



Supporting the Contribution of Higher Education Institutions to Regional Development

Peer Review Report

The Jyväskylä Region, Finland

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EXECUTIVE SUMMARY

Background: OECD/IMHE review

This review of the Jyväskylä region in Finland is part of the OECD/IMHE project entitled Supporting the Contribution of Higher Education Institutions to Regional Development which embraces 14 regions in 12 countries in 2005/2006. The IMHE thematic review project was launched as a response to a multiplicity of initiatives across OECD countries seeking to mobilise higher education in support of regional development. The aim was to synthesise this experience into a coherent body of policy and practice to guide higher education institutions and regional and national governments. At the same time, the IMHE project was designed to assist with capacity building in each country/region through providing an opportunity for dialogue between HEIs and regional stakeholders and clarifying roles and responsibilities.

Review process

The Peer Review drew on a self-evaluation process guided by an OECD template. This asked HEIs to critically evaluate with their regional partners and in the context of national higher education and regional policies how effective they were in contributing to the development of their regions. Key aspects of the self evaluation related to: the contribution of research to regional innovation; the role of teaching and learning in the development of human capital; the contribution to social, cultural and environmental development and the role of the HEIs in building regional capacity to act in an increasingly competitive global economy.

The Jyväskylä self-evaluation was overseen by a Regional Steering Committee with participation and part financing from key regional stakeholders and the Finnish Ministry of Education. The regional self-evaluation was linked to a national process initiated by the Ministry of Education requiring universities and polytechnics to update their joint regional strategies. The process was characterised by a focus on data collection and review and analysis of existing strategies, plans and policies. The OECD review visit took place in January 2006. The Peer Review Team - Professor John Goddard (UK), Professor Henry Etzkowitz (US), Professor Ilkka Virtanen (FIN), and Jaana Puukka (OECD) - met more than 60 senior people, including the representatives from three ministries (Ministry of Education, Ministry of Trade and Industry, and Ministry of Interior), the Prime Minister's office (Science and Technology Policy Council of Finland), and TEKES (Finnish Funding Agency for Technology and Innovation) and key regional stakeholders, the leaders of the higher education institutions, and representatives of staff and students.

Jyväskylä region and Central Finland

Central Finland is a region of sharp contrasts: there are six sub-regions covering 30 municipalities. More than 60% of the total population reside in the Jyväskylä subregion. There are marked intra-regional disparities with a decline in prosperity in the peripheral areas characterised by an ageing population and rapid growth in the Jyväskylä region. The Jyväskylä region is one of the key urban areas in Finland. The early 1990s deep recession was followed by a rapid structural change. Since the end of 1990s, as a result of collective efforts from the local authorities, the higher education institutions, and the business sector, a regional knowledge economy has emerged. Today, the Jyväskylä region is one of the fastest growing city regions in the country but lags behind the national average on critical performance measures. For example, the unemployment rate remains higher than the national average (13.5 vs. 11%). Central Finland as a whole suffers from low productivity within the existing business base which is predominantly SMEs with low levels of R&D investment.

Higher education institutions' contribution to region building

The expansion of higher education has been a key factor in the growth of the regional economy, with a total employment of nearly 3 000 staff and more than 20 000 students accounting for 7% of the total population of Central Finland and one third of the population of the city of Jyväskylä. The University of Jyväskylä is a multi-faculty institution which produces the second largest number of Masters level graduates in the country. The output of graduates exceeds the absorptive capacity of the region with two thirds of graduates leaving to find employment elsewhere. The Jyväskylä Polytechnic offers 30 bachelor degree programmes. 34% of these students are from Central Finland and 60% of the graduates find employment in the region. The University of Jyväskylä and the Jyväskylä Polytechnic differ in terms of history, missions, governance structures, and funding systems. While they both articulate a desire to implement regional engagement strategies, there is diversity in implementation and emphasis: the University is geared towards research connecting the locality with the international knowledge base whereas the Polytechnic is concerned with the development of well-being and working life here and now.

The national perspective

As in many countries, a wide range of national policies in addition to higher education policy influence the capacity of HEIs to engage in the development of their regions. Finland has possibly the most sophisticated and well funded national innovation policy amongst OECD countries, but the regional dimension to this policy is only beginning to emerge, promoted in part by the success of the lightly funded Centres of Expertise programme and Science Parks. HEIs in the major cities like Jyväskylä can play a key role in driving the development of internationally competitive hubs in the global knowledge economy. But for this opportunity to be seized, funding mechanisms for universities (currently strongly linked to student number outputs) and research funding (which does not cover the full economic costs) need to be fundamentally changed to give greater financial rewards for external engagement and more autonomy to institutions working with their regional partners to determine priorities in this domain. In the short run, a national pot of funding to support regional engagement to which universities and polytechnics together with their regional partners could bid to support specific projects of their own choosing could kick start the necessary change process.

A key feature of the development of Finland is its highly polarised nature both inter-regionally (the Helsinki region versus the rest of the country) and intra-regionally (major cities vis-a-vis their hinterlands). This raises the question as to whether there should be an explicit territorial dimension to higher education funding which differentially rewards HEIs to engage in the development of their regions in relation to regional needs. In the case of Jyväskylä this would be linked to the support of the peripheral areas of Central Finland and disadvantaged groups within the city region itself. To achieve this goal collaboration between Polytechnics with explicit regional role and Universities in the regions such that there is a joint responsibility for the development of the region will be necessary.

The regional perspective

Successful regional development involves the building of partnerships between key actors and agents and the creation of a shared understanding of the strengths and weaknesses of the region and the steps necessary to counter threats and realise opportunities. HEIs can play a key role in this process. The OECD review has stimulated a dialogue in Jyväskylä. The leadership role of the Steering Committee and its acceptance by the wider society will be critical. The group will need to achieve a wide buy-in to the view that the HEIs are a key component in the long term success of the Jyväskylä sub-region and Central Finland. It will need to pursue the rationalisation of the multiplicity of regional strategies which impinge on the HEIs into a single coherent vision which links the global role of the higher education and research to the development of Jyväskylä and Central Finland.

The HEI perspective

Grand visions need resources and capacity for their development and to drive through the implementation process. The University and Polytechnic, ideally working together through a joint unit that they

could establish, are best placed to facilitate the process of reach in and reach out from the HEIs. The success of the Jyväskylä Science Park as an intermediary body facilitating the development of key industrial clusters via spin-outs, R&D, the development of MSc programmes to meet regional skill needs and assisting with management of facilities for the University provides a model that could be applied to a wide range of other areas where both HEIs interact with the region (e.g. continuing education and enterprise education).

Embedding the endeavour of these intermediary bodies dedicated to regional development into the academic heartland of the HEIs requires strong institutional leadership. This is a challenge for universities like Jyväskylä with a long tradition of collegial governance. If Finnish universities are going to earn greater autonomy from the Government in return for additional resources to support regional engagement, stronger performance management at all levels is required.

Conclusion

Jyväskylä has frequently been used as a pioneer for the development of new approaches to higher education in Finland. Finland is now facing major challenges arising from globalisation which have profound implications for both higher education and territorial development. The process of regional capacity building in Jyväskylä that has been accelerated by the OECD review could provide the basis for testing and evaluating a raft of new approaches at the interface between higher education and the wider society regionally. It is a domain that poses major challenges for national policy. A pilot programme in one region and with two different HEIs and which builds on the recommendations in the OECD Peer Review Report could assist with the shaping of answers to these national level challenges. The international networks established as part of the overall OECD/IMHE project could also assist with a learning process which draws on experience from other countries.