Summary Record

Roundtable meeting for cities and regions

Paris, 10 - 11 September 2009

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OECD REVIEWS OF HIGHER EDUCATION IN REGIONAL AND CITY DEVELOPMENT

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SUMMARY RECORD

THURSDAY 10 SEPTEMBER

Item 1 – Welcome and introduction

1. The Chair of the meeting, Richard Yelland, head of the OECD programme on Institutional Management in Higher Education (IMHE) welcomed all participants and introduced Barbara Ischinger, Director for Education.

2. Barbara Ischinger emphasised the timeliness of the meeting and the relevance of the reviews. The meeting was timely as with the economic downturn, governments were looking to invest in innovation, human capital development and infrastructure and much of this investment would take place at a regional and local level. The reviews were relevant because in the era of globalisation the importance of cities and regions was growing and the gaps between the regions were growing. The capacity to compete in the global knowledge economy depended on whether countries and regions could meet the demand for high-level skills and innovation. OECD data show that growth in the OECD regions was driven mostly by higher education. To play a meaningful role in the local and global setting HEIs must do more than simply teach and research – they must engage with other stakeholders, provide opportunities for lifelong learning and contribute to the development of knowledge-intensive jobs which enable graduates to find local employment and attract talent.

3. Jaana Puukka (leader of OECD work on HE in regional and city development, OECD/IMHE) introduced the OECD activity. Reviews of Higher Education in Regional and City Development are the OECD’s vehicle to mobilise higher education for economic, social and cultural development in cities and regions. The IMHE work in this area was launched in the 1990s with knowledge sharing meetings and case studies. The work has gradually developed into a systematic and rigorous review process following the OECD review methodology (with self-evaluation and peer review phase). In 2004-07, the OECD conducted 14 regional reviews in 12 countries. In 2008-2010, the second round of reviews were reaching out to 15 regions in 11 countries. The recruitment phase for the third round of reviews (2011-2012) was now going on. The work was conducted in collaboration with other OECD directorates and programmes (Local Economic and Employment Development LEED; Regional Competitiveness and Governance GOV) as well as international organisations and foundations (World Bank, Inter-American Development Bank and Lumina Foundation).
Item 2 – Regional Innovation

4. Andrew Davies (OECD Regional Competitiveness and Governance Division) introduced the OECD work on regional innovation systems. He emphasized that regional dimension of innovation was crucial to promote economic growth and competitiveness. Evidence of spatial dimension include concentration of innovation inputs and outputs in particular places and strong clustering and specialisation at regional level. A large proportion of regions were only weakly engaged in R&D based innovation. In these regions, public R&D as a percentage of regional GDP was low; firms engaged less in R&D and there were fewer jobs in high tech sectors. Innovation activity was growing most strongly in Asia. Knowledge generation and flows were being driven by HEIs, firms and public research hubs. The next steps of the work included developing indicators that reflect new forms of innovation, developing policy recommendations on the governance of innovation and contributing to the OECD innovation strategy in terms of its regional dimension.

5. Susan Christopherson (Cornell University, US) gave her comments focusing on the notion of ‘Phoenix industries’ that refer to industries that have risen out of the ashes of the old industrial centres and were often made up of export-oriented SMEs. They were creating the industries of the future and have existing and potential global markets. They were growing “in place”, in old manufacturing centres and build on and utilize key regional assets, including university links, particularly in engineering and applied research.

Item 3 – Human Capital Development in cities and regions

6. Dirk van Damme, Head of the OECD Centre for Educational Research and Innovation (CERI) drew light on the importance of human capital development. While the knowledge economy would need more highly skilled people with better and newer skills, there were considerable challenges in terms of equity, efficiency of human capital formation and differences between countries in using the human capital reservoir. Since human capital formation and utilisation took place on regional level, using national data could distort our view. Regional human capital systems include employers and social partners, regional and local government, educational institutions and community organisations who worked together in partnership fostering mutually agreed objectives. Based on the OECD Publication Higher Education and Regions – Globally Competitive, Locally Engaged (OECD, 2007) van Damme identified four key strategies for human capital development at local and regional development: (i) widening access; (ii) Improving the balance between labour market supply and demand; (ii) Attracting talent and retaining it; and (iv) Strategic co-ordination of the regional human capital system.

