

A step into the unknown: Universities and the governance of regional economic development

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Abstract

As the social and economic landscape changes, universities are coming under growing pressure to contribute to the economic development of their localities. This paper explores the increasing trends towards universities as key actors in the governance of regional economic development through activities to support economic and entrepreneurship development in their regions. A case study is presented of an institution in the UK which is increasingly situating itself in the economic governance sphere. Drawing on the experiences of those working at the coalface of economic governance activities, the opportunities and potential challenges faced by a university when engaging in such activities are explored. The ultimate goal of this paper is to shed light on universities activities in the realm of regional economic governance, an area currently under-explored in extant literature.

Keywords: Regional economic development; third mission; entrepreneurial university; governance

Introduction

Universities, and the knowledge they hold, have increasingly come to be seen as key stimulants of regional economic development (Kitson et al., 2009; Rutten and Boekema, 2007; Smith, 2007). State agencies of regional economic development have been concerned with maximising the economic impact of universities through strategies and actions to leverage the emergence of the knowledge-based economy (Drucker and Goldstein, 2007). Particular interest has been paid, by policy makers and academics, to the potential for commercialisation and economic application of universities' knowledge resources. What was often referred to as "third mission" activities included technology transfer, university-industry partnerships, and educational curricula. The term "third mission", however, broadened over time, and came to include wider activity to foster engagement with industry and society. Furthermore, universities were increasingly expected by their governments to take an active role in the development of their regions (Chatterton and Goddard, 2000; Goddard et al., 2014).

Much study of the role of universities in regional economic development has taken place (Nelles and Vorley, 2010), including practical examples and case-studies of university engagement activities (e.g. Youtie and Shapira, 2008; Garlick and Langworthy, 2008; Gordon et al., 2012), and theorisation of the changing role of universities (Etzkowitz and Leydesdorff, 1997; Gibbons et al., 1984). A popular concept has been that of the "entrepreneurial university" as a driver of entrepreneurial activity for economic growth (Clark, 2001; Klofsten and Jones-Evans, 2000; Audretsch, 2014). However, less attention has been devoted to another dimension of universities' engagement activities, namely as actors in the sphere of economic governance and as regional animateurs. There is increasing interest in the concept of the "engaged university" (Chatterton and Goddard, 2000), or the "university for the entrepreneurial society" (Audretsch, 2014), and the growing role and importance of universities as actors in the governance of economic development. This is the research agenda addressed here, due to the lack of evidence relating to the benefits, mechanisms and

impacts associated with the different types of engagement in different universities (May and Perry, 2006; Uyarra, 2010).

As both universities' and governments' budgets are squeezed through austerity and increasing competition for resources in the globalised economy, it becomes mutually beneficial for universities to engage in a wider range of governance activities. Universities fall under growing pressures to prove their worth and contribution. Activities under the banner of the governance of economic development (henceforth referred to as "economic governance") include: designing and running programmes to support entrepreneurship, innovation, and business growth; engaging with policymakers at the local, regional, and/or national levels; acting as regional animators, engaging with businesses and communities in their localities for economic and wider social benefit. Due to the fact that much of the literature on universities' economic activities focuses on traditional, science and technology based "third mission" style activities, such as spin-out, licensing, and business collaboration, and predominantly on the science and engineering based subjects (Hughes and Kitson, 2012), there are a "number of emergent issues and paradoxes that remain unresolved" within the broader subject of university engagement (Howells et al., 2013).

In this paper, a case study is presented of an institution in the UK that has a track record of engaging in governance activities through designing and delivering innovation, entrepreneurship and business support programmes, and engaging with policymakers at multiple levels. The paper is structured as follows. First, an overview of the extant literature on the evolution of universities' roles is presented, followed by the case study presentation. The historical evolution of the university and its various missions will be discussed, followed by an overview of contemporary involvement in regional economic governance activities, the experience of which this paper is centred around. The discussion is structured around key themes identified as areas where the university can add value and behave as an engaged university, and indeed whether universities should be moving into the governance sphere.

Evolution of Universities Roles from the "Third Mission" to the "Engaged University"

A brief overview is provided of the historical trajectory of the evolution of universities' roles, which leads us to the current state whereby we are witnessing an increasing trend towards the "engaged" university, which partakes in governance activities and acts as a regional anchor (cf. Goddard et al., 2014). Our understanding of what the engaged university is, how it functions, and how activities in the governance domain compliment or compete with the other missions of the university is still an emerging area of study over the last decade. The bulk of past research has focussed on more traditional third mission activities such as licensing, spin-out, and activities of the "entrepreneurial" university (Audretsch, 2014; Lockett et al., 2012; Urbano and Guerrero, 2013). There is much less attention paid to universities interactions with government at various levels, and incorporation of governance activities into universities activities. Interest in this area is rapidly increasing within both academic and policy spheres concerning the wider engagement roles of universities, encompassing governance roles, especially as the policy agenda further embeds principles of university engagement, typically drawing on the concept of the triple helix, and emerging quadruple helix perspectives (Benneworth et al., 2015; Carayannis & Campbell, 2009).

