralized regulation and control. This is in contrast to some other countries where this is not seen to be a critical issue. In the USA, for example, there is almost no centralised regulation of education at the Federal level. Typically, higher education institutions are accredited by different, regionally based, accreditation bodies. Norms and procedures may vary among these bodies but, by and large, the accreditation process is the same for all higher education institutions whether dedicated distance education, dedicated face-to-face, or dual-mode. Each higher education institution has to make its case for what it intends to be and do, in a very de-centralised case-by-case manner. In the UK, the education system is much more centralised and accreditation decisions are very much in the hands of the Ministry of Education. Although there are other higher education institutions that offer programmes by distance education (in addition to the UK-OU), there have been no laws passed that specifically focus on distance education as something apart from the mainstream and there is no separate

Ministerial structure for the accreditation and regulation of higher education institutions that may choose to offer some courses or programmes by distance education. However, in all six countries studied for this report, there appeared to be some legislation, or some ministerial departments, that are specific to distance education.

The distinction we are trying to make here is whether distance education is treated as a separate professional category or as a tool that is available, among other tools, for a professional to use (intelligently, effectively, etc.). Before distance education became " big business" the latter view was more common and so ministries would in general not even be interested in descending to that level of detail. Since the appearance, growth, success and proliferation of dedicated distance education institutions, ministries have tended to take more notice – sometimes maybe too much notice. The tendency perceived in the countries studied is to veer to a greater or lesser degree towards the perception of distance education as some separate branch of the education profession, thus requiring some separate attention from the central government. In order to further explore this tendency we shall compare Brazil and Indonesia, two of the countries that seem to exhibit particularly marked degrees of legislation specifically designed for the national regulation of the use of distance education in higher education.

2.3. FACTORS THAT MAY IMPACT NATIONAL POLICY ON DISTANCE EDUCATION

Brazil's approach to the regulation of distance education is the result of several general factors such as: tendency towards a highly centralised form of Federal government; a recent (1996) law that established the official recognition of distance education as a valid alternative delivery mode at all levels of education; empowerment of the Ministry of Education to regulate and control the use of distance education in higher education; tendency of ministries to legislate by means of "decrees" that are not required to go through a parliamentary process to be voted into law, but are drafted by committees appointed by the Minister and then become binding as soon as they are signed and published.

Indonesia's process of Government is almost a carbon copy of Brazil's, as regards the above mentioned general operational factors. Yet the two approaches to the regulation of distance education in higher education are significantly different. Two important differences are:

1. Brazil has no dedicated distance education-higher education institution; Indonesia has Universitas Terbuka (UT), a major component in its higher education provision since 1984.

2. Brazil's public-sector higher education institutions do not charge any student fees (this is true at undergraduate level – they do charge for post-graduate studies) so in effect all funding comes from public sources; Indonesian higher education institutions do charge student fees and are therefore only partly dependant on public funds.

As a result of the first factor, Indonesia has, at governmental level, more accumulated experience of running a major distance education institution and, at technical level may draw on a large group of specialists who have practical experience of all aspects of distance education. Brazil, at the technical level, has a much smaller number of experienced people to draw on and, at governmental level, no prior experience of distance education used on a large scale in higher education. Typically, anywhere in the world, governmental committees or task teams tend to be composed of a mix of career civil servants and technical experts. For the above-mentioned reasons, the levels and the nature of prior experience of distance education may be expected to differ considerably between committees formed in Brazil and in Indonesia.

The organ responsible for policy and regulation of distance education in Brazil is a special Secretariat for distance education set up within the Ministry of Education. In Indonesia, distance education regulation emanates from the Directorate General for Higher Education (DGHE), an organ that regulates all public higher education and not just the distance education sector. And in technical advisory terms, there are many people who have acquired practical experience over the years, running or working in Universitas Terbuka. As regards the technical expertise component, Brazil tends to recruit academics with only a theoretical knowledge of distance education but with their practical experience firmly rooted in the conventional face-to-face practices of the existing higher education institutions.

