

Patliputra
School of
Economics(PSE)

Detailed Project Report (Final)

March, 2016

5th State Finance Commission, Bihar

Preface

1. Economies, societies and polities in India and the World are becoming ever more dynamic, complex and integrated. Risks and opportunities need to be anticipated continuously to chart the course of further action. Determination of financial resources, optimal resource allocation and socio - economic outcomes are becoming more intricate. Socio-economic planning and policy making must adopt professionalism of the highest calibre and informed integration of Goals, Strategies, Risks, Manpower, Technology, Inclusion etc.

2. There is a pressing need for a dynamic Development Economics where fine blend of new knowledge and foresightful application of the same ensures synergistic and higher outcomes. The demand for Economists and Public Finance Analyst having requisite knowledge and skills has increased considerably with growth uncertainties, strained public finance and effects of globalization.

3. Bihar has achieved socio-economic growth in recent years that was construed as improbable in the past. But the stage now is set for 'take off' and for very different strategies and actions. State Government has, therefore, naturally felt the need for an Economics Institute of excellence to be set up in the State.

4. It is envisaged that the new Institute would engage in academics, research, consultancy and training and would become think tank for the Government and the Society. It would develop analytical data set for various sectors of economy and provide intra-state, inter-state and comparative national and global information and projections. Scholars will be encouraged to undertake qualitative and quantitative studies in key economic sectors, public finance being one of the prime areas.

5. Public Finance embodies the study of Public Revenue, Public Expenditure, Public Debt and Financial Administration, for ultimate welfare of the people. Public Finance covers a full discussion of the influence of government fiscal operations on the level of overall activity, employment, prices and growth process of the economic system as a whole. It can directly affect education, health, housing and provision of basic needs.

6. Creating anything less than a world class educational institution (WCEI) in a globalised world would evidently be sub-optimal. Creating and nurturing a WCEI is however both an exciting and challenging task. The status of 'world class' is earned like a Ph.D. and not conferred like any other degree/certificate.

7. A World Bank study (2009) has listed the following basic features observed in WCEI: (i) Highly qualified faculty, (ii) Excellence in Research, (iii) Quality Teaching, (iv)

High level government and non-government funding, (v)3 International and talented students, (vi) Academic freedom, (vii) Well defined autonomous governing structure, (viii) Well-equipped facilities for teaching & research, (ix) Student's satisfaction of the campus life. Accordingly, WCEI must have *Abundance of resources* (Endowment, budgetary support, sustainable fee structure and research grants), *Concentration of talents* (students, international students), faculty, including visiting faculty) and *Favourable Governance* (Regulatory framework, autonomy, academic freedom, leadership, strategic vision and a culture of excellence).

8. This DPR has included 'marketing' of the Institute and identification/mitigation of Risks apart from setting out Vision, Mission, Objectives and Mandate of PSE. Draft MoA, Bye Laws, Advertisement for CEO and Format of Implementation Plan have also been included in the DPR for expediting the process of setting up the Institute.

9. A key question is "would administrative control of any of the existing institutions, under its regulations, be in a position to facilitate the excellence, flexibility and autonomy that the proposed Institute (PSE) requires to succeed?" It is suggested that the proposed institute be established as an independent entity and not under the administrative control of another institute. The rationale for the same is presented in the DPR.

10. The DPR of a WCEI can only be indicative and the starting point. A visionary and dynamic CEO along with his team has to steer the future course, respond continuously to the needs of a dynamic world and innovate and rejuvenate. Ultimately PSE has to grow to be multi-disciplinary and become 'university' in true sense.

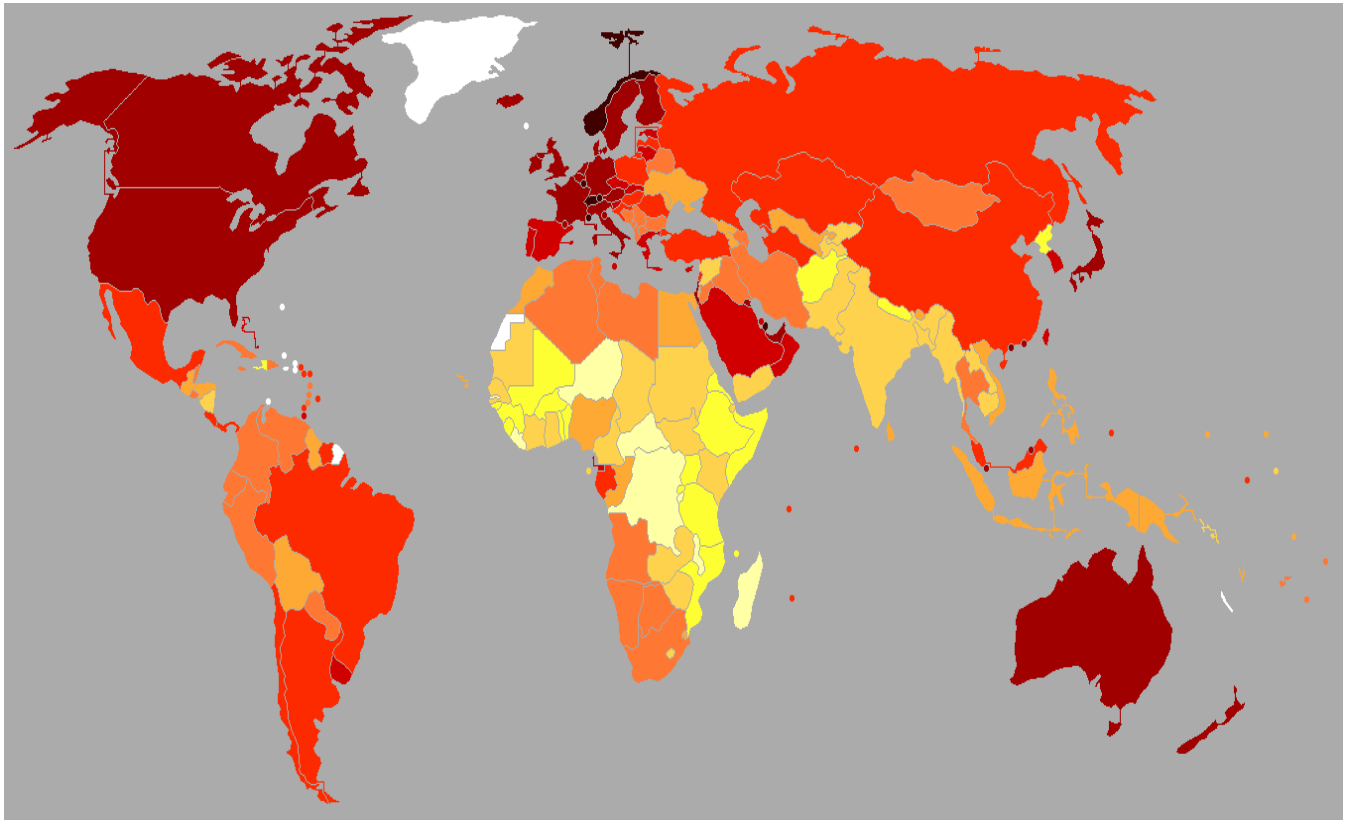
11. Strong & visionary Leadership is a precondition for setting direction and creating clear and visible values and fulfilling high expectation by ensuring creation of strategies, systems and methods for achieving excellence, stimulating innovation and building capabilities. The role and strategies of leadership is given in Annexure III of DPR.

