



THE ROLE OF RTOS TO DELIVER IMPACT ON THE ECONOMY AND FOR SOCIETY

Philippe Larrue, OECD, Science and Technology Policy
division



OECD-EARTO study on RTOs' new challenges and opportunities for supporting socio-economic recovery, resilience and transition

- Study premises

- Widely acknowledged contribution of RTOs to both strengthening competitiveness and solving societal challenges
- Lack of systematic evidence, statistics and dedicated studies to document this contribution
- 'Double diversity' of RTOs
- A changing context
 - More directional (challenge-led, mission-oriented) policies
 - Continuing accountability pressure and evolution of funding
 - A second crisis in 15 years: COVID-19



Study questions

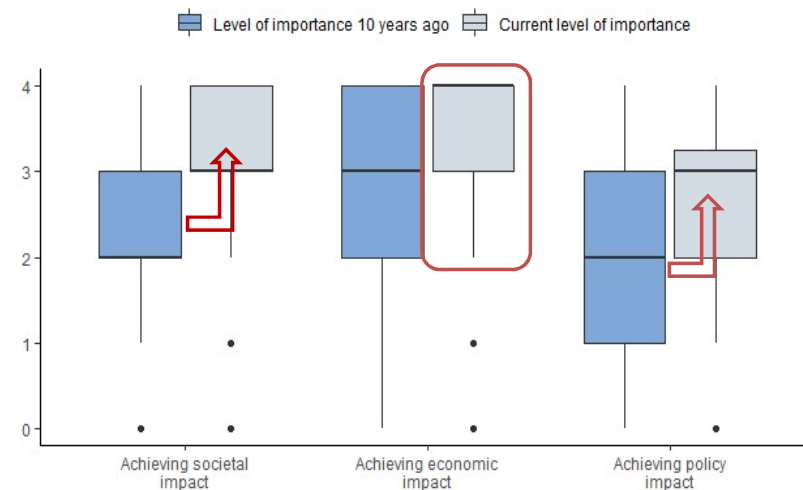
- **How RTOs' missions have evolved over the last 10 years** in the face of the growing call to contribute to solving mounting societal challenges and supporting sustainable transitions?
- How the changes in RTOs' funding and overall context in the last 10 years have **impacted on their ability to deliver on their missions?**



A shift of RTOs' *de facto* mission toward the societal imperative

- Achieving economic impact is still considered as the primary objective of RTOs
- The need to respond to societal imperatives represents the most important change in RTOs' mission in the last 10 years
- Accelerated by the COVID-19 crisis: RTOs (also) as 'policy instruments'

Level of priority of RTOs' mission objectives, by mission objectives

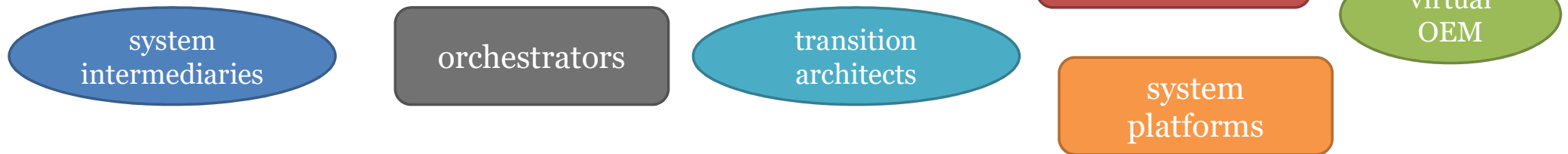


Black line = median
From 0: not important at all to 4: very important



A new role call for RTOs' transformation

- Systemic challenges require not only a broader range of competencies but also the adoption of a different perspective, more holistic, involving different sectors and disciplines
- In principle, RTOs well-equipped to serve as...