As a result of the second factor, the decision making processes of committees and the governments they advise may be expected to be more market-driven in Indonesia than in Brazil. Brazil's public-sector universities are often "flooded" by applicants (often in excess of 100 applicants per available space) so customer-orientation is not a big issue. The higher education institutions can select the most able students from the pool. These students will learn effectively despite weaknesses in the system. Also, as students do not pay for undergraduate level education in the public sector, the funding required to keep the institutions running is largely independent of student-related factors. The students are by and large so happy to have been selected for free education that they are unwilling to complain.

In Indonesia, the candidate student is faced with a range of cost alternatives, as even the public higher education institutions charge a wide range of fees. Basic cost of study and return on investment are more relevant concepts for the Indonesian higher education candidate. This is evidenced by the sharp swings (nearly 50% changes over a few years) in the number of students at UT. In 1996-1998, as Indonesia entered a serious economic crisis, the enrolment figures at UT increased significantly (about 15%) as students opted for the less expensive alternative. The other universities must of course have experienced a similar downturn in their enrolments. Then as the crisis progressed, the enrolment figures dived even more steeply than they had risen as students found they could not afford even these lower UT rates.

Brazil is certainly no stranger to economic crises, but these impinge the public higher education sector in a somewhat different manner, in the form of general or institution-specific budgetary cuts. These are often highly dependent on political lobbying and almost independent of the market trends as expressed in student needs, their satisfaction, or their ability to pay. One can discern in this set-up a probable 180 degree difference in orientation of advisory committees set up by the Indonesian and Brazilian Ministries of Education.

In both cases, the committees would naturally be expected to show tendencies to strengthen the position of the stakeholders they represent, or at least to maintain the status quo. In Brazil, the technical advisers would be lobbying to strengthen or preserve the privileges and funding levels of the established traditional higher education institutions. For them, a massive influx of distance education programmes may be seen to represent a threat. In Indonesia, the Government civil servants may be expected to wish to protect the investment already made in the establishment of a dedicated distance education institution and their technical expert colleagues would in the large also be representing the interests of that distance education-higher education institution. Thus it is not surprising that recent distance education-related legislation passed in these two countries (in both cases by means of a rather autocratic decree-issuing process) although similar in its declared intent to regulate the quality of distance education, is quite different in its content and nature.

In Brazil, since the well-intentioned clauses in the 1996 "Law of Norms and Standards" (Lei de Diretrizes e Bases, or LDB) introduced distance education as a factor to be promoted and used wisely, a series of decrees (in 1998, 2000, 2001), notionally drafted to put the law into action, have in reality had quite the opposite effect so far, by making the accreditation and approval processes too complex and slow-moving. A higher education institution that wishes to offer programmes by distance education mode must first get itself accredited for that purpose, even if it is already accredited and operating as a higher education institution in the traditional campus-based mode. Then, all distance education programmes have to be approved, irrespective of whether they are the same in curricular content and evaluation standards as face-to-face programmes already being offered by that higher education institution. Furthermore, the committee members typically recruited to perform the tasks of accreditation and approval are drawn from the established public higher education institutions, thus reflecting the vested interests against distance education and the lack of practical experience of distance education of the sector.

In Indonesia, Universitas Terbuka and most of the other public higher education institutions (there are four exceptions of "autonomous" public universities) are regulated by the Directorate General of Higher Education (DGHE). The recent (2001) decree issued by the DGHE establishes that all the public universities may expand their use of distance education provided it is in an E-learning technology-based modality and therefore not in direct competition with UT's mainly print-based correspondence modality. Also, the areas in which the higher education institutions may offer distance education options are defined so as to reserve the mass-market basic foundation courses and in-service courses (e.g. for teacher training) for UT and allow the other universities

only into the more specialist subject areas. Furthermore, the process of quality assurance and approval of distance education courses to be offered by the public sector higher education instituions is to a large extent delegated to UT. Thus, the law empowered the existing dedicated distance education institution to be the benchmark for distance education in HE.