12. It is expected that the Institute would fulfil the vision of our Chief Minister Shri Nitish Kumar of having Institutes of Excellence and the State becoming destination for Research and Knowledge creation.

13. Valuable contributions of our Researcher Ms. Suruchi Agrawal, PGDM (CIMP) and Dr. C. Chandramohan, ex – Advisor, Planning Commission in preparation of this DPR is duly appreciated.

ANP Sinha
Chairman, 5th SFC

A. Per Capita Income (PCI) of Countries



Note: Denser colour represents higher PCI.

Source: A map of world economies by size of GDP (nominal) in USD, World Bank, 2014

B. Per Capita Income (PCI) growth trend of Bihar

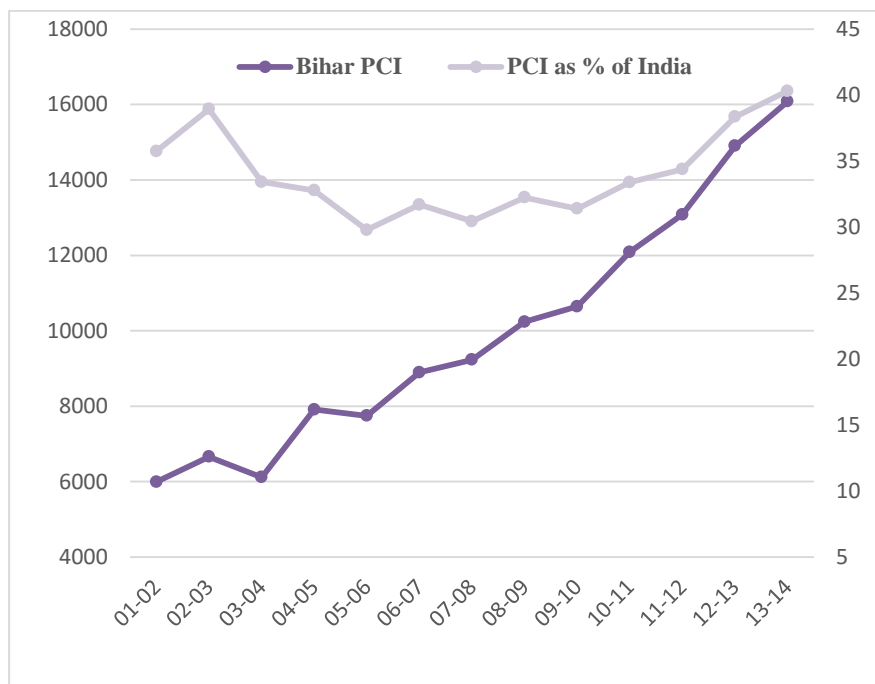


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1.0 Executive Summary

1.1 Background to the Study

State Government has expressed the need for an *Institution of Excellence* in the areas of Economics and Public Finance in the State since the existing institutions in the State have not been set up to deal with the increasing complexity of growth and development and uncertainties in a globally integrating world driven by technology. Such an Institution has to perform multiple functions such as Academics, Research, Consultancy, Think tank and Training to meet the needs of diverse stake holders viz. Government, Economy, Industry, Academia and Society.

1.2 Why an Independent Institution

It should be established as an independent entity for the rationale presented below.

- **Autonomy:** Institutions such as the Indian Institutes of Management (IIM) were set up outside the University system, because the founding fathers of these institutions wished to provide a unique operation model involving institutional, financial, academic and administrative autonomy. This argument holds true for the proposed Institute also so that it develops its own unique culture, free from any specific legacy of an existing institution.
- **Character/role of the Organization:** The mandate of the proposed Institute is envisaged to be different from that of any existing institution. This requires personnel with different attributes. Existing organizations may find it difficult to source such personnel within their existing regulations and culture.

1.3 Institutional Features as Centre of Excellence

Important institutional features of the PSE as a Centre of Excellence include:

- **Strong leadership:** Visionary head of the organization and diversified independent Board of eminent people.
- **Autonomy:** from the perspectives of academic, economic and administrative aspects.
- **Infrastructure and work ambience** of world class institutes.
- Attracting and Retaining **high calibre professionals**
- **Synergy:** Through Collaboration with nationally and globally reputed institutes
- **Focus on Quality:** which include mechanisms for ensuring quality including international assessments and dissemination of research results in internationally recognized publications, peer review of activities, benchmarking studies conducted by panels of International Experts.
- **Strong Communication Strategy:** to make the mission and vision clear to all stakeholders
- **Strong Information and Knowledge Management System:** Developing internal and leveraging external knowledge bases, methodologies, network of internal and external resources.

