

Regional Development and Higher Education - the Next Decade

Report from a PURE (PASCAL Universities' Regional Engagement) Workshop-Conference held in Brussels May 19-20 2011

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What have universities and other institutions of higher education (HEIs) contributed to the development of regions, in Europe and worldwide, in recent times? What may we expect of the HEIs, and about the development of regions, during the current decade? This follows the global financial crisis – the GFC - in a context of continuing ecological stress and continuing environmental degradation. What part do leading intergovernmental organisations play in all of this – and how about relations between Europe and other parts of a rapidly changing world?

These were questions for the forty participants meeting at the Mid Sweden Office close by the European Commission's impressive premises in Brussels. Those taking part came from 14 countries on four continents. They drew on first-hand experience of regional development and HEI engagement. Many represented the work of different sub-national regions in which they worked. The meeting was informed by the work of the Pascal project known for convenience as PURE – Pascal Universities for Regional Engagement - conceived in meetings between Pascal and a number of regions in 2008. These led to contracts for an initial two-year period 2009-10. Other participants spoke from the viewpoint of regions that might yet join, but had been prevented by local or GFC circumstances.

A dozen provisional policy implications from the PURE Project are set out below. In Brussels, the work was represented by people from seven PURE regions, and peer consultant reviewers from a further nine. Drawing on this experience the meeting asked what progress had been made, and where things might go in the 2010s. In particular it considered the impact of the continuing global crisis; the role of big intergovernmental organisations (IGOs); the diversity, and ambiguity of

meaning and situation, of regions; and the critical pressures on publicly-funded higher education, squeezed between massive expansion and relatively declining public resources.

Issues and highlights from the meeting follow. A monograph referred to below will incorporate these. These notes summarise what was said about (i) realities for regions in their global setting; (ii) the role of international bodies; and (iii) the situation of universities and other HEIs.

First, some of the main themes and issues.

Main themes and issues

- Building and sustaining partnerships that will engage HEIs with the development needs of regions is a slow, painstaking process.
- Planning, reviewing and evaluating, and implementing development strategies is by its nature a never-ending task.
- Context is vital and hugely diverse - between continents, countries and sub-national regions – in history, geography and economy - and in political and social systems, cultural traditions and norms.
- Comparison between the needs, circumstances and strategies of different and diverse regions can help in seeing options more clearly and adopting new approaches as a result.
- The timing of this project coincided with the GFC, making it hard for regions to sustain long-term thinking and planning for sustainable, widely-owned development.

- GFC makes a strategic and innovative approach more timely and necessary – turning a crisis into an opportunity for changes that are already overdue.
- It remains to be seen how many regions can achieve this. Opening speaker Alex King, Deputy Leader of Kent County Council, intends that it remains central to his region’s thinking.
- Many regions are embattled, lacking effective delegations and not well trusted- by central government. New responsibilities come with reduced funding, making for regional government unpopularity.
- Universities feel themselves in crisis in many countries, as competitiveness intensifies, student numbers and expectation rise, and resources are reduced.
- There are philosophical differences about what development means, and about priorities and measurement. Quality of life or well-being is important, as well as national and personal income.
- The third, civil society non-governmental organisation (NGOs) sector, is important beside the public sector. So is the private second sector of industry, commerce, and especially SMEs..
- Main drivers and indicators remain hard-economic. Environmental priorities are contested; social and civic dimensions are harder to measure. Indicators should not limit objectives to what is easily measured. They should be mainly developmental.

(i) Realities for regions in their global setting

State-of-play accounts and analysis of what these mean for policy-makers enriched and grounded the meeting throughout, beginning with Alex King's opening address on **Kent**. Kent faces a 15-20% staff cut and must guard the county's present and future interest in a dramatically changed national policy setting. Threats include high job losses such as the closing of Pfizer, making systemic youth unemployment worse. This crisis is also a rare opportunity to see that old solutions no longer work. New approaches must involve the academic world and the private sector, and learning from best practice wherever it is found, worldwide. The new national Local Enterprise Partnership scheme provided one such opportunity, but strong leadership for partnership remained essential. Later in the meeting the practical obstacles to seizing opportunity in Kent were revealed in the reluctance of some local universities and other stakeholders to become truly involved in the PURE project. By the time the initial two-year project was over key individuals were interested, the idea had matured in more minds, and a fresh start was in principle possible on this base.