Before continuing, it is important to provide definitions for the terms used in this paper; there are multiple interpretations and understandings associated with each. Firstly, this paper understands the "entrepreneurial university" following Audretsch et al. (2006), who see it as "any university that contributes and provides leadership for creating entrepreneurial thinking, actions, institutions and entrepreneurship capital". For "third mission" activities see

Etzkowitz et al. (2000) conceptualisation of universities taking on activities to “improve regional or national economic performance as well as the university’s financial advantage and that of its faculty”, differentiated from what Baldini et al. (2014) define as “academic entrepreneurship” through both formal and informal mechanisms to commercialise research. Indeed, as Trippel et al. (2012) explain, the “third mission” term reflects multiple forms of engagement- economic, social, and cultural.

As such, the understanding of third mission activities and the regional roles of universities is broad, and accounts for many different ways in which these roles can be enacted. However, a reading of the extant literature shows that it is still quite narrowly focused, despite important efforts to broaden our understanding of the roles universities play in their regions. Contributions have been found that explore a more nuanced view of universities’ roles within their regions include: Power and Malmberg (2008), Smith and Bagchi-Sen (2012), Hughes and Kitson (2012). However, these papers are more agenda setting and exploratory, and pose more questions than they provide answers; the current state of the art is very much one of shifting the focus of work on the entrepreneurial university and discovering the wide range of activities, roles, and impacts therein. This paper is building directly on this emerging research area by illuminating one aspect thus far underexplored - economic governance activities.

The focus in this paper is on academic engagement activities in the sphere of governance of regional economic development in particular, and so must explore what is meant by this term and what kinds of activities it encompasses. Economic governance activities are defined thus: universities can occupy spaces of governance, take a developmental role, link up with policy at various levels, and provide leadership, joined-up policies, and incentives for regional economic development (Chatterton and Goddard, 2000; Gunasekara, 2006). Especially, but not exclusively, in the UK, there has been increased pressure on universities to engage with local businesses in line with the re-scaling of local economic development governance that is taking place (Charles et al., 2014). This specific case is of a university delivering a government originated local business support programme (introduced fully below) which can be situated within this sphere of activity, whilst realising that the category is a broad one and that there are a number of different ways in which various opportunities engage in regional economic governance activities.

In our understanding, universities are seen as enablers or amateurs of regional development, embedding a stronger regional focus in their missions within broad-based coalitions of state and non-state actors (Uyarra, 2010). Essentially, the engaged university’s role (cf. Lawton Smith, 2007) is that of an institutional actor within regional networks of learning and governance (Boucher et al. 2003), supporting the development of regional knowledge infrastructures. Engaged universities act as “nodes”, able to combine external resources and influences with local needs (Bathelt, et al., 2004; Benneworth and Hospers, 2007). A combination of economic and political factors, as well as the individual histories and cultures of institutions, have led to enterprise and the encouragement of entrepreneurship becoming key elements of universities’ activities (Rose et al., 2013). The “third mission” has been added to the original two missions of research and teaching, resulting in a widening of universities’ roles and activities they undertake towards a more entrepreneurial orientation. The emphasis on increasing knowledge transfer in government policy and the increased funding opportunities available as responsible for moving business engagement higher up the agenda for many universities (Rose et al., 2013).

Universities are increasingly expected to take an active role in the development of their regions (Goddard, et al., 2014) “becoming a key asset and powerhouse for economic

development” (Chatterton and Goddard, 2000, p.475). As Uyarra (2010) explains, their roles have changed over the past 25 years due to the expansion of higher education, funding constraints, and a move towards a new paradigm (i.e. “Mode 2”) of knowledge production with a greater focus on building ties between universities and the rest of the economy. Universities have come to be seen as key institutional actors within their national and regional systems of innovation (Chatterton and Goddard, 2000; Gunasekara, 2006). Increasingly, “being located “in” regions, universities and colleges are asked by a new set of regional actors and agencies to make an active contribution to the development “of” these regions” (Chatterton and Goddard, 2000 p. 475).