1.4 Institutional Mandate

The Institute would be an autonomous institution and work with world class leaders, economists and people of calibre from different fields. The Institute would undertake and facilitate academics, consultancy, research and capacity development in Economic and Economic Policy making. It would provide expert advice as a think tank at the National and State level and would establish collaborations with Academic and Research institutions.

(i) Focused Approach on Policy Advocacy, Capacity Building and Knowledge Management

The focus of the Institute in its initial years would be on research and dissemination, policy advocacy, knowledge management and capacity building strategies. Training activities would be focused and specialized.

(ii) Academics

The involvement in academics would be from a perspective of guiding research, M.Phil., PhD and post graduate courses so as to enable its students and scholars to compete nationally and globally in reputation, placement, quality of mind etc. and also provide high quality teaching faculty for the State.

(iii) Policy advice to the Government as Think tank

- Strengthen Economic policy making, Public Finance, Taxation System etc.;
- Advise on Five Year and Perspective Plans;
- Develop guidelines and frameworks for reforms and implementation

1.5 Legal Structure of the Proposed Institute

The options considered for the Institute's legal structure included the following (Annexure V)

- (a) Society (registered under The Societies Registration Act, 1860)
- (b) Trust (under The Registration Act, 1908 or The Indian Trust Act 1882) or
- (c) Company (under the Companies Act, 1956)

It was found that institutes having a similar mandate such as Madras School of Economics (MSE), Delhi School of Economics (DSE), National Institute of Public Finance and Policy (NIPFP) etc have been established as Registered Societies. A Registered Society provides required flexibility for operations as envisaged for the Institute and therefore is the suggested option.

1.6 Governance Structure

1.6.1 Institute's governance structure would comprise of a Board of Governors. The Board of Governors may constitute Committees for specific purposes on need basis. For example there may be committees on research, consultancy, administration, academics etc.

1.6.2 The Board of Governors will comprise of maximum 15 members. This would include a Chairperson (eminent expert in public affairs, economics or management), a representative each from State Planning Board, State Finance Department and State HRD, three representative from collaborative Institutions (DSE, NIPFP, JNU etc), one representative each from MHRD and UN Body, two nominees from the Industry, Head of the Institute, IT Expert in education domain and two Academic staff of the Institute.

1.7 Personnel

1.7.1 The Institute would have a lean staffing pattern. The core group of faculty would be around 30 to begin with, in addition to post-doctoral fellows. 6 Chairs would also be established.

1.7.2 The Institute would have the flexibility of sourcing professionals from the market. The professional staff should preferably be on contractual basis or on tenure of three to five years in order to sustain the quality of staff. A Search Committee would be set up, which would be entrusted with the task of carefully handpicking eligible candidates for the faculty and also directorial functions from other institutions and the market. The support staff should generally be on contract or outsourced.

1.8 Infrastructure

1.8.1 The Institute should have ‘**Intelligent and Green Campus and Buildings**’ with reliance on solar power to a large extent and recycling of water, designed by an internationally reputed architect.

1.8.2 The Institute will have the following facilities:

- (i) **Land and Buildings:** At least twenty acres of land would be required for the Institute. The buildings would comprise of the following:
 - Administrative Area – Offices for professional staff and administrative rooms
 - Instructional Area – for teaching, training, seminars/ workshops, focus group discussions etc.
 - Area for Amenities – Utility area, pantry, toilets, parking etc.
 - Hostel and Accommodation – Family homes, Guest houses and Hostels for students
- (ii) **IT infrastructure:** The Institute would comprise of the latest IT hardware, software and network infrastructure. It would have access to online courses and databases. The IT unit would support all departments including accounts, administration, library, etc.
- (iii) **Library:** It would have a well-stocked library with the latest and best books, e-books, periodicals, journals, CDs/DVDs, MOOC etc. It would be a repository of knowledge, set up an observatory that focuses on developing Bihar and India Growth Monitor, releasing information on economy wide indicators. The facilities would be available to both in-house staff, outside researchers and visiting students.

1.9 Financial Plan

1.9.1 Capital Expenditure

- (i) Capital (non-recurring) expenditure would comprise of one-time expenditure incurred towards the establishment of the Institute such as buildings, other infrastructure including IT and Library. The construction would be phased over 3 years and could commence once the land become available. A temporary arrangement in the interim period viz rented office space would be made. The details of costs are given in Chapter-7.

- (ii) The non-recurring expenditure is estimated at Rs. 75 crore spread over five years as shown in Table 1. This estimate assumes that the land would be made available by State Government free of charge. The details are given in Chapter-7.

Table 1: Year wise break-up of Non-recurring costs

Year	Y1	Y2	Y3	Y4	Y5	Total
Amount(Rs. lakh)	1443	2460	1905	1290	402	7500

1.9.2 Recurring Expenditure

- (i) Remuneration and salaries are major expenditure, accounting for almost 40 per cent of the recurring expenditure.
- (ii) The other major recurring expenditures are: Institute's academic activities (which include training programmes, conferences, documentation and publication costs), travel costs and annual maintenance.
- (iii) Since the core work of the Institute makes it imperative to have state of the art IT infrastructure and a knowledge management system, expenditure on procuring, modifying and upgrading these systems have also been considered.
- (iv) Other costs include insurance costs for the Institute's assets, consumables, etc.
- (v) The total recurring expenditure is estimated to be around Rs. 200 crore spread over 10 years as shown in Table 2. The details are given in Chapter-7.