Helsinki Metropolitan (Helsinki, Espoo and Vaanta cities), a 'region' at three levels (600k, 1m and 1.4 million people from city to local region) had just had its second PURE consultative development group (CDG) visit. It thus resembled several other PURE regions in its ambiguity and plurality of meaning and reality as a region. Also, according to one of the CDG reviewers, Jane Niall from the State of Victoria, not unique is the bewildering complexity of the policy-making (political, administrative, regulative) environment at least to visitors; and the uncertain policy environment, in the aftermath of national elections and a big change in political fortunes. National government appears both a stronger central planner and a supporter of regional effort, yet often failing to give a clear lead. The sense of remoteness within Europe affects outlook and illustrates the importance of geography and place – a point echoed later from **Brittany**. For all Finland's reputation for innovation 'personalised' in Nokia, the perception of the CDG from PURE was that the R&D base is weak. Academic collaboration occurs but is patchy and *ad hoc*, uncoordinated and with duplication. Yet from outside, Finland and Helsinki Metropolitan impress: the co-funding of new professorships; the creation of Aalto by central government decision; the systematic co-operation between the cities and their universities.

The need for clear leadership and the time needed to embed change emerged as common themes. A report from Martin Chisholm presented a Chambers of Commerce perspective in **Glasgow** and argued that there is a virtual absence of the private sector from thinking, planning, and carrying out policy, as well as the ambiguous and plural character of 'regions'. For industry in Scotland the college-based skills sector of tertiary education, and its connection to higher education, was vital.

This developed a conference theme about teenage-level fitness-for-purpose education and training, and the demotivation of many teenagers from the school curriculum; and another on the need for tertiary sector planning, which was taken up from **Northern Illinois (NI)**. Here the lead Pascal and PURE partner, Northern Illinois University (NIU), works with and needs the 26 feeder community colleges in its operational but otherwise non-existent 'region' – an artefact in this sense to take part in PURE and develop a sense of common identity and purpose, overshadowed as it was, like Kent with London, by its powerful looming metropolitan neighbour, Chicago. For NI and NIU the outcome needed from PURE was a *sense of region*. Within the two-year time-span, success was at best marginal; but an agenda had been recognised and set for the next 20 years. Next, and still tough for NIU, comes university 'in-reach'!

Another metropolitan region, **Melbourne**, reported substantial but also mixed results, not always as expected. In some of the eight universities there was important change of direction and behaviour. But the new coordinating body for shared region-university development (OKC) had been rolled back to a shadow of its original form, and competition continued to rule.

As in the **Flanders** region, the benchmarking tool was taken seriously and used widely. In Melbourne the region and some universities look likely to continue with its periodic use as a guide to present performance and business opportunities. In Flanders the intention is to use it every two years and develop longitudinal self-evaluation. In both places 'region' was complicated: in Flanders by the unique political and ethnic-cultural configuration of the country and its constitution; in Melbourne by the difficulty of delineating City from Metropolis out to the whole State of Victoria. No one 'answer' is 'correct'; all are correct and relevant in terms of economic, social, identity and sometimes administrative reality.

PURE is relatively over-subscribed from the Nordic world, and from the Anglophone world of North America, Australia and the UK. Its Hungarian region, like the African regions, is very different. So is **Puglia** in the Italian south. *Context and diversity* were recurrent conference themes. Puglia well illustrated both, with its strong and distinctive culture, history and traditionally grounded social capital and development possibilities. Here PURE was very timely – the accident of time being another generic theme that shows how hard it is to generalise. It helped a sought-after shift of focus from education to learning, giving energy to a desire to widen the concept of lifelong learning as part of a general cultural shift. As elsewhere, the benchmarking tool, greeted with initial doubt or hostility, brought universities together. The signal given by their working together publicly, and some joint cross-sector activities and events using the PURE opportunity, opened the way for an ongoing cycle of economic and social development activities attuned to the world and people of the Puglia Region.