2.4. MALAYSIA – A SPECIAL CASE

How do some of the other countries compare to the somewhat extremely-opposed cases of Brazil and Indonesia? Malaysia is an interesting case to review, as it is in many social and political respects quite similar to its neighbour Indonesia. But in relation to distance education it is rather different. Some of these differences are a result of a fundamental difference in policy as regards higher education in general. Malaysia has adopted a policy that seeks to reduce central funding of higher education, by encouraging private-sector investment in the sector and the development of income-generating activities in the higher education institutions. This policy puts the higher education institutions, to some extent, in the position of a business organization that seeks to balance its income and expenditure. However, the central government sees the regulation of higher education as very much its own responsibility.

This has probably helped to establish the current regulatory position as regards distance education in higher education. The process is relatively simple as compared to both Brazil and Indonesia. In practical terms, any higher education institution may choose to offer distance education in any subject where it is recognised as having the expertise to do so, without facing any general regulations as to what is allowed or disallowed. This contrasts with the situation of Indonesia (in restricting the dual-mode higher education institutions to specific content areas and delivery technologies). Any higher education institution that already has approval to offer a specific course or programme by conventional face-to-face delivery modes may offer that programme by distance education without any need for separate approval. This is in direct contrast to Brazil, where the face-to-face and distance education versions have to pass through separate approval processes and the higher education institution concerned must previously be accredited for the offering of face-to-face and distance education programmes, through separate institutional accreditation processes administered by separate sections of the Ministry of Education.

The general business-like policies adopted with respect to higher education in general also help to explain the way that Malaysia has recently set up its latest dedicated distance education-higher education institution: Universiti Terbuka Malaysia (UNITEM), commonly referred to as the Open University Malaysia. This university is incorporated as a private-sector institution, which means that it is governed by different laws and decrees to those of the public sector higher education institutions (note by contrast that in Brazil, much more recent distance education-related legislation has been applied uniformly to both public and private sector institutions, halting entrepreneurial and innovative activities in both). However, UNITEM, set up in response to government directives and incentives by a consortium of 11 public sector higher education institutions, is now run

by this consortium, who channel much of their distance education-related offerings through this joint venture. Thus, we have the interesting phenomenon of a private sector initiative that is academically conceived and technically managed by the public sector.

Among the benefits of such an arrangement is the economy of scale and elimination of duplicated resources achieved by, in effect, 11 higher education institutions sharing one distance education infrastructure. Among the challenges, are all the issues involved with joint planning and execution of academic programmes that inevitably surface in the academic world when different institutions attempt to collaborate. This can, however, be seen as an advantage in the specific case of Malaysia, in that it forces academe to learn how to run as a business - something that the general governmental policies are requiring in all the public higher education institutions activities, whether they are distance education related or not.

Here we may mention that Brazilian higher education institutions have recently seen the formation of consortia as the way ahead in distance education. No less than six consortia are mentioned in the Brazilian case study. However, the mode of operation of the majority of these consortia (especially the public sector ones) is not yet clear. Will they effectively give birth to a jointly owned/managed dedicated distance education-higher education institution, rather on the lines of the Malaysia example? Or will the consortia simply share resources in order to facilitate the launching of distance education programmes that will be "owned" by individual members of the consortium? In the current Brazilian regulatory climate, both these alternatives will raise all sorts of problems and difficulties.

2.5. THE SPECIAL CASE OF INDIA

How does India compare with the countries already studied? First we note that India has a well established national distance education-higher education institution: the Indira Ghandi National Open University (IGNOU) and in addition a number of State Open Universities. This mirrors to some extent the organizational structure of the whole of India's public higher education sector: National and State universities that draw much of their funding from different sources, but are seen as one network and are all to a large extent regulated at the national level. This is very similar in overall terms to the situation in Brazil, where the public higher education sector is composed of Federal and State universities, funded respectively from Federal and State sources, but regulated principally at the Federal level. Also, rumour has it that both Brazil and India are very similar in terms of the extent of centralised bureaucracy that often complicates even the simplest of procedures. One might therefore expect to find similarities in the way the two countries have approached the question of regulation of distance education in higher education. However, that is not the case. Rather than the centralising of regulatory processes in a Ministry-based special secretariat, the Ministry of Human Resource Development has delegated the responsibility to a Distance Education Council that is located in, and governed by, the country's leading distance education-higher education institution: the IGNOU.

