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Universities and Economic Development in Iran and the UK: A Comparative Study

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ABSTRACT

Since their beginning, universities and higher education institutions have been cultural, scientific, and moral centers for their societies. At present, they also play a key role in economic development in their regions. In this respect, British universities are considered pioneering institutions with innovative strategies that can be a suitable model for Iranian universities to build economic capacity to accelerate the country's economic development.

As the title suggests, the paper examines six variables and focuses on British universities' roles in the UK's economic development. In this regard, by comparing the contribution of British and Iranian universities to the economy, it is concluded that in the UK, the universities are detected as significant actors in economic development. In contrast, Iranian universities are not entirely recognized as essential players in the economy. The paper is performed by two methods of documentary and survey study. The research purpose is to promote the literature that shows how the higher education system in the UK prepares students to achieve economic development.

1. Introduction

The relationship between universities and economic development is an exciting subject between politicians and academics. The success and development of a society are linked to the level of efficient and creative workforce, which depends on knowledge and education. In the current changing world, the country's supremacy depends more on its scientific and technological development and the dynamism of its higher education system than on its natural resources, which can lead to a knowledge-based economy.

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The higher education system has a fundamental and pivotal role in national development and creating a balance between various dimensions of the country's development (Kimenyi, 2011: 1). Numerous studies on the achievements of developed and newly developed countries illustrate how these societies define their goals in science and technology to achieve high levels of growth and economic development. Undoubtedly, one of the common factors in their sustainable development is the acquisition of abilities and skills in science and technology (Merkel, 1998: 2). In this regard, if the society lacks scientific thinking and industrial inventions, it cannot reach economic development. To avoid this, Iranian universities must prepare themselves for a long-term approach to promoting science and technology. It should be done based on assessing the current state of the country's technology, capabilities, future tendencies, and economic opportunities.

Accordingly, by using six variables, including supplying skilled workers, attracting investment, innovation and competitiveness, start-ups, and universities as civic leaders, we examine the differences in the two countries' higher education systems. In this respect, we will take advantage of the surveys among British students and compare them with similar surveys conducted among Iranian students in order to perform the current study.

It is worth mentioning that although at first glance, the comparison between the roles of Iranian and British universities in terms of educational and research infrastructure of the two countries seems somewhat unbalanced, but the comparison between the two countries is based on the goals in the Comprehensive Scientific Map of Iran; especially since the objectives related to higher education are outlined in this official document as follows:

- Achieving the first place of science and technology in the Islamic world;
- Establishment of a knowledge-based society with qualified experts to achieve desired scientific position in the world;
- Deepening and expanding general and specialized education and creativity among students;
- Achieving the level of knowledge and skills of the country's labor force in order to meet the needs of society and the labor market

- Increasing the contribution of products manufacturing and services based on local knowledge and technology,
- Combinations of education with research and skill,
- Achieving the desired proportion of graduate students
- Development of collaborations in science and technology with international centers (Comprehensive Scientific Map of Iran, 2012).

The above-mentioned goals in the Comprehensive Scientific Map of Iran reduce the risk of any biases in the current study. Considering this, one can argue that the basis of the comparison between Iranian and British universities in terms of economic development is balanced-enough. Moreover, one of the paper's sub-objectives is to show universities' economic potential in the UK to model them for Iranian universities.

2. Methodology

In the implementation of the present research, two methods of documentary research and online survey research have been used. The primary reason for conducting online surveys backs to the strict restrictions under the coronavirus situation. As COVID-19 has affected Iran and the globe, it has caused limitations to gain access to students' appropriate geographic scope. Therefore, the current online surveys should not be viewed as the perfect representative of the Iranian student population and their experiences of higher education. Yet, the research does provide a useful insight into students' views on discussed concepts.

To conduct a valid comparative study, and the need to access official documents and statistics, a documentary method has been used. In this method, studies have been carried out to formulate the research's theoretical framework and the experts' opinions who have dealt with this issue. From this perspective, to obtain the leading research variables, a comparison of the works of experts concerning the research topic has been used. In this respect, six variables regarding the relationship between universities and economic development have been identified.

The survey research method (by using the online questionnaires among students of Iranian universities) was also used to more accurately understand

the role of Iranian universities in economic development, and compare it with the similar surveys conducted in the United Kingdom. Regarding this, the results of the surveys have been used at both descriptive and analytical levels. First, the students' descriptive comments on each question were described, and then the answers were analyzed and compared with similar surveys in the UK. The research questionnaires' statistical populations include students (men and women) from universities all over the country who participated in the survey randomly through the online questionnaires.

The survey conducted among British students was completed by a sample of over 880 respondents at 20 British universities¹ (CBI, 2010: 5). The survey among Iranian students conducted by the researcher contains 128 respondents at different Iranian universities.²

Contrary to economic growth, economic development is a qualitative concept (Diaconu and Maxim, 2013: 485), i.e., the process by which the economic well-being and quality of life of a nation are improved according to targeted objectives (Vimbai, 2020: 55). In regard to this, the current paper has applied a qualitative method and used documentary and survey research for the collection of data. To draw the main concepts, ideas, and required data, the researcher delved into the official websites of the Iranian universities as well as books and articles in international journals. In this connection, the comparison between the two countries' higher education systems has been outlined with respect to the main goal of the paper.