Two Swedish regions were 'visited' in the meeting. **Varmland**, a rural sparsely populated region, demonstrates the need for sustained effort in the never-ending process of building and using partnership to support a region's development. From its early involvement with the OECD's mid-decade round of studies to the plans for coming years, purposeful engagement has been the practice for a decade. Anders Olson stressed the importance of continuity, and the capacity and trust that this builds, with examples of tangible results of partnership benefiting all parties. For Varmland, as for Puglia, the timing of PURE was good, building on the OECD review, with the same leading outside reviewer from one into the other. Varmland was making the vital transition from knowledge transmission to knowledge co-production, and exercising influence at national level.

Jamtland, the Mid Sweden region that hosted this meeting in Brussels, has become a very active Pascal regional member and has been helped by the Varmland experience. Here the single university in another sparsely populated rural area has been slow to persuade. PURE enabled the links to be made, with a real body speaking for the eight municipalities as a region. Two important lessons emerge from here: regular (monthly) meetings in the effort to cooperate; and doing real things together – a lesson also taught by the work in Melbourne.

Speaking from outside the PURE project but as a CDG reviewer for the English region of **Devon and Cornwall**, Jean-Marie Filloque stressed the remote 'social island' situation of Brittany, not unlike Finland, with a strong sense of identity and a social capital associational infrastructure that echoes Puglia. As with Helsinki there is great complexity of the multi-level political-administrative operating environment. Efforts to bring together the different departments under the elected Regional Council unravelled after six months, each returning to its familiar responsibilities. Helsinki has a new merger-based university, Aalto; Brittany has since 2008 had a multi-institutional European University of Brittany'. Characteristically, each party was keen to bring Brittany into PURE, but none was prepared to take the lead and pay.

Another west Europe region that sought to join PURE but was derailed by GFC is **Dublin**. Maria Slowey spoke from the political and economic reality about progress in bringing the Dublin city and region HEIs together into a long-term sustainable strategic relationship - something which she could address with the authority of experience of the long-lasting HE alliance in NE England. The Dublin Region Higher Education Alliance grew in the context of, for Dublin, the new idea of a city region; it includes four universities and four institutes of technology, and so is tertiary in scope. The DHRHEA remit includes widening access and internationalisation as well as the student experience at pre- and post-graduate levels. The Alliance's advisory board represents the three sectors of society outside the university, public, private and third. The challenge now is to turn the serious GFC crisis that Ireland suffers into the kind of opportunity that is visualised in Kent.

(ii) The role of international bodies

Two powerful governmental bodies, the EU and the OECD, were considered. The event itself was convened by a non-governmental network, also international in character. For the EU, regions are important, as was evidenced *inter alia* in its Memorandum of Lifelong Learning; much of its effort relies on local delivery and this is likely to be emphasised once again in further iterations of its Adult Education Action plan for 2014 onwards. Unlike the OECD, it is a highly significant source of

development funds, for example through the Lifelong Learning Programme. Despite the relatively low profile of these funds in the Commission structure they are likely to become more important; some PURE work within the European region showed the domination of national over diverse regional perspectives in the allocation of EU funds.

The EU Committee for Regions' (CoE) experience is of huge diversity between regions and their place-based innovation systems, knowledge-generating organisations, and capacity to absorb knowledge. Regional innovation systems are very diverse, implying different development paths, but are of generally rising significance. The OECD also currently favours innovation as a central theme across the whole organisation.

Looking ahead - to Silke Toenshoff from the CoE 'the future is already here, it is just not very widely distributed' - new needs and requirements will be put before universities in the EU, in some traditional as well as new hi-tech sectors, across social as well as strictly economic dimensions. The OECD also places as much store by social as by economic innovation. From the EC regional perspective common themes include ageing (albeit varied), networking in a global context, and global credentialing of standards. In a philosophical shift it means for HEIs more application of knowledge tailored to different curricula and needs rather than mainly acquiring and retaining.