Previous investigations into universities’ economic governance activities have been conducted (Gunasekara, 2006; OECD, 2007; Uyarra, 2010) and the findings of these can be distilled: there are relatively few cases of successful engagement in this domain, and those that exist are generally small-scale, short-term initiatives. A number of barriers are identified which are preventing the embedding of such practices into wider regional policies, such as the poor alignment of national policies at a regional level, limits to leadership within universities, limited capacity of local and regional agents to work with HEIs, and inadequate funding and incentives. Uyarra (2010 p.1240) suggests that “many universities pay lip service to regional engagement, without evidence of a clear commitment and effective coordination between this and other objectives”. A massive challenge is faced by universities to link their teaching, research, third mission, and community service roles, and also to engage with the various elements of regional development; significant challenges of funding, staff development, and structuring the internal mechanisms exist (Chatterton and Goddard, 2000). As Rose et al. (2013) found, tensions arise over what is core academic activity and how peoples’ time should be spent considering the pressure to conduct teaching and research in particular. And, as these authors point out, whilst teaching and research are in the “comfort zone” of academics, engagement often is not.

Case Study of an “Engaged University”

The case study chosen provides an interesting perspective on the engaged university because the institution has a history of engaging in regional economic development through providing programmes and actions to support the local and regional business population. In recent times, this role has been expanded to engage more directly in governance activities through designing and delivering a large-scale programme funded by and in partnership with central government. This is part of the wider trend outlined above, whereby universities roles have expanded and shifted in favour of more engagement and outreach activities for the economic and social benefit of their regions. Before outlining the present situation and the governance activities currently underway, some background history of the university and its third mission activities to date is provided. An ethical decision was made to anonymise the case study and in particular the participants in the research, as such the background information about the institution is brief. The university is medium-sized in the UK context, and ranks in the top 150 in world rankings (QS and THE) and can be seen as “research led”. The disciplinary profile covers the main areas of arts, sciences, social sciences, and humanities and its founding principles had community engagement and the regional agenda at its core.

Particularly relevant for this paper is this relatively long history of engagement activities, with a “strong pattern of engagement in regeneration activities, [UK Government and European] funding, and arising from targets imposed by these funding bodies, contacts with SMEs” (Rose at al., 2013). As such, the university has a precedent of working with government at various levels and delivering business support programmes in its region. From the outset the vision for the entrepreneurship division, on which this case study focuses, was

to become a leader in entrepreneurship research and education in partnership with business and community. This was achieved by undertaking and disseminating interdisciplinary research in entrepreneurship, innovation and entrepreneurial learning to inform curriculum development. At the same time initiatives were developed which responded to identified and emerging needs within the region, through involvement in a range of partnership activities and specialist programmes targeted at supporting SME business growth.

The institution has long been receiving funding from government and regional development agencies to engage with the local business community. In the past, much of the funding for these types of activities has come from European sources, and utilising universities in regional growth efforts is certainly a key stream of activity being supported (European Commission, 2011). However, this paper argues that it has taken a step (or perhaps a leap) forward in this direction recently by taking on the design, management, and delivery of a large programme originating from the UK central government concerned with local economic growth, which runs into the tens of millions (GBP). For an overview of wider trends in local economic development and governance in the UK the reader is directed to Pike et al. (2015). Here, one specific programme is focussed on as an example of this kind of activity but of course many other examples exist. This is a particular type of university sitting within the national British context, as such the universal replicability of the findings is not assumed in this paper. The feeling from personal experience of working in different institutions and countries, and discussions with international colleagues, is that the issues encountered in this case are fairly universal but further research is needed to test this assumption.

The programme under study here is designed to boost economic growth in English city-regions by introducing a new approach to the coordination of business support and providing a resource for cities to introduce bespoke business, innovation and trade support schemes. The programme sits squarely in the government policy agenda of supporting and stimulating economic growth and is in line with the broader policy intent that this will be driven by and tailored to the needs and opportunities of local areas. The model was developed by central UK government and the participating cities over a series of workshops and meetings in late 2012 and early 2013. Central government and the university worked closely with local Chambers of Commerce to deliver the programme. The university is the accountable body and, through a programme board, appraised all bids, decided on allocations and administered funding. The programme is designed to be flexible, to meet the needs of the different regions, but aims to boost economic performance and increase growth and jobs through three main routes: creating bespoke business, innovation and trade support in each area; management and strategic coordination of economic development; and providing a one-stop shop for local businesses and entrepreneurs.