From the descriptions provided in the Indian case study, this regulatory process is conducted in a very democratic manner, involving all principal stakeholders in the decision making process. Also, from the description, it would seem that the regulatory process is driven principally by concerns for effectiveness, efficiency, or equity of access, rather than turf battles between the different distance education-higher education institutions or between the distance education and conventional higher education institutions. It seems too good to be true. Maybe it is not quite as true as we are led to believe by the case study description, which presents the principles behind the system adopted, but does supply any data on the day-to-day functioning of the system. However, the sharp contrast between the Indian case study and some of the others is worthy of further reflection.

2.6. CROSS – COUNTRY COMPARISONS

There are several contrasts that may be drawn between the country case studies. India does seem to treat the regulation of distance education as a separate issue from the regulation of conventional higher education institutions, similar in this respect to Brazil and Indonesia but different from Malaysia. On the other hand, India lets the public distance education-higher education institution sector look after its own regulatory questions and issues, similar at least in part to Malaysia and Indonesia, but different from Brazil. Could this be something to do with the size and structure of India's public distance education-HE sector? Given several dedicated institutions, and a well established hierarchical structure by which such an institutional network operates in the face-to-face sector, it might be natural to treat the distance education-higher education institutions somewhat separately from the face-to-face higher education institutions. The replication of a tried and tested managerial model may be easier and less open to new and unexpected problems than the full integration of the distance education-higher education institutions into the pre-existing face-to-face higher education institution regulatory system.

Comparison across the country case studies shows that, Indonesia, with just one very large dedicated distance education-higher education institution and a multitude of face-to-face higher education institutions now wishing to climb onto the distance education "bandwagon", has stronger reasons for the integration of distance education across the dedicated and the dual mode institutions. While, Malaysia, which has principally dual-mode institutions, offering some distance education programmes until the recent formation of UNITEM, has side-stepped this particular issue in a unique manner by incorporating UNITEM as a private sector institution. Thus, from the start, UNITEM is independent of public funding, yet owned by the public sector. It is charged to stand or fall by its success in responding to market forces.

As compared to Brazil, India has the advantage of having established a network of dedicated distance education-higher education institutions, which seem to have good track records, and so it is possible to take the step of delegation of the regulatory process

to the sub-system. Brazil has no such sub-system. And, furthermore, recent trends indicate that the distance education component in higher education is being driven down the dual-mode route. Currently, any existing and approved higher education programme can be transformed to 20% distance education mode with relatively little regulatory difficulties. But 100% distance education programmes have to pass through the whole of the complicated approval process and before that starts, the institution concerned has to be separately accredited to offer distance education programmes. So far, the twenty or so public institutions thus accredited are all pre-existing conventional higher education institutions. There is no case so far of a dedicated distance education-higher education institution gaining accreditation. If we use the Indian case study as a comparison, maybe it is the non-existence of dedicated distance education-higher education institutions that has largely forged the difficult regulatory situation that is now in place in Brazil. By missing out on the pioneering years of dedicated distance education provision of higher education, Brazil is hampered by a lack of experience, both of success and failure, that could inform the design of appropriate regulatory procedures.

3. THE FUNDING OF DISTANCE EDUCATION PROGRAMS IN THE PUBLIC HIGHER EDUCATION SECTOR

3.1. INTRODUCTION

The approaches to the funding of distance education within higher education are basically quite similar across the countries reviewed in this study. Once more, we have less detailed information on this aspect from some countries than from others, which limits the possibilities for detailed in-depth comparisons. However, in general terms, there are several comments worth making.

