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Higher Education and Regions: Globally Competitive, Locally Engaged

Higher Education Institutions and regions: Reflecting on the outcomes and recommendations of the OECD project

20 September 2007, Valencia Spain

The European Students' Union (ESU) is delighted to be invited to this very important conference on the role of higher education for regional development and to present and discuss our views on the matter with you. This year ESU is celebrating its 25 year anniversary. Established in 1982 mainly as an information platform it has developed into a lobby organisation representing the academic, social and cultural interests of students in Europe to all relevant organisations and stakeholders on the European as well as international level, in particular the European Union, the Council of Europe, UNESCO and OECD. ESU brings together 47 national unions of students from 36 countries, representing over 11 million students. Our member unions are open to all students in their country regardless of their political conviction, religion, ethnic or cultural origin, sexual orientation, or social standing. They are representative, run and controlled by students, which hold democratic elections, are organised based on democratic principles and they are autonomous and independent in their decision-making.

Some of you might be wondering, why are students invited to reflect on the role of higher education on regional development? How is this linked to representing the academic, social or cultural interests of students in Europe? During the conference it has been mentioned that innovation and regional development is not only dependent on innovative institutions, but also on »innovation on legs.« ESU is representing the interests of this future skilled labour force and thus it is good to consider our suggestions on how to create an attractive academic environment contributing to regional development as well as to attract and retain students and academics. However we believe that it should not only be students, who are invited to contribute to this debate, but also representatives of higher education institutions and the academic body. For this reason it is unfortunate that no representatives from umbrella organisations of higher education institutions or academics have been invited to voice their opinion in this panel.

A first look at the background and motives of the OECD project reminds strongly of the strategic goal of the Lisbon Strategy

to become the most competitive and dynamic knowledge—based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion. (European Council 2000: 3)

Because in the report it is mentioned, that the project »was launched as a response to the initiatives seeking to mobilise higher education in support of regional economic, social and cultural development.« (OECD 2007: 9) It is evident that in a knowledge—based economy education *The European Students' Union (ESU) is the umbrella organisation of 47 national unions of students from 36 countries and through these members represent over 11 million students. The aim of ESU is to represent and promote the educational, social, economic and cultural interests of students at a European level towards all relevant bodies and in particular the European Union, Bologna Follow-Up Group, Council of Europe and UNESCO.*

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would serve as one of the engines to foster innovation and consequently growth in Europe. And in fact the majority of countries monitored in the project are also part of the Lisbon Strategy, as the report »draws from a review of 14 regions across 12 countries as well as OECD territorial reviews« (OECD 2007: 9) and »the selection included nine European regions; two each from Latin America and Asia-Pacific and one from Nort America.« (OECD 2007: 3) Now one would assume that with the shared political aim and the joint understanding that education must be at the heart of reform processes aimed at increasing innovative capacity, the role of higher education for regional development would also be a key factor in the Lisbon Strategy. However this is not quite true. While regional development is mentioned in a number of key documents of the Lisbon Strategy, the link to higher education and the role of institutions in fostering regional development is marginal (see European Commission 2002: 13; European Commission 2003: 21-22; European Commission 2005: 30).

That is very surprising, since the understanding of the new role and responsibilities of higher education institutions are very much the same in the Lisbon Strategy as they are outlined in the OECD project. They have the role to provide education in a lifelong learning perspective, undertake research both basic and applied, promote innovation and engage in knowledge transfer to enterprises, partner with their economic environment to increase employability of graduates as well as contribute to an attractive regional environment to retain and attract highly skilled labour force (OECD 2007: 9; European Council 2002: 2).

What however is missing in the Lisbon Strategy is the link between and concrete strategies for higher education to contribute to regional development. It is not enough to assume that objectives in the field of higher education will automatically result in regional economic growth. Concrete strategies to promote such positive development must be spelled out. The OECD project aims at doing exactly this.

ESU agrees that higher education institutions have a responsibility to contribute to regional development. This is especially true for increasing access for a wider and more diverse group of learners, ensuring that they have the opportunity to engage in learning experiences that meet their different educational needs as well as the needs of the labour market. It is also true that higher education, research and development are contributing to economic growth both through fostering innovation and new businesses as well as through raising general tax revenues. But one important factor is the contribution of higher education for social and cultural growth. It is very important that this dimension is stressed in the report as it is often neglected in favour of science and technology (OECD 2007: 9-10).

Another finding of the report ESU very much agrees with are the benefits to higher education institutions of engaging in regional development (OECD 2007: 10). An attractive and economically stable environment is paramount to attracting and retaining students as well as academics. And high quality teaching and research are the key to attracting public and private funding. Searching for alternative sources of funding has become increasingly important considering the limited increase or in some cases stagnation or even decrease in public funding.

Finally ESU also agrees that regional development and international competitiveness are not exclusive, but mutually enhancing developments. It is therefore very good to note, that this

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project looks into the three dimensions on how higher education contributes to regional development, i.e. knowledge creation, knowledge transfer and cultural and community development. It is also important that it suggest policies, strategies and actions on the three levels impacting on the capacity of higher education to contribute to regional development—the national, regional and institutional level.

