



## **Supporting the contribution of Higher Education Institutions to Regional Development**

### **Peer Review Report**

#### ***Canary Islands, Spain***

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July 2006

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#### EXECUTIVE SUMMARY

Background: OECD/IMHE review

This review of the Canary Islands region in Spain 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 Canary Islands self-evaluation was overseen by the Canarias Agency for Quality Assessment and University Accreditation (ACECAU) and

a Regional Steering Committee with participation from two universities in the region, business organisations, trade unions, researchers, government-related agencies and NGOs. The Regional Steering Committee was chaired by current regional Secretary of Industry, Commerce and New Technologies, and coordinated by the Executive Director of ACECAU. The direct costs of the project were covered by the regional government. The OECD review visit took place in April 2006. The Peer Review Team - Professor Chris Duke (UK), Dr Walter Uegama (Canada), Professor José Ginés Mora-Ruiz (Spain), and Francisco Marmolejo (OECD) - met more than 130 people, including the President of the regional government

#### Canary Islands region

The Canary Islands region comprises seven islands located out in the Atlantic far south of mainland Spain and close to the coast of West Africa. The region enjoys a special fiscal status in the European Union as an ultra-peripheral region. The Islands have long been a stopping point and a historical hub connecting Europe, through Spain and in other ways, with Latin America, to some extent also North America, and more recently with West Africa. In the last two decades, the region has made a successful transition from primary to tertiary sector economy due to the increase in tourism, along with the ancillary construction industry to build the infrastructure, especially hotel and related facilities, for visitors who in total outnumber the resident population six or seven-fold. Tourism (and related businesses such as construction) is the real engine of regional development, currently representing 37% of GDP. This narrow economic base has brought prosperity to the islands, but it appears now to be a fragile one due to increased competition from other tourist destinations. There is consensus that the present heavy reliance on tourism and related construction in its current form cannot long continue, since it is necessary to vary and alter the market position of the tourist industry, but also at the same time to diversify the economic and employment base.

On the social and political angles, the region shows significant disparities and tensions. The seven islands are grouped within two provinces and the regional government conducts business between the two main islands one for each province, in Tenerife and Gran Canarias. Competition and sometimes jealousy between each of the seven islands and between the two provincial groups appears to be high, sustained and endemic. Each island, even if only a few thousand strong, wants what the others all have, such as its own hospital and indeed university. This micro-regionalism limits rational and consensual development, making it hard for leadership at regional and more local levels to move forward.

#### Higher education institutions' contribution to region building

The Canary Islands has two main universities and an almost invisible local branch of Universidad Nacional de Educacion a Distancia (UNED). The University of La Laguna (ULL) in Tenerife Island, and the Universidad de las Palmas de Gran Canaria (ULPGC) in Gran Canarias, differ in terms of history and missions: ULL is an old and prestigious university, focused on humanities and sciences, and appears similar to "research-led" universities in other continental European countries. In contrast, ULPGC has a more recent history, as it grew out of the merging of small polytechnic university and an ULL campus on Gran

Canarias Island. Since its inception ULPGC has been more focused on technical and engineering programmes. Both universities have made a significant contribution to the preparation of qualified inhabitants for the development of the region. During the academic year 2002-2003 both universities had a combined enrolment of 46 330 students, in addition to 7 180 at UNED, providing employment to nearly 3 000 academic staff.

Important issues remain to be addressed, especially in the areas of access, quality and relevance of higher education for the region, and taking into consideration that higher education in the Canaries has a lower performance than the rest of Spain. For instance, pass rates for the admission examination are substantially lower than those for Spain as a whole, and the region is among the lowest ranked in the country. In addition, non-completion rates are almost five points above the Spanish average in the case of one university, and slightly lower than the national average in the case of the other university.

The economy of the region changed abruptly from agriculture to services, without passing through an industrial development stage. The business sector in the Canaries is characterised by a predominance of very small firms, and a few big firms which are not regional. This situation impacts decisively on the innovation process, both in terms of the knowledge required and of firms' research capacity. As a consequence, R&D expenditures are very low, even by Spanish standards. It is not a surprise that the Canarian universities allocate few resources to research and very few (or nothing at all) to technology research, with no specific focus on regional needs.

Finally, the socio-political-historical context of the region has an important influence in the way higher education institutions operate. Limited cooperation at the institutional level and a sense of competition and sometimes confrontation among the two universities, are very evident. Universities are seen by those in industry and some in government as being non-responsive to the socio-economic needs of the region in general, although at the same time, recognising their importance and potential for the development of the region. In any case, in a region marked by a high level of competitive separatism, both universities are a vital resource and must take a more active part in the region's development.

#### The national perspective

This is a critical time for the Canaries. The increasing autonomy of Spanish regions gives both opportunity and responsibility to provide leadership and direction, and to turn aspirations into hard reality. The renewal of special status as an ultra-peripheral region within the European Community provides an opportunity for European level support and a distinctive identity, while the Bologna agreement provides necessity and leverage for change in higher education that can be used to advantage.