The longer history of the OECD, as described by Jarl Bengtsson, former head of the think-tank, the Centre for Educational Research and Innovation (CERI), itself reflects evolution as need dictates, from its genesis following the 1946 Marshall Plan through European economic cooperation to the OECD fifty years ago this month. CERI was created in the year of student activism, 1968. The Institutional Management of Higher Education (IMHE) Programme and club of HEIs was set up the following decade as system expansion from elite to mass higher education demanded that university management be professionalised. OECD continues to be characterised by very high political and economic authority built on its professional rather than mainly political staff and character.

CERI has been a leading innovator in educational thought and - so far as possible for a body lacking the EU's grant-giving leverage – its implementation in a wider economic and social context. It invites and challenges universities to evolve in an evolving real-world situation, a process mirrored in the Organisation's own efforts to connect its educational with territorial and governance as well as economic and other social issues.

The centrality of knowledge as a resource became recognised in an OECD initiative from the nineties, adding learning cities and regions to earlier lifelong learning and recurrent education work. From this work (and specifically an OECD conference on higher education and regional development in Melbourne in 2002) the INGO Pascal was conceived. In direct lineage, Pascal PURE grew out of OECD's work led by IMHE to review the role of universities in regional development. Pascal, without the formal stature of OECD but with the flexibility of an NGO, built PURE alongside the ongoing OECD review and policy formation work to tackle problems of implementing and sustaining partnership and engagement in the regional public interest. The advantage of flexibility that an NGO enjoys allows Pascal to concentrate more on the nitty-gritty of implementation, and to approach the concept of region in an open and exploratory manner.

Looking ahead, OECD like the EU has large and increasing global – non-European – links and influence. This includes coming to terms with 'BRICS' – the new economic power of Brazil, Russia, India, China, South Africa and their regions. OECD will continue to treat innovation as centrally important. This means implementing lifelong learning, both individual and organisational learning together with adult competences including the 'digital divide', and competing scenarios for higher education. OECD has been a main proponent for thinking of tertiary rather than only higher education systems.

(iii) The situation of universities and other HEIs

There is a widespread sense that public universities are in crisis, with traditional values under threat. At the same time the need for universities to engage or re-engage with their regions and communities, including employers and the business community, is stronger than ever, implying deep changes in curriculum, character and behaviour. One region's lead contact, who was unable to get to Brussels, is concerned to know what a region can do if universities do not wish to collaborate. The question, if not addressed directly, was a common theme for much that was said about universities. The answer may in many cases be 'very little'. An OECD scenario for the future of higher education sees the elite highly selective 'world class' universities as continuing pretty well unscathed.

Several people reported discerning a tendency for universities to revert to familiar ('ivory tower') behaviour, finding the ever-wider range of demands and roles required of them too difficult. It is a common human instinct and failure, but a danger for the institutions as well as for society. Local engagement carried difficulties and may lack the required extrinsic and early rewards to justify the effort. The relatively new role of broker or boundary-spanner between the different worlds of public administration, private business, and academe is often crucial. It was important for Pascal to adhere rigorously to its task of finding means for cross-sector connectivity.

Some participants saw the glass as half empty, and draining further. On the other hand, there were also reports of a swing back to earlier community engagement roles in different places – in the United States to the Land Grant tradition of community service, in the UK to the city roots of the great industrial city civic universities, torn though they are between global elite status and being regionally embedded. It was pointed out that, like it or not, all traditional and non-virtual universities are physically located in localities and regions.

The future is seen to belong with the co-production of knowledge rather than its transmission from universities out to others. Seventy-five per cent of the OECD world's R&D is already located not in HE

but in the private sector. For universities the familiar is no longer available as a refuge from change. The transition to a new paradigm however seems impossibly difficult. It places big expectations on institutional leaders, demanding tough and courageous leadership – as one participant remarked: ‘world class? - every university wants to be there but doesn’t know what it means!’ The circumstances also support the case for having a majority of community or ‘la members on governing bodies. The curriculum needs to be built and revised on a wider partnership basis than only from the disciplinary perspectives of the established university.

