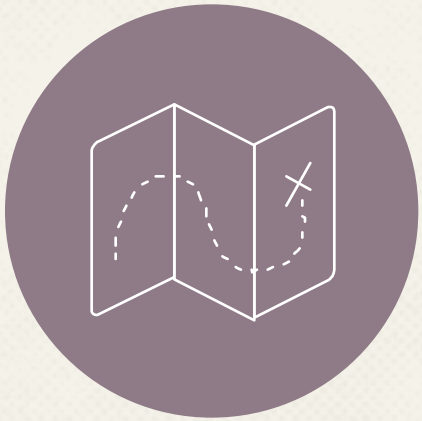
MOOCs, Private Funding & Equity: A Case Study

MOOCs & Higher Ed

- Leading university in 2020
- Role of private vs public
- Link between education access & socioeconomic development
- **Educational supply for vulnerable population (focus of presentation)**



QUESTION

Does MOOCs improve education equity for rural students in China?

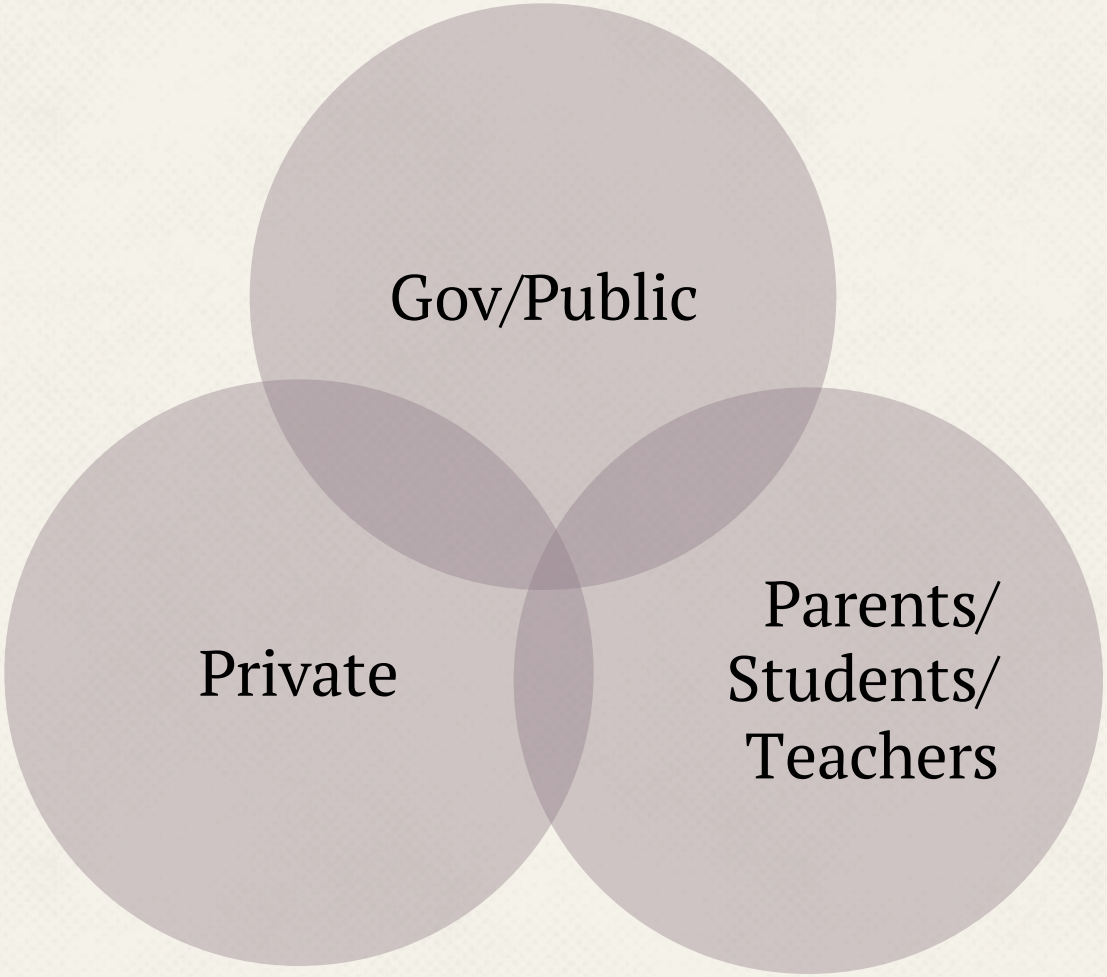
