With globalisation, the comparative advantage of regions that can create the best conditions for growth and development is increasing.

...High technology companies, once tied to their locations, can now move their production to anywhere in the world.

...But to stay competitive, key parts of their operations need to be based in knowledge and innovation-intensive regions....
To be globally competitive countries need to invest in their innovation systems and human capital development not only at the national, but also regional level.

... Universities and other higher education institutions can play a key role in Regional Innovation Systems and Human Capital Formation.

OECD reviews of higher education in region development

Phase 1
2004-2007

Reviews of 2004-2007

14 regions in 12 countries (incl. one cross-border region) established a steering committee with representatives from HEIs, public and private sectors. They carried out self-evaluation and were reviewed by international expert teams.
Participants

- Australia (Sunshine-Fraser Coast)
- Brazil (Northern Paraná)
- Canada (Atlantic Canada)
- Denmark (Jutland-Funen)
- Denmark-Sweden (Öresund)
- Finland (Jyväskylä region)
- Korea (Busan)
- Mexico (State of Nuevo León)
- Netherlands (Twente)
- Norway (Trøndelag, Mid-Norway)
- Spain (autonomous regions of Valencia and Canary Islands)
- Sweden (Värmland)
- UK (the North East of England)

Objectives

Respond to initiatives across OECD to mobilise Higher education (HE) in support of regional development

Synthesise experience into a coherent body of policy and practice to guide higher education institutions (HEIs) and regional and national governments

Provide opportunities for dialogue and assist in capacity building in each country, region and HEI

Focus of Evaluation

- Regional contexts
- Contribution to regional/megacity building
- Regional/national higher education systems
- Contribution to social and cultural development and environmental sustainability
- Contribution of research to regional innovation
- Contribution of teaching and learning to labour market and skills
- Contribution to social and cultural development and environmental sustainability
- Contribution to regional capacity building
What did we learn?

• Regional engagement of universities is often based on short term project funding and generic growth. It lacks systematic processes and structures. There is limited cooperation among HEIs and btw HEIs and stakeholders.

• Most countries invest in making universities engines for high tech based innovation. But innovation is also incremental: low tech fields innovate too.

• Only few universities have gained income through patents and commercialisation. Open science could enhance innovation by reducing the costs of knowledge transfer.

• Policy focus on few high technology fields, while 70% of OECD workforce is in the services sector. Cultural industries becoming a major driver globally, accounting for 7% of GDP and growing at 10% annually.

How to mobilise higher education for regional development?

...some good practice examples
In Castellon, Valencia, Universidad Jaume I is recognised as a world leader in R&D in the tile industry. It has helped to transform the region’s traditional industry. The growth is built on technology transfer, spin-offs and upgrading of existing technologies.

- Today, Valencia is a global leader in the tiles and ceramics industry.

Source: the Valencia Region SER

Localising the learning process can be an effective way to engage students into "knowledge transfer on legs"

In Aalborg University, Denmark, up to 50% of the study work consists of problem-oriented project work: students work in teams to solve problems which have been identified in co-operation with firms, public organisations and other institutions. At any one time there are 2000-3000 ongoing projects that ensure the university’s engagement with the surrounding society.

Source: the Jutland-Fynen SER

In Central Finland, Jyväskylä University of Applied Sciences has helped to rehabilitate 800 long term unemployed back to working life with a wide range of physical and social rehabilitation measures, partly delivered through the student training centre.

Source: The Jyväskylä region SER

In the North East of England, the 5 HEIs use sports as a means to widen access to HE, to raise aspirations and to enhance social cohesion within the excluded communities.

Source: the NE England SER

In Mexico, all university students are obliged to do 480 hours community work. In Monterrey University Social Service is geared towards addressing the needs of the community.

Source: the Nuevo-Leon SER
In the North East of England, the 5 HEIs have set up Knowledge House to help companies access university skills, expertise and specialist services. KH offers expert solutions for developing ideas and solving problems through collaboration, consultancy, training and R&D.

KH receives 1000 enquiries from client companies and delivers around 200 client contracts on an annual basis. Business growth is 25%. The cradle-to-grave service stretches from the receipt of enquiries to delivery and post-completion evaluation. Source: the NE England SER

What are the constraints?

Barriers to engagement

<table>
<thead>
<tr>
<th>National</th>
<th>Regional</th>
<th>Institutional</th>
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<tbody>
<tr>
<td>Uncoordinated HE, S&amp;T and territorial policy</td>
<td>Fragmented local govt, weak leadership</td>
<td>Weak management, lack of entrepreneurial culture</td>
</tr>
<tr>
<td>Limits to HEIs’ autonomy</td>
<td>Intraregional and interinstitutional competition</td>
<td>Tensions between regional engagement &amp; academic excellence</td>
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<tr>
<td>Limited incentives to HEIs</td>
<td>HEIs not part of strategy work and implementation</td>
<td>Lack of incentives to individuals</td>
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How to move forward?

Pointers for governments

- Make regional engagement explicit in HE legislation
- Strengthen institutional autonomy (human, financial and estate resources) and provide funding incentives
- Develop indicators and monitor outcomes
- Require HEI governance to involve regional stakeholders, encourage the participation of HEIs in regional governance
- Support collaboration between HEIs and mobilise resources for joint regional and urban strategies
- Provide a more supportive environment for university-enterprise co-operation
- Focus on human capital development

Pointers for regional authorities

- Establish a permanent partnership structure of key stakeholders from local and regional authorities, business and industry, the community and higher education
- Mobilise the resources of HEIs in the preparation and implementation of regional and urban strategies
- Invest jointly with HEIs in programmes which bring benefit to regional business and community
Pointers for HEIs

- Mainstream regional economic, social and cultural engagement into the core missions of teaching and research
- Revisit the mission statement, strategies and goals; monitor results and provide incentives
- Develop senior management teams, a regional development office and facilitators
- Establish modern administration with HR and financial resources management systems: Review recruitment, hiring and reward systems.
- Establish partnership organisations between HEIs

Phase 2 reviews will take place in 2008-2010

Focus on City-Regions and rapidly developing economies:

Berlin, Campinas, Rotterdam, South Arizona, the Galilee, Veracruz...

more information available
www.oecd.org/edu/higher/regionaldevelopment

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