

## **Should IITs and IIMs be allowed to become self-funding (Appeared in Economic Times, 29-05-07)**

The main issue is autonomy, not self-funding. But the other side of autonomy is responsibility and accountability, particularly for institutions created through public funds. Hence the real question is what form of autonomy and support these institutes should have and what should be their responsibility in return of the support and autonomy.

Most of the great public universities are fairly autonomous, and IITs and IIMs also should also be more autonomous. Lack of autonomy not only permits interference, but also creates divided responsibility, which inevitably leads to maintenance of status quo, which in today's India is not desirable. With autonomy these institutes would have full control on their policies and operations, as well as have full responsibility for what value they provide. Autonomy is needed, therefore, not only to empower these institutes to make their future, but also to make them fully responsible for what they do and what value they provide to the society at large with no scope of "passing the buck" on to the Govt. In fact, the latter is a solid reason of why the Govt should want to make these institutes autonomous.

The governance structures of these institutes were designed to promote autonomy. They just need a little refinement, for example, by having the board consist of eminent citizens, researchers, alumni, and faculty, the Chairman of the boards elected by some process, the Director of the institute selected by a search committee rather than being nominated by the Govt, and the Board being empowered to decide the compensation and reward mechanisms.

For mechanisms to keep these institutes accountable and responsive, the prevalent practice of many of the best known publicly funded institutes can be employed for IITs and IIMs. In this, there will be some loose "contract" between the institute and the government on what value the institute will provide and what level of support the government will give.

As IITs and IIMs are young in the academic world and therefore evolving, such a mechanism for accountability will require a long term vision for each of these institutes. The vision essentially will be about the scale of operations in the different dimensions in which the Institutes provide value – UG education, Masters, PhDs, continuing education programs, teachers training programs, R&D, etc. So, if the vision of an IIT is to become a world class institute both in terms of size and quantity, say like a Georgia Tech, in the next 20 years, then it can articulate this vision and state where it will be in 5, 10, 15 yrs towards this goal. If the vision is agreed, then the govt, in return promises support in terms of capital investment as well as running expenses to support the vision. This becomes the "contract". After that the government should be out of the picture, except for having regular evaluation through properly selected expert committees of whether the expectations are being met.

This form of accountability will ensure that the institutes move in the direction that is consistent with national interests, and that the vision and plan of the institutes are publicly known. This, in itself, will be a big step forward as there is rarely a discussion on where these institutes are going and what their long term goals are.

So there is a need for a vision, a plan to achieve the vision, support from the government for achieving the vision, and the institutes having complete control of executing their plans with no interference from the govt and its ministries. It is, however, not clear whether the government is willing to give this form of autonomy and, perhaps more importantly, whether these institutes are willing to accept the responsibility that must go with autonomy.