VARIABLES

MOOCs

Equity

Rural Students

PLAYERS



BACKGROUND & TREND

- **Demand for English courses:**
  - #1 in world
    - English compulsory since 3rd grade
    - Online English products: **$701M** revenue
    - Top payers:
      - Govt-run schools
      - Private language centers
      - Consumers

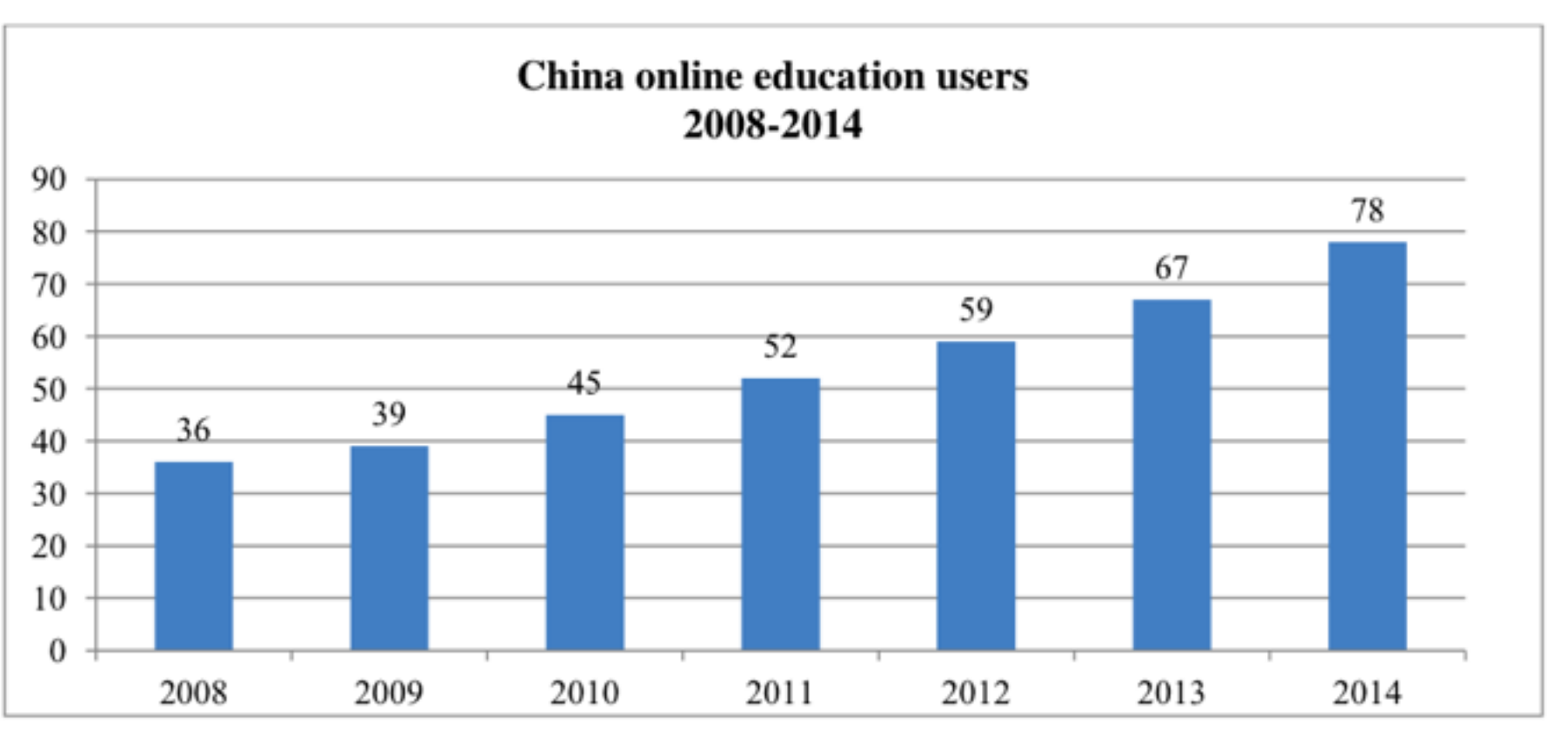
        70% parents want children to learn English

