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## **REVIEW OF HIGHER EDUCATION INSTITUTIONS IN REGIONAL DEVELOPMENT**

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**THE OECD PROGRAMME ON INSTITUTIONAL MANAGEMENT  
IN HIGHER EDUCATION (IMHE)**

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## 1. INTRODUCTION

### 1.1 Background: Growing importance of higher education institutions (HEIs) in the development of their regions

In the globalizing knowledge economy, countries face competition in a number of markets. They are turning to knowledge-intensive products and services, which increases dependency on access to new technologies, research results and knowledge and skills. At the same time, the comparative advantage of regions that can create the best conditions for growth and development is increasing. High technology companies, once tied on their specific locations, can now move their production to anywhere in the world. Still, in order to be competitive, key parts of their operations need to be based in knowledge and innovation-intensive regions with concentration of research, skilled and creative workforce and infrastructure to innovation.

HEIs are among the most important sources of knowledge and innovation, contributing to the economic, social and cultural development of their societies. They build human capital, and enhance the social and cultural fabric that ensures that innovation can thrive. They also provide global gateways to local companies. This mission has often been characterised as a “third task” or social obligation of HEIs. There is, however, a growing recognition that this task must be integrated with teaching and research functions if higher education’s contribution to student learning, to knowledge exploitation by business and to civil society is to be maximised. There is also growing understanding that this role can be best mobilised in the context of regions, whether big or small, peripheral or metropolitan.

There are tangible advantages for HEIs through stronger engagement with their regional communities. HEIs can benefit through increased enrolments from the local population, improved local funding and partnership opportunities for both research and teaching, additional income from services provided to local businesses through consultancy and professional training, greater social capital support, and resource-sharing opportunities (e.g. infrastructure and knowledge workers). For many HEIs regional engagement strategies can be as important as their international and business-partnership strategies.

In addition, for cities and regions HEIs are major businesses generating tax and other revenues, as well as global gateways to attract inward investments. They also generate new businesses and are sources of advice and expertise. They enhance local human capital through graduate retention, professional continuing education and lifelong learning and provide content and audience for local cultural programmes.

Many OECD countries and regions have attempted to strengthen the regional role and contribution of HEIs based on close co-operation and partnership with various regional actors. In 2007 OECD published a report entitled “Higher Education and Regions-Globally Competitive, Locally Engaged“ which drew from the experience of OECD territorial reviews and an intensive 3-year review project of the interplay between HEIs and regions in 14 regions in 12 countries. The report synthesised this experience into a coherent body of policy and practice, making recommendations to

the national and regional authorities and to HEIs on how to mobilise higher education for the economic, social and cultural development of their regions.

The new set of the OECD reviews on Higher Education Institutions in Regional Development is intended to take this agenda forward. It is aimed at regions and their HEIs in and out the OECD area interested in mobilising HE for the economic, social and cultural development. The reviews, which will be carried out in a way that is sensitive to the varying national and regional contexts within which HEIs operate, will result in recommendations for policy measures, practical measures and institutional reforms. The reviews will also facilitate a learning and developmental process for HEIs and their regional stakeholders and seek to enhance the connection of HEIs to regional communities.

## 1.2 Objectives

The main objective of the review is *to strengthen the contributions of HEIs by devising steps to be taken to improve the interplay and mutual capacity building between HEIs and their regional stakeholders and partners at different territorial levels.*

The review aims to:

- raise awareness amongst HEIs and their regional stakeholders of the need for enhanced partnerships between them and of the need to evaluate the efficiency and effectiveness of such partnerships
- test and further develop the methodology and evaluation framework for HEIs and regional higher education groupings to monitor and compare the activities and achievements
- provide an opportunity for dialogue between HEIs and national and regional stakeholders about their contribution to the economic, social and cultural development of their region
- assist regional governments and their agencies, HEIs and other stakeholders to identify appropriate roles and partnerships within their regions
- provide policy advice at regional and national level on issues that emerge from the analysis (e.g. the impact of special funding initiatives at a regional and institutional level)
- assist HEIs to articulate their mission, develop their management, evaluate their contribution and thereby contribute to their viability
- maintain and develop the evolving international network of HEIs and regions for further discussion and exchange of ideas and issues around good practice examples and practices and processes linked to HEIs' regional engagement

## 1.3 Participating regions and higher education institutions

Target regions are recognised regions in the national/federal governance structures<sup>1</sup> :

- in developing economies identified for accession<sup>2</sup> to OECD or enhanced engagement<sup>3</sup>
- in G8 countries

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<sup>1</sup> OECD review template requires comparable data on a number of issues. Such data is usually available only if the region is recognised in the national/federal governance structures.

<sup>2</sup> Russia, Chile, Israel, Estonia, Slovenia

<sup>3</sup> Brazil, China, India, Indonesia, South Africa

- city regions

The reviews will focus on the interaction between HEIs and recognised regions in terms of national administration. The participants will be HEIs, the regions with which they have history of joint working, and public authorities responsible for territorial and higher education development at the national and sub-national scale.