Item 4 – Progress in the Regions and City-Regions

7. Each region was invited to give a brief progress report regarding the review, including major achievements and concerns, putting the review machinery in place, including the regional co-ordinator and regional steering committee (RSC) and drafting the Self-evaluation report (SER).

8. The State of Victoria in Australia, which joined the reviews early 2009, had formed a Regional Steering Committee (RSC) and produced the first draft of the SER based on the input from individual HEIs. While policies encourage partnership building, HEIs were operating in an increasingly competitive environment. In addition, stakeholders in provincial Victoria may have had different expectations than stakeholders in Melbourne. The review visit had been scheduled for December 2009.

9. The State of Paraná in Brazil had formed the RSC. Partnership building was progressing but special care needed to be taken to ensure that also operational level of private and public institutions
understood the objectives of the work. The lack of data on HEIs was causing some concerns. The review visit had been scheduled for December 2009.

10. The Bio Bio region in Chile was the most advanced region in the review process. The OECD/World Bank review visit took place in August 2009. The final version of the SER was now available in the public domain (www.oecd.org/edu/imhe/regionaldevelopment). The process had been positive for the region and had improved collaboration between the HEIs.

11. In the City of Berlin in Germany the regional co-ordinators had faced difficulties in engaging HEIs in the review process which had led to limitations in the SER. The OECD review visit was scheduled to take place immediately after the roundtable meeting.

12. In Israel, high level representatives were being recruited to the regional steering committee to drive the review of the Galilee region. The review visit had been scheduled for November 2009.

13. The Lombardy region in Italy had established the Regional Steering Committee with a strong public sector representation. All HEIs had accepted to join the review process. Challenges remained on how to engage the private sector and local government in the review process. The review visit had been scheduled for April 2010.

14. In the region of Penang in Malaysia, the draft self-evaluation report had been completed and was going through a rigorous language editing. The review would need to focus on the role of HE in regional development. The pre-visit had been scheduled for December 2009.

15. The State of Sonora in Mexico, which had joined the reviews in May, had made rapid progress under the leadership of ITSON (the Sonora Institute of Technology). It had established a RSC and also prepared a first draft of the SER for discussion among the regional stakeholders. The challenge was to improve collaboration with other HEIs and main stakeholders in the State. One main challenge in regional development was the lack of regional co-ordination. The pre-visit and review visits have been scheduled for early 2010.

16. The State of Veracruz in Mexico had established a RSC with representatives from public and private regional stakeholders. There was a special commitment from the Secretary of Education of Veracruz to participate but, overall, partnership building remained a challenge. The drafting of the SER had been delayed. The review visit had been scheduled for October 2009.

17. The City-region of Amsterdam in the Netherlands had finalised the SER. The OECD review visit was scheduled to take place immediately after the roundtable meeting and was expected to facilitate strategic decision making.

18. The City-region of Rotterdam in the Netherlands had established an exemplary project management system that ensured stakeholder commitment to the self-evaluation and SER drafting process. The four HEIs and the City of Rotterdam had each taken up an equal share of financing the review project. The first draft of the SER was available. Sustaining co-operation was identified as a key challenge. The review visit had been scheduled for November 2009.

19. The Autonomous Region of Andalusia in Spain had established a RSC with strong representation from the regional government, the National Ministry and all HEIs. The final draft report should be presented to the RSC by mid-October. The geographical scope and partnership building were the key challenges. The review visit had been scheduled for January 2010.
20. The OECD review in the Autonomous Region of Catalonia in Spain was hosted by four institutions and led by two regional co-ordinators representing Fundacion CYD and Association of the universities in Catalonia (ACUP). The RSC had been established and it was expected that the draft self-evaluation report would be ready by the end of December 2009. The process had contributed to a dialogue and co-operation between different public and private stakeholders in Catalonia. The review visit had been scheduled for March 2010.

