

→ The Fallacy of the Middle Class: Overcoming Social Resentment

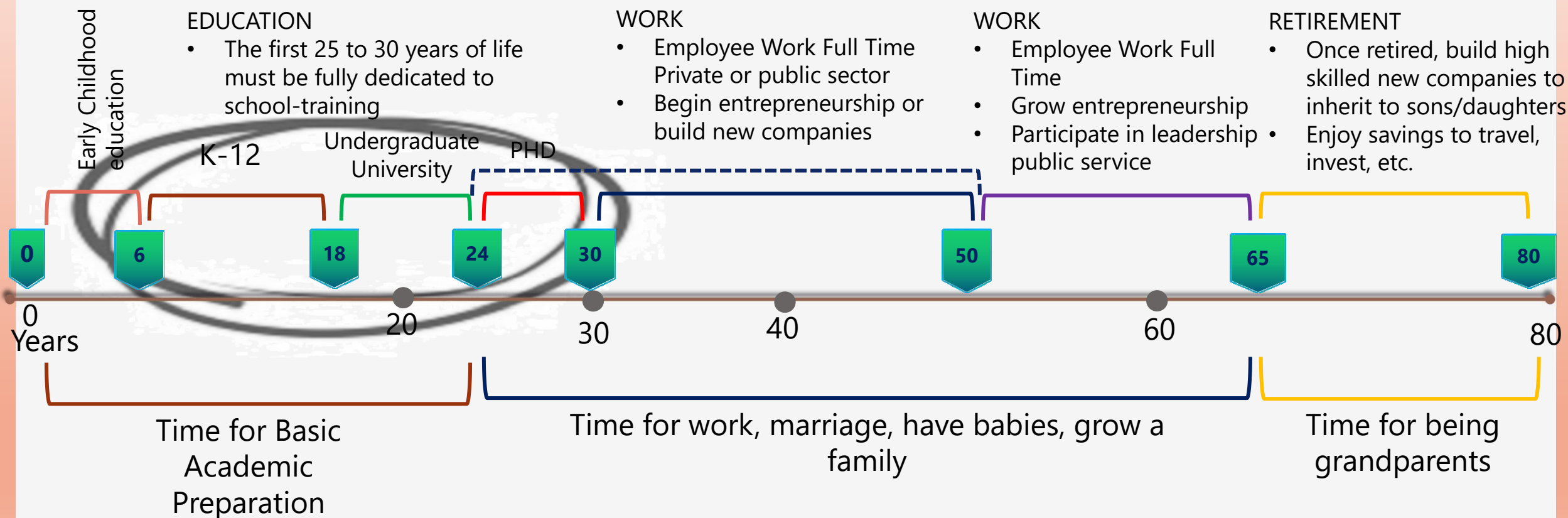


Social Unequality can also be triggered with on-line education if this is not regulated

"Jump!". This watercolor was painted meanwhile I was waiting for my car repair last week. It is made with love on Paper Fabriano 5. Size: 7 inches x 5 inches. Photo reference: Alamy Stock Photo.

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The Deal: The Middle Class Competitive Strategy is Education



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Comparison of revenues per course real-classroom vs on-line

Course Format	Name of the Course	Number of weeks	Number of Hours per Semester	Number of Students per course	Salary Range per month (before taxes) in the USA (Average) in USD
University Real-Classroom	Corporate Strategy	17 weeks	51 hours	30 to 100 students	\$5,000 to \$12,500
Online (Udemy example)	Corporate Strategy	12 weeks	36 hours of audio-visual prepared material	0 to 5,000 learners	\$166.67 (for 100 learners) to \$8,333.33 (for 5,000 learners)

How I calculated this? See next slide

- Instructor sales are shared with Udemy on a 50% basis (typically)
- Data calculated from Udemy business model, which gets average revenues per course starting as of US\$ 100 dollars/course (for 10 learners) up to US\$50,000 (for 5,000 learners). Some instructors can get \$500,000 dollars revenues/course (but this is only for 0.1% of the courses offered by most successful instructors and for specific hot on-demand areas as web development, python and java programming, etc).
- 85% of all Udemy online courses hold an enrollment range from 0 to 5,000 learners. I have analyzed this 85% only
- The Udemy on-line platform of learners is used to illustrate the revenues scheme comparison, but there are other paid type MOOC online platforms which have each own particularities (when it comes to how to pay the instructor). Typically (on average) a teacher receives between US\$1,000 to US\$2,500 dollars per month in revenues from Udemy, by selling between 1 to 5 courses.