        47% children were 3-6 years old when first learned English

BACKGROUND & TREND

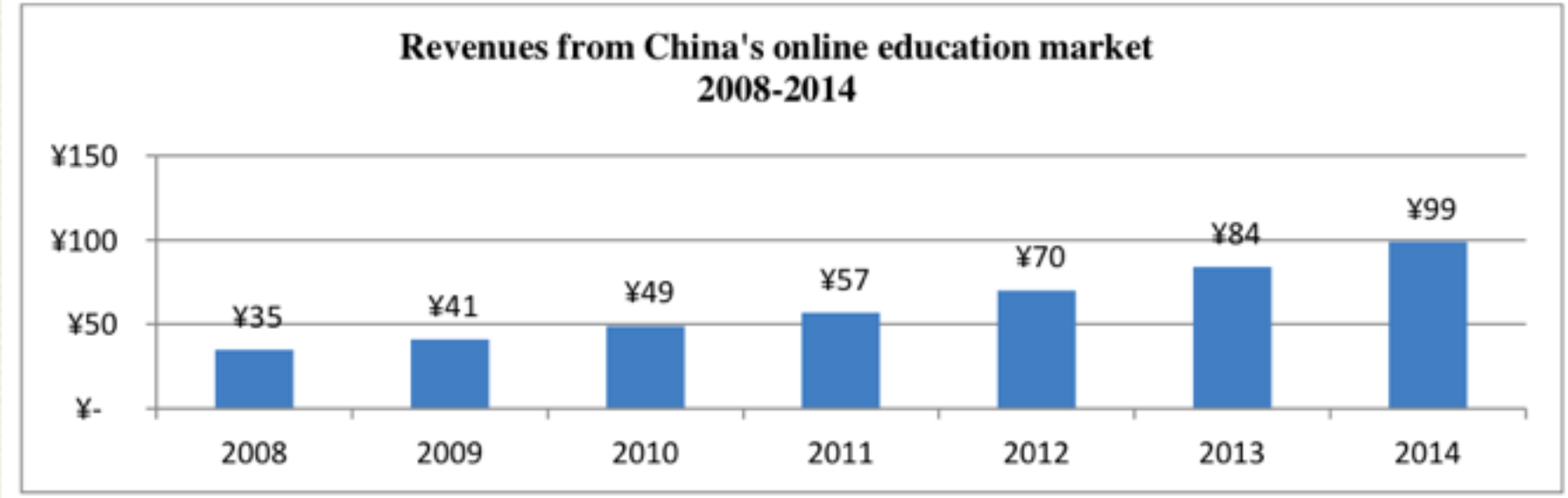
- **Supply for English courses:**
  - 50,000 centers
    - 90% private
    - Concentrated in big cities
  - Offline centers increasingly moving online to increase margin

USERS


China online education users
2008-2014
90
80
70
60
50
40
30
20
10
0
36
39
45
52
59
67
78
2008
2009
2010
2011
2012
2013
2014