Table 2: Year wise break up of Recurring costs

Year	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Amt. (Rs. lakh)	800	1000	1300	1700	2000	2300	2500	2700	2800	2900

1.9.3 Financing and Revenues

- (i) A review of other institutions like NIPFP, JNU, etc. shows that in the initial years, the major income source for the institute's operation was through government grants. The key activities of the institution comprise of academics, research, consultancy and knowledge management, which would take time to become revenue generating. Grant support would, therefore, be required for the Institute to function till the time the Institute establishes itself in the market and starts generating own revenues.
- (ii) Revenues from the Institute's academic, training, research and consulting activities in the later years, could increase to 40 per cent of the total recurring expenditure.
- (iii) There are two options for grant support. The first option involves a one-time endowment corpus of Rs. 275 crore from government based on an indicative physical & financial phasing. The second option involves an annual recurring grant from government based on annual budgets prepared by the Institute. The first option is not financially feasible given the resource constraints of the State. Practically also, corpus earnings are lower than cost of borrowing of funds by the Government. Prorata distribution of corpus money locks up funds. The second option is, therefore, recommended.

1.10 Risk and Mitigation Measures

The major risks for the proposed Institute are outlined below. The Mitigation measures are detailed in Chapter-9.

- **The Institute’s inability to find a visionary leader and attract talent:** Establishing a high quality institution requires leadership with a bold vision and the first head of the institution often sets its broad direction. Similarly quality of the staff would determine the institution’s credentials. Experts of high quality in the Economics and Public Finance domains are relatively limited.
- **Lack of effective cooperation from some key stakeholders:** Support from major stakeholders is crucial for the Institute’s success, as its mandate cuts across various domains, and involves a wide range of political, institutional, socio-economic, cultural and technical dimensions.
- **Centre perceived as an arm of the Government and not as a “thematic leader”:** The success of any Organization depends on the extent to which it is able to establish its credibility amongst stakeholders, sponsors, and network institutions. The Institute needs to take position based on its independent research and fact finding. The Institute may further explore different sources of finances, including the private sector, multilateral and bilateral funding agencies.
- **Quality of output, lack of uptake of the Institute’s programmes and advice:** A valid concern is whether the Institute would be able to sustain the quality of its outputs and whether there would be many takers for its programmes and advice.

2.0 Introduction

2.1 Terms of Reference

2.1.1 To produce a Detailed Project Report (DPR) which entails:

- A well-defined methodology to undertake the assigned task;
- Setting objectives and mandate for the proposed Institution;
- Suggesting organizational structure best suited to the needs identified;
- Projecting Annual Budgetary requirement and possible funding sources for the same to ensure sustainability of the Institution;
- Developing an effective Marketing plan;
- An action plan indicating roles and responsibilities and timelines for establishing the Institution.

2.1.2 Institutional Review

The objectives of the Institutional Review are:

1. To enhance public confidence in the quality of education, consultancy and training provided by the Institution and the standards of the Research papers published;
2. To contribute to coherent strategic planning and governance in the Institution;
3. To assess the effectiveness of Quality Education Assurance arrangements operated by the Institution;
4. To evaluate the operation and management of delegated authority where it has been granted.

2.2 Background to the Study

2.2.1 The demand for Economists and Public Finance Analyst has increased considerably with growth uncertainties, strained public finance and effects of globalization. The Government has, therefore, felt the need for an Economics institute of excellence to be set up in the State. It is expected to be a part of State's Vision for having Institutes of Excellence and being destination for Research and Knowledge creation.

2.2.2 Development Economics

Economies, societies and politics in India and the World are becoming ever more dynamic, complex and integrated. Risks and opportunities need to be anticipated continuously to chart the course of further action. Determination of financial resources, optimal resource allocation and socio - economic outcomes has become more intricate. Socio-economic planning and policy making must adopt professionalism of the highest calibre and informed integration of Goals, Strategies, Risk, Manpower, Technology, Inclusion etc. There is a pressing need for a dynamic Development Economics where fine blend of knowledge and foresightful application of the subject ensures synergistic and higher outcomes.

2.2.3 Public Finance

Public Finance embodies the study of Public revenue and expenditure in public interest for welfare of the people. Public Finance consists of Public Revenue, Public Expenditure, Public Debt and Financial Administration. It covers a full discussion of the influence of government fiscal operations on the level of overall activity, employment, prices and growth process of the

economic system as a whole. It can directly affect education, health, housing and the provision of basic needs.

2.3 Creating World Class Institutions

2.3.1 Creating anything less than a world class education institution (WCEI) in a globalised world would evidently be sub-optimal. Creating and nurturing a WCEI is however both exciting and challenging task. Academic Leadership, Academic environment and Infrastructure, Governance mechanisms and Funding are the four parameters that have a significant impact on the evolution of a WCEI. While India has created several reputed institutions in diverse fields, their transformation into world class entities would need major policy initiatives as well as meticulous execution. The status of ‘world class’ is earned like a Ph.D. and not conferred like any other degree/ certificate. The elite status is conferred by others on the basis of international recognition and the institute has to build such a reputation.

2.3.2 A World Bank study (2009) has listed the following basic features observed in WCEI’s:- (i) Highly qualified faculty, (ii) Excellence in Research, (iii) Quality Teaching, (iv) High level government and non-government funding, (v) International and talented students, (vi) Academic Freedom, (vii) Well defined autonomous governing structure, (viii) Well-equipped facilities for teaching & research, (ix) Student’s satisfaction of the campus life.

2.3.3 Thus World class institutions have three essential elements – *Abundance of resources* (endowment, budgetary support, sustainable fee structure and research grants), *Concentration of talents* (Students, faculty, international students, including visiting faculty) and *Favourable Governance* (Appropriate Regulatory framework, autonomy, academic freedom, leadership, strategic vision and a culture of excellence).