3. Universities and Economic Development

As mentioned, universities, as producers and transmitters of knowledge, play an essential role in societies. This role has been promoted in developed countries where universities have been inextricably involved in economic development.

1 The majority of respondents were from University of Swansea, Glasgow Caledonian, and Hertfordshire University.

2 The majority of respondents were from Hakim Sabzevari University and University of Tehran. The detailed results are available at www.mohammadpour.digisurvey.net

In this respect, given the fact that there are many variables involved in the impact of universities on economic development, six variables have been selected as follows:

- Supplying skilled workers;
- Attracting investment;
- Universities; innovation and competitiveness;
- Universities as an Ideal Platform for Start-ups;
- Civic Universities;
- University and Employability Skills.

By exploring these six variables, the primary purpose of the research is to compare British and Iranian universities' performance in terms of economic development.

3.1. Supplying Skilled Workers

In the UK, universities are working to become a tool to increase students' skills. In this regard, the education process prepares a skilled workforce in demand in the job market (Schmuecker & Cook, 2011: 16).

British universities also pay close attention to local industries and labor markets, especially in economically weaker areas. In this regard, universities provide opportunities to persuade students to stay in their area of study for several months and sometimes several years after graduation (graduate retention programs) to help the economy of that area (ibid, 17). To achieve this goal, Regional Development Agencies (RDAs) were established for the purpose of economic development in the UK lagging regions. For each RDA, there was a science and industry council (SIC) consisting of public sector experts, universities, and businesses. The statutory objectives of the RDAs were to promote:

1. Regeneration and economic development;
2. Competitiveness and business efficiency;
3. Employment;
4. The development of related skills to employment;
5. Sustainable development.

RDAs have worked closely with their neighboring universities to build adequate infrastructures at a regional level for knowledge transfer, primarily through the application for higher education innovation funds.¹ In 2010, RDAs were replaced by LEPs or local enterprise partnerships (ibid, 18).

For British universities, graduate retention means attracting talented minds into the local workforce. In this regard, figure 1 indicates a relative relationship between the economic position of a region and retention. Figure 1 supports the idea that British universities play a significant role in boosting skills in lagging regions where most graduates remain in the area at least six months after graduation (ibid, 17). In other words, these regions have achieved the ability to manage to stop a kind of local graduate brain drain.

Figure 1: Graduate Retention by Region (The UK)
(% of graduates employed in their universities' regions six months after graduation)

| Region | Percentage |
|--------------------------|------------|
| North East | 79% |
| North West | 73% |
| Yorkshire and the Humber | 68% |
| East Midlands | 58% |
| West Midlands | 55% |
| East of England | 40% |
| London | 44% |
| South East | 46% |
| South West | 59% |
| Wales | 79% |
| Scotland | 91% |
| Northern Ireland | 82% |

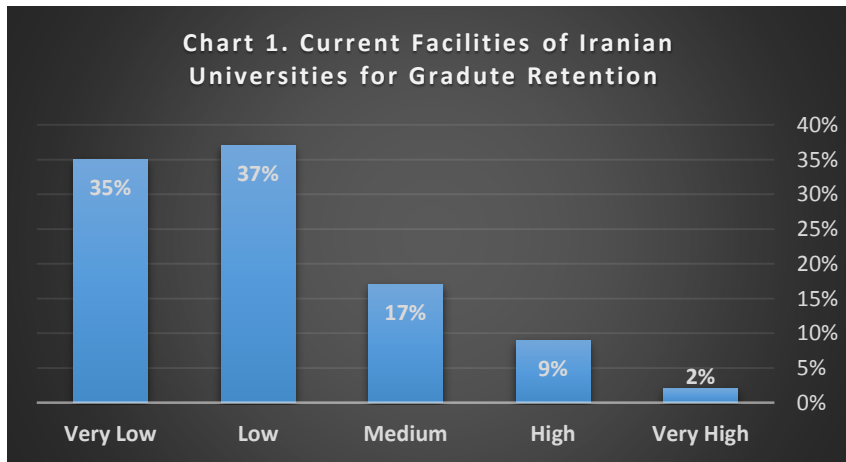
On the other hand, there are no graduate retention programs offered by the universities in Iran. Most students, especially in the lagging regions, tend to

¹ The Higher Education Innovation Fund (HEIF) program provides funding to higher education institutions (HEIs). It forms the basis of the Government's commitment for a permanent stream of funding to enhance the contribution of higher education to the economy and society.

leave there immediately after graduation. Therefore, graduate retention seems to be one of Iran's most necessities, especially in the less-developed areas.

For example, the faculty of economics at the University of Sistan and Baluchestan offers MA and Ph.D. programs in production economics & farm management, the economics of natural resources and the environment, and agricultural policy & development.¹ In this respect, the remaining question is: Are there any opportunities for students attracted to these fields to stay in the region after graduation and help the region's economic development? Are there any retention graduate programs for such a lagging region?

We surveyed Iranian students studying in the universities located in less developed areas concerning these questions. According to this online survey² on June 5, 2020, we discovered that 72% of students believe that universities have provided very low and low facilities to encourage students to stay there after graduation (Chart 1).