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Let's analyze the 85% of the courses revenue generation for Udemy
(data from June 2019 <https://blog.teachinguide.com/how-much-do-udemy-instructors-make/>)

Enrollment Range (number of learners)	Number of Courses	% of total Udemy courses	Revenues per enrollment for Udemy per course	Revenues paid to the Professor/instructor per course (50%)	Number of hours per course (designed as 3 hours of instruction per week)	Instructor Income per month prorated (before income taxes)
< 100	16,754	32%	0-\$1,000	0 - \$500	36 hours in 12 weeks	\$166.67
101-1,000	14,805	28%	\$1,010 - \$10,000	\$505 - \$5,000	36 hours in 12 weeks	\$166.68 to 1,666.67
1,001 - 5,000	13,352	25%	\$10,010 - \$50,000	\$5,005 - \$25,000	36 hours in 12 weeks	\$1,666.68 to \$8,333.33



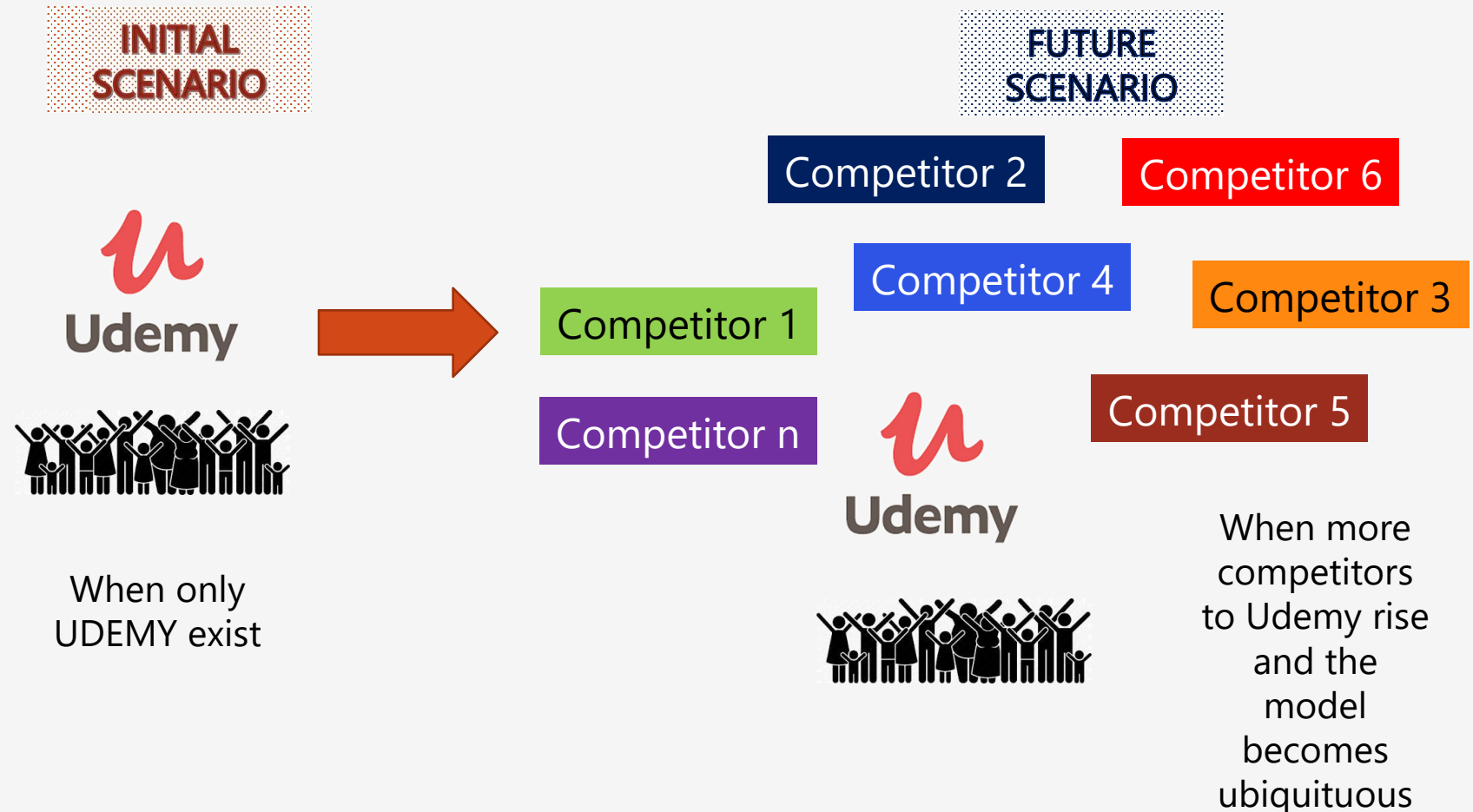
- Udemy has several revenue sharing options with instructors. The main one is the "Udemy organic commission", in which each teacher relies on Udemy organic on-line traffic to drive sales. Each teacher receives 50% of sales.
- Udemy charges US\$10 dollars per course. 90% of enrollments at Udemy are sold at \$10 each, meanwhile only 10% charges its full price, typically around \$200 for top courses.
- I have prorated each course for a duration of 12 weeks (3 hours of instruction per week), assuming that each course has 36 hours duration. I did it to calculate and get an income per month figure that may help us to compare with the figures of real-classroom traditional lecturers.

