Education—Distance Learning

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How to turn the World Wide Web into a real-world education

By Scott McNealy

The next Amazon.com may not be a ".com" at all. But it could very well come from a realm where books have always been central: education.

The next Internet phenomenon could be Stanford.edu, Harvard.edu or Cambridge.edu. If it's not one of the famous universities, then some as-yet-unknown organization will take the lead and make a name for itself. HigherDegree.edu, perhaps? Universities could well see their best professors defecting to Internet schools — or deciding to go it alone, offering their own on-line courses.

As I look at what's happening in the .com world, with all kinds of companies reinventing themselves, it's not hard to imagine that the business of education will also change. It will have to.

Take a company such as computer software retailer Egghead, for example. It closed its brick-and-mortar stores and reopened for business as egghead.com — a new address for a new kind of company. Can a new kind of university be far behind?

I believe they're right around the corner. The traditional brick-and-ivy campus won't go away, but it will change. Many already have, and the reason is simple: necessity. Colleges and universities can't afford to think of students in the same old ways. They're not all 18- to 20-something any longer. More and more are adults, with jobs, with children. They're people who need to keep learning to keep up with changing times, to ensure their professional growth or transition into new careers. And they're soon expected to make up about 60% of the student population.

These students tend to think of themselves as customers, and they value convenience and flexibility. So they're shopping around for alternative sources of education — and alternative forms of education.

According to International Data Corp., 84% of four-year colleges will be offering distance-learning courses in 2002, up from 62% in 1998. This trend has been noted in other countries as well.

Of course, distance learning isn't new. The term has been around since the late 1800s, but back then, it was another way of describing correspondence courses. Today, it means much more.

Thanks to the Internet, the distance-learning experience now is highly interactive. Students can work with each other and with faculty, from wherever they may be. Text, graphics, audio, video, vast libraries of information — all are readily available to students on line.

We have the technology. It's affordable and can actually reduce per-student costs. Best of all, it can make teachers more effective.

The simple addition of e-mail on campuses, for example, has enabled professors to provide far more personal attention than office hours ever could.

What we don't have yet is an online curriculum that lives up to the potential of the medium. That has to change. I'm not speaking here as a disinterested party. The company I represent, Sun Microsystems, stands to gain from this revolution in learning, and not just because Sun is the premiere supplier of Internet technologies that make this all possible, but because its workforce is made up of learners — adult learners, with jobs and families and lives that have little room for lecture halls or lending libraries.

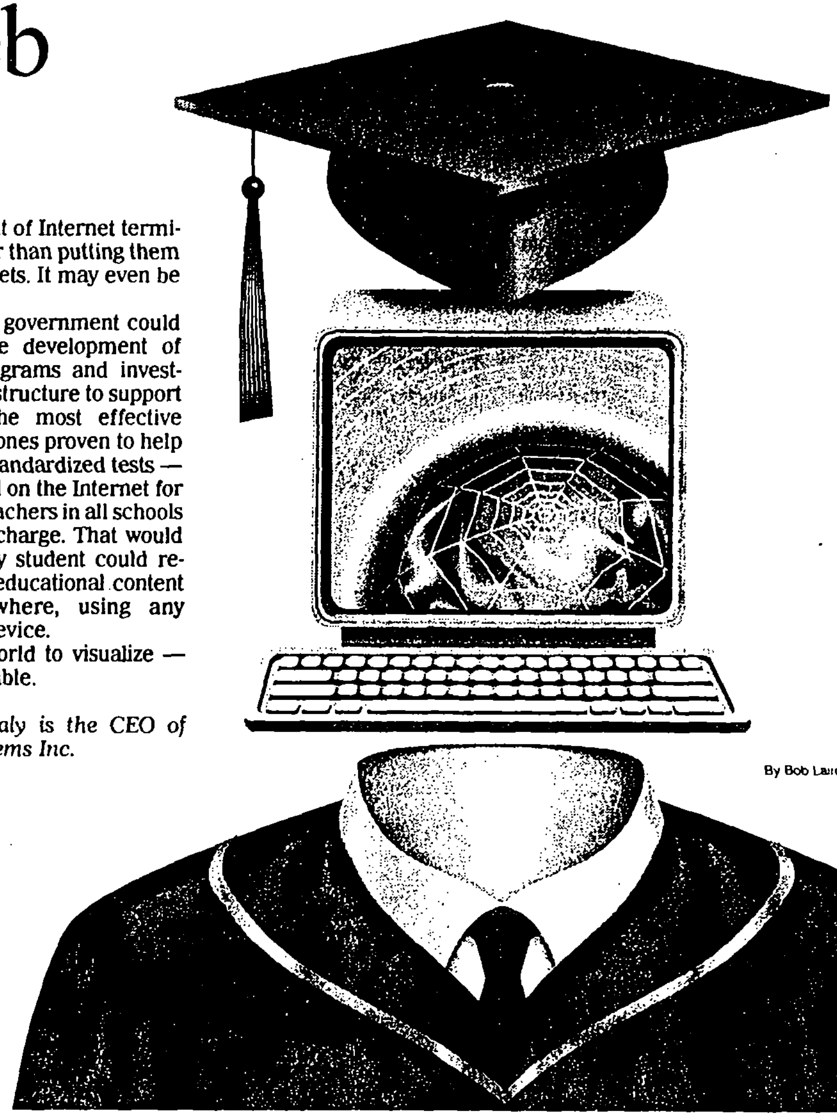
Just as important, however, is the next generation of learners, the ones now in grades K-12. How are they going to get top-quality, interactive, Web-based learning programs? Individual schools can't create them — their budgets are stretched to the limit as it is — and there are few market incentives for software developers to tackle the job.

