Chapter 10
Beyond the Obvious: Tensions and Volitions Surrounding the Contributions of Universities to Regional Development and Innovation¹

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ABSTRACT
There is a general tendency amongst policy and certain academic circles to assume that universities are simple strategic actors capable and willing to respond to a well-articulated set of regional demands. In reality, however, universities are extremely complex organizations that operate in highly institutionalized environments and are susceptible to regulative shifts, resource dependencies, and fluctuations in student numbers. Understanding universities’ contributions—and capacities to contribute—to regional development and innovation requires understanding these internal dynamics and how they interact with external environmental agents. Based on a comparative study across various national settings and regional contexts, the chapter highlights the types of tensions and volitions that universities face while attempting to fulfill their “third mission.” Building upon the existing literature and novel empirical insights, the chapter advances a new conceptual model for opening the “black box” of the university-region interface and disentangling the impacts of purposive, political efforts to change universities’ internal fabrics and to institutionalize the regional mission.

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INTRODUCTION

There is currently an increasing global expectation that universities should be involved in territorial development processes for the benefit of both their immediate locality but also their wider national contexts. Universities located in peripheral regions may face additional practical pressure arising from the fact that there are few other substantial innovative actors (see Fontes & Coombs, 2001; Tödtling & Tripl, 2005), and so policy-makers rely heavily on the leadership role of universities in addressing regional needs (Uyarra, 2010; Zahra & George, 2002). Universities contribute to the broader development of their regional surroundings through a variety of means: by attracting (and retaining) talented individuals; by providing graduates with skills and competencies required for (local and national) labour markets; by undertaking cutting edge research, basic and applied, that spills to the outside through technology transfer or strategic alliances; through the direct involvement of academics with the public and private sectors, broad community engagement, and by working with regional policy-makers to improve the aggregate benefits of their spill-over impacts (Gunasekara, 2006).

In spite of a vast body of literature shedding light on the role of universities in regional development (for recent reviews consult, Arbo & Benneworth, 2007; Goldstein, 2009; Pinheiro, 2012a), remarkably little attention has been paid to the tensions and volitions between processes of regional engagement which we here characterise as taking place at three scales within the region:

- The macro scale, covering the regional territory and its coherent units such as political and policy bodies;
- The meso scale, covering the institutional level of actors within strategic business and governance networks (such as universities, local authorities, firms, and intermediary organisations);
- And the micro scale, covering the individuals who actually interact and exchange knowledge without necessarily being fully embedded within institutions/regions.

Given this complexity, there are circumstances when it can make sense to conceptualise universities as purely meso-scale (strategic) institutions, capable of efficiently responding to a relatively well articulated set of external demands and expectations by various (national and regional) constituencies. However, what began as a conceptual simplification to deal with regional complexity has become reified as a reality, and there can be assumptions that securing better regional development outcomes from university-regional interaction is simply a question of better integrating academic structures with regional strategies. This, we argue, reflects a more general tendency to overlook three key factors shaping university-region interaction and outcomes, namely:

- The inherent complexity associated with the ‘black-box’ of the university and the region;
- The effects accrued to this complexity in processes of regional engagement; and
- The university organisational form loosely coupling formal and informal institutional resources.

This chapter seeks to contribute to answering the research question: How can we best conceptualise university-regional interaction as a set of parallel evolutionary dynamics between two complex interlinked systems, the ‘university’ and the ‘region’? To answer this question we draw upon recent empirical evidence emanating from an international comparative study involving 17 social science scholars active within the fields of higher education and regional science studies, and covering contemporaneous developments across (West and Eastern) Europe, South America, Asia, Africa and Oceania (Pinheiro, Benneworth, & Jones, 2012c).