2.3.4 The abundance of resources is basically made through training programmes, sponsored research and versatile faculty which moves from one study to another and is mandatorily required to work on funded studies at least three months in an academic year. The universities have research centre where (a) Seniority and length of service is the last factor in determining the head of the study or the study centre, (b) Research has been freed from academic hierarchy, (c) Domain knowledge, research experience, expertise and capability for team work are principal attributes for the lead researcher as bulk of the research is multidisciplinary. It is not difficult to adapt the world class systems to the proposed institute if it begins in this mode.

2.3.5 Other features

- **The basic premise on which a WCEI can be created is aspirational leadership and the freedom of action available to those who manage or lead these institutions.**
- To make an impact, WCEI should constantly review their performance, reassess the direction, realign their priorities, and rededicate to the academic pursuit and excellence.
- While the reputation and public image of educational institutions (and universities) in India are remarkable, their contribution to knowledge creation in the global context is somewhat limited. The most challenging task is to recognize this gap and initiate remedial measures by which this gap can be closed.

- The PSE will be a model institution for teaching and research in economics and public finance in the State and would serve as a pace setting institution in teaching, learning and research in the domain area.
- This transformation process would need active (resource) support from the government in the early stages, high quality leadership, dynamic priority-setting and policy formulation, freedom of appropriate action by the institution, and a strong focus on quality of education delivered, contextually relevant knowledge creation and an ecosystem to facilitate generation of new ideas and thoughts.

2.3.6 National and International Networks and Collaborations

In order to become a WCEI, the Institute should make full use of a wide range of national and international networks across sectors so as to ensure excellence and efficiency in the Institute's activities and operations. The Institute should invite memberships from Governments and Government agencies, academic/research institutions Industry Associations, Corporates, International organisations etc. This would facilitate the Institute in gaining acceptance amongst a wider range of stakeholders. Involving the private sector as members in the Board of Governors and Committees would facilitate a unique opportunity for public-private partnership (PPP).

2.4 Scope of Work

This Report is expected to bring out the contours of the proposed Institute including:

- Vision, Mission and Objectives
- Range of products and services
- Scale of operations and phasing
- Revenue streams and resource flows
- Governance and Organization structure
- Physical infrastructure
- Manpower and resource plan
- Broad risk assessment and mitigation options

2.5 Methodology

- The study has been undertaken based on a study of issues related to stakeholder analysis including review of existing institutions providing intellectual leadership on issues of different branches of Social Sciences, deriving inferences from other well-known Think Tanks, etc.
- The study bases its findings on a mix of Primary and Secondary research as well as discussions.

These discussions have brought out key questions that need to be debated in order to define a clearer path for the proposed Institute. Secondary research was undertaken including a review of related reports, policy guidelines and documents.

2.6 Report Structure

This report is organized into the following chapters:

- Chapter 1: Executive Summary
- Chapter 2: Introduction (this chapter)

- Chapter 3: Stakeholder Analysis
- Chapter 4: Broad Contours of PSE
- Chapter 5: Academic and Research Centres
- Chapter 6: Institutional Setup
- Chapter 7: Project Cost and Financing
- Chapter 8: Marketing
- Chapter 9: Risk and Mitigation
- Chapter 10: Implementation/ Conversion Plan

3.0 Stakeholder Analysis

3.1 Context

There are several stakeholders for PSE which would provide their support directly or indirectly. This chapter further examines the institutional support framework and also looks at some characteristics of institutions extending their support by collaboration or knowledge sharing situated in other countries.

3.2 Key Players- Institutional Support

The key stakeholder categories are as follows:

- **State Government** - Departments of Finance, Planning (Directorate of Economics and Statistics), Human Resource and State Planning Board in particular are the key stakeholders.
- **Students**- Students evidently are the most important stakeholder group on the campus. Students must have better and greater breadth of choice in undertaking their professional pursuit and attain excellence in knowledge and employment.
- **Economics Department** of Universities and Colleges of Bihar and other States
- **Corporates**- Corporate clients include companies and organizations that support the institute by being corporate members including Associated Chamber of Commerce and Industry in India, Federation of Indian Chamber of Commerce and Industry. The internships and placements can be offered by the corporate and strong networking with corporate will help the Institute excel.
- **Teaching Faculty**- Here, the first thing is identifying high quality teachers. Quality of the students an institution produces can be attributed to the quality of teachers employed by them. Institute's reputation, attractive pay packages, freedom of work and less administrative work will help to attract talent. Moreover, the economists who want to contribute to the economic development of the Country and Bihar will extend helping hand without giving much consideration to the Pay package. Experts are also attracted to institutes with students who excel academically.
- **Research, Academic Groups, Universities**- Several research and academic groups, universities and institutes, are funded by National and State Governments, which undertake research, consultancy and training on economic issues. These include National institutions like Jawaharlal Nehru University (JNU), Delhi School of Economics (DSE), National Institute of Public Finance and Policy (NIPFP) and State institutions like Gokhale Institute of Politics and Economics (GIPE), Madras School of Economics (MSE), Institute for Social and Economic Change (ISEC). International institutes include London School of Economics (LSE), Harvard University, Massachusetts Institute of Technology, Stanford University, University of Chicago.

- **Visiting Researchers-** There should be provision for knowledge capital infusion. The Research Centres proposed would provide a viable mechanism. Compensation could be set on contractual basis between the institution and the individual and need not be governed by UGC norms. These experts with their credibility could possibly accelerate research funding, domestic and international.
- **International Agencies-** Agencies such as World Bank, ADB, DFID, UNESCO, EC, OECD are important for monetary as well as non-monetary support. These institutions promote high quality research and also offer internships for students that helps in competitive international jobs or in the pursuit of doctoral and post-doctoral. Institutions like UNDP, DFID, ADB and World Bank are familiar with the development issue of Bihar and have been supporting and operating in the state since long.
- **Central Government-** Various Central Ministries including Ministry of Human Resource Development (MHRD) and other Central institutions play a significant role in strengthening such institutions.
- **Society-** High levels of labour force participation, employment and earnings increase the material well-being of individuals and the wealth of society, and also carry psychological benefits. Adults with higher levels of education are more likely to engage in organized volunteer work.