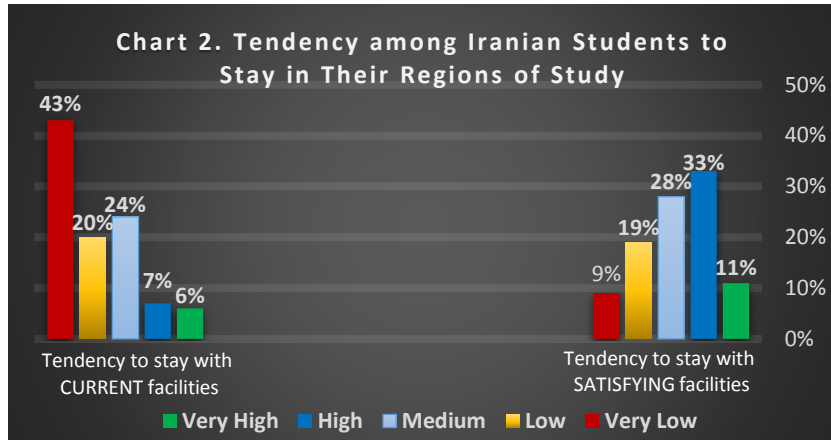


Remarkably, this statistical community expressed that they are willing to stay for at least one year after graduation if minimum facilities such as housing and grants are provided. Chart 2 compares Iranian students' tendency to

¹ <https://www.usb.ac.ir/me/e>

² <https://mohammadpour.digisurvey.net/2wlyu>

remain in their regions of study with the current and satisfying facilities (according to the questionnaire, satisfying facilities include student housing and grants).

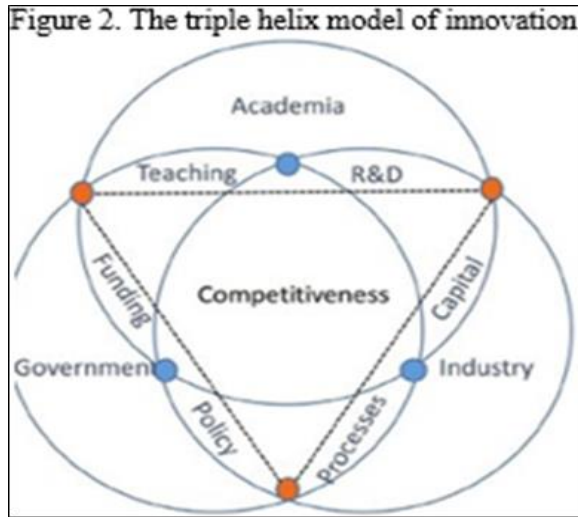


Based on the above, Iranian universities should be a real resource for upskilling the local population. Widening participation programs increase the regional economy's total skill levels, pushing up the overall proportion of highly skilled people and helping to reduce inequalities. Without graduate retention programs, Iranian universities will continue to attract students, independently of the local skills profile and regional economic vitality. It seems in Iran, agencies like the RDAs and LEPs would be better to direct and partner investors and ensure that universities are central to their efforts to promote their area as a place to invest.

3.2. Attracting Investment

As universities are not mobile, they act as a stable anchor for industrial firms to attract investment. As they are recognized as sources of research and innovation, they can guarantee that a strong talent pool is available for companies. In fact, their reputation allows them to act as economic ambassadors for their areas (UUK, 2014: 11).

For Britons, universities are crucial for their modern economy. Many countries are currently following the example of the British higher education system. This system is academically world-leading by providing ideas and inventions (ibid, 2).



There are numerous examples of firms in the UK that have chosen to locate next to universities, and the science parks demonstrate the benefits from universities in attracting investment in physical infrastructure and high value-added firms. Furthermore, the creation of groups of firms near universities will encourage more investment from international firms. In this connection, spin-offs, student start-ups, and local SMEs have dynamic effects on making the university area an attractive place to invest (Schmuecker & Cook, 2011: 18).

In Iran, investment in universities can be considered from the perspective of the triple helix model of innovation (Keramatfar & Esparaein, 2014: 10).

However, there are significant challenges in examining interactions between university, industry, and government in Iran. The most critical challenge and contradiction have been started in the academic environment. Universities have spread quantitatively, regardless of their theoretical

foundations. Such a trend has led to the lack of a proper system for research in universities. Despite the development of postgraduate studies, the dissertation topics are not at the knowledge and practice level. So far, there have been no definite plans to investigate the students and graduates (Mehralizadeh, 2015)

Due to these conditions and the instability of governments' policies in Iran, we face weak and inappropriate social capacities for skills development. For this reason, employers and private sector firms are reluctant to invest in universities. Therefore, the main barriers to investment in the universities of developing countries include:

- Administrative bureaucracy and conflicting laws and regulations;
- Excessive privacy and conservatism of technology companies;
- Innovation-related resources and costs;
- Challenges related to intellectual property rights;
- Lack of a competitive market;
- Resistance to change and lack of flexibility (Şimşek & Yıldırım, 2016: 724).

Although each restriction can negatively impact the process of innovation and investment in Iranian universities and science parks, it seems administrative barriers, lack of resources and costs, and managerial and organizational factors are among the most critical barriers.