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Without regulation, On-Demand On-line education through platforms such as Udemy has already left behind the original MOOC non for profit business model.

- Competition from other companies with similar UDEMY business model has grown and will continue to rise.
- For the long run, once MOOC platforms and courses become ubiquitous (common), and more professors use these platforms, less revenues will abound for the instructors, because those who can pay will continue to be a minority. The majority of people do not pay a fee, neither get certificates or a degree.
- Free online platforms do not survive with free clients unless they have sponsors.



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On-Demand On-line education through platforms such as Udemy has already left behind the original MOOC non for profit business model. Competition has grown and will continue to rise. For the long run, once more professors use these platforms, the product becomes ubiquitous. Here are my initial reflections:

- Udemy is just an example of how these on-line platforms for education are currently working.
- Other business models tied to university platforms such as HarvardX, EDx, Open Learn, are offering credits and diplomas, only if they have university affiliations and students are enrolled to get evaluated by instructors.
- Unless instructors are extremely good and "on key demanding areas", which represent less than 0.1% of the courses, the on-line education business model won't make a professor rich, neither will provide enough income to send your kids to good universities, neither will offer more revenues than the existing scheme from the traditional classroom model.
- The high quality of the course and the demand (number of learners) will be the breakthrough or the differentiation for professors when it comes to earnings per course.
- With time, once on-line education becomes ubiquitous, teachers won't be able to make a decent living with on-line courses "only".
- Professors can't take the role of universities alone. Instructors can't offer a degree either. Learners who wish to find a job at the middle-class level without a university degree, won't be able to compete with the traditional model, which will continue to exist, and will inevitable raise the bar to offer programs to those who can afford it.
- The traditional educational system will continue to attract rich students to their campus, Top universities will continue to exist, and their beautiful campus will continue to attract students. Meanwhile for the poor, the option to jump to these places because of intl. cooperation or philanthropy scholarships will be closed. The poor won't have other option than to remain at their home, paying for on-line education in sites as Udemy, or others of similar level, sometimes without credits or degrees.
- The real school as a place for democratization will be prohibited. Real classroom universities as sources of socialization between the rich and the poor will disappear. Real Classroom universities will be reserved only for the wealthy, those who can still afford them.

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On-Demand MOOC On-line education fails when it comes to socialization experiences in real life.