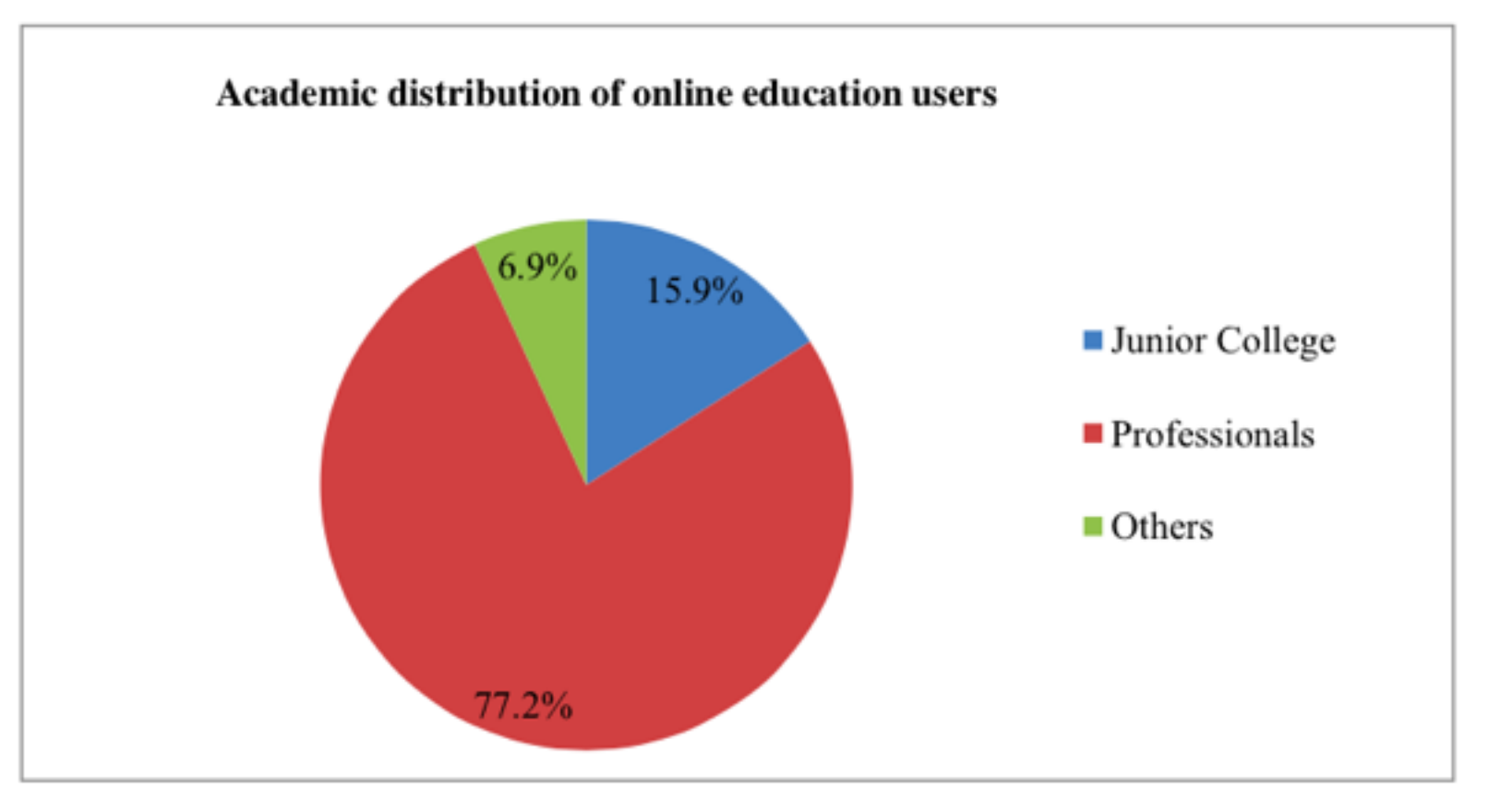
.