In a number of city regions attempts are being made to bring universities – and sometimes other tertiary education institutions - together with one another and the region’s public and private stakeholders, in a collaborative mode which recognises the reality also of competition – what in Melbourne was named ‘*coopetition*’. Some national governments are also seeking and facilitating university mergers in regions; there were examples from Helsinki, Denmark, Brittany and the UK. This may be one way to resolve a choice that the OECD posed to itself: as to whether a world class institution or a good regional *system* most benefits a region. The meeting heard of collaborative arrangements in Dublin, Helsinki and Melbourne, and trans-sector collaboration in several regions such as Northern Illinois and Glasgow as well as Dublin and Melbourne.

The pressure to compete and excel in an environment much affected by national and global league tables adds to financial constraints, and to the struggle to meet ever greater demand in the mass HE era with narrowing resources. It was pointed out that the circumstances and responses of universities depended heavily on the different cultures of different individual countries. The meeting none the less considered regional engagement to be essential, a potential win-win, as well as essential to remain competitive with more innovative and economically rising world regions, notably of Asia and Latin America.

A wider consideration, looking ahead, had to do with the effect of university internationalisation, especially the competition for high-fee-paying foreign students as new sources of HE business, perhaps replacing falling local demand or a declining youth cohort, with ageing. The effect was to attract elite talent away from poor countries, where the Millennium Development Goals and

Education for All are suffering pitiful shortfall against targets, in a form of selective sponsored immigration, even as immigration in general becomes more highly restricted. The more wealthy regions may then benefit; but at a high cost, thinking more globally. Already over 60% of USA doctoral and post-doctoral students are from overseas.

A discussion of universities and their '3rd mission' criticised frequent over-emphasis on universities, at the expense of regions as equal partners. There is often a gulf that is made worse by different 'languages' in these two places. Fine mission statements were common. Often they remained rhetorical, to the point that regional community engagement was hidden rather than celebrated – although a new political interest in the impact (or utility) of research was changing this in some countries such as the UK and Australia.

Summing up

What is the general conclusion across experience so diverse in regional context, the fortunes of timing, changes of leadership and other variables?

- The new context of global financial crisis is a shared one. So is the need for major - paradigmatic – change.
- Good engagement for regional development will be an approximation towards an ideal partnership - always a work in process, never a final resting place.
- Wider changes will help: education seen as an investment rather than a consumption good; a grasp of the public good and the role of organised society in achieving this; a significantly modernised and more useful economics.

- The Puglia Region notion of *sustainable contraction* offers a challenge round which new forms of collaborative development might occur.

Next Step, and an Invitation

Participants were given the outline of a book to be published by the Manchester University Press. They and others are invited to assist. Please contact co-author chris.duke@rmit.edu.au if you need a copy, and send your comments and advice.

The meeting discussed twenty-one questions arising from the work of PURE. These are given below. Comments and answers also please to Chris Duke.

You can also see below one person's a subjective and provisional answers. Please now offer us your own.

Annexes

(i) Twelve policy implications

1. It is important to win the support of top level people in regions and in universities, to make engagement effective and sustain it. Engagement must be embedded in the culture and practice of institutions for continuity, as the leadership changes.
2. Partnership based in trust must be sustained between different stakeholders and made operational in practical ways.
3. This takes time but is the only way to get full returns on investment made in projects like PURE.
4. Regional Innovation Systems appear fundamental to the prosperity and well-being of regions.
5. Strong university governance requires good external representation. Regions may need to lobby national governments to enable this.
6. Regions and universities need to stimulate SMEs, involving the banks and exploring microfinance.
7. Green technology jobs and skills should be a central part of regions' regeneration policy, with strong university support.
8. The involvement of excluded and vulnerable groups in community activities and projects should be an active priority for all regions and university partners.

9. National administrations should work with supra-national jurisdictions such as the EU in supporting diverse and appropriate regional development.

10. All parties need to manage collaboration and partnership within competitive free market conditions and in the face of global pressures and crises.

11. The implementation of lifelong learning at regional levels should be a principal policy objective.

12. All this implies permanent emphasis on learning by individuals and organisations, and more active involvement in interregional exchange.

(ii) Twenty-one Questions

The PURE Processes

Q.1. Has a 'learning network' of regions been created? Do regions continue collaborating in difficult times?

Q.2. Can useful networking be built virtually, and when is direct exchange and working together essential?