3.3. Universities; innovation and competitiveness

Universities' access to international research is a crucial source of innovation potential and authority in businesses and economic agencies' eyes. Researchers who coordinate major strategic initiatives in universities and regions help acquire national and international funds for the region (Reichert, 2019: 8).

In the UK, universities are innovation hubs. They play an essential portion in supporting business and service innovation. In turn, innovation is a key driver of economic development and increasing productivity (UUK, 2014: 4).

Research commissioned by the Department for Business, Innovation, and Skills (BIS) shows that businesses that engage in partnerships with universities are:

- More investment in R&D (+161%);
- Perform better on process and product innovation (respectively +40% and +45%);
- Sales of novel products (+72%);
- STEM¹ skills (+28%) (King & Woolley, 2014: 17).

Universities support innovation and business research through knowledge exchange activities. The UK ranks second globally for research-based university-business collaboration, and evidence suggests that engagement between universities and third parties is increasing (UUK, 2014: 9).

In Iran, universities face some barriers in research and R&D innovations. A survey from 17 professors in the field of innovation and commercialization of public universities in Mazandaran province proves that barriers to innovation in research and development in Iranian universities are divided into two main categories: internal barriers and external barriers. According to this, lack of trust between staff and professors, lack of idea creation and knowledge sharing between professors, inappropriate hierarchical and governmental structure, education-based university instead of the entrepreneurial university, lack of a suitable business model, and the lack of a proper mechanism for communication are among the main internal barriers to innovation in research and development in Iranian universities (Tanha, 2011: 11).

Concurrently, political-legal barriers, barriers to cooperation between the university and industry, barriers to collaboration with other universities, weak and non-up-to-date technology and knowledge of external partners, lack of a comprehensive database and idea bank, and finally lack of influential intermediaries for creating interaction between universities and companies are the primary external barriers for innovation in R&D in Iranian universities (Madhoshi & Kiakojouri, 2018: 10). Participants in the previous survey have also given a variety of solutions to deal with highlighted barriers as follows:

1. A tertiary-education level degree in the subjects of science, technology, engineering and maths.

- Proposing a roadmap for research and technology commercialization;
- Providing a proper atmosphere for research and scientific interactions;
- Institutionalizing the documentation and evaluation systems;
- Proposing an appropriate regulatory structure and revising the existing rules;
- Government and private-sector financial support from researches and innovations;
- Offering tax exemptions to motivate investors;
- Developing sales and marketing sectors in commercialization entities;
- Sharing benefits related to economic researches and innovations (Tanha, 2011: 12).

3.4. Universities as an Ideal Platform for Start-ups

The level of entrepreneurial activity in a country influences its global ranking in innovation, competitiveness, job creation, and guiding its social and economic development. That is why developed and developing countries promote the entrepreneurial spirit, especially among students (Martin, 2019). University spillovers are correlated with the creation of start-ups. Furthermore, the presence of graduates (human capital) applies a significant influence on the location of start-ups, being a source for competitiveness for firms close to universities (Calcagnini et al., 2015: 1)

At the university level, academic entrepreneurship is being given the same importance as academic research. In this regard, many British universities have started offering specialized entrepreneurship and leadership courses in business education, which are not limited to classroom teaching. They provide applied experience to students by job simulations, real-time employer engagement, and live projects to inspire them to develop their entrepreneurial ideas and put them on trial perfectly. In the UK, there are two ways in which educational institutions have emerged as the hotbed for successful start-ups: 1. By providing the expertise and facilities to enable students to start spin-off firms from academic research. 2. By providing incubator services that help graduates establish their start-up companies (Martin, 2019).

These efforts are yielding positive results. A study by Santander revealed that 518,372 UK students had set up or planned to launch a new business, a

significant increase from the 375,000 student entrepreneurs in just one year (Heritage, 2017). Start-ups led by students increasingly continue to contribute to the economy. The growing entrepreneurial tendencies amongst British students have mobilized the start-up ecosystem in British universities. Nowadays, they are creating offers to support students' business ideas and shape them into functioning enterprises. The related question is that what makes British universities the best platform for start-ups?

Steven West identifies three elements which make British universities an ideal place to start a business:

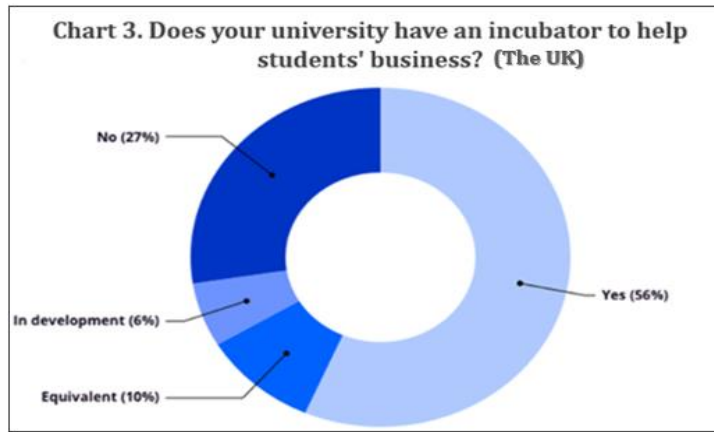
1. An extensive network to make connections and contacts. Since universities are regularly at the core of local economies, they are continually engaging with people who support or become significant shareholders in a student's business project. They also run innovation networks by providing a link between start-ups and other business support networks.