REVENUE


Revenues from China's online education market
2008-2014
¥150
¥100
¥50
¥-
¥35
¥41
¥49
¥57
¥70
¥84
¥99
2008
2009
2010
2011
2012
2013
2014

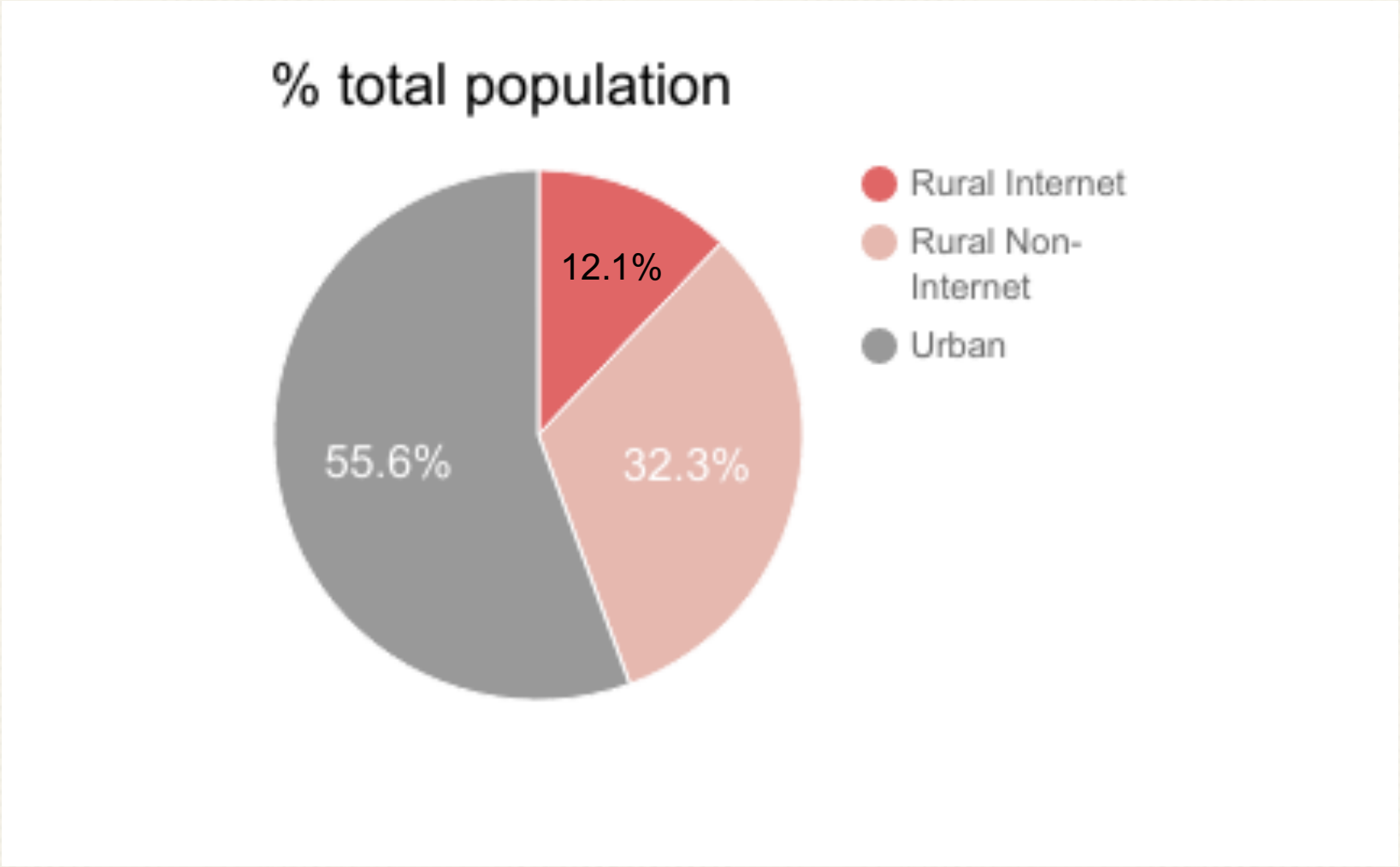
.

