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LEADER ARTICLE: Opening New IITs

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The government recently said that it would open more Indian Institutes of Technology (IITs). While any move in this direction is welcome, the existing model of wholly state-funded IITs is not amenable to increasing the numbers and enhancing quality.

After the first five IITs which came up three to four decades back, the government has set up only one, in Guwahati. But since the 60s, India's population has doubled and numbers of the educated seeking admission have probably gone up tenfold. Unable to cope, the government started renaming existing institutions as IITs. The key difficulty today in starting an IIT is attracting and retaining good faculty.

To attract quality faculty, we need good students, a vibrant research environment and attractive compensation. Good students are available in plenty in India, at least at the undergraduate level. The challenges lie in the other two areas, and they cannot be met by promoting new IITs exclusively in the government sector due to resource and management constraints in the present model.

In an era of public-private partnerships (PPP), it is worth extending the PPP approach to starting new IITs. Private sector dynamism and long-term social commitment of the government can come together to create quality institutes. A modified BOT (build-operate-transfer) model can be applied here.

The government can specify norms for an IIT and its support for the project. These norms can include autonomy, selection process for students and faculty, reservations, governance structures, and conditions for financial support, such as what it will provide per student and per faculty. It can also specify norms for giving the land and its share of the initial capital for a new IIT.

With these guidelines in place, the government can invite respected individuals and business houses for a partnership to start a new IIT. The project can be executed by the partner, who, apart from bringing his share of the initial capital, can go on to provide ongoing support to the new IIT. This would be in addition to the government lending support as per its norms.

The official salary scale of the IIT faculty can remain the government-approved scale, this coming from government grant. However, the private partner can provide additional compensation to the faculty, pegging this to market levels.

The private player can also provide funds to invite faculty from abroad, something that is difficult to do from government funds. In general, funds provided by the private partner can be used for activities that cannot be undertaken with government money.

In this modified BOT model, the private partner is actually paying money, and not making any, in the B and O phases. Why would a private player participate? Many rich individuals and organisations in India would like to direct their wealth to societal uses, such as academic institutions. Given the IIT brand, it will be easier to get them to start a new IIT than, say, a new college or university.

Since the new institution is an IIT, it would be eligible for research grants and partnership programmes. A fully private university in India will find it almost impossible to support research, as can be seen in most existing private institutes, including well-funded ones. With research funding available from regular funding sources as well as multilateral agencies, an exciting environment

can be created, particularly with leadership support from the private sector.

The board of governors can remain the top body of an IIT built through PPP. The government can stipulate that the board will consist of eminent people, specify that a few seats will be nominees of the government, and lay down that the director will be selected by a professional search committee appointed by the board. The initial agreement can last for 20-30 years, after which the IIT may revert to the government, or the arrangement may be extended.

A likely area of contention is the fee structure. Although it can be stated that the IIT can make no profit and extra revenues generated will go towards expanding the institute, there is likely to be a difference in opinion on the level of fees and how it should be determined. One possibility is to have norms where per student support is a function of fees as the fee increases government support decreases.

As part of the agreement, the government can also state that the new IIT should build mechanisms to create new faculty for itself as well as for other institutions. This is not as hard as it may sound. With incentives, it is possible to attract young graduates to join the PhD programme where they may do a joint PhD with some world-class university (with which this new IIT can get into an MoU, and for which funds will be provided by the private partner) and also do part-time teaching in this new IIT.

The PPP approach, unlike the government one, has reasonable scalability. There is no reason why with different partners, a new IIT cannot be created every couple of years at least for the next decade or so. The new models that are likely to come up in new IITs will also help existing IITs to change and upgrade their management and compensation approaches. With D Sanghi, S Biswas, K Ramamritham and D B Phatak. The writers are IIT professors.

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