



Globally Competitive, Locally Engaged: Lessons learned from the OECD reviews of HE in Regional Development

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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

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.....



Challenges to universities

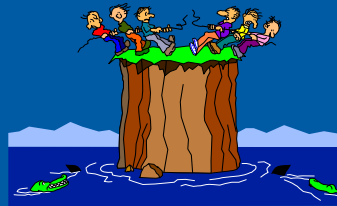
New frontiers in research

*Decreasing Public Funding
and need to diversify funding
streams*

Public Service

An increasingly complex environment for
higher education institutions

*Pressure from global
University Rankings*



*What and how to
teach?*

Market pressures

Calls for increased Accountability

Governance



Knowledge has become the foundation of
economic growth, social development and
national competitiveness.

If higher education is the engine of
economy, then the global status of HEIs
becomes a vital indicator

... Global competition is reflected in the rising
significance and popularity of rankings which
measure the knowledge-producing and talent-
catching capacity of HEIs.

...But a world class university is USD 1-1.5 bill
operation a year. With a medical school extra
USD 500 mill is needed.



OECD reviews of HE in regions development: objectives

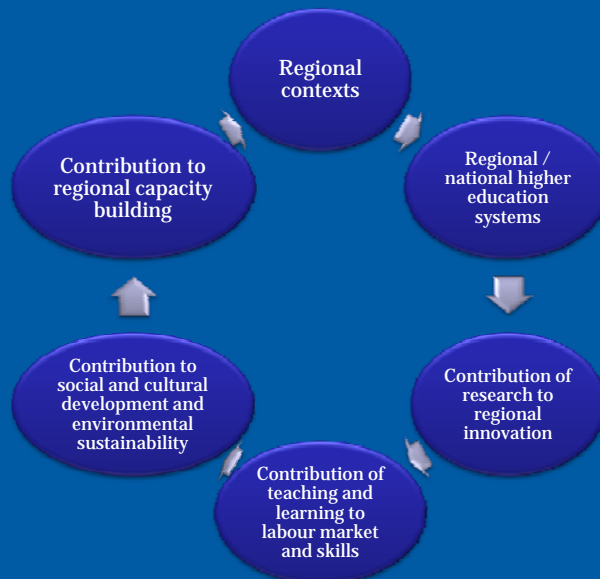
Respond to initiatives across OECD to mobilise Higher education (HE) in support of regional development

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

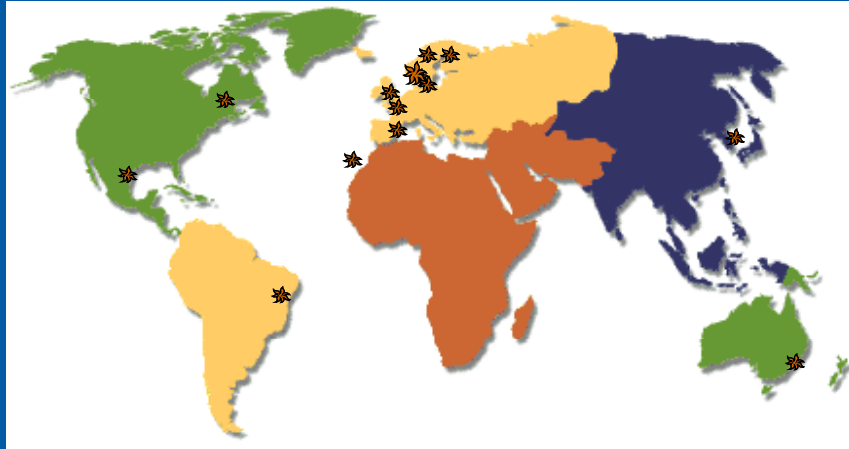
Provide opportunities for dialogue and assist in capacity building in each country, region and HEI



Focus of reviews



Regions in 2005-07



- 14 regions in 12 countries including one cross-border region established a steering committee with representatives from HEIs, public and private sectors and carried out extensive self-evaluation and were reviewed by international expert team in 2005-2007

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)



Good practice and activity... but

- Based on generic growth and lacking systematic processes and having limited co-operation among HEIs and btw HEIs and stakeholders
- Human capital development ignored. Still it plays a key role in regional development; Need to appreciate the students' role
- Only few universities have gained income through patents and commercialisation: Open science could enhance innovation by reducing the costs of knowledge transfer
- Most countries invest in making universities engines for high tech-based innovation: policy focus on few high technology fields. Still, low tech fields innovate too. 70% of OECD workforce is in the service sector; Cultural industries are becoming a major driver globally, accounting for 7% of GDP and growing at 10% annually
- Inadequate incentive structures and monitoring of results



SOME EXAMPLES

...universities helping to attract knowledge-based inward investment

Trondheim, in Trondelag, Mid-Norwegian region, recently emerged as "Europe's Search Capital" when Yahoo, Google and FAST established their R&D centres there.

The decision to relocate in a peripheral part of Norway was based on the access to highly educated workforce trained by the Norwegian University of Technology NTNU, and its long research focus in this area.

Source: the review of Mid-Norway



SOME EXAMPLES

...Universities helping to attract knowledge-based inward investment

A UK-based business NISAI with operations in India relocated back to UK. The decision to relocate in Middlesbrough, the North East with high levels of deprivation was based on the access to university graduates and skill base, graduate businesses and new research projects. Relocating is economically viable: staff costs are higher but products come out quicker and more reliably.

University of Teesside's Digital City - a regional project to attract and retain highly skilled people, to relocate businesses from elsewhere and spin out companies - tipped the balance

Source: the review of North East of England



SOME EXAMPLES

...building on existing competitive advantage can create local gateways to local companies..

In Castellon, Valencia, Universidad Jaume I is recognised as a world leader 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



Barriers to engagement

National

Uncoordinated HE, S&T and territorial policy

Limits to HEIs' autonomy

Limited incentives to HEIs

Regional

Fragmented local govts, weak leadership

Intraregional and interinstitutional competition

HEIs not part of strategy work and implementation

Institutional

Weak management, lack of entrepreneurial culture

Tensions between regional engagement & academic excellence

Lack of incentives to individuals



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

- Map external links; carry out a self- evaluation of institutional capacity to respond to regional needs
- Revisit institutional mission to adopt a wide agenda of regional engagement; monitor results and acknowledge that regional engagement enhance the core missions of teaching and research
- Develop senior management teams, establish a regional development office to mainstream the regional agenda; develop facilitators
- Establish modern administration with HR and financial resources management systems: Review recruitment, hiring and reward systems.
- Establish partnership organisations between HEIs



2nd phase of reviews will take place in 2008-2010

Focus on City-Regions and rapidly developing economies:

Berlin, Bio Bio region in Chile, Campinas, El Paso-
Juarez, Rotterdam, Southern Arizona, Veracruz,

...

More information on

www.oecd.org/edu/higher/regionaldevelopment



For all review reports
and
information on Phase 2 reviews
for 2008-2010
see

www.oecd.org/edu/higher/regionaldevelopment

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