The Spanish higher education system, like other systems, is changing rapidly under global and European pressures. Laws and regulations can and will continue to change. It will be better if these changes are informed by well thought through needs at regional level, and build in the necessary degrees of freedom and diversity to allow different parts of a large and increasingly decentralised country to develop at

different rates and in different ways. The imperative for change from Brussels and the global economy should be counterbalanced by local pressures from within. As a consequence, higher education in the Canary Islands with support from the regional government are in a critical position to engage in a constructive dialogue with the Spanish government and the several ministries involved, as well as with the broader higher education policy community, to secure the changes of law and regulation that prove to be necessary. Some of the key elements of such a discussion include the funding mechanisms, institutional governance, levels of flexibility in the offering of academic programmes, and contracting of academic staff, among others. The autonomous region administration, together with its universities, to press ahead with blueprints for development, and where these are barred by national law or regulation, should bring this clearly to the attention of the national government.

### 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. Higher education has an essential role to play in this. This means that the different providers must work much more effectively, both separately and together as a system. These things are only likely to take place if there is a firm lead and direction from the regional government in establishing a higher education plan and system, and in creating and requiring funding mechanisms and reward systems (institutional and individual) that align with these purposes and needs. On the one hand the Canaries government must press and require the universities to adapt in this way. On the other it, together with other regional administrations, must lobby and persuade the national government to make the required changes to law and regulation that will allow resources to be used flexibly to meet the needs of different regions.

The OECD review has stimulated a dialogue in the Canaries about the relevance of their higher education institutions for their own regional development. This opportunity could be seized to develop a strong consensus and a working agenda for action in and for the region. This should clarify the role that the universities should play in being active partners for building and mobilising regional capacity for the Canary Islands. Nevertheless, if this is a key consideration, it is not the only one. The need goes to the very heart of Canaries society and governance: to the apparently deep divisions between the two main islands against each other, between the two groups of islands that they lead as provinces, and between all seven islands in classic small-island internecine competition. The unhelpful competitiveness and duplication occurring between the two universities is a reflection and a manifestation of that history and culture. The universities are victims but now also perpetrators. It is clear that part of the destiny and responsibility of a "real" university is to work within and yet rise above its environment. In this way it may help the process of better developing regional capacity in order for the Canary Islands and its society to plan and look forward with increasing confidence in a difficult, competitive world. This means for the whole region itself as a whole treating capacity building as an urgent requirement, in which both universities must be seen as talented contributors to the process, but also as main subjects for the process, so that their talents and

efforts are better used to help the region. This will benefit the universities themselves at the same time. Building integrative capacity means abandoning some old attitudes and habits, and creating the channels and means of working together.

#### The HEI perspective

How far do ULL and ULPGC have the will and the capacity already to work more fully for regional development? In today's present and expected environment, it is essential to better connect and engage the universities with the different sectors and stakeholders in Canaries society, but also to connect them in productive synergy with each other, with UNED and other institutions in and beyond the region.

In other words, higher education institutions in the region can work more effectively and can further connect powerfully and continuously with their society by being part of a purposeful development system. This requires political will to clearly commit to creating and supporting a real higher education system for the Canaries - rather than just a cluster of institutions - in a process that includes the definition of a realistic but also ambitious timetable, involving the leadership of both ULL and ULPGC in the dialogue and decision making at all points. This will undoubtedly require more rationalisation of resources, roles and responsibilities between the two universities, and much greater capacity for students as well as staff to work at and with both places, for example taking specialisations from the other university within their degree programme. This rational collaborative development should include UNED in respect of facilities and outreach in each island, and especially to those most remote and least well served.

This new environment, both enabling and directive, would need to include clear arrangements for allocating resources in relation to regional policy priorities, and for auditing performance against these priorities, with more specific objectives and even numerical targets. Universities are full of intelligent creative people who find ways of optimising outcomes from new opportunities. So long as morale is good and ambitions are high, this quality tends to produce a natural equilibrium between individuals and groups of staff achieving personal ambitions and job satisfaction, and the universities themselves contributing well and being highly valued for what they do for their society.

In addition, there are some key requirements on the universities to be able to move more confidently to engagement with the region for its development. This applies not only to a necessary modernisation of academic and administrative processes, but also, and no less important, to a profound review of the roles and responsibilities of the Social Council, the University Foundation and, even more, the modalities of the processes leading to the definition of the leadership in both institutions.

#### Conclusion

The Canary Islands are facing major challenges which have profound implications for both higher education and territorial development. If the main stakeholders in the region are clear in the intention to treat regional capacity building as an urgent task, the region and its

universities can turn the Canaries' distinctive and sometimes unique features to advantage. There is a great deal of devil in the detail of what has to follow, but the process of reflection initiated due to the OECD review may serve as a good basis for a comprehensive process aimed at further improving the interface between higher education and the wider society regionally. It is up to the region and its main stakeholders to move ahead.