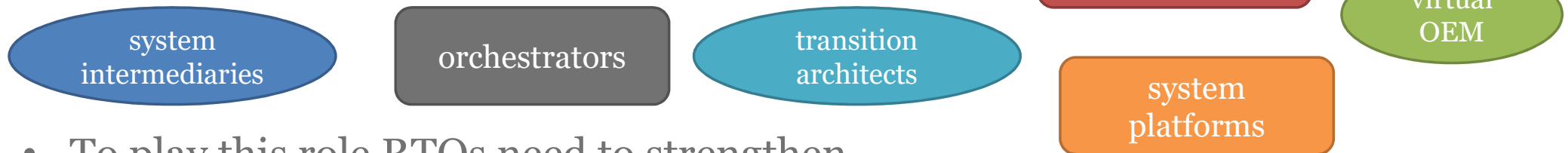




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- To play this role RTOs need to strengthen
 - their **strategic consistency** to be able to create critical mass on some selected priorities
 - their **transversality** to promote interdisciplinary and intersectoral collaborations, within each RTO and between RTOs and partners
 - their **capacity to influence the 'boundary conditions'** in which they operate



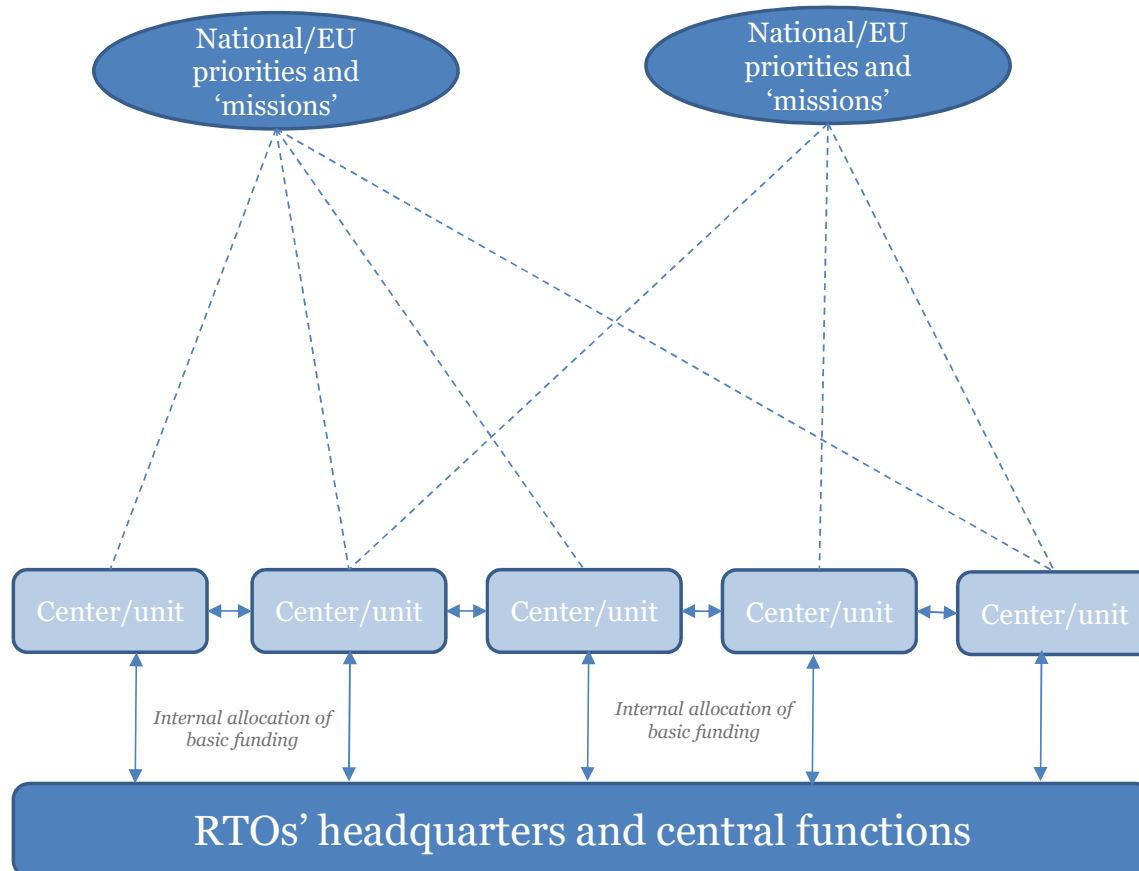
The changing organisational structure of RTOs