Success will be measured in three ways: qualitative assessment of performance in coordinating local and national partners to deliver an efficient, high-quality service for local businesses; conducting national surveys of businesses using the one-stop shop function to determine number of businesses acting on advice and conversion rates for referrals to national schemes; and monitoring jobs created and private sector investment leveraged. Each bespoke business, innovation or trade support scheme will have its own individual targets, which are to be agreed before funding is distributed. The contracted targets are: 80% direct investment in companies and 20% co-ordination with programme targets of 2,500 new jobs and 2:1 private sector investment. The programme has performed well against these targets with 2,244 private sector jobs created by June 2015 with over 4,000 jobs projected to be created by 2017. Also, over £64m of private sector investment has been invested (private sector match), and over 67,000 businesses engaged through the programme with 5,790

businesses receiving direct assistance. Through qualitative research, we have established less tangible successes of the programme such as “providing a voice” for the city-regions and instilling “good governance” procedures at the local level. There are two main reasons identified as to why the university was chosen to deliver the programme over other types of providers. Firstly, the university has significant experience in managing and successfully delivering a portfolio of over 50 regional, national and international projects with a combined value in excess of £60m. Drawing on this engagement experience, processes and structures were put in place including the creation of a Programme Board and governance structures, an evaluation framework and process and a claims process. Secondly, by working with SMEs and supporting their growth, the university has built a strong knowledge base, which now provides a platform for business engagement both nationally and internationally.

This has taken the institution further down the path of governance activities, indeed acting almost as a government actor by designing, delivering, and managing a nation-wide economic development programme. The scale and scope of the programme is unprecedented in terms of the governance role being taken by the university through activities including fund holding, distribution, monitoring and evaluation. There was no precedent to follow in terms of setting up the programme, and the ambition (and indeed the justification for a university’s presence in this sphere) was also to go beyond the mechanics of compliant competent project management, to add value to the implementation and delivery of a local growth programme. As such, it is something of a “step into the unknown” for the department and the university, and the staff working on the programme in a number of roles. This has thrown up a number of interesting insights about what the experience of undertaking this kind of activity is like for those actually working in the university, experiencing the changing roles and missions. This is considered an interesting case study to illustrate the benefits and challenges of universities and academics engaging this type of activity, and to learn the lessons going forwards.

Methods of Enquiry

There are three main reasons why the current case has been chosen as an interesting subject for investigating the role of universities in the governance of regional economic development. The first is the statement of intent when the department was originally established to be excellent in research and education, but also in dialogue with local business and community. Secondly, the scale and scope of knowledge exchange and engagement activity alongside world leading research and teaching is notable. And finally, the programme in question is the first of its kind to be delivered by a university, and this illustrates a unique and highly innovative role that the institution is playing.

A number of qualitative methods are combined in order to build up the case study: these were deemed the most appropriate to gather the information needed to address the issues targeted in this paper. Also, the access afforded to key individuals and organisations meant that an in-depth qualitative approach was indeed possible. Qualitative research is widely seen to be an appropriate research approach when answering research questions relating to the “how” and “why”, and also for building theory inductively (Bansal and Corley, 2012). In particular, case studies are considered appropriate to “help sharpen existing theory by pointing to gaps and beginning to fill them” (Siggelkow, 2007, p. 21). In this paper, significant gaps have been identified in the literature relating to the entrepreneurial university and the university-government dimensions. Meanwhile, it must be recognised that a single case such as this cannot prove a theory, but it can identify violations and begin to “fill in the blanks”. For a convincing defence of the case study methodology Eisenhart and Graebner (2007) is called forward.

The case study method has increased in popularity in recent years and is now widely regarded as a useful approach for research (Yin, 2009) when looking for insight and in-depth understanding about a particular phenomenon (Pettigrew, 2003). Case studies seemed appropriate for the fieldwork for a number of reasons. Firstly, as an approach it can explain events and deal with them over a period of time, rather than with the frequency of events (Chetty, 1996: 78). Secondly, as a method, case studies allow a holistic view to be taken so processes or events can be dealt with (Gummesson, 2000). Thirdly, case studies are appropriate when “how” and “why” questions are asked or when the phenomena being studied cannot easily be separated from the context in which it takes place (Yin, 2009). As a method it does not rely solely on ethnography or participant-observation (Yin, 2009). Instead, it would enable rich data to be generated from a variety of sources, in this case, documents, questionnaires, interviews and observation as well as quantitative data sources (questionnaires). Multiple data sources are recognised as being critical for triangulation and substantiating the findings of a study (Eisenhardt, 1991; Denzin and Lincoln, 1994). As an approach the case study method has met with a number of criticisms (for an overview see: Eisenhardt and Graebner, 2007; Siggelkow, 2007). Case studies have been argued to lack statistical validity and any ability for testing hypothesis because only a limited number of cases are dealt with, creating issues about generalisability to a much larger population (Gummesson, 2000). However, the concern with this study was for understanding rather than testing. Thus the strengths of the case study approach outweighed its weaknesses (Chetty, 1996, p.74).