21. The RSC in Southern Arizona in the United States began its work officially in late spring 2009. The SER had been drafted with the help of graduate and undergraduate students of the University of Arizona. Enhancing partnership building remained a challenge. The review visit had been scheduled for October 2009.

22. In the region of Paso del Norte, a cross-border region between the United States and Mexico, the RSC was formed in April 2009. Seven out of eleven HEIs in the region were actively involved in the self-evaluation process and the first draft of the SER had been submitted to the OECD. The main challenges were linked to cross-border collaboration. The review visit had been scheduled for October 2009.

**Item 5 – Developing entrepreneurship in cities and regions: HEIs’ role**

23. **Jonathan Potter** (OECD Local Economic and Employment Development, LEED) focussed in his presentation on the results of the OECD studies that show that HEIs have a strong potential to play a key role in fostering entrepreneurship. He recommended, among other things, that HEIs should scale up their operations and focus on growth-oriented entrepreneurship. He also recommended interactive and experiential teaching methods, training for HE staff as well as proper incentive structures and evaluation of the impact of the various activities.

24. **Martí Parellada** (Fundacíon CYD, Spain) emphasised that the success in the promotion of entrepreneurship depends on many factors, e.g. on the quality and quantity of technology transfer, research quality, physical and financial resources, HE governance system, support services and regional characteristics. Catalonia had been highly successful in new business formation: According to GEM 2007, the creation of new companies over the percentage of adult population was higher in Catalonia (8.4%) than in Spain (7.6%). However, the full potential of universities has not yet been mobilised for business formation due to constraints in governance structures.

25. **Paolo Trivellato** (Università di Milano-Bicocca, Italy) highlighted the experience in the universities in Lombardy. There were 20 active spinoffs in Università di Milano, 18 in Politecnico di Milano, 9 in Milan-Bicocca and 4 in Università di Pavia. Firm creation depended on many factors such as motivation, venture capital or public policy. In Milan, entrepreneurship was seen as a legitimate academic discipline, particularly at the graduate level.

**Item 6 – Lessons learned from the review of the Bío Bío Region (Chile)**

26. The OECD/World Bank review visit to the Bío Bío Region took place in August 2009. The review was the first of the fifteen reviews in 2009-2010 and the first one of its kind conducted in Chile. **Jaana Puukka** (OECD/IMHE), the leader of OECD/World Bank Review, emphasised that the region had a high concentration of HE and research activity, but also high unemployment, brain drain, poverty and growing urban-rural divide. All this suggested that the potential of HE had not been mobilised for the benefit of the regions. The region faced challenges on how (i) to promote new business formation, (ii) to develop the existing SME base; (iii) to address the issues of poverty and inequity by creating opportunities for growth. The region would benefit from joint efforts and a long term strategy, reform of HEIs from supply driven to demand-led provision and a more robust evidence base for decision making at different
levels of government and HEIs. Finally, it would be beneficial to see job creation as the goal of innovation and human capital development.

27. **Martin Zilic**, Chair of the Regional Steering Committee for the Bío Bío Region and **Jorge Dresdner**, co-ordinator of the working team, introduced the region by presenting the key facts (1.9 million inhabitants, with 18% live in rural areas and 50% in Concepción); diversified economy with forestry and fishing being the most dynamic. Slow job growth; unemployment and poverty rates consistently higher than the national average were the main challenges for the region and the HEIs. They also explained how the review process had facilitated a move of focus from knowledge production to knowledge transfer and understanding on how to improve collaboration between HEIs and stakeholders. More open and transparent information systems were now seen as necessary to track the developments in the HE sector. The review process was seen beneficial for a number of reasons: (i) It had focused the attention on the HEIs’ role in regional development; (ii) It had resulted in a shared understanding of the strengths and obstacles for further development; (iv) A core group of people from different institutions had been formed to move the agenda forward; and (v) The region had obtained an opportunity to benchmark the activities developed by the HEIs.