In principle, all HEIs in the region should be involved in the review project since the focus of the study is on the impact of higher education (not a selected number of HEIs) on regional development.<sup>4</sup>

#### **1.4 Key elements of the review process**

The regional reviews will be carried out against a set of agreed broad principles that include dialogue, stakeholder collaboration and learning, and leadership commitment. The major elements of each review will be:

- Joint self evaluation by HEIs & regional stakeholders resulting in a self-evaluation report
- A review visit by an international team of experts resulting in a peer review report
- Dissemination of outcomes at one or more knowledge-sharing conferences

#### **1.5 Expected outcomes**

The expected outcomes are:

- regional self-evaluation reports (HEIs & regional stakeholders), prepared by the regions, which will support the partnership building in the regions, the wider analytical work and focused site visits by peer review teams
- peer review reports, prepared by the international peer review teams, which will include specific recommendations for national and regional authorities and HEIs reviewed
- international comparative analysis on specific issues by OECD

The outputs will be supported by related dissemination activities of country/region-hosted seminars as well as international networking opportunities. Self-evaluation reports and peer review reports will be published by the OECD on the project website.

#### **1.6 Benefits for the region**

The 14 regions which participated in the reviews in 2005-2007 have reported the following benefits from the review process:

- tailored advice and guidance in practice, policy and strategy work from the OECD peer review team for the national and regional authorities and HEIs
- enhanced partnerships within the region (based on the self-evaluation process guided by the OECD template and overseen by the regional steering committee)
- Identification of new funding sources for HEIs, co-operation opportunities between HEIs and industry etc.

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<sup>4</sup> For practical purposes, it may be necessary to identify regions with a manageable number of HEIs.

- enhanced visibility and PR for the region and its HEIs
- opportunities for international benchmarking and networking

## 1.7 Costs

The budget for the review is established as follows:

The region (national/regional government or their agency/HEIs/foundations) will cover the cost of its own study including:

- 1.the cost of conducting a self-evaluation review including the preparation of the report;
- 2.the financial contribution to the OECD that will cover the input of the OECD staff and peer review team, including (1) a preparatory visit by 1-2 experts (2) a week long review visit by 4-5 experts; (3) participation of 1-2 experts in the region-hosted dissemination meeting; (4) preparation and editing of intermediate and final documents, and (5) OECD corporate overheads

OECD/IMHE and any sponsoring organisations will cover the costs linked to (1) drafting, publication and translation of the international synthesis report which will draw from the reviews of several regions and (2) organising a meeting for the regions involved in the reviews in conjunction with the IMHE general conference in 2008

## 1.8 Co-ordination within the region: Regional co-ordinator, regional steering committee and working group

To facilitate the review process each region should establish a regional steering committee and appoint a regional co-ordinator supported by a working group.

The **regional steering committee** (RSC) should comprise key stakeholder groups concerned with higher education and territorial development. It is expected that the committee include representation of (1) all HEIs in the region, (2) regional authorities and business and industry, and (3) relevant ministries or agencies at a national/state level. In case there are private HEIs in the region, it is recommended that they are invited to be involved in the review. The main tasks of the RSC include to:

- oversee, steer and ensure continuing commitment of the region concerned to the review
- provide financial & institutional support
- monitor the work of the regional co-ordinator and working groups and
- approve dissemination/publication of the interim and final outcomes of the review including approval of the regional self-evaluation report

It is important to select an appropriate Chair so that this committee can provide a forum for building a consensus on conflicting issues between the stakeholders in the region. It is recommended that the chair is an independent regional personality such as a senior academic, political figure or anyone else who can contribute to the legitimacy of the decision.

A **regional co-ordinator**, appointed by the regional steering committee, will be responsible to it for the implementation of the review. The co-ordinator is responsible for:

- Communications with the OECD Secretariat about the review

- Communications within the region & country about the review
- Ensuring that the self-evaluation report is completed on schedule
- Liaising with the OECD Secretariat about the organisation of the review team visit
- Attending international meetings and workshops associated with the review
- Co-ordinating regional feedback on draft materials produced through the review and
- Assisting with dissemination activities associated with the review

A **working group**, co-ordinated by a regional co-ordinator and steered by the regional steering committee, should be also formed in the region (and HEIs in it) to deal with practical matters in conducting the self-evaluation (e.g. information collection, discussion with regional stakeholders inside and outside HEIs, report writing) and to assist in the work of the regional co-ordinator in general.

## 2. REVIEW PROCESS

### 2.1 Self-evaluation (3-6 months)

The region will be required to prepare a self-evaluation report following OECD Guidelines (see Guidelines for the Self-Evaluation Report). This common framework facilitates comparative analysis and maximises the opportunities for regions to learn from each other. The Secretariat may also ask for supplementary material that is specific to the particular region.

