

## **Brave New World for Higher Education**

--Digital Technologies Have Created The "Open-Source" University

By MICHAEL SCHRAGE

In April 2001, MIT president Charles M. Vest announced that the Institute would bring the "open-source" software sensibility to higher education and offer--for free!--its curricula and courseware to the world via the Web. This "Open Course Ware" initiative represents a radically different approach to digitizing, marketing and globalizing education.

"Open Course Ware looks counterintuitive in a market-driven world. It goes against the grain of current material values," said Vest at the time. "But it really is consistent with what I believe is the best about MIT." He concluded, "Simply put, Open Course Ware is a natural marriage of American higher education and the capabilities of the World Wide Web."

Maybe it is, maybe it isn't--don't forget that marriage is hard. Still, no serious observer doubts that digital technologies are already transforming the cultures, content and economics of higher education. What's so striking, and what Vest (to his credit) so readily acknowledges, is that the technology of higher education is becoming as much a function of market mechanisms as digital media. After all, the largest single private university in America is the University of Phoenix--a decidedly for-profit institution with an enrollment north of 100,000 students whose average age is 35 and whose average annual income is \$56,000. Not incidentally, nearly two-thirds of its students are women. How's that for diversity?

Once dismissed and derided as "diploma mills," schools like Phoenix, DeVry Institutes, Strayer University and their counterparts have already had an enormous impact on American postsecondary and postbaccalaureate education. Yes, MIT, Harvard and Berkeley are fabulous brands. But there's every reason to believe that market-oriented entities like Phoenix have every economic incentive to be even more innovative than an MIT in crafting compelling online curricula and content. A decade hence, whose "courseware" sensibilities will be educating more people faster, better and cheaper around the globe? MIT's? Or Phoenix's?

Reframe that question in an open-source context: would you rather bet on Linux (MIT) or on Windows (Phoenix) as tomorrow's dominant operating system? Or is the software world better off with both--each synergistically/antagonistically keeping the other in check?

Anyone who cares about the future of software needs to understand market trends as much as digital design. Similarly, anyone who genuinely cares about the future of higher education must accept that market forces are now as critical as technological innovation.

Rebel with a Cause by John Sperling and Higher Ed, Inc. by Richard S. Ruch are two stylistically different books that offer useful perspectives on these issues. The

former is an intensely personal memoir of a combative entrepreneur with a University of Cambridge PhD who battled the not-for-profit academic establishment and won. The latter is a smoothly written survey by the former dean of a for-profit revealing why these schools will matter even more tomorrow than they do today. Anybody with an "elite" university education will be intrigued and provoked by these tales. Anybody who thinks that "elite" universities will be immune from the influences of these upstarts will probably have to think twice.

In *Rebel with a Cause*, Sperling does not come across as the most likable entrepreneur or educator to ever pen his memoirs. Compared to Harvard president James Bryant Conant's *My Several Lives*, or his MIT counterpart James R. Killian Jr.'s *The Education of a College President* or former MIT president Howard Wesley Johnson's recent *Holding the Center*, Sperling's book portrays him as less an academic statesman than a ruthless buccaneer, determined to topple the cozy incestuousness of America's higher-education establishment. He's spoiling for a fight and almost never fails to find one.

"No innovation will survive unless its protagonists are willing to respond to the inevitable attacks by the academic traditionalists with a passion of equal intensity," writes Sperling. "Furthermore, successful defense of an innovation requires will, political skill, and financial resources. [We had] all three. Plus [we were] principals who were happy warriors and who thrilled to the battle."

Don't mess with me! shrieks every other page of this business autobiography. Sperling details his battles with wives and lovers as passionately as he describes his lawsuits and lobbying of educational accreditors in states that dared interfere with his vision of adult education for the masses. Why does Sperling's vision matter? Because his business success and the rising role of Phoenix-like educational institutions gives the lie to the oft-quoted Henry Kissinger aphorism that the reason university politics are so vicious is that the stakes are so small.

Because the stakes are huge. Postbaccalaureate education, training and certification are already multibillion-dollar concerns in America. Sperling is the very model of an entrepreneur who has firsthand experience with the "inefficiencies" in the educational marketplace and knows how to exploit them. Sperling knows that quality education is often a secondary--or even a tertiary--concern of universities. After all, a university is not just a marketplace of ideas; it's a marketplace.

Will that marketplace be driven more by for-profit or not-for-profit sensibilities? (Or as Nobel Prize-winning economist Milton Friedman likes to put it, "taxpaying" versus "tax-exempt" sensibilities.) It's one thing for an MIT or a Stanford to benchmark itself against a Chicago or a Berkeley; but what does it mean to benchmark itself against a Phoenix or a DeVry? Or is that too ridiculous to even contemplate? Sperling has no (apparent) illusions about direct competition with the elite schools, because the fundamental missions are so different. But when it comes to opportunities in continuing education, distance learning and the Internet, he has no doubts about which kind of school is in the best position to profitably innovate.

To crudely oversimplify, where John Sperling is more like a Bill Gates, MIT's OpenCourseWare champions are more like open-source software's Linus Torvalds. As

one looks at the rich banquet of technological opportunities, it's not at all clear which approach will have the bigger impact on educational quality.

Then again, as Ruch points out in *Higher Ed, Inc.*, the taxpaying/for-profit institution has one tremendous educational advantage over its tax-exempt/nonprofit counterpart: focus. "Lack of clarity about who is the customer continues to be a fundamental challenge for many colleges and universities....In contrast, the for-profits do not struggle with the question of who the customer is. The customer is the student, and everyone--from the faculty to the librarians to the financial aid office to the students themselves--is clear about it."

Academic traditionalists argue that neither employers nor students should define the curricular canon. That's what professors do. What's more, true learning in higher education is contingent upon the university's research mission; it's better to drink from a running stream than a stagnant pond. Indeed, one of MIT's greatest postwar innovations was the Undergraduate Research Opportunities Program, which lets undergraduates participate in cutting-edge research alongside graduate students and professors, and which has become one of the defining fundamentals of an MIT education.

That said, it's painfully clear that many students graduate from top-tier colleges and universities with neither the domain knowledge nor critical-thinking skills they need to compete in an unforgiving job market. So they're not just looking for knowledge; they're looking for skills. They're not just looking for insights; they're thirsty for training. The rise of for-profit/tax-paying higher education is an unmistakable market signal that millions of people--and thousands of employers--are not happy with the quality of college education.

The idea that the Internet and new infrastructures for digital learning will ultimately supercede traditional universities seems silly. Then again, the success of Britain's Open University, an institute of higher education that relies on distance learning and whose graduates are as respected in British society as graduates from traditional institutions, indicates that alternative media can indeed facilitate effective learning for both traditional and nontraditional students. Ruch makes a compelling case that "marketizing" educational technology will make the for-profit schools even more influential. Don't be surprised if more and more traditional universities team up with their nontraditional counterparts to bring their curricula to the marketplace.

Indeed, as terrific as MIT's OpenCourseWare may prove to be, don't be shocked if some entrepreneur--a Media Laboratory student, perhaps, or a Sloan School alum--uses it as the core for her own startup, packaging courses in business, design and engineering, slapping on a different interface, and transforming it into a for-profit offering.

These two books affirm what MIT has always understood: the convergence of technology and entrepreneurship is what ignites creative destruction. That convergence is about to set the economics of tomorrow's higher education aflame.