28. **Philip Wade** (former OECD/territorial development), one of the experts in the OECD/World Bank review team, highlighted the key lessons of the review. He drew light on the HE trends in Chile and the region, R&D and innovation, regional economy and assets, as well as the development goals. He also focused on decentralisation and rural issues. Wade stressed that knowledge was increasingly recognised as a strategic development factor in the region and that the region with its HEIs had a diversified knowledge base to draw from.

29. **Ms Pilar Armanet**, Ambassador of Chile to France, thanked the OECD and the Bío Bio Region for the review. She emphasised the importance of the various OECD reviews, (in tertiary education, innovation systems and regional governance) in the reforms in Chile and stressed that the government was supportive of OECD of Reviews of Higher Education and Regional Development in other regions in Chile.

**FRIDAY 11 SEPTEMBER**

**Item 7 – Regional partnership and capacity building: How did we do it?**

30. **Monique de Knegt** (Regional Co-ordinator for Rotterdam) presented the Rotterdam review process in which partnership building was seen as an ongoing process. The review machinery included the Regional Steering Committee, the core team and working groups for key themes of the review (with a Chair from the core team member, one expert from each shareholder as well as business community). The process has resulted in an inclusive partnership building process where the stakeholders were conducting the self-evaluation themselves, while the regional co-ordinator and the project leader (Gerlof Rienstra) were available to help them if needed. In addition clear guidelines had been created regarding the working methods (the way we work), goals of the work and quality control.

31. **Lisa Colquitt-Muñoz** (Regional Co-ordinator for the Paso del Norte Region) highlighted the experiences of the bi-national region. The Paso del Norte Group was selected as the regional co-ordinating agency since it was perceived as a neutral partner. In order to engage key leaders in the community, care had been taken to create an inclusive process in which participants could take ownership. Communication had been seen as a key element in the process. There was widespread communication through meetings, presentations and forums. To address a diverse audience and to get the message outside of the academic community, messages had been personalised. Finally, keeping realistic but tight timelines was seen important for the overall success.
32. **Eulalia Petit de Gabriel** (Regional Co-ordinator for Andalusia) was not available for the meeting so Jaana Puukka briefly presented the review process in Andalusia. She emphasised the strong support from the regional government to the review process and the progress made in engaging the HEIs in the review.

33. **John E. Golub** (Regional Co-ordinator for the Galilee) presented the economic snapshot of Israel and the region concluding that the Galilee was not riding the same economic train as Israel’s centre. The region had no regional government but more than 50 local councils. The Galilee Development Authority had the mission to develop the region but this was seen mainly in terms of driving internal migration to the region. Innovation was driven by Technion in Haifa which had a strong focus on world class research excellence but also some ad-hoc engagement with the region. The University of Haifa had educated the leaders and the academic elite of the region; in addition there was a large number of colleges which focussed on education for the diverse population of the region. A top-down strategy had been adopted to drive the partnership building process and care had been taken to engage national shareholders in the process. The Regional Steering Committee would be led by **Silvan Shalom**, Deputy Prime Minister and Minister for the Development of the Negev and Galilee. Other members included **Avishai Braverman**, Minister for Minority Affairs and **Steven Stav**, Director-General, Council for Higher Education. In addition, key regional and local stakeholders representing the business sector and the regional development as well as technology incubation and various HEIs would be involved.

**Item 8 – Introducing new regions**

New regions for the third round of reviews were introduced.

34. **Lochner Marais** (Regional Co-ordinator for the Free State and head of the Centre for Development Support, university of Free State) introduced the Free State in South Africa identifying main economic and social trends. The region, which had mining and agricultural background but no extensive manufacturing base, was moving towards tertiary economic activity. It had high poverty and unemployment rates and loss of human capital. The region expected the review process to help develop regional partnerships and find out how region could better benefit from its HEIs. In addition, the University of Free State which was leading the process in the region, wished to use the review process to strategise its regional engagement.