Q.3. Does expectation of expert consultancy obstruct regions from self-reliance and learning from one another?

Q.4. Are on-going partnerships established within regions with enough pay-offs to keep them up with universities? (How is the momentum sustained eg in Varmland?)

Q.5. Can a university take a project lead without taking over the regional agenda?

Regional Initiative and Leadership

Q.6. How do regions in different traditions and political systems make policy, and partner with universities?

Q.7. How should regions deal with central government instincts to direct and control? Can they avoid being drawn into national politics, political apathy and cynicism, and build on local resources and identity?

Q.8. How do regions win trust and get what is needed from central government to allow regional engagement - legislation, funding arrangements, etc?

Q.9. How do regions create good 'joined-up' culture and arrangements:

a) between the political and administrative arms of regional government;

b) between departments in their own administration *horizontally*;

- c) with central government departments and policy-makers *vertically*;
- d) *externally* with the regional community, private and third (NGO) sector, and HEIs, and equip themselves (human resources, structures and arrangements) for this work?

Q.10. How can regions turn a crisis into an opportunity, eg. investing in green jobs and skills?

Leadership in Higher Education

Q.11A. Must the university CEO (Rector, Principal, VC etc) give a clear lead in working with the region?

Q.11B. Or is action 'out and about in faculty-land' enough, with tolerant passive support from the centre?

Q.12. Are rewards and sanctions (sticks and carrots) the only reliable way to create an institutional culture of engagement?

Q.13. How can the commitment to engagement be sustained as leaders come and go?

Q.14. What formal governance and partnership measures are needed and work - *ex officio* seats on regional planning authorities, standing consultative bodies, MOUs and MOAs, strong lay presence on governing bodies?

The '3rd mission' of universities

Q.15. Do regions see universities as a valuable resource?

Q.16A. Should all universities be committed to regional development, with minimal requirements on all in terms of '3rd mission engagement'?

Q.16B. Or should the most prestigious be left to pursue 'world class' objectives?

Q.17. Should we abandon the term '3rd mission', and talk instead of community and regional service, engagement, interaction, co-production and use of knowledge?

Cooperation and collaboration between universities

Q.18. What formal arrangement and mechanisms work (examples from Melbourne, Manchester, Helsinki, Dublin, Puglia...)?

Q.19. Do they need national or regional government authority, and a mandate with rewards and strong sanctions, to be sustainable?

How can regions get what they need?

Q.20. How can curriculum be brought closer into line with the labour market development (skills training, HRD) needs of the region?

Q.21A. Should regions require college and university higher education institutions to work together for regional development in a 'tertiary system'? Should it be planned and funded as a regional system rather than single institutions?

Q.21B. Should regions lobby national funding authorities for rewards and penalties to all HEIs to provide between them the full range of necessary tertiary and higher education?

(iii) One Set of Answers

Q.1 Partly, and with difficulty.

Q.2 Still finding out.

Q.3 Yes, quite a lot.

Q.4 Too early to say, some probably, some probably not.

Q.5 Yes, in a few cases.

Q.6 This is varied and difficult.

Q.7 A crucial requirement; no easy answer in each case.

Q.8 Also often crucial; no one-size-fits-all solution.

Q.9 A key matter; it needs unceasing local effort to resist siloing.

Q.10 Little evidence of this happening so far.

Q.11 A challenge (B) to received wisdom (A) – sometimes the only way.

Q.12 Maybe in the short-term, but it needs more long-term.

Q.13 Embed a self-sustaining culture throughout the institution.

Q.14 Requires a many-stranded system of arrangements.

Q.15 Not usually, at least to begin with.

Q.16 Deeply divisive and problematic. I greatly dislike this aspect of globalisation

but incline towards pragmatism on this.

Q.17 Yes.

Q.18 There are several examples; but the urge to compete is always strong.

Q.19 A formal requirement with rewards and sanctions may usually be necessary for
some time.

Q.20 Requires a sense of university self-interest followed by a lot of effort with the
detail, and sustained collaboration with regional partners.

Q.21 Yes (A), yes (B) and yes (C), if at all feasible.