2. Incubators for start-ups. Universities provide facilities and services for incubation to support the launch of a firm. They extend access to common working space with other entrepreneurs, professional office space, seed funding, and organize technical and business mentorship programs to oversee the operations and provide support.

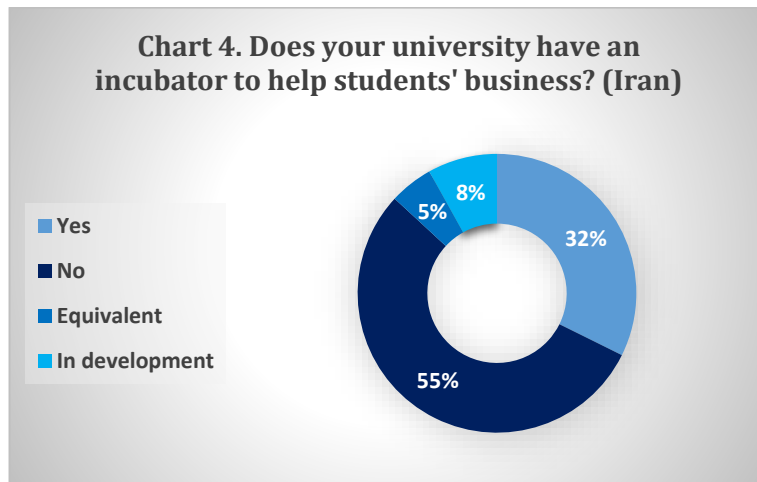
3. Enterprise initiatives. Universities launch enterprise initiatives for students to exhibit and develop their skills. Workshops, Business plan competitions, enterprise internships, and cross-campus partnerships are some of the efficient ways in which universities provide opportunities for funding, networking, and publicity for young student entrepreneurs (Martin, 2019).

Chart 3 shows the results of a survey among British students. Accordingly, more than half of British universities offer some form of incubator space for their students.

As demonstrated, students are not just taught entrepreneurship courses and modules at educational institutions anymore; they are also exposed to practical aspects. Through this, universities have become the perfect place for burgeoning entrepreneurs to start their projects and test them with their peers, experts, and professionals (Brackmann, 2020).



Similar to the previous survey, we conducted a survey among Iranian students on June 9, 2020¹. The results conversely show that more than half of Iranian universities do not offer any incubator space for their students (Chart 4).



Although the number of students is significantly growing in Iran, student start-ups are tiny in number compared to overall start-ups. In this regard,

¹ <https://mohammadpour.digisurvey.net/77g2y>

Iranian universities should pursue the expansion of spin-off firms, particularly in service sector firms, which are likely to create more jobs and start-ups. This should be done to exploit the knowledge and skills of university staff involved in university activities (Yusefi & Rezaei, 2015: 137).

3.5. Civic Universities

A civic university is an institution that has a strategy about how it links to its local city area and community. The civic university's idea turns back to the founding of many universities as institutions to forge competitive advantage in industrial cities and to provide opportunities for people to access growing economic opportunities.

In the UK, the idea of universities as civic leaders has recently come to the fore with the Leadership Foundation for Higher Education's program (LFHE) on place-based leadership and universities' role (Schmuecker & Cook, 2011: 24). British universities have also been one of the institutions contributing to civic identity as city populations grew and became more diverse. Similarly, there are several ways in which Iranian universities can perform this role:

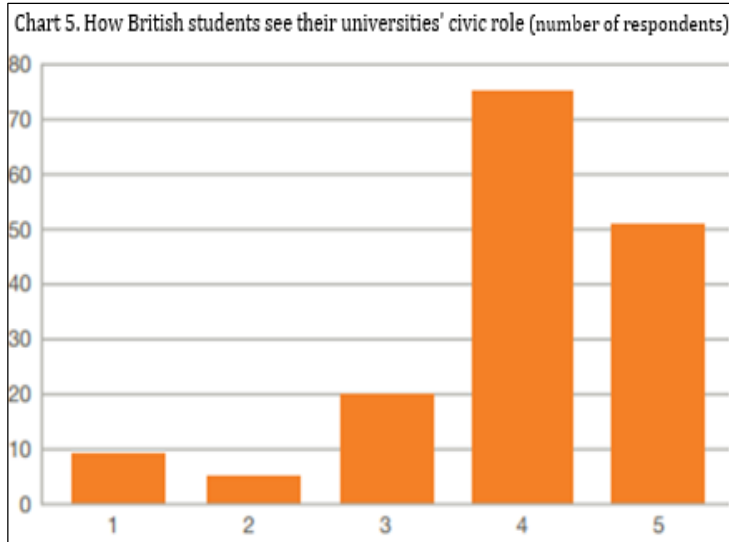
- Strengthening relations between place and university applied research;
- Creativities to promote inclusion and access;
- The linkage between product development and business;
- Student civic volunteering;
- Local sector innovation.