Before explaining the particular methods used, it is important to explain the positionality of the researchers, and how this has been dealt with in terms of the research design in order to ensure maximum rigour and reliability of the research. At the time of study, the authors were employed in or affiliated with the case study institution. The benefit of this was the excellent access gained to key individuals and a certain ease in organising the interviews. Authors could also take advantage of experiences to employ auto-ethnographic and observation methods to enhance the research. The potential downside of researching "from within" an organisation is that an intimate knowledge of the situation, bringing personal preconceptions, could lead to the possibility of influencing respondents, or mis-interpreting the data. To account for these possible issues, a number of steps were taken to increase the objectivity of the research and remove as much as possible of prior biases and understandings. Interviews were recorded and transcribed by a professional, to ensure rigour of representing the interview data. NVivo software was used to support the analysis, and coding was double-checked to make sure all themes were captured and did not overlook important aspects through being "too close" to the respondents or the data. Researchers used the same analysis grid and worked iteratively to cross-reference themes that emerged. By having multiple researchers working with the data, we could pick up on a wide range of themes, and spot those that had been missed by colleagues. The researchers prioritised being theoretically sensitive while ensuring a neutral and non-judgemental stance in both interviewing and reporting.

The main sources for data collection were questionnaires, informal interviews, observations (participatory and non-participatory) and documentary evidence. Data was collected between January and September 2014. Questionnaires were administered following each of the events for the programme network and stakeholders in January, March, July, and September. Between 15 and 20 questionnaires were collected from each event. These were completely anonymised at the point of administering, and so the extracts presented in this paper have not been labelled or attributed at all because we are unaware of who filled in the questionnaires. Eleven in-depth interviews were carried out with those intimately involved with the

programme in various roles, who could provide a range of perspectives and insights. A more informal mode of interviewing and discussion was considered more appropriate than a structured and recorded approach, due to the sensitive and contemporary nature of the interview content, and also the emphasis on personal reflections and experiences, and ensuring discussants remained relaxed and comfortable to share their thoughts and feelings about being involved in the programme. Observations were carried out of programme meetings and events by the researchers, and these insights similarly feed into the discussions. Documentary evidence consulted is in the form of policy documents, monitoring documents, and reports associated with the programme.

Raw data was gathered together, reduced and condensed before being sorted into descriptive categories and potential themes which seemed to fit with the core interests and would best answer the paper's research questions (Eisenhardt, 1989; McKeever et al, 2014). The next step involved searching the remaining data for patterns and commonalities and basically asking ourselves "what is really going on here?" (Halinen and Tornroos, 2005; McKeever et al, 2014). This process involved looking more closely for the links, emerging patterns and connections in the data and reflecting on these, while the research team discussed them at length (Jack, 2005; McKeever et al, 2014). In short, all data was searched for patterns or themes relating to our interests. Second, these themes were refined into descriptive categories. An identified theme became a category when we were able to define it descriptively in such a way that we could distinguish it clearly. Descriptive categories were then synthesized into analytical categories which helped explain the situations of respondents. The intentions were to seek out patterns across our data that when brought together helped to explain things (Bansal and Corley, 2012).

Insights Relating to Universities' Economic Governance Roles

Through considering the observed experience and range of data gathered, a number of themes emerged about the role the university is playing in the governance of the programme; namely, as a network enabler, neutral intermediary, and provoking reflection and interaction between actors. These roles have been structured around a set of key insights regarding the opportunities identified for universities to contribute positively in the economic governance sphere, whilst also highlighting the challenges inherent in this activity. As well as shedding light on the experiences and process involved in undertaking this kind of regional governance activity, this paper aims to share best practice in order that the positive roles and impacts of universities on their local and regional economies can be enhanced and the replication of past mistakes is avoided.

Network Enabler

An important role that the university has taken is as a network enabler and facilitator of interactive learning between the programme stakeholders. Due to the large scale of the programme and the geographical dispersal of the various participants across fifteen regions of England, an important stream of activity is to create and strengthen the network and to facilitate interactive learning, and communicate any issues they are facing. In practical terms, there are several ways in which universities can help to build governance networks amongst actors.