35. **Fernando Aldea** (Executive Director of Valparaiso Regional Development Agency, Chile) introduced Valparaiso presenting the key economic facts and clusters including the food industry; knowledge industry; logistics; tourism; innovation and technology. The region expected to learn about the ways how HE sector could contribute to regional innovation, human capital and skills development; social, cultural and environmental development; and regional capacity building in the competitive global economy.

36. **Saran Kaur Gill** (Deputy Vice Chancellor for Industry and Community Partnerships, Universiti Kebangsaan Malaysia) introduced Kuala Lumpur in Malaysia. Kuala Lumpur was a multicultural city of 1.6 million inhabitants: Malays, Chinese, Indians and foreign populations. It had a vision to become a world class city by 2020. The region wished to join the OECD review to support the Kuala Lumpur Strategic Plan for 2020; to mobilise HE for economic social and cultural development of the city; to analyse how the HE system impacted upon regional and local development and to facilitate stronger collaboration and capacity building between universities and local authorities and the city/region.

37. **Michael K. Thomas** (President and CEO of the New England Board of Higher Education, Boston, Massachusetts, USA) introduced New England. It has 14.3 million inhabitants and is the fifth largest US “state”. There were 270 colleges and universities and many world class HEIs: three HEIs were
among the top 11 institutions in the Shanghai Jiao Tong ranking and five among the top 100 institutions. In 2007, New England’s research universities and health centres produced nearly 600 new technology licenses or options, 64 new start up companies, 11 new patent applications and 425 new patents.

38. Hanna Honkamäkilä (EU co-ordinator, University of Oulu, Finland) introduced Oulu in Finland. Finland, with 5.2 million inhabitant, was punching above its weight in terms of innovation and R&D investments. Oulu in the northern part of Finland, with 220 000 inhabitants, had with the help of triple helix collaboration between the HEIs, the City and the business sector (Nokia) transformed itself from a town of tar and salmon into a globally strong wireless ICT development centre. About 76% of the graduates of the two HEIs in Oulu found employment in the northern Finland. At the same time, there were structural problems in the local economy. The high unemployment rate was on the increase with the economic recession.

**Item 9 – Next steps and closing**

39. Jaana Puukka (OECD/IMHE) stressed that OECD review has been designed to be a learning and capacity building process. The focus was therefore on collaborative work between HEIs and their regional and local partners. At its best the review could act as a change agent. While there were many different ways to organise the self-evaluation at the local and regional level, experience had shown that the proper resourcing was necessary: the regional co-ordinator needed to be supported by a project group (graduate students, researchers etc.). Challenges in the review process were related to leadership and motivation issues; geographic boundaries; fragmentation of regional and local governments; centralisation and decentralisation issues as well as boundaries between the HEIs and HEIs and other tiers of education. The reviews in different regions had a number of cross-cutting themes including diversity (ethnic, religious, immigrants), equity and widening access; sustainability; cultural development and creative industries In addition, HEIs as place makers; challenges to collaborate with the SME’s transition to the service/knowledge-based economy and the global reputation race among cities and regions and HEIs were also some more themes.

40. Regional co-ordinators had been requested to suggest improvements in the review process. These included, for example using the review “veterans” as consultants/advisors/mentors for the new regions; twinning new and old regions; following up closely the regions that had been reviewed. Other proposals included initial meetings in the region and/or country meeting; mechanisms to share success stories; OECD resource person who would reach out monthly and serve as an information bridge. In addition, simplified guidelines and longer timelines were also suggested. It should be noted that additional travel, human resources and paid consultants would mean increasing the level of the voluntary contribution to the OECD and this might not be acceptable to the regions. The OECD Secretariat would review the cost implications of the various recommendations.

41. The self-evaluation phase for the second round of reviews will extend to January and the review visits will be conducted by the end of April 2010. The 15 review reports should all be finalised by the end of September 2010 and a number of dissemination meetings will be organised in 2010. Key outcomes of the reviews would be presented in the forthcoming IMHE General conference (13-15 September 2010). An international conference was also being planned for end 2010 or 2011. Andalusia had volunteered to host this meeting.

42. Jaana Puukka and Richard Yelland thanked the delegates for their active participation and closed the meeting.