Nevertheless, there currently several barriers hindering Iranian universities' civic role. Many of them are related to a mutual lack of understanding between universities and economic institutions, as follows:

- Stretched resources and time pressures;
- Perceptions that academics are slow to respond and inefficient;
- Lack of flexibility in academic management structures (Adibi & Rabani, 2011: 24).

In connection to this, we have drawn a comparison between Iranian and British universities to estimate how British and Iranian students see their universities' civic role. The result of the survey conducted among British students (Chart 5) shows that about a third of them (5) see their universities in

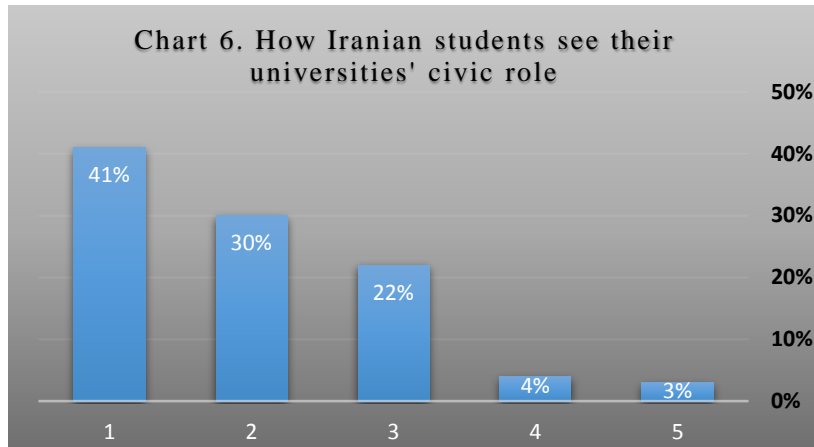
a leadership role within their local area in terms of community regeneration (Schmuecker & Cook, 2011: 25).



The response key of charts 5 and 6:

1. No engagement within community regeneration schemes;
2. Between 1 and 3;
3. Some programs on community regeneration with limited implementation;
4. Between 3 and 5;
5. The active and creative engagement with community regeneration seen as a goal.

The results of the survey conducted among Iranian students on June 5, 2020, show that more than a third of them (1) believe that universities do not play any leadership role in terms of community regeneration (Chart 6):



3.6. University and Employability Skills

Employability skills are the characteristics that help people respond to the changing demands of the job market and contribute positively to their employer's success and their progress (Ito & Kawazoe, 2015: 82).

In the UK, universities are already aware of the importance of developing long-term relationships with businesses. The universities that have promoted employability skills in their students have done so through building long-term relationships, including creating employer advisory groups or other mechanisms to guarantee that employers can inform the university's activities and curriculum (CBI, 2010: 7).

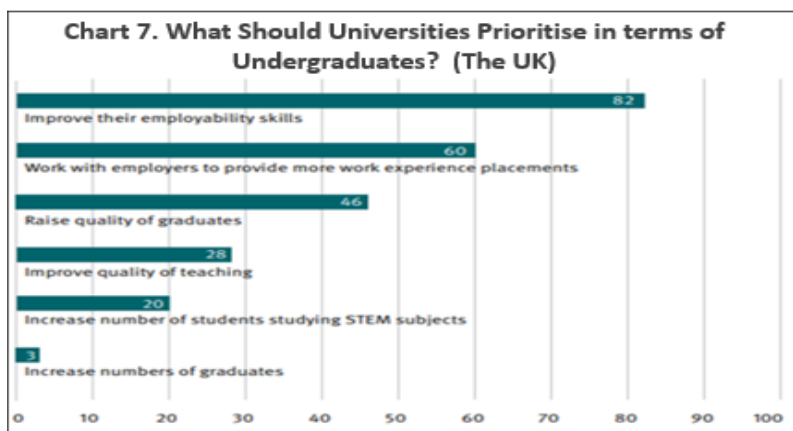
Many British universities are keen to reach out to local and regional SMEs, where there is often an untapped source of employers who do not yet have links with universities (ibid). In this respect, developing employability skills is a core part of a student's university experience. This question arises regarding Iran: Does the higher education system in Iran prepare students for business and the job market?

In Iran, as the number of graduates increases, the value of university degrees is declining. At present, given that university admissions have become commonplace, employers are increasingly in need of university graduates, regardless of whether they are eligible for the jobs or not (Khalife et al., 2018:

4). Consequently, there will be a considerable gap between the employers' needs and the students' knowledge who are employed.

In connection with this issue, if Iranian universities spend more time teaching job skills, they can significantly increase a university degree's quality. Furthermore, in the country's technical universities, *application-oriented* and *work-adaptation* courses are the most important goals that must be seriously considered.

In the following, by using a survey conducted among British students (November 2008), we have conducted a similar survey among Iranian students (June 6, 2020).¹ These surveys are conducted to study how students think about the relationship between universities and employability skills. By comparing the surveys, we concluded that Iranian students think like their British peer group. In other words, what has caused a profound difference between Iranian and British universities' role in teaching employability skills is not the students, but the universities' nature. Accordingly, if Iranian universities follow the example of universities in the developed countries to reform and revise their roles, the students' employability skills will increase, and they can be much better prepared for the job market.