The first is by designing a series of events for different partners and stakeholders to come together, discuss the programme, express their views and to learn from each other. These activities can also help to establish a voice and a shared identity for the network, as well as providing the essential information about the programme. In the case examined here, one

event involved a Professor from the university who is an expert in stakeholder analysis running a session where the participants mapped out their stakeholders and partners, and considered how to best develop and strengthen the relationships between them. This activity was received positively, and for many participants it was the first time they had attempted stakeholder analysis. In another event, the participants were asked by a university facilitator to present their “journey” from zero to a functioning local network. Some sketched this out, others discussed it, and one group even acted it out. Thus, a reflexive and interactive network is established, where participants are encouraged to actively participate and share experiences whilst learning new skills and information that could be useful in the programme itself. These events have created a community that actively works outside of the scheduled events to learn from one another and share best practice. Universities are well placed to provide these learning experiences due to the presence of staff with background in teaching and facilitating learning.

Other ways in which universities can facilitate governance networks is through virtual activities, and forums where questions, points of interest, or general discussions can be posted. Also, webinars were regularly held, where network participants can ask questions, and raise any concerns in the operation of the programme with those monitoring and evaluating the programme. As well as connecting the current programme partners, the university is facilitating a wider network of interested organisations and individuals in order that further opportunities, synergies, and best-practice sharing can be explored as widely as possible. The opportunity to network with other actors and programme partners, to learn from each other, and to share experiences has proved valuable to participants, as the following quote summarises:

‘It was a really good mix of [local and national government, and universities]. It was incredibly useful to meet some of our neighbouring [economic development organisations] and see the stage of their development and readiness. I found the presentations from the trail blazers in [X city] and [Y county] particularly useful.’

Neutral Intermediary

The university is well placed to act as a neutral intermediary in between these different interests and voices, steering a programme in the right direction and achieving a balance of views. As is often the case in programmes pertaining to regional economic development and entrepreneurship, it has been necessary to bring the different levels of government around the same table to co-ordinate approaches and ensure coherent support is offered. This is an especially pertinent issue in the UK, where the governance of economic development since the abolishment of the Regional Development Agencies has been increasingly centralised, leading to certain tensions and changes in the economic governance landscape. The university, in undertaking the governance of the programme, stepped into this complex situation. Pre-existing dynamics and tensions between different groups may require management, and there may be some inequalities or imbalances in relationships. By negotiating this landscape carefully, and ensuring that each group had a voice and a platform to express their opinions and perspectives, the university could provide a positive facilitating role and encourage the groups to speak to each other in a more constructive manner. There are of course tensions and challenges around this, and learning to negotiate the pre-existing “politics” of the situation proved a challenge for staff, several of whom mentioned this as a key issue when undertaking governance activities.

Various programme participants appreciated the difficulties inherent in achieving this, and saw bringing the different groups together as a valuable, yet inherently problematic task. One acknowledged the “*difficulties in bringing everyone to the table, the threats and opportunities*”, and another highlighted the importance of “*managing partnerships-managing risks associated with programme delivery, funding outcomes... Each partner can work complementary rather than competitively*”. The views are well summarised by this respondents view that “*it’s difficult because you are in between government and individual growth hubs but facilitate discussion about local realities and any issues (which may or may not exist) with central government expectations*”.

Reflective and Interactive Learning

The university has the potential to provoke reflection and interaction amongst programme stakeholders by creating a collaborative learning environment, in some ways similarly to how this takes place in the classroom. Another challenge is to strike the right balance between providing value-added beyond what an organisation delivering economic development programmes would usually and taking participants too far out of their comfort zone. In order to demonstrate the added-value of involving universities in governance activities, and to ensure that the programme is having a positive impact it is necessary to present an alternative way of doing things compared to what a governmental (or similar) organisation would usually do. However, change is not always welcome. Some participants’ reviews can illustrate how difficult striking this balance between stability and change can be. For one participant the more interactive and alternative manner in which the university approaches the network building did not sit well because it was not considered serious enough: “*I’d rather concentrate on issues than play games*”.

But for another participant the opposite was experienced, and activities were too far in the academic sphere: “*It was quite "academic" and failed to have a well-defined outcome.*”

These two quotes illustrate what a delicate balance it can be to design events which are engaging yet are not perceived as frivolous. Of course a degree of resistance to the alternative way of doing things is expected, and for participants this was their first experience of working with a university as the main organisation delivering a programme. It is important to remember that stakeholders may not be accustomed to approaches that may seem perfectly natural to universities and academics. However, by and large programme stakeholders were positive about the alternative approaches taken, and the way in which network engagement and sharing was encouraged. Being given the chance to speak and voice their opinions, rather than being “talked at”, was highly valued.