3.3 Primary Affiliation of the Institution- International Practice

There are essentially four categories of institutions based on affiliation. However, there is more than one category of entity involved in establishing any Institution.

- **Association Affiliated:** Some examples of this type include the Geological Society of America, Inc., European Association for Population Studies, International Sociological Association.
- **University affiliated:** The International Institute of Social Studies (ISS) of Erasmus University, Rotterdam is an example of a University based centre that provides a facility for the exchange of ideas, education, research and innovation. Institute for Quantitative Social Science at Harvard University is another example.
- **Government supported:** Korea Institute for International Economic Policy was founded as a government-funded economic research institute. The Institute for Economic Competitiveness is also supported by The Orange County Government.
- **Autonomous or Independent Think Tanks:** There are several autonomous or independent Think Tanks which are “non-government organizations” and started by individuals or group of experts.

3.4 Role of such Institutions

The roles performed by such institutions essentially fall in the following categories:

- **Setting Standards:** Developing and setting standards for teaching, learning and high quality research adding to the existing body of knowledge. This is attempted through development and implementation of an Internal Teaching Quality Assurance System with modern teaching-learning methods.
- **Integration of Teaching & Research:** The institution builds and integrates teaching and research as twin sides of academic excellence. This is very relevant for our country as 85% of tertiary education is through a system of affiliation and a bulk of such affiliated colleges are not engaged in research. In the Western countries, there is hardly any institution which is not having a research centre.

The Center for Economics of Human Development was developed at the University of Chicago to support basic empirical research in economics directed toward policy problems. IDS, Sussex is engaged in front line research on food security issues and developed a rich body of knowledge to tackle the global problem. The National Bureau of Economic Research (NBER) undertook the pioneering work of developing a most comprehensive educational international data set on the mean years of schooling, covering primary, secondary and tertiary education sectors which is updated and inducted in Human Development Index of UNDP. The Centre for European Economic Research (ZEW) is one of Germany's leading economic research institutes with the objectives to conduct research of the highest quality and to provide scientifically grounded economic policy advice. The Oxford centres for Multi-dimensional Poverty and Young Lives spread their research works in several developing countries and students have opportunity to interact with the researchers and benefit through seminar classes, discussions and gain expertise and look out for globally competitive jobs in their specialisation.

The integration of teaching and research has a profound impact on quality of university education and their students capitalise on the global 'market'.

- **Fostering Partnerships:** Partnerships can serve as strong, unifying forces, gathering complementary skills and inputs of public sector, private sector, and civil society in order to tackle complex social and economic problems. They develop a national and international network and framework within which government agencies, academic institutions, training bodies and other key stakeholders can collaborate in areas of mutual interest.
- **Knowledge Management:** The Centre of Economic Studies and Planning (CESP) at JNU provides a research network and a meeting place for Indian and international participants working in Economic Studies and Planning. Delhi university through DSE and IEG lend credible support to India's development planning. IDS-Trivandrum has developed a rich body of knowledge on remittances and serves as a resource institution for Kerala's State Planning Commission. HAU, Hissar and PAU, Ludhiana were fully engaged in agriculture production programmes of Haryana and Punjab, respectively. They were the pioneers of Farm

Management Studies and developed agricultural cost concepts which are used with modification by the Commission of Agricultural Costs and Prices in determining support prices of farm products.

3.5 Models of Think Tanks

Various studies have attempted to categorize Think Tanks into different models depending upon their mode of functioning and organizational structure. The common models adopted include the following:

Model 1. Academic: These Think Tanks conduct research and analysis on a whole range of policy issues, or in niche areas. They typically:

- Have the credibility, support and influence of the academic community
- Resemble academic institutions but are “universities without students”
- Are staffed by academics
- Research on longer time horizons
- Have the same outputs and rewards as academic institutions

Model 2. Contract Research Organizations/Contract Consulting: These are Think Tanks that perform the majority of their research and analysis for government agencies. They typically:

- Have a policy orientation, and close working relationship with government agencies
- Rely on government contracts
- Serve as policy/programme consultants
- Offer objective and quantitative analysis
- Produce policy analysis rather than academic research
- Allow researchers a limited degree of freedom
- Have consulting firm cultures and organizational structures
- Have reward systems, production schedules and products that are determined by the contract

Model 3. Advocacy Think Tanks: These are Organizations that promote a point of view and whose analysis sometime has a partisan edge. They typically:

- Are driven by issue, philosophy and constituency
- Are Organized to promote their ideas
- Apply principles of management, marketing and sales to public policy research
- Formulate research into a form that meets the needs of busy bureaucrats, politicians and policy makers
- Produce short, journalistic studies and focus on current legislation or policy concerns
- Follow a tight production schedule for outputs/products
- Reward those who can operate on a tight timeline and can produce action-oriented policy briefs

A mix of the above is recommended for PSE as each has some relevance.

3.6 Key Institutional Features for Sustained Excellence

This study has looked at practices adopted by various academic institutions and Think Tanks. Some of the important ones are presented in the following paragraphs in the context of the proposed Institute.

3.6.1 Autonomy

Autonomy of organizations may be seen from the perspective of operational, financial, academic and institutional. Some of the key inferences on autonomy of academic institute in the Indian context are presented below.

Operational

- In IIT, Delhi, all policies related to the Institute's direct operations (i.e. academic policies and decisions) lie with the senate and to that extent, there is flexibility in modifying the same in line with emerging stakeholder requirements.