USERS


Academic distribution of online education users
6.9%
15.9%
77.2%
Junior College
Professionals
Others

INTERNET PENETRATION

China population: 1.3B (2015)



https://www.emarketer.com/Article/Internet-Users-More-Mobile-Rural-China/1012286

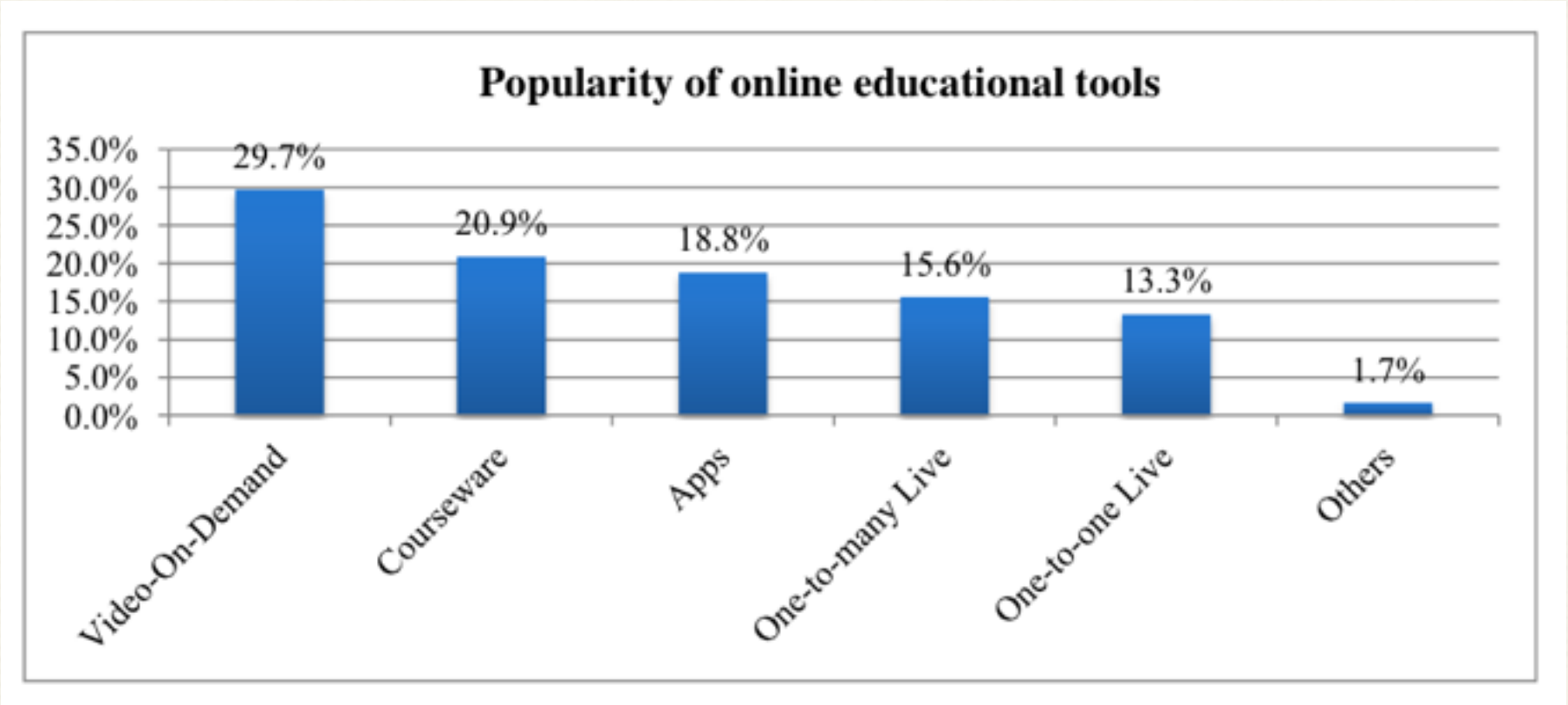
SOLUTION FOR INCLUSIVITY

- Gov. plans to have *entire* K-12 population (**200M students**) online by 2020.
  - Education Information Tech Development Plan (2011-2020)
    - By 2015, 60% schools with broadband Internet
    - By 2015, all rural schools & kindergartens with multi-media classrooms