These are the principal ways in which the university is seen to add value to the governance of this particular programme, but there are undoubtedly a number of small ways also. The two most obvious are the value-added that the university can bring in terms of marrying policy practice and research, and the ability of the university to manage the programme in a rigorous and responsible manner. By combining insights gained from research, universities are in a position to enhance the quality of governance activities through, using empirical evidence to design programmes, feeding into the policymaking process with research findings, and monitoring and evaluating programmes in order that lessons can be learned. These are all activities that universities are in a better position to undertake, compared to more traditional governmental organisations because of their pre-existing competencies and capabilities, and the fact that research is such a significant part of their work. As organisations with large knowledge resources, data-sets, and researchers employed within them, universities have the

potential to feed into policymaking and practice for the better, increasing the evidence-base upon which it is drawn and continuing to improve outcomes.

A key challenge for a university when engaging in governance activities, especially if this is a new departure or direction, is to establish its legitimacy as an actor in this sphere, and to ensure the requisite competencies and capabilities exist within the organisation. As an illustrative example, successfully winning, administering, and reporting multi-million pound research council funding does not automatically mean the institution is well equipped to take on European Commission funding, with its notoriously stringent processes and requirements. The institutional risk can be high, because with some funding streams money is recuperated if reporting is insufficient or the programme does not meet its targets (for example, jobs created). Universities may not be accustomed in having to report and monitor in this way, and to have to deliver such literal and stringent outcomes.

In this particular case, the legitimacy of the institution broadly has been built up through consistent engagement in governance activities and receipt of government funds (including Structural Funds) to run economic development and entrepreneurship programmes. As such, the university has developed the capacity and capabilities to professionally manage governmental funds, and also has the experience of managing the relationships with governmental organisations. However, there was still a significant amount of risk taken by the university, and a rigorous analysis of the risks and benefits is necessary to ensure that universities do not enter into these activities too lightly. The importance of assembling a workforce with the right skills and knowledge to engage successfully in governance activities should not be underestimated. It may be necessary, as was the case in this instance, to assemble a team with experience of working in government and the private sector as well as in academia. Also, training and staff development to work in this different domain may be necessary.

Implications for Academic Institutions

Because the University is not an elected organisation, subject to political tides, it has a degree of longevity and stability above and beyond a governmental department or quango (quasi-autonomous non-governmental organisation). This leads to universities acting as anchor institutions in their localities, with a long history of contributing economically, socially, and culturally. As explained above, economic governance activities are becoming increasingly important as part of universities' missions and a focus of governmental policy, but universities have a long history of adjusting their missions and ensuring that they are seeking sources of funding to sustain their core activities, and this is becoming increasingly pertinent under current funding changes (Goddard, et al., 2014). The challenge is to balance these various missions, and to ensure that they are complementing rather than competing with each other.

Partaking in governance activities enriches the stream of research activities in the department. Academics involved in governance programmes have unprecedented access to policymakers, business stakeholders, representative organisations, chambers of commerce and many more organisations through managing programmes, allowing rich data to be collected. Researchers have opportunities to access more data, and to ensure that their research achieves maximum impact and use to those involved "on the ground" practicing economic, entrepreneurship, and innovation support. Another benefit for the university is that through partaking in these kinds of activities another funding route becomes available. This in turn can lead to academics gaining research income through higher outputs, thus broadening and deepening resources,

securing the viability and sustainability of the organisation. The potential to build networks with policymakers and practitioners, and to increase the impact of the research being conducted is vital as the impact agenda becomes linked to rankings and funding. However, there is a risk that in the search for funding, universities engage in activities which are outside their remit or expertise, or lead to a conflict of different missions and resources.

A huge challenge is thus faced by universities in managing the different missions and transitions between them. The addition of economic development missions raises concerns over potentially unrealistic expectations about universities' ability to balance a broad range of new tasks against their traditional core missions. This can raise problems if the newer activities are not well balanced and/or integrated into the university's existing work. "Bolting on" new activities, "without fundamental restructuring and re-orientation" could be problematic (Youtie and Shapira, 2008: 1202). It is important that universities do not lose their core mission and purpose of providing teaching and conducting research. There is a potential danger if too many resources and attentions are side-lined into economic governance and engagement activities, the quality of the first two missions suffer. There may be some resistance from staff to engaging in alternative activities, especially if they already feel that their time and resources are strained enough through conducting both teaching and research. The ideal scenario is if the various missions complement rather than compete with each other for resources. In this case, the challenge was to bring the research and the undertaking of the programme together, using these engagement and governance activities as a source of data and also a means to achieve higher levels of impact.