This is where government could get involved, but in more effective ways than any it has tried so far. Taxing phone calls in order to wire classrooms to the Internet (the e-rate) is the wrong approach. It's not going to improve learning. Right now, putting students in front of Internet terminals is no better than putting them in front of TV sets. It may even be worse.

One role for government could be funding the development of Web-based programs and investing in the infrastructure to support them. Then the most effective courses — the ones proven to help students pass standardized tests — could be posted on the Internet for students and teachers in all schools to use, free of charge. That would ensure that any student could receive the best educational content anytime, anywhere, using any Web-enabled device.

It's a cool world to visualize — and it's achievable.

Scott McNealy is the CEO of Sun Microsystems Inc.



By Bob Laird, USA TODAY

EDUC - Distance Learning

EYE ON THE STREET
Every Thursday

In Russia, the only certainty is uncertainty

NEW YORK — Before investing a small part of his hedge fund in Russian bonds, Mitch Julis of Canyon Capital Advisors should have checked with his mother.

She discovered what he had done only after the Russians devalued their currency, defaulted on debts and triggered a near meltdown in world financial markets in August 1998 that gave U.S. investors the scare of the decade. Julis, whose Jewish grandparents were forced to flee a century ago, remembers her reaction: "She said, 'How could you do that? Don't you remember what they did to your grandfather?' "

Sure, she exaggerated as she ribbed him, but Julis understood her message: Russia has been rocked by tremendous instability and corruption and all he had to do to understand that was to know where he came from.

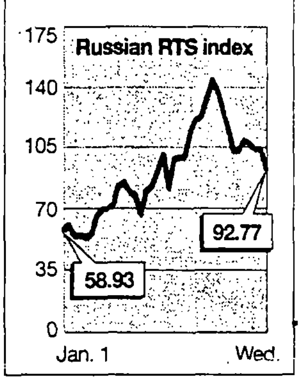
Today, her message resonates with the news of money laundering through the Bank of New York and allegations that Kremlin cronies used inside information to loot a $4.8 billion infusion from the International Monetary Fund and turn their rubles into dollars before the devaluation. *(Story, 10A.)*

By David Henry

Members of Congress have scheduled hearings to investigate who got the money. Russian officials are trading accusations in the daily press. In short, 13 months after the Russian markets crashed, the global financial system has healed sufficiently that investors can talk about what they learned, and politicians here and there can move on to the sport of recriminations. Both are steps in resolving the unrealistic expectations that the former Soviet Union would make capitalism work the American way. As long as the recent Moscow apartment bombings do not lead to civil war within the nuclear power, the news today is a relative pleasure compared with the dire headlines of a global financial meltdown a year ago.

Just look at the spectacle. Russian prosecutor Yuri Skuratov is waving around a computer printout listing 780 names he says are Russian officials who sold Russian notes and cashed in the ruble proceeds for dollars ahead of the devaluation. Wednesday, the *Moscow Times* carried his latest interview in which he alleged there was another "list of 18 banks, nearly 20. All of our major banks" that exchanged out of rubles, drawing down the IMF money nearly as soon as it arrived.

Index downturn



Source: Bloomberg News USA TODAY

Hours later, a former Russian central banker told Bloomberg News that Skuratov was essentially a financial dimwit who didn't understand that the IMF money was intended to support the ruble. Skuratov has reason for a vendetta. In April, he was suspended by President Boris Yeltsin after broadcast of a videotape showing a man who looked like the prosecutor in bed with two women, neither of whom was his wife. Yeltsin may have thwarted justice with the suspension, but at least he didn't purge Skuratov in the deadly style of Joseph Stalin.

Did hundreds of Kremlin insiders know the devaluation was coming and take advantage of foreign investors? No, contends Harvey Sawikin, whose New York-based Firebird Management lost 70% last year because of investments in Russia. Sure, Russian government is corrupt, but "to believe there was inside information that they were going to devalue presumes they had a carefully worked out plan. They didn't. It was complete chaos," he says. Oil interests were pushing for devaluation. Bankers were opposing it. Some groups wanted to default. Others didn't. The chances of devaluation had been building for weeks. The default was the surprise.

Unlike in other emerging markets, Sawikin says, the chaos evens the odds for foreign investors trading with locals. "There is no home-court advantage, because there is so much interest-group politicking you never know who is going to win," he says.

Julis says the insider-trading allegations miss the investment lesson. He doubts many more Russians made winning trades than some well-positioned foreign investment banks. What's key is that Russia has more unseen risks.

"The uncertainty of Russia is what has been certain," Julis says. "That's sort of what Mom was saying."

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