3.2. GENERAL COMMENTS

Firstly, those country studies that provided sufficient detail indicate that, as regards overall policy and process, the funding of dedicated distance education institutions is very little different from the funding of conventional higher education institutions. The differences appear in the actual *levels* of funding, in the *specific sources* from which the funding comes and in the *specific procedures* used for determining or negotiating the funding levels. However, most of the countries have an expectation that the distance education programs and institutions will cost less than the conventional face-to-face equivalents. They also express hopes/beliefs that the distance education-higher education institutions are/will be better at recovering their costs from sources other than central public funding.

Secondly, all the studies (bar Brazil, that has no history of funding dedicated distance education-higher education institutions) indicate that the actual operational costs, and therefore the funds allocated, are much lower for distance education as compared to

conventional campus-based programmes. The greatest amount of information on this aspect is contained in the Indian case study, indicating that the distance education-higher education institutions overall costs range from 50% to around 15% of the equivalent conventional costs (several studies are quoted and the range of cost differentials is quite large). Other countries, including Sri Lanka, Pakistan and Indonesia, present data showing that not only are the student fees of distance education-higher education institutions lower than those charged by conventional higher education institutions, but the percentage of total operating costs that are covered by central government funding are also much lower.

Taken together, these two facts suggest that the distance education alternative, as practised, is both cheaper and better able to cover its own costs. However, several of the case studies mention that most of the data comes from the established dedicated distance education-higher education institutions that use relatively cheap content delivery modes and have at times been rather thin on interactive student support services. The suggestion is that entry into the current wave of E-learning modes of distance education may severely alter the economics equations that have been presented thus far.

Third, there is the question of the basic funding models utilised by the different countries. They turn out to be remarkably similar. The Indonesian, Indian, Sri Lankan and Pakistani funding models all involve three components:

- a "routine" budget that covers the costs of salaries, infrastructure maintenance and similar costs;
- a "development" budget that is approved annually on the basis of the plans and proposals for innovations in ongoing or totally new programmes and projects:
- funds generated by the institution, mainly through student fees, but in the case of distance education institutions the sale of materials is often a significant component.

All these country case studies indicate that this basic funding model is the same for both distance education and conventional higher education institutions. There are, however, many detailed differences in the manner of application of this model, both between countries and between the distance education and conventional higher education institutions within individual countries. These are described, in greater or lesser detail, in the specific country reports and will not be repeated here. We shall, however, highlight some common trends and issues.

The question of how the routine and development grants are calculated and processed is worth commenting on. Both seem, in all cases, negotiated on the basis of future forecasts presented annually by each higher education institution. In the case of specific courses or programs, the future plans make some estimates of expected student numbers. The public funding received is influenced by these estimates, of course, but this does not translate into a rigorous pro-rata funding process that is clearly linked to the estimated or actual full-time-equivalent (FTE) students passing through the system. Where detailed information on this issue is furnished, it appears that new courses may continue, or be abandoned, or their level of developmental funding may be adjusted, depending on

whether they make or fail to make their targeted levels of enrolment. But this is not calculated on a strict FTE student basis.

The only slight exception to this rule is the instance of the four so-called "autonomous" public universities in Indonesia. In this context, autonomous means that the universities concerned are on the way to becoming financially independent of the central Government funding process. The intended long term outcome is that these universities will become financially self-sufficient, but in the meanwhile they may apply for grants that are intended to close the gap between what they earn and what they need in order to operate. These grants to the autonomous universities do take the number of students serviced into account, however, this is not based on a rigid formula calculated on the basis of FTE. Obviously, as the universities progresses towards autonomy, they should require progressively less central funding over time. Student numbers are used, in this instance together with other criteria, merely as a means of judging the reasonableness of the requested bridging funding.

3.3. MALAYSIA – A MIXED CASE

The Malaysia case is in some ways an exception to the above model, as in effect all the public universities are in the process of being "corporatised". As explained above, this means that they are expected to operate in a more "business-like" manner: be more responsible and accountable for the generation and management of their budgets and grow to be less dependant on central funding. However, the University Sains Malaysia (USM) is apparently an exception as regards distance education specifically. Since 1971, USM has been offering distance education courses as well as its regular face-to-face programmes. All courses were highly subsidised from central funds, to the level of 90% or more. The distance education courses typically employed low-technology materials and delivery modes and charged low-cost student fees and were, therefore relatively affordable even for low-income students.