Academic

- IIMs are free to decide on the norms and procedures related to academic activities, including aspects such as the design of courses, teaching material to be used, method of instruction, evaluation, collaboration with other agencies, relevant research and consulting, and design and control of the admission process.

Institutional

- The flexibility in the internal working environment, active involvement of professional staff in key decision making process related to major academic decisions and a strong faculty governance system have been key factors in the growth and development of the IIMs and IITs.
- The IIMs have a system wherein faculty members are considered "colleagues". The expert persons of the subject areas are "coordinators" and their role is to facilitate rather than adjudicate. Faculty members are permitted multiple memberships in different areas and groups, so as to enable them to work in different disciplines and enhance their potential.

HR

- Administrative decisions at IIMs such as the recruitment of faculty, specification of qualifications, experience and competencies required, job descriptions, organizational structure are decided at the Board level.
- There is a provision for the faculty to retain a portion of the consulting fee from the assignments undertaken by them. This provides an element of flexibility in compensation for faculty members.

Administrative

- Administrative posts such as the Director and Dean are for fixed periods and often the incumbents return to their position of faculty members after their tenure. This provides an opportunity for a larger number of faculty members to obtain experience in administrative posts.

3.6.2 Good Placements

Centres of Excellence provide world class training and employment opportunities to the students in leading organizations. It grooms students to produce human resource of high skills and leadership qualities to serve global needs.

Networking with Company's HR, international development partners, employment agencies, faculties, alumni is important as it is the single most powerful tool to accelerate placements and to create a strong network of trusted allies. Placements in globally competitive jobs are facilitated if students undergo internships during vacations/after examinations.

3.6.3 Focus on Quality of Outputs

Centres of Excellence typically have a strong focus on the quality of output. Some of the institutional practices adopted include:

- Mechanisms for ensuring quality, including international assessments and dissemination of research results in internationally recognized publications.
- Peer review of activities, both internal and external, as a systemic element. The principal elements in the peer review process include the presence of a formal policy, the appointment of a reviewer, the preparation of written comments, and the existence of methods for resolving conflicts between a reviewer and an author.
- Benchmarking studies, conducted by panels of international experts, evaluate the Centre's standing relative to other comparable institutions.

3.6.4 Strong Leadership

Many Institutes have had visionary leaders who were widely recognized by peers and who possessed excellent management skills and were able to guide and lay down the values of the organization. Therefore, **the selection of the leader often defines the path the institution takes**. Many Institutes have strong independent Board members who have represented diverse fields relevant to the functioning of the organization.

3.6.5 Strong Communication Strategy

- Centres of Excellence and Think Tanks place significant emphasis on the marketing of ideas. One of the important functions is to "educate policy makers". Think Tanks look at actively moulding public opinion and policy preferences and the choices of leaders. They have therefore to be far more effective educators. As such a targeted communication strategy is an important factor in the success of Think Tanks.
- In a survey of Think Tanks, over 80 per cent of the Think Tanks had a targeted strategy for the distribution of their publications including delivering "concise topical material". Also two thirds of the surveyed Think Tanks spent 20 per cent of their professional time in writing for publications, articles and books.
- Think tanks usually have more information than the Government Departments as they undertake continuous research and are capable of providing cost effective alternatives to achieving the objectives/goals and are posted with knowledge on the latest global trends in their domain area.

3.6.6 Institutional Focus on Attracting and Retaining Best Talent

Centres of Excellence are essentially "people's" organizations and therefore spend considerable energy in attracting and retaining the best talent. This is reflected in focussed

Human Resources (HR) and administrative policies such as:

- Merit-based hiring and promotion;
- Nurturing of new generations of talent;
- Flexibility and merit based compensation; and
- Strong orientation towards training and internal capacity building.
- Liberal incentives on funded projects undertaken and resources generated from Short term training courses and other skill development programmes organised.
- Special leave to work with Government/Development Partners and other international/National development agencies.

3.6.7 Strong Information and Knowledge Management Systems

Research and Consulting rely strongly on knowledge bases, methodologies, and leveraging networks of internal and external resources. The highly ranked Institutes/Think Tanks have high levels of focus on knowledge management systems embedded in their normal day to day functioning. The creation of virtual networks of excellence (VNE) would be a thrust area for the Centres of the Institute.

4.0 Broad Contours of PSE

This chapter presents the broad contours of the Institute including the mandate, vision, mission and objectives. This chapter also presents the portfolio of services, inter-linkages of the Institute with other stakeholders and indicative outcomes it could strive to achieve.

4.1 PSE: Mandate, Vision, Mission and Objectives

Vision and Mission statement of some International and National institutes are given in Annexure-I.

4.1.1 Institutional Mandate

The Institute is committed to generate, disseminate and preserve knowledge and to bring this knowledge to solve World's great challenges. PSE is dedicated to provide its students with an education that combines rigorous academic study with the support and blend of a diverse campus community. Each member of the PSE community would develop the ability and passion to work wisely, creatively, and effectively for the betterment of humankind.

The Institute would be an autonomous institution and work with eminent economists and bright students and provide professional assistance to the Governments and other stakeholders, and attend to the issues related to globalized and dynamic world driven by technology and enterprise. The Institute would undertake Education, Research and Consultancy in the key areas of Economics and Public Finance providing inputs at the regional, state, national and international levels.

The Institute must have a holistic and multi-sectoral approach while dealing with issues related to any aspect of Economics and Public Finance. Specific mandate relating to Bihar is given at Annexure-II.

4.1.2 Vision

To become an Internationally recognized Institute in economic studies, attracting the best students and teachers from different parts of the World.

4.1.3 Mission

To advance knowledge and educate students, planners and policy makers in areas of economics that will best serve the nation and world.