Conclusion: Maximising the Positive Impact of Universities in the Governance of Regional Economic Development

This paper has considered the move towards the "engaged university" through the case study of a particular university in England, which has a history of participating in the governance of regional economic development in its home region, and increasingly on a national level due to its delivery of a large UK government originated economic development programme. By considering the experience of partaking in economic governance activities, the case study has been used to elucidate some lessons and best-practice about the pros and cons of engaging in this type of activity. By considering this university's experience, some benefits have been highlighted for universities engaging in this sphere of activity and also some potential pitfalls or problems highlighted. It has allowed us to reflect back on the roles of universities, and whether they are well-placed to become increasingly involved in economic governance activities.

Benefits

This study has found a number of benefits of the university's engagement in regional economic development policy. Most obviously, the programme has been well executed and delivered against its targets, with a number of successful business support efforts overseen. Further qualitative research has uncovered a number of other benefits beyond these contracted and well-measured elements. The university, through its (relatively) politically neutral position has been able to act as an intermediary between the different levels of government and was credited by participants for "giving voice" to local actors often felt to be ignored by national policymakers. Through the experience of staff in teaching and running workshops for SMEs, the sharing and communication of ideas between participants took place. Looking beyond this particular programme, these kinds of activities pose an opportunity for universities to have a sustained and anchoring role in their localities, and to add value to programmes and interventions. It is argued that because of these benefits of

universities being involved in such activities, the governance capabilities of the region can be raised and more effective support and actions can be delivered. Through involving more institutions and organisations in the governance of economic development, beyond narrowly “the government”, a more participatory and sustainable approach to encouraging economic development and entrepreneurship can be achieved.

Benefits for the university through partaking in economic governance activities are also recognised. Perhaps most importantly, the university partakes in another form of engagement and maximises its positive impact on its surrounding region. Through acting as a regional animateur the university is partly justifying its existence and the use of public funds to support it in the future. Indeed, securing another avenue of funding is a benefit of engaging in governance activities, especially if it can help to fund research activity as is the case in the example considered in this paper. Through conducting research, alongside running programmes, researchers at the university are able to secure access to data and informants (such as policymakers and businesses) that they may not otherwise be able to. In turn, researchers can feed the findings of their work back into developing programmes and actions, thus increasing the impact potential. The involvement of universities in economic governance activities can provide a “win-win” if managed well.

Challenges

However, it is clear that engaging in multiple spheres of activity, including economic governance, is not a simple task. There are a number of potential problems that could arise, as were experienced in this case, in particular: managing relationships, establishing legitimacy in the governance sphere, and balancing the different missions of the university. Most of these challenges can be dealt with through awareness and careful consideration, and taking measures to address them from the outset. For instance, good governance can be adopted, using best practice from elsewhere, and relationships with businesses and governments can be built up over time. In reality, the majority of universities will already have a number of these relationships in place, and be well equipped to deal with large projects and funding from their experience with research grants. The more fundamental challenge is that of balancing the spheres of activity, linking them as effectively as possible. The university needs to adapt and evolve as it widens its engagement activities, ensuring that it is moving in a coherent direction rather than “bolting on” additional activities without embedding them into the existing missions. It is important that universities stay true to their core purpose, and continue to affect a positive influence on their regions through a range of activities. For many of the staff working in universities their *raison d’être* may revolve around helping students, or conducting pure research and it will be important going forwards that governance activities do not compromise the quality of these.

This leads to a consideration of whether or not universities are best placed to step into the economic governance sphere. The experiences elucidated here show that universities can and do run successful economic governance programmes, a more difficult question is whether they should. This is a question without an obvious answer, but this paper has dug deeper into some of the issues when universities do engage in governance activities, and some of the tensions that arise from this. It is hoped that by sharing these experiences and solutions to problems encountered, universities and their staff will be in a better position to decide whether or not to engage in these activities, and if they do how best to avoid pitfalls and challenges already encountered. Moving in the direction of economic governance may be

something of a step into the unknown for universities, and is likely to throw up a number of challenges. However, it is the argument of this paper that if managed and governed well, the benefits of engaging in these wider engagement activities, and the potential to have a positive impact, can be significant for the region and for the university itself. By broadening the dominant approaches to universities as actors in the sphere of regional economic development, appreciating more of the different roles they can play and alternative dynamics these throw up, and examining more “real world” case studies, we can develop a better understanding of what universities can do for their regions, and ultimately perhaps what they should attempt to do.

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