- Changes are already happening
 - a significant increase of collaboration between units and teams within RTOs
 - significant restructuring of some national RTO landscapes
- RTOs are trying different organisational structure to conciliate
 - top-down strategic integration and bottom-up initiatives
 - scale and agility





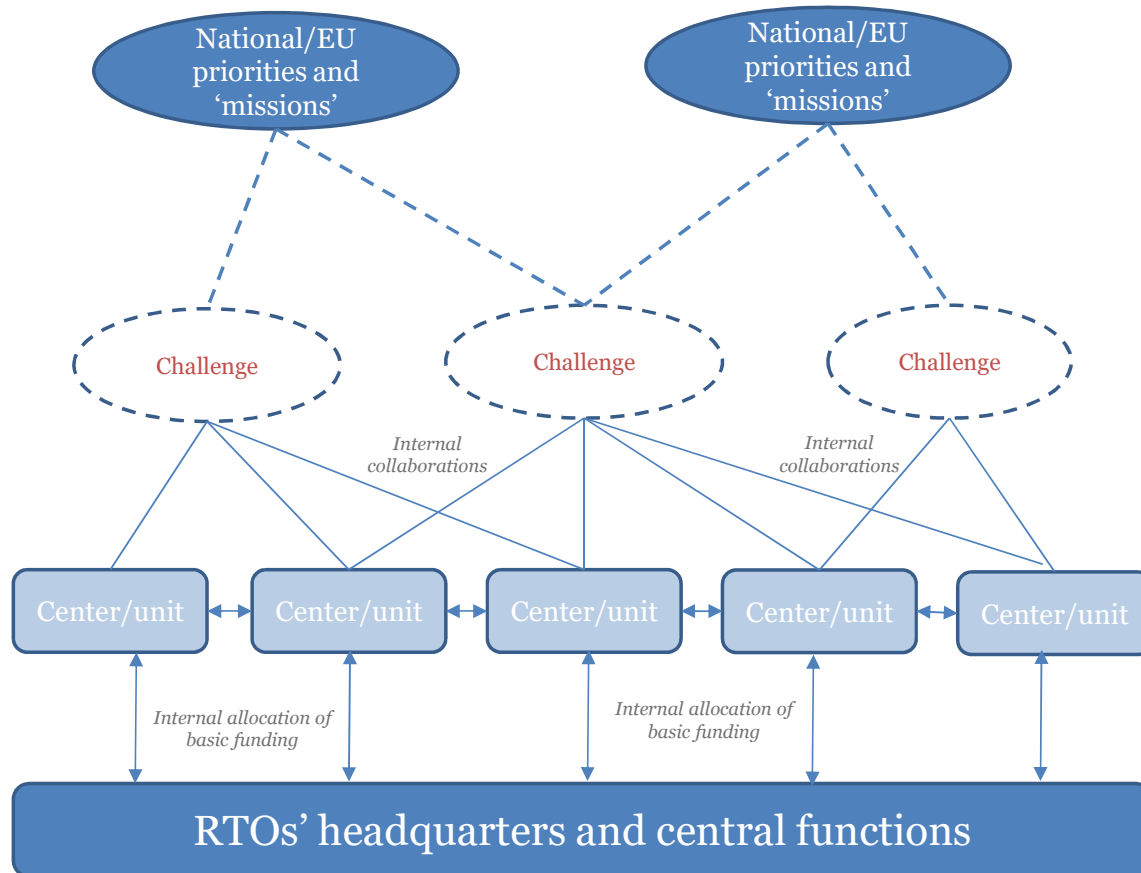
The changing organisational structure of RTOs



- New types of (virtual) matrix...