- Massive Open Online Courses (MOOC) were born to be free to students. Many learners have benefited from these courses at an "individual" basis. These courses are not made for socialization, neither for a reason to interact with other peers.
- MOOC platforms offer students a way to learning but are usually loosely structured and can be accessed without paying tuition or committing to an academic program. People who sign up for MOOC courses are usually trying to get some kind of cognition or to update knowledge.
- Those who pay for MOOC courses, are trying to get a certificate for a small fee, that may help them to enhance their professional CV.
- Since MOOC On-line education is not designed to help people to socialize, with anyone, but to be taken in solitude. The aspects related to socialization to others and the creation of formative character by interacting with other people do not matter.
- MOOC courses shouldn't be used as the core for K-12 and undergraduate degrees-university, but as a reinforcement of the material offered at the University. Also for technical/creative specific enhancements of your profession or particularly to improve skills needed with entrepreneurship endeavors.
- MOOC high superior university courses are affiliated to Universities which partner with the MOOC platform to offer academic credit. However, in these instances, the student has to be officially enrolled in a college or university and pay tuition to receive academic credit for the MOOC.

**MOOC are free, or if
paid with tiny fee**

**MOOC open to everyone
as individuals**

**MOOC are self-paced
under flexible schedules**

When a student is enrolled in a MOOC to obtain a certificate or academic credit, there will be more structure, such as grading and a rough schedule for class progression.

<https://www.accreditedschoolsonline.org/resources/moocs/>

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On-Demand MOOC On-line education are available in different platforms. And much more are coming:



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On-Demand MOOC On-line education has advantages and plenty of disadvantages. More reflections...

- For teachers or instructors, it may offer some kind of good income at the beginning of this trend, but as soon as more and more professors adopt it, learners with capacity to pay for each course, will only choose the best ones (those with more followers), leaving the rest of professors without substantial income cashflows.
- Anything that we sell using a low-cost strategy in unregulated free markets opens the door to cannibalization of prices and companies. Once competition between MOOC rises, prices go down, and instructors lose their differentiation capacity keep their revenues.
- Education should be the most treasured product on earth. Through education, people are building not just knowledge but integrity and ethical values Integrity is only developed by interacting with others, in classrooms and between other people.
- MOOC may work well as a funnel to extend education in autocratic monarchies or authoritarian regimes that manage the economy and markets under different kind of rules. For example: A king can decide to sponsor the only two MOOC local companies in its kingdom, and professors get well paid not because of fees, but because of the king sponsorship.
- Eleonora Escalante Strategy advises: Global education through MOOC education has to be designed as a reinforcement or as an encyclopedia support or as a side dish to the existing traditional real life experience in the classrooms. Also it may be of benefit for those who are unable to move from home to study (disabled, those who are rising kids at home, or who experience several critical conditions to mobilize as a war/pandemic/etc).
- Nevertheless, the universities, are the only education auditors that must extend degrees or credits for courses, not external platforms where any instructor can upload the course they wish. Professors can't extend degrees of approval in MOOCs. Only educational entities can do it.
- MOOCs without university or school involvement is not the correct way to go. Students or learners need to be examined and measured. Certificates or Degrees need to be extended for the benefit of the learners and their entrance to the job world, and for the benefit of the educational system.

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On-Demand MOOC On-line education has advantages and plenty of disadvantages. More reflections...

- MOOC online education can work for entrepreneurs who are not looking to get employed, and are selling products and services that do not need the audit of a university.
- These industries are usually the art-crafts, the fashion couture, the restaurant-cooking, software programming, web-development, etc.
- MOOC Courses that are highly esteemed in the entrepreneurship field are usually those that correspond to a Master in Business Administration (as marketing, operations, finance, accounting, etc.). In addition, those technological or techies courses who wish to learn how to program using java or python, and other of similar categories.
- On-line education without a certificate or degree is not for everyone. But poor art-craft entrepreneurs at remote places may benefit from them (meanwhile the products are not ubiquitous), and while they are protected legally by their own countries and internationally.
- Without regulation and protection, MOOC free courses won't help poor entrepreneurs at all, because global competitors will kill all their preparation and their hopes. See the following slide.