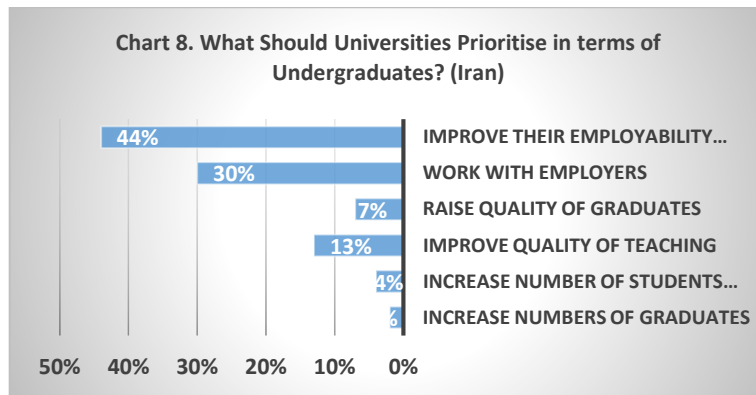


¹ <https://mohammadpour.digisurvey.net/3pf1a>

As the findings of Chart 7 among British students shows:

- Most British students know what employers are looking for, recognizing that employability skills, work experience, and a positive attitude;
- The majority of students believe that they have developed employability skills;
- Many students have contributed to specific programs to increase their employability skills (CBI, 2010: 22).

As demonstrated in a similar survey, Iranian students, like their British peer group, believe that universities should prioritize improving their students' employability skills (Chart 8):

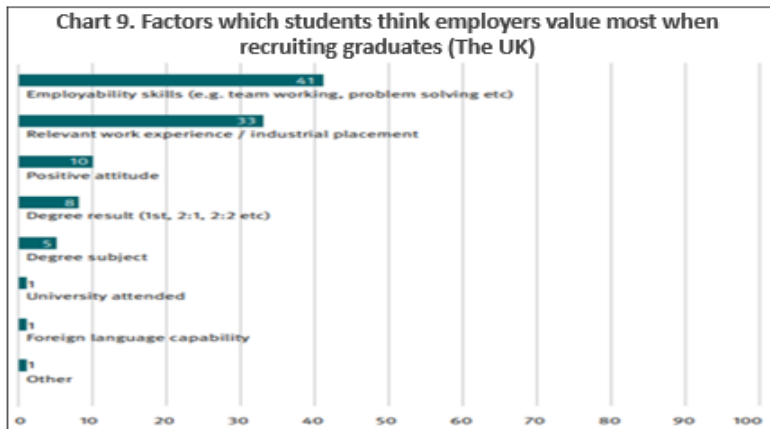


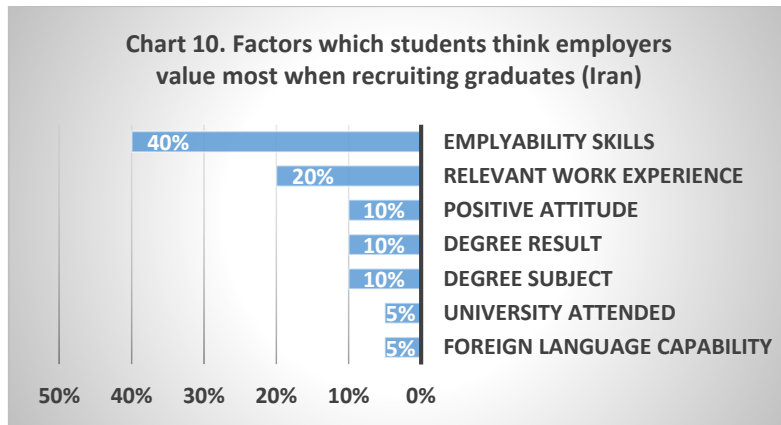
Given that Iranian universities have not perfectly played their role in teaching employability skills, it seems there should be a review in programs. In this regard, the most important factors influencing the training of human resources concerning the needs of the job market include:

- Providing legal support for the needs of projects;
- Determining the needs of community employers;
- Ranking of identified needs;
- Comparison of data collected with the goals and programs of different institutions to determine their needs;

- Evaluating the curriculum of universities;
- Demonstrating the priority of needs and the type of courses offered by the training group;
- Determining new courses and programs to make corrections to the academic curriculum.

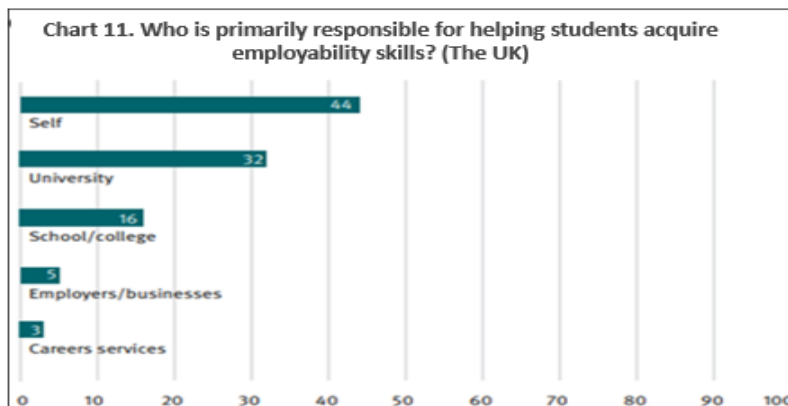
As shown in Chart 9, when British students are asked to say what they thought was of primary importance to employers when recruiting, a considerable majority placed employability skills (41%) and having relevant work experience (33%) as the most important factors (ibid). Chart 10 shows Iranian students' viewpoints about the same questionnaire, and their answers are similar to their British peer group.