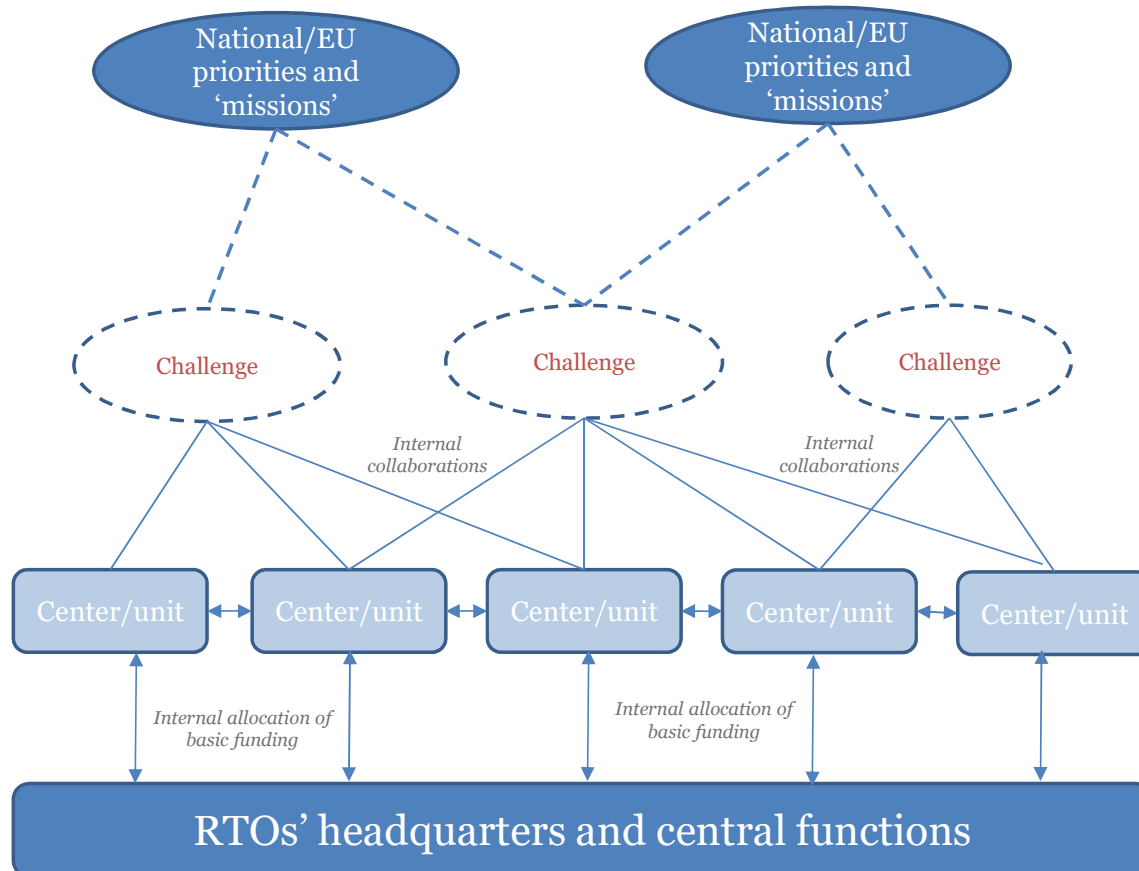
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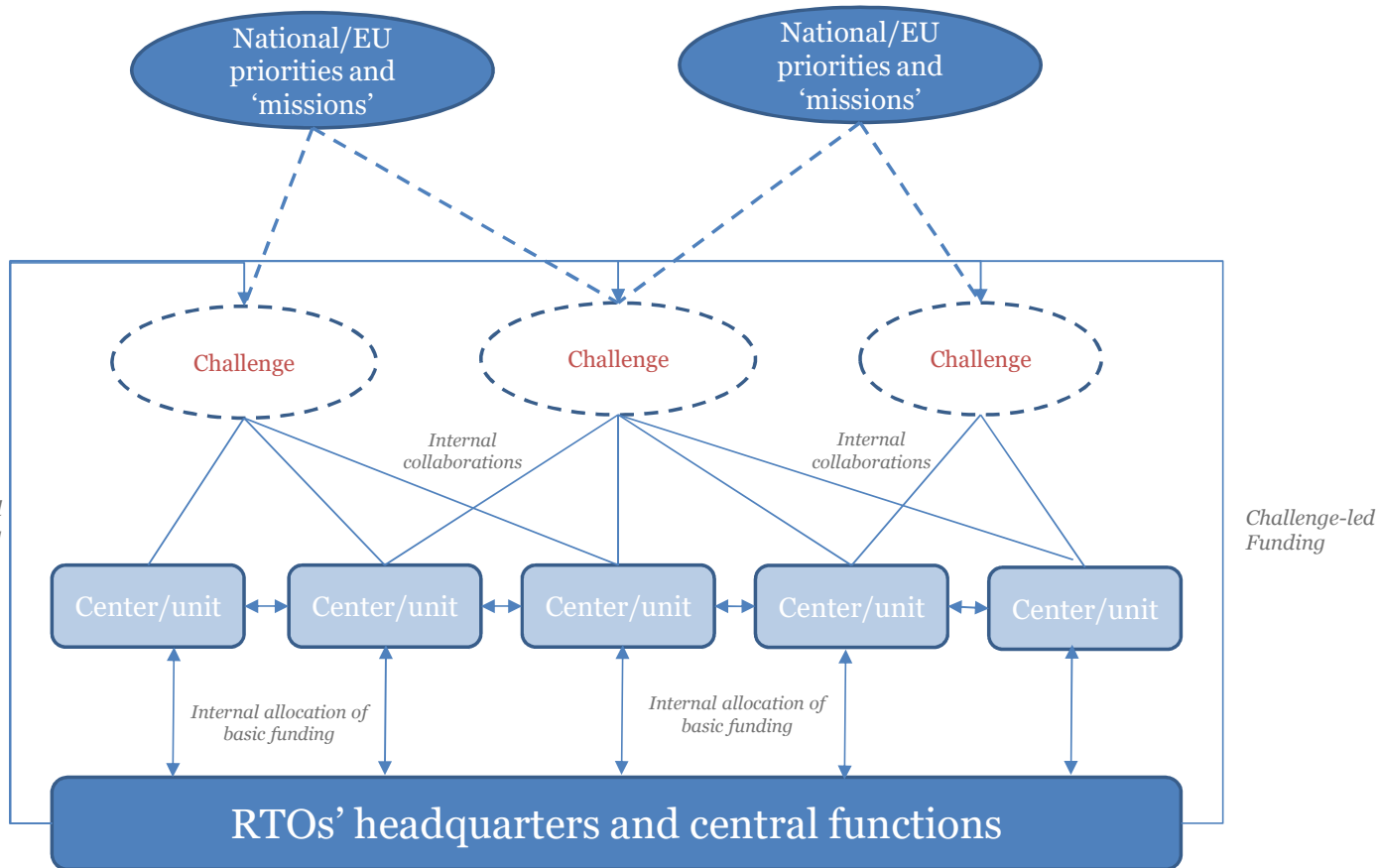
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- New types of (virtual) matrix...
- Next step: aligning the internal structure of incentives?



The changing organisational structure of RTOs



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Evolving funding modalities

- Basic funding
 - **multi-annual and conditional** on the achievement of performance targets, no major changes to criteria
 - directions provided remain wide and generic, leaving significant **strategic autonomy** to RTOs
 - strategic earmarking of basic funding is rare
- Competitive funding
 - trend towards **larger projects**, more **challenge-based/mission-oriented** but...
 - ⚠ need attention to balance with other types of 'open' funding
 - ⚠ transaction costs
 - ⚠ larger *and fragmented* funding
- Private funding
 - still pressures to increase their share of **external funding**
 - share of **commissioned contracts from public authorities** is increasing
 - several RTOs face a **saturation of industry demand**: need to address the needs of non innovative (technological) SMEs or reach out to new industry partners across borders



Many thanks for your attention...

- ...and for your support:
 - surveyed and interviewed RTOs
 - EARTO
 - OECD team (esp. Orestas Strauka)

Please send all comments and reactions to philippe.larrue@oecd.org