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***An example from the point of view of the MOOC On-line free education learners.
A low-class poor mayan indigenous community who lives in the middle of the Guatemala forest.***





- Let's consider that a group of mayan weavers make a living by selling their embroidered fabrics and textiles in the local Antigua Guatemala market. These women earn less than 300 dollars per month per household on average,
- 30% of these women basically are illiterate, and 70% have reached 3rd grade at their local primary school. They have no water, no good roads-streets, no municipal public services in their community. But they have electricity and the Internet.
- With the online-free education model: These women can learn to speak english through the free platform of Duolingo. They can access Spanish K-12 programs in math, sciences, technology, arts, etc. After 12 years, they can get a high-school degree diploma on-line, if the Ministry of Education of Guatemala evaluates them year by year.
- Once weavers get their high-school degree, they can begin their business-management-entrepreneurship courses.
- If weavers learn English, they also can access Intl. University level courses at Udemy, or EDx or HarvardX and get education they never got in local guatemalan universities in management, quality control, and all subjects related to the art of fashion textiles. Once the weavers get educated integrally, they can associate themselves in one online company and begin to export their products directly to Europe and the USA, using their own websites and new educated innovation capacities.
- The weavers directly can also use local omnichannel sales strategies, and internationally, can offer their products to high-end retailers as Nordstrom or Globus or Saks or Bloomingdales. The best scenario: The communities begin to cash more income that helps them to leave multidimensional poverty for their families. All happy! An utopian dream has been made a reality.
- But this business model has to be tested through time and in a couple of generations of the weavers. If successful, this model has to be protected, before rolled out as a successful one. The mentality of the weavers has to be well founded, ethically and integrally educated. Without forcing the communities to rush into the sell-buy products first, but to be educated first.
- Without any type of legal protection, the weavers may lose their hopes, their local autoctony and investments, because their products can be copied and replicated easily, let's say by a chinese company that will sell their treasures for a "penny of a dollar" in less than what "a coq chantes".

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In conclusion: As it is right now, to support the MOOC free or cheap online education model has winners and losers...

Time Frame	Winners 	Losers 
Short Term	<ul style="list-style-type: none"> Free-learners who knew nothing Students who can't attend campus or in-residence programs Disabled students Entrepreneurs who need specific training for their businesses Professors who are able to get enough critical mass learners 	<ul style="list-style-type: none"> Students who don't get a certificate neither a degree Students who don't obtain good quality courses Local Universities or Traditional Schools Professors who invested time into the courses and do not reach audiences to breakeven
Long Term	<ul style="list-style-type: none"> Free Learners who knew nothing Students who can't attend campus or in-residence programs Disabled students Entrepreneurs who need specific training for their businesses 	<ul style="list-style-type: none"> Students who don't get a certificate neither a degree Students who don't obtain good quality courses Local Universities and Traditional Schools may close Once the model is ubiquitous, professors won't cash in enough revenues to make a living with on-line courses. Professors will become poor The whole educational system will be weakened, diluted and fragmented, because there won't be auditing by universities of the knowledge acquired by free learners The whole education economy because of prices cannibalization

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GENERAL OUTLINE

1. **Introduction** ✓
2. **Philosophy, Purpose and Rationale of this saga** ✓
3. **What is the Middle Class?** ✓
4. **Who is the Middle Class? (Demographic Profile)** ✓
5. **Ethical Values of the Middle Class** ✓
6. **Cognitive Maps of the Middle Class** ✓
7. **How does the Middle Class Live? Life-style. Budget. Sources of funds and expenditures.** ✓
8. **Multidimensional Poverty still exists at the Middle Class Level** ✓
9. **The key of the Middle Class uprising: Education** ✓
10. **Strategic Innovation Paradigm of the Middle Class: Aspirations, wants and needs.** ✓
11. **The Responsibility of The Middle Class in Democracies** ✓
12. **The deal: Middle Class Competitive Strategy** ✓
13. **The sustainable development goals (SDG) of the Middle Class** ✓
14. **Human Rights State of the Middle Class** ✓
15. **Happiness Index of the Middle Class** ✓
16. **What is the Middle Class Fallacy? Why? How this has happened?**
17. **Moving forward to overcome social resentment**
18. **Where do we go from here?**
19. **Summary and Conclusions**