The regional self-evaluation is likely to have 3 phases which will result in the finalisation of the self-evaluation report. However, *the procedure that follows is indicative only*. The core principle should be to employ a methodology ensuring extensive stakeholder involvement in the self-evaluation process. The approach is based on a partnership-building process that involves the following stages:

- *An initial facilitated workshop*: to ensure that HEIs and regional stakeholders are aware of the requirements of the review and work through to formulate their response to the list of questions provided by the Guidelines for the Self-Evaluation Report.
- *Information collection stage*: The working group (and HEIs in it) to follow up the workshop, obtain additional supporting material to highlight issues (impediments, strategies, agreements, etc) that need to be further addressed by the HEIs and the regional community, and formulate recommendations for consideration in a second regional workshop.
- *The second workshop*: to examine the current partnership arrangements; identify the contribution of the HEIs to the region, highlight the issues, impediments and opportunities for greater collaboration locally, and seek consensus on the future role of the HEIs in the region from the perspective of a learning and knowledge agenda. To consider relationships between different types of HEIs in the region (i.e. universities and non-university HEIs) and between HE and other layers of education in the context of the results, and mechanisms for working together, strategies and processes for reviewing and monitoring.

- *Finalising the self-evaluation report*: to finalise the draft regional self-evaluation report in time for the review visit; and to prepare a short note on the specific issues and policies which the region would like to discuss with the peer review team during the *review visit*.

Experience gained in OECD thematic reviews suggests that the self-evaluation report is likely to take around 6 months to complete. In any case, the self-evaluation report should be finalised at least one month before the visit of the review team.

## **2.2 Peer review (3-5 months)**

A team of 4 to 5 reviewers comprising two international experts, one national expert – but not from the region reviewed – and one or two members of the OECD Secretariat will analyse the regional self-evaluation report and associated materials and subsequently undertake a review visit. The reviewers will be selected by the OECD Secretariat in consultation with the region to ensure that they have experience relevant to the main policy issues in the region reviewed.

The review visit will be preceded by a short pre-review visit to the region by one or two peer review team members. It is suggested that this visit take place when the self-evaluation report is at a draft stage. The aim of the pre-visit is to meet some key personnel in the region (i.e. regional co-ordinator, members of the regional steering committee), to discuss the programme for the review visit and the progress in completing the self-evaluation report, and to give feedback on the draft self-evaluation report and identify key issues to be explored in the review.

The review visit is an intensive case study visit of around 7 days in length. It will be organised by the region in conjunction with the OECD Secretariat and/or the peer review team co-ordinator. It aims to provide the review team with a variety of perspectives on regional policy with a special focus on the role of HEIs. Where possible the visit should include meetings with senior policy makers in key ministries, regional & local governments, agencies, and HEIs, organisations representing HEIs, groups representing academic staff and students, business and industry, and researchers with a particular expertise in territorial and higher education development.

After the review visit the review team will prepare a short peer review report (about 50 pages). This report provides, from an international perspective, reflections on specific issues and policies concerning the role of higher education in the region concerned. It provides recommendations to national and regional authorities and to HEIs.

In order to avoid duplication of effort, the reviewers will draw upon other work on higher education, innovation and territorial development being carried out within the OECD (for example the work of Directorate of Education, the Directorate for Public Governance and Territorial Development, and the Directorate for Science, Technology and Industry) or elsewhere.

The organisation of the regional visit and the preparation of the peer review report after the visit would normally take a period of 3-5 months. More detailed information about the regional site visit will be provided in a separate document (Guidelines for the Regional Peer Review's visit).



### **2.3 Dissemination**

A dissemination meeting to launch the peer review report will be organised by the region (or country) with the support of the OECD Secretariat. OECD will send a maximum of two persons from the peer review team to participate in the launch conference. A plan for dissemination events and activities will be developed by the Secretariat in collaboration with the region.

It is proposed that the region, during the process of completing the review, will organise a workshop or seminar, inviting participants from different regions that are participating or have participated in the OECD review to present an analysis of the issues in their own region and the impact on policy initiatives addressing a selected set of topics (e.g. the contribution of HEIs to competitiveness of regional economy; the contribution of HEIs to widening participation, labour market and skills). This workshop would give an opportunity for the region to share perspectives and insights gained during the completion of the corresponding sections of the self-evaluation reports. In addition to the regional presentations, international experts and key stakeholders could be invited to contribute to the debate.

The OECD programme on Institutional Management in Higher Education, IMHE, holds a general conference every other year. The 2008 IMHE General Conference on the theme of Quality, Relevance and Impact will facilitate the network of HEIs and regions and international benchmarking between them. Regions that participate or have participated in the OECD review will be invited to this meeting, which will be an opportunity to share experiences in higher education and territorial development policies and institutional strategies on regional development, as they relate to the theme of the conference. A separate meeting will be organised for regional coordinators.