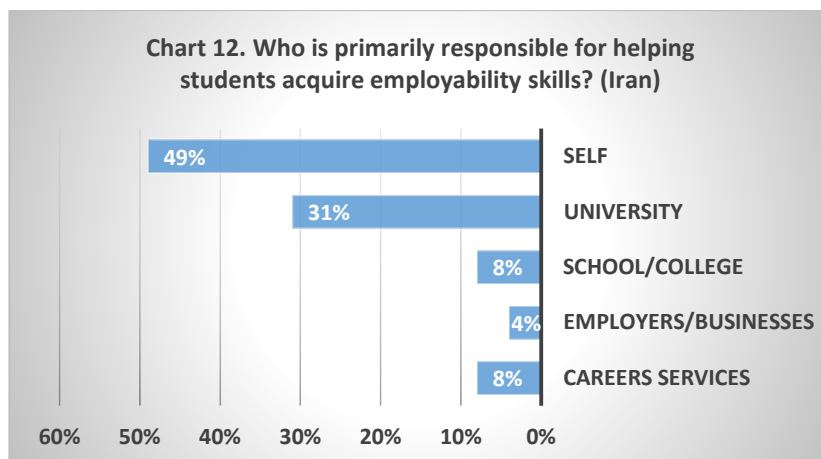




The findings also indicate that there are many similarities between students' views in the two countries, and most students are generally aware of what employers are searching for.

As with the previous two charts, Chart 11 (ibid, 23) and Chart 12 significantly illustrate the similarity of Iranian and British students' views on the primary responsibility for improving employability skills. In this respect, while both groups think about the primarily responsible for acquiring employability skills are students themselves, many also believe that universities at which they study have a pivotal role to play (Chart 11 & Chart 12):





Accordingly, most students themselves take ownership of their own skills development needs; it is also essential that universities and employers work together to ensure that they facilitate courses and opportunities that will improve these skills more readily regardless of the course being studied accessible.

The job market requires qualified and highly motivated graduates. Therefore, a primary concentration of Iranian policymakers of higher education should promote developed and competent human resources. Investment in higher education programs would be useful if universities improve graduates' employability skills. At the same time, these skills must comply with Iran's economic system's present and future needs (Pouratashi & Zamani, 2019: 302).

4. Conclusion

This paper has presented a comparative study of the relationship between universities and economic development in Iran and the United Kingdom. In this respect, it has also presented British universities' characteristics and higher education system and compared them with Iranian universities.

By studying six different variables, including supplying skilled workers, attracting investment, innovation and competitiveness, start-ups, and

universities as civic leaders, we showed significant differences in the two countries' higher education systems. To get more accurate measurements in the data, we have conducted surveys among Iranian students and compared the results with similar existed surveys in the UK. Accordingly, this study has provided new evidence and up-to-date analysis of the differences between Iranian and British universities' roles in their countries' economic development.

The paper's primary purpose is to present the approaches of interactions between higher education and economic development in the UK as a country that has started this activity for many years and has chosen the best methods with extensive studies and trial and error. British universities, by supplying skilled workers considering local industries and job markets, acting as an anchor for economic firms to attract investment, supporting business to drive service innovation, providing incubator services to help students establish their start-ups, acting as civic leaders, and finally preparing students for the job market by improving their employability skills, play a significant role in the UK's economic development.

In this respect, this question arises: What should happen to Iranian universities to play a key role in the country's economic development?

To support university involvement in economic development, the government should:

- Reverse the centralization of innovation budgeting. The budget should be devolved down to the sub-national level to allow areas to be agile in reacting to new opportunities to support local innovation ecosystems. Regarding this, it seems we need institutions like RDAs or LEPs in the UK.
- Be conscious of the risks to local economies from the reduction in university funding and changing policies that can affect the number of students and the financial sustainability of institutions. If necessary, they should be ready to act to help institutions diversify their income base in order to be sustainable, mainly where they are the only university in an economically deprived area.

To expand their economic contribution, universities should:

- Continue to build on how they already contribute to economic development by expanding and improving business engagement and marketing their capabilities in the workforce to increase the market's university share.
- Ensure that the government hears their voices for remaining a resource to influence economic development in their areas.
- Be practical in seeking opportunities to play a part in the governance of local institutions and public services.

British universities with their innovative ideas have a significant role in the UK economic development. They can certainly be considered a model for our policymakers to increase the quality of interactions between universities and the economy. Concerning this, we have highlighted the role of RDAs and LEPs as catalysts in promoting British universities' roles in the UK economic development. Given the situation of universities in Iran and its particular type of economic system, we believe that such institutions would be effective for the country's economic development, especially in lagging regions.

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