More recently, as described in more detail above, a consortium of 11 public sector higher education institutions has founded the Open University Malaysia (UNITEM), which operates as a private higher education institution and so is not entitled to Government funds. Not surprisingly, the student fees charged by UNITEM are considerably higher than those charged by USM. This differential is apparently going to be maintained indefinitely, as the above-mentioned "corporatisation" policy is to be applied to USM's conventional programmes but not to the distance education programs. So, the distance education courses from USM are going to be an exception to the general rule of "balancing the budget", applied as a general principle to the public higher education sector. USM will continue to receive relatively high levels of central funding for its distance education program, thus maintaining it as a "public good" service, whilst the rest of the higher education sector is pursuing a market-driven model that will, probably, attempt to recover the bulk of operating costs from student fees.

3.4. THE CASE OF BRAZIL

The case of Brazil is also to some extent an exception to the most commonly used funding model and may not even be very relevant in the present discussion. As Brazil has no public-sector dedicated distance education-higher education institutions, there is no history of funding of such institutions. Those higher education institutions that do currently operate some officially approved and recognized distance education programmes are all dual-mode. In this respect there are no differences in how the few distance education courses/programmes and the bulk of conventional programmes are treated – at least in principle. However, the Brazilian higher education funding process is highly complicated by the fact that the Federal Government exerts much of its influence on the national higher education system (indeed all levels of the public education system) by discretionary financial incentives and disincentives. The result of this is that if a given higher education institution does something the Ministry wants done, or indeed convinces the Ministry that what it plans to do is in the Federal interest, the funds may flow in a disproportionate way. Conversely, if the institution does something the Government does not approve, this can lead to budgetary cuts and other financial sanctions.

A case in point is that one of the Brazilian decrees that followed the 1996 "Law of Norms and Standards" was framed to prevent the launching of joint venture distance education programs with foreign universities, a practice that is indeed quite prevalent in most South East Asia countries (and indeed formally encouraged by Malaysian Legislation). In the Brazilian example, entry into such joint ventures may lead to the cutting of Federal funds across all distance education and conventional programs in the given institution.

3.5. SPECIAL FUNDING FROM OTHER SOURCES

Many of the distance education higher education institutions receive, or received in their formative years, significant amounts of funding from sources other than the Government. Indonesia's UT received funds over at least a ten year period from several sources including the World Bank, UNDP and several bilateral agreements with other countries. India, Pakistan and Sri Lanka have also received International funds to get their distance education institutions launched. Brazil has reported the example of the consortium of Rio de Janeiro State's public higher education institutions, CEDERJ, that has negotiated a high level of funding from sources within the State, but most of it not from the State's education budget, but from other institutions in both the public and private sector. This represents money that would not otherwise be invested in the higher education sector. Furthermore it represents a commitment to maintain CEDERJ over time, not a one-off donation or a loan that has to eventually be repaid. This addresses the common problem associated with starting off on the basis of external donors, which is to ensure that the new higher education institutions, or the programmes and courses they have launched, are going to be sustainable from local funding sources or from income generating activities, once the external funds terminate.

3.6. THE BOTTOM LINE

There is insufficient information available to delve too deeply into other possible differences in funding procedures. The "bottom line", however is that in general funding models used seem to be the same for distance education programmes and for conventional face-to-face alternatives. However, these models do not in general contain a rigid formula that is uniformly applied across the board, but rather, are based on the perceived merits of the operational and development proposals of each higher education institution. In some of the countries researched, funds for specific development plans and projects are to some extent open to negotiation between the individual higher education institution and the Ministry. This approach can be both promising and problematical: promising to the extent that it allows for financial flexibility in the allocation of funds to particularly interesting innovations; problematical in that it is open to the forces of political influence and lobbying by vested interests.