Overall this project provides a more appropriate picture on the future challenges for higher education institutions and develops complex policy strategies compared to OECD CERI »University Future Project« of 2006, in which serving local and regional public and private interests were seen as a backwards development rather than a key to competitiveness (OECD 2006: 4). However there are also a couple of points of concern from our perspective, which I would like to outline in the remaining minutes.

The report addresses the governance of higher education institutions as one key factor that promotes or hinders their capacity to contribute to regional development. The report therefore calls for an increased autonomy of higher education institutions in their decision making together with a stronger emphasis on their public accountability, their interaction with society as well as the efficient use and diversification of their financial resources. One pointer for future development is therefore for central governments to »require governance of higher education institutions to involve regional stakeholders and encourage the participation of higher education institutions in regional governance structures.« (OECD 2007: 146) ESU welcomes the consultation of external actors in both political decision-making structures and the management. However the consultation of external representatives must not compromise the autonomy of teaching or research. Education is a public good and a public responsibility. Therefore ESU believes that the autonomy of higher education institutions in teaching, research and internal governance must happen within a well-defined framework of public regulation. In addition to this the governance of higher education institutions must follow the principles of democratic decision—making, involvement of all actors in higher education institutions in their decision—making structures as well as transparency and an active information policy. Any engagement of higher education institutions in regional governance structures must follow these same principles.

Closely connected to the governance of higher education institutions is their funding. Higher Education Institutions are faced not only with an increasing number of external expectations:

they must engage with others in their regions, provide opportunities for lifelong learning and contribute to the development of knowledge-intensive jobs which will enable graduates to find local employment and remain in their communities.“ (OECD 2007: 9)

But also with new funding schemes, incentive structures, pressures to reduce costs and to look for financial resources elsewhere. Engagement in »third task« activities will be yet another responsibility placed before them, which will be demanding on their financial and human resources. And while the project does acknowledge the inadequate funding already at the stage of limited engagement of higher education institutions in regional development, there is no recommendation in the pointers for future development towards central governments to increase the funding at the same time as increasing the expectations. On the contrary. It suggests for example to »mobilise the joint resources of the higher education institutions for the preparation

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and implementation of regional and urban strategies [...].« (OECD 2007: 146) Policy makers should not only ask, what education can do for them, but also what they can do for education! ESU would like to stress that countries and regions, which consider education and higher education to be of key importance to economic growth and at the heart of their policies to increase competitiveness, should also follow this up in their public budgets with an increased investment into all levels of education.

This idea of fuelling the motor of innovation and economic growth through public money is based on the concept, that such private benefits will at the same time generate benefits relevant to the whole society, e.g. promoting economic growth, creating new jobs, attracting external direct investment. This reasoning has also been at the heart of financing debates ever since the discussion on private returns have been weighed against public responsibility for higher education. ESU would like to reiterate in the light of the recently triggered debate by the EU Commission on the “efficiency and equity in European education and training systems”, that this concept of public and private benefits being mutually interlinked is not only true for the business sector, but also for the individual. Not only economy will contribute to public wealth by drawing on innovative knowledge and translating it into economic competitiveness, but it will be essentially depending on the skilled labour force mentioned in the report, which will be the driving force of knowledge companies. Thus one has to ask, why regions committed to become knowledge regions, providing infrastructural, financial and administrative environments for businesses to flourish, providing them with tax cuts and investment-friendly policies thriving on their private interest and benefits, do exactly the opposite when it comes to policies for educating and attracting skilled labour force? In this case private interests and benefits are not seen as a key to informed choice, successful uptake, progression through and completion of a study programme and innovative application of the acquired knowledge, as a key to reducing unemployment and providing for a sufficient basis of skilled labour force. Why are these just as legitimate private interests not understood as private contributions to a public good? OECD should stress in their report the need to invest more public money into all levels of education in order for knowledge regions to be attractive for highly skilled students.

Finally knowledge regions do not essentially compete on the national level. They are rather a key to international competitiveness of a nation. It is already been pointed out that apart from successful knowledge transfer between higher education institutions and the business sector skilled personnel is a key to innovative capacity. And while theories voiced in publications such as “The world is flat” by Thomas L. Friedman claim that knowledge is available and accessible beyond borders, neither knowledge economies nor knowledge itself is mobile in all its parts (Reichert 2006: 10). Knowledge and with it innovative capacity is for the most part fixed to (mobile) knowledge workers and research—intensive environments. These factors however raise the problem of economic development of a country on the expense of other countries and the mobility of their skilled labour force, creating both comparative and competitive disadvantages. If we seek a social, economical and political cohesion within Europe and on the international level, then all countries have to consider their own regional development in a sustainable international economic perspective. Strategies of cooperation both in the economic and the educational sphere have to go

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beyond the concept of joint degrees on the national level. They have to address discrepancies in economic growth, educational development or imbalances in the mobility of skilled labour force.

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