

Address by Dr. Vijaypat Singhania, Chairman, Board of Governors, IIMA

Padma Vibhushan Dr. Chakravarthi Rangarajan, Sir,
Ladies & Gentlemen,

We are indeed privileged to have such an eminent person as Dr. Rangarajan with us this evening. A person responsible in no small measure for the process of fiscal decentralisation, opening up the 'closed Rupee' to open market forces, requiring greater competence and efficiency in Banks as the nation's "financial controller", were sufficient justification to get him labelled as the "Philosopher King" of India. He pushed ahead with a new package of economic reforms to free the economy and lead it from bondage to freedom to growth, liberalism to avoid corruption, thereby fundamentally altering the structure and direction of the Indian economy. He fought for de-regulation. We can all see the emerging benefits of loosening the strangulating controls that governed our system.

Sir, if it can work in the fiscal field, which it did, I want to suggest we give it a shot in the field of education as well. Let the government free it from the strangulating controls that it is tied down in – at all levels – primary, secondary, graduate and post graduate fields. India's literacy rate of 65% is below that of 125 countries of the world. Our higher education enrolment ratio of 10% is once again amongst the lowest in the world. Knowledge has become the most important factor in economic life. In 1998 when India was at position 128 out of 174 nations in the field of Human Development, 11 years later in 2009 its position slipped to 134 out of 182 nations. We need some serious introspection, especially since Brazil and China retained their positions.

Despite the general decline in the quality of education imparted in most universities, the nation has been fortunate to have several public institutions, such as IITs and IIMs that have been able to maintain and enhance the quality of education imparted. Government should use these institutions wisely by freeing them from all operational controls while charging them with the responsibility to provide the benchmarks for quality education needed by society. These institutions must be supported and encouraged to compete with the best institutions in the world. We need greater autonomy in functioning and running these great Temples of Learning. A comment on the proposed entry of foreign academic institutions into the country would be in order at this stage. The foreign universities bill proposed by the government would provide the same freedom of operations to the foreign academic institutions as provided to the private domestic academic institutions in the country. If this were to happen, without the public academic institutions being unshackled from government restrictive controls, then these institutions would not be able to compete with the better known foreign bodies. Un-intentionally and without reason the government would have sown the seeds of destruction of some excellent academic institutions in the country.

The meaning of the word *autonomous* is *self-governing*. If IIM-A indeed is an autonomous institution, as agreed to by the government, then it must be self-

governing, that is, governed by the Board of Governors of the Institute. And yet, the history of functioning of the Institute, as is the case with other IIMs, clearly shows that the functioning is not autonomous, that is, these Institutes are not entirely governed by their Boards. There is multi-faceted multi-pronged un-required and unnecessary interference in the functioning and decision making of the Institutes by various agencies of the government.

As a person who has sown the seeds of decontrol of some sections of our economy, we need your active support Sir, in the field of education as well. Government needs to substantially increase the financial allocation to education, both for graduation and to technical courses of higher learning. The amount set aside by the government for the education sector in the plan is highly inadequate to meet the funding needs of the sector, more so if the economy is set to grow @ 8% a year or more.

Illiterate & poor people do not make nations; they are merely an agglomeration of humanity on a large chunk of land the tectonic plates threw up above the surface of the sea. Education is one inheritance we can give our children that is inseparable to their lives and is an important constituent in converting a land full of people into a nation.

We propose for the government to give full autonomy to Institutes of higher education from having to observe any of the norms applicable to CEIs, for a ten year period. During this period, the institute would be expected to achieve global standing as a management school that is recognised as a thought leader in the world of management, particularly in the context of a developing nation. Such Institutes should agree to certain benchmarks of performance that may be independently monitored by a committee consisting of eminent & qualified individuals. Not by persons who have no clue to the complexity of the education regime, culture and its related disciplines.

I thank you once again Sir for sparing your valuable time to be here today.