    - Primary school student:computer ratio: 10:1
    - By 2020, all classrooms: multimedia, all K-12: broadband Internet

SOLUTION FOR INCLUSIVITY

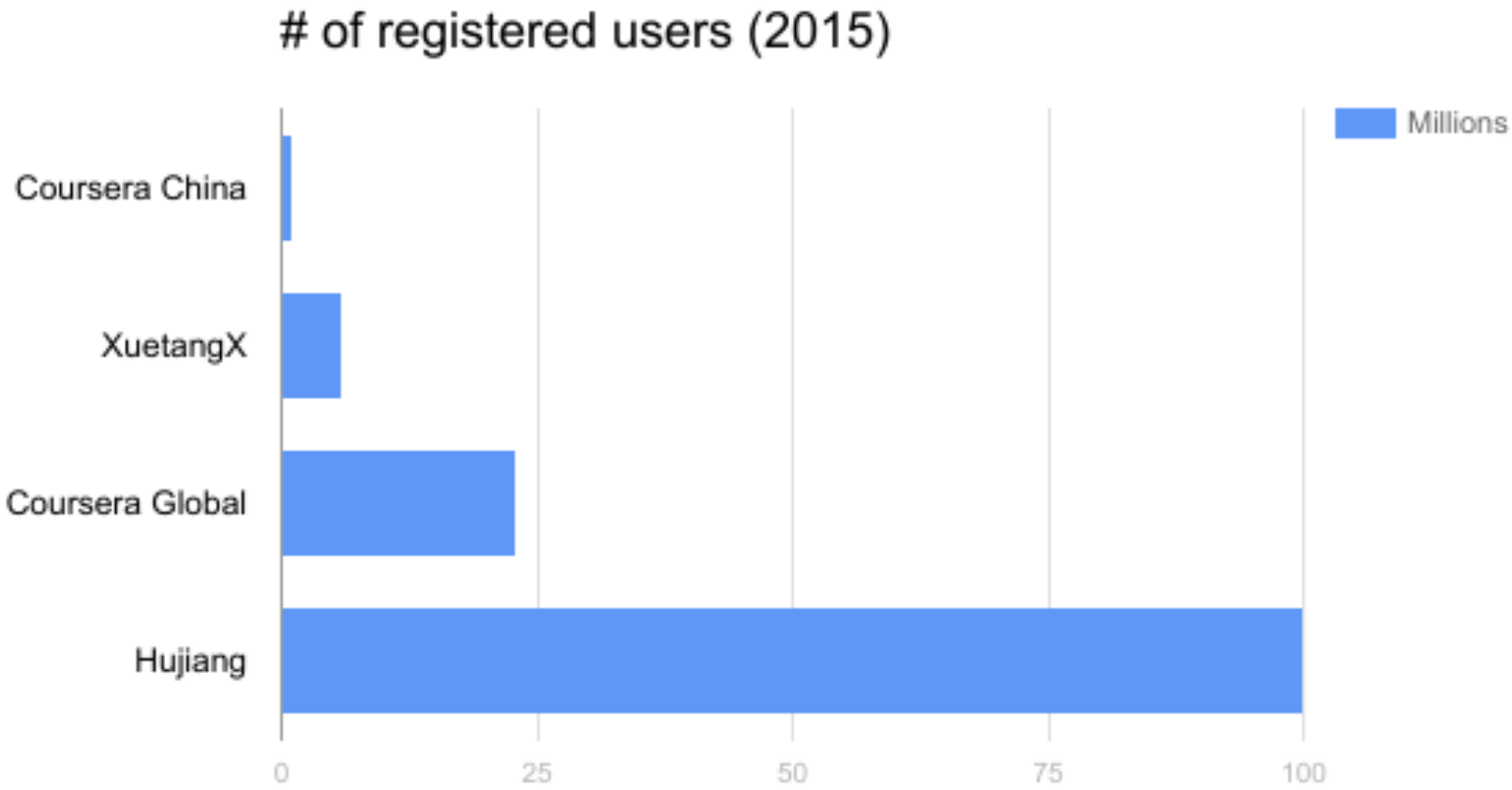
- **Rationale:**
  - History of tech solutions:
    - Education Ministry broadcasted agricultural lessons to 100M rural students
    - Early 2000s: Li Ka Shing Foundation installed satellites & computers to broadcast lectures to 10,000 rural schools
  - Access = Equity:
  - Didactic style translates well online
    - Reverent Confucian attitude towards learning ensure students' "progress"

