

# Universities as Instruments of Regional Development in Canada's Provinces

Department of Economics

Visiting Speaker: Herb Emery

Feb. 22, 2019 3-4:30 PM Arts & Administration Building A1043

**This event is open to the public**

Do research and teaching activities in a province's universities result in stronger economic performance for the regional economy? Universities are perceived to be sources of knowledge spillovers which are positive externalities in terms of encouraging industrial agglomeration and higher incomes in the local economy. Despite the high commitment of public expenditures to universities for teaching and research, there is surprisingly little empirical evidence to demonstrate that universities do, in fact, have positive impacts on the regional economy. This study investigates whether measures of university student enrolments, research funding and overall university budgets are correlated with provincial GDP growth, labour productivity growth, employment growth, investment and Total Factor Productivity growth. Using data from Statistics Canada's CANSIM database and CAUBO's FIUC database, we measure the regional economic impacts of universities in the 10 Canadian provinces between 2000 and 2014. Our results show that, on the margin, research funding and expenditures on universities have no effect on the growth of the regional economy. For the large population provinces, we find that overall university enrolment, research funding and size of university budgets have no significant economic impacts. For the 6 smaller population provinces, we find that increases in undergraduate engineering enrolment are positively associated with GDP growth, productivity growth and total factor productivity (innovation), suggesting that faculties or schools of engineering are a source of knowledge spillovers that compensate for the lack of scale economies from agglomeration in the region. The results of this study suggest that universities could boost provincial economic growth by increasing engineering enrolment, as well as by exploring opportunities for greater alignment of the missions of other faculties with regional labour market and knowledge infrastructure needs.

[www.mun.ca/econ](http://www.mun.ca/econ)



An advisor to federal and provincial policymakers, Dr. Herb Emery focuses his research on the development of the Canadian economy and the persistence of long-standing regional disparities. Aside from understanding the economic fundamentals of growth in a small open economy, Dr. Emery's work incorporates political, historical, cultural and other institutional factors that have shaped Canadian development processes.

Dr. Emery began as the Vaughan Chair in Regional Economics at UNB in July, 2016. He holds an MA and PhD in Economics from the University of British Columbia. His academic career began at the University of Calgary where, from 1993 to 2016, he assembled a track record of demonstrated excellence in research, teaching and leadership.

Funding provided by the Vice-President Academic's "Support for Scholarship in the Arts at Memorial Program" and the Collaborative Applied Research in Economics (CARE) initiative

[economics@mun.ca](mailto:economics@mun.ca)  
864-8248