EDITORIAL

The role of regional universities in the Chilean decentralization process: A view from the knowledge economy

The decentralization process in Chile
Chile is one of the most centralized countries in Latin America given the size of its economy, its population and its territory. Indeed, while the metropolitan region marks the development of the country, the other regions show high diversity in their progress indicators. For example, in 2013 the per capita income of the citizens of Arica and Parinacota only amounted to 51.27% of the national average; Similarly, this region exhibited the lowest economic growth of the country and lower than the other extreme regions like Aysén and Magallanes.

In this sense, the country is characterized by uniform public institutions, unable to recognize the territorial natural order, which is essentially diverse and not simplifiable to expressions or sectoral solutions rigidly preset at the center of the nation, to be applied indiscriminately in different regions of the country. For example, in the region of Arica and Parinacota are recognized over fourteen thousand people contaminated by polymetallic and among the many solutions required to meet the demands of these people is the complete eradication of populations sectors. However, far from generating regional solutions that incorporate the exceptional nature of the situation, the public system is usually vertical, hierarchical and centralized, in such a way that its responses are standardized regular solutions for special cases.

The Regional Governments are defined by essentially political criteria, aligned with the central government in power, and with scarce levels of autonomy to generate development in the regions. For example, the National Fund for Regional Development (NFRD) comprise investment decisions defined by the regional councilors with local criteria, but these funds are less than 20% of the total funds invested in the region. It follows, therefore, that the remaining 80% of regional investment is defined centrally in each of the respective ministries.

In this context, the imperative to advance in the decentralization of the country has been a dominant theme in recent times to the point of generate a set of proposals from a Commission on National Level, and the creation of a legislative agenda. In this regard, Gonzalez (2015) has summarized the decentralization agenda in the following basics:

- **Direct election of Regional Governor**, which means that citizens elect a regional representative to the central power and will be a representative of the central executive to the regions. Naturally,
the election of regional governor assumed greater autonomy and the establishment of defined teams with regional criteria.

- **Budgetary decentralization**, which provides that the regional governments would have a greater proportion of resources to define locally, particularly associated with a regional plan or development strategy.

- **Sectoral decentralization**, which considers that, at least on a pilot level, some national services should be assumed as fully decentralized, that is, with the powers to take the relevant decisions at the regional level.

Therefore, as Chile is being one of the countries with the highest concentration of decision-making in the Metropolitan Region, it has been established a course that aims to achieve higher levels of decentralization through the direct and democratic election of regional mayors; financial and budgetary decentralization; and decentralization of public services.

This fact opens a range of opportunities for regional universities in fulfilling its mission. Precisely, these roles are reviewed in this reflection, considering as analytical perspective the challenges that arise from the knowledge economy.

**The knowledge economy**

The knowledge economy is characterized because knowledge is the key element in the creation of value and wealth in organizations and in society. Knowledge is more than information, since knowledge includes forms and methods to solve problems in different areas of work of enterprises and society. Certainly, the ability to create value from knowledge is essentially intangible and this is the source of competitive advantage in today’s society. In the new economy, capital and labor dichotomy is conceptually overcome and not the central problem of the generation of wealth. Indeed, both capital and labor are required for the production of goods, but knowledge is the base or core of the economy.

In the new economy, knowledge management is the fundamental task that allows the creation of sustainable competitive advantage through making strategic decision-making at the level of organizations and designing of public policies at the country level.

Already in the first decade of the century, the gross domestic product of some countries was generated by about 80% for knowledge-based activities and the book value of some knowledge intensive organizations was less than 10% of its market value, which allowed to prove that the creation of economic value in this new economy is based on intangibles rather than physical and financial resources. Consequently, today’s economy is not based on the production of objects or things, but on the production of ideas and intangible, such as innovations, brands, patents, organizational systems, organizational routines, “know how”, and the ability to use knowledge to generate functional value, but especially strategic value. Similarly, public policies and regional decisions must generate strategic value creating value for citizens, that is, greater social benefits and lower costs of investment and public administration.

Emphasis on this perspective of analysis involves considering the demands and opportunities of the decentralization agenda, but focusing on that regions should create strategic value, that is to say, regions should generate a cost-benefit ratio, higher than that achieved centrally. To achieve this, it is essential to contemplate the role of regional universities as key institutions in the creation and dissemination of knowledge, essential source of competitive sales of nations and certainly, of the regions.

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The role of regional universities in the decentralization agenda

The 2007 OECD report argues that regional universities should be “globally competitive and locally committed”. This implies that regional universities should contribute to a more competitive country in a global level, contributing to the territory in which they are embedded.

Decentralization will generate demands for regional universities that are not currently present, such as:

- **From the perspective of the formation of advanced human capital**, to achieve the success in decentralization it is vital to train professionals and technicians with relevance to meet the real demands of the labor market in the regions. This involves forming professionals and technicians not only with skills to exercise in regions, but also with knowledge, abilities and globally competitive skills, giving enough importance to the areas in which regional development requires. Undoubtedly, in the training of university professionals, it is essential to include university processes of continuing education and professional development; as well as postgraduate training and expertise in critical areas for regional development.

- **From the perspective of the creation of advanced knowledge**, to achieve success in the decentralization agenda it is essential that regional universities perform concrete contributions in the field of research applied to the problems and the development of the regions in which they are immersed. Indeed, the contribution to the knowledge base is an unavoidable task for higher education institutions; but this task becomes insufficient for regional development if there are no specific contributions in the areas that comprise the economic and productive sectors of relevance in each Region.

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