INTERNET PENETRATION



https://www.emarketer.com/Article/Internet-Users-More-Mobile-Rural-China/1012286

MOOC LANDSCAPE



https://www.edsurge.com/news/2016-12-29-monetization-over-massiveness-breaking-down-moocs-by-the-numbers-in-2016

CASE STUDY

Hujiang.com

HUJIANG.COM

沪江
学习资讯
学习工具
沪江社团
沪江网校
CCtalk
登录
注册
勤劳学英语
五一放价
满减回馈爱学习的你
立即参与
乐学日语 出彩人生
人气课程8.2折限时预售
多种外语练习神器
专为手机学习定制
背词类No.1
原来背词也可以很开心
52届TOPIK
第一时间对答案看解析!
我要合作
开启在线教育之路

FOUNDER INTERVIEW

Founded

Nonprofit

P2P learning

Simple biz

Ad-supported

Ads (20%)

New biz model

Tuition (40%)

CSR (Hu+)

Rural focus

E-commerce (40%)

PR TALK

- Vision
  - Equity
    - Bottom-up innovation (*“innovation at the edge”* - Michael Trucano)
- Fee starting at 1 yuan/day (~$0.15)
  - Poverty threshold: < $1.9/day (World Bank criteria)

HU+ (HUJIA) PROJECT

- Target: 140,000 rural schools with <200 students each
  - Problems: Falling enrolment, teacher shortage, other resources
- Success story:
  - Xindian Primary School, Sichuan Province
    - 16 students, 3 teachers
  - Online-offline integration
    - City teachers teach rural students (online)
    - City teahers train rural teacheres (online)
    - Rural teachers teach rural students (offline)

REALITY CHECK

- ~150M Hujiang users = ~11% of population in 2015
- Top users
  - Age: 18-35
  - Top locations: Shanghai, Guangdong

EQUAL OR NAH?
Make money or do good? Both?

INVESTMENTS

HotChalk ($230,000,000)

Goldman Sachs -> **TutorGroup ($200,000,000)**

Lynda.com ($186,000,000)

Baidu -> **Hujiang.com ($157,000,000)**

Udacity ($105,000,000)

17zuoye ($100,000,000)

Udemy ($65,000,000)

Yuantiku ($60,000,000)

NetDragon Education ($52,500,000)

Genshuixue ($50,000,000)

Varsity Tutors ($50,000,000)

Coursera ($49,500,000)

https://www.edsurge.com/news/2016-12-29-monetization-over-massiveness-breaking-down-moocs-by-the-numbers-in-2016

MOOC CRITIQUES

- Amplify negative qualities of traditional classroom
  - Didactic = not engaging
- Quality control
  - No unity of curriculum
- Access is *not* equity
  - Rural students still lack other resources afforded by city students
  - Globally, only 50% registered users begin courses. Of those, only 30% complete