4.1.4 Objectives

- To provide Excellence in Education and Research
- To function as Think Tank for Government and its Agencies
- To undertake Studies and Consultancy services for both the public & private sectors, and national & international organizations.
- To collaborate with universities, and national and international institutions for advancement of knowledge in its domain.

Priority in Programmes and Structures of Higher Education (UNESCO)

“World Declaration on Higher Education for the Twenty-first century: Vision and Action” in UNESCO World Conference on Higher Education, 1998 have suggested that higher education institutions should:

- (a) Take into account the need to abide by the rules of ethics and scientific and intellectual rigour, and the multidisciplinary and trans disciplinary approach;
- (b) Be primarily concerned to establish systems of access for the benefit of all persons who have the necessary abilities and motivations;
- (c) Use their autonomy and high academic standards to contribute to the sustainable development of society and to the resolution of the issues facing the society of the future. They should develop their capacity to give forewarning through the analysis of emerging social, cultural, economic and political trends, approached in a multidisciplinary and trans disciplinary manner, giving particular attention to:
 - High quality, a clear sense of the social pertinence of studies and their anticipatory function, based on scientific grounds;
 - Knowledge of fundamental social questions, in particular related to the elimination of poverty, to sustainable development, to intercultural dialogue and to the shaping of a culture of peace;
 - The need for close connection with effective research organizations or institutions that perform well in the sphere of research;
 - The development of the whole education system in the perspective of the recommendations and the new goals for education as set out in the 1996 report to UNESCO of the International Commission on Education for the Twenty first Century;
 - Fundamentals of human ethics, applied to each profession and to all areas of human endeavour;
- (d) Ensure, especially in universities and as far as possible, that faculty members participate in teaching, research, tutoring students and steering institutional affairs;
- (e) Take all necessary measures to reinforce their service to the community, especially their activities aimed at eliminating poverty, intolerance, violence, illiteracy, hunger and disease, through an interdisciplinary and transdisciplinary approach in the analysis of challenges, problems and different subjects;
- (f) Set their relations with the world of work on a new basis involving effective partnerships with all social actors concerned, starting from a reciprocal harmonization of action and the search for solutions to pressing problems of humanity, all this within a framework of responsible autonomy and academic freedoms;

Contd.

Contd.

- (g) Ensure high quality of international standing, consider accountability and both internal and external evaluation, with due respect for autonomy and academic freedom, as being normal and inherent in their functioning, and institutionalize transparent systems, structures or mechanisms specific thereto;
- (h) As lifelong education requires academic staff to update and improve their teaching skills and learning methods, even more than in the present systems mainly based on short periods of higher teaching, establish appropriate academic staff development structures and/or mechanisms and programmes;
- (i) Promote and develop research, which is a necessary feature of all higher education systems, in all disciplines, including the human and social sciences and arts, given their relevance for development. Also, research on higher education itself should be strengthened through mechanisms such as the UNESCO/UNU Forum on Higher Education and the UNESCO Chairs in Higher Education. Objective, timely studies are needed to ensure continued progress towards such key national objectives as access, equity, quality, relevance and diversification;
- (j) Remove gender inequalities and biases in curricula and research, and take all appropriate measures to ensure balanced representation of both men and women among students and teachers, at all levels of management;
- (k) Provide, where appropriate, guidance and counseling, remedial courses, training in how to study and other forms of student support, including measures to improve student living conditions.

Source: World Declaration on Higher Education for the Twenty-first century: Vision and Action, UNESCO World

4.2 Guiding Principles

4.2.1 It is intended that PSE would make significant contribution to the advancement of knowledge through research, teach with the most innovative curricula and pedagogical methods under the most conducive circumstances, make research an integral component of teaching and produce graduates & scholars who stand out.

4.2.2 The following underlying guiding principles would form the basis of the proposed Institute:

- **Innovation:** The Institute would focus on adding value, filling gaps and piloting new initiatives and not merely compete with the existing programmes & institutions.
- **Knowledge Creation and Dissemination:**
 - (i) Study National and International Economics and development, draw lessons and disseminate knowledge.
 - (ii) Focus on key strategic interventions, which could bring maximum impact.
 - (iii) Actively seeking the involvement of all those with expertise and ideas to contribute to the academics and research.
 - (iv) Develop a KM portal which will provide a single window for information in India and across the world. The KM portal will have a network with its

associates and partners

- (v) Develop curriculum and teaching materials for Universities and Colleges in Bihar and other states.
 - (vi) Establish a forum at the national and international levels to share knowledge.
 - (vii) Organise State, National, International seminars and workshops.
- **Consulting and Research:** The feature of the Institute would be a mix of the “policy advocacy” and the “contract researcher” models. It would focus on research that meets the needs of busy bureaucrats, politicians and policy makers. It would apply principles of planning, management and marketing to public policy research, and at the same time serve as policy/programme consultants, offer objective and quantitative analysis, and research (‘researcher’ model) for other select themes.
 - Provide consultancy services to Government, Corporates, universities, multi-bilateral agencies on Development Economics, Public Finance and related matters.
 - Through international networks, undertake consultancy services for developing countries in Asia and Africa.
 - Form Researchers’ Colloquium (ReCoup) to bring together research institutions and individual experts to undertake research activities

4.2.3 In the context of Bihar specifically, undertake applied research work on state policy and programmes and lend credible research support in management of State Finances, develop temporal data set on key socio-economic indicators at the state and sub-state levels, monitoring and evaluation of principal development programmes, undertake appraisal of project proposals and provide quick studies/feedback on economic matters needed by Planning and Finance Department with high priority in a time bound manner.

4.3 Chair Professionals

4.3.1 The Institute would establish ‘Chairs’. ‘Chair’ here refers to a person, institute, state or any country which shows willingness to collaborate with the Institute in order to promote and work on issues aligned with the mission and vision of this Institute.

The advantage of establishing Chair will be to have formal linkages with different institutions and countries as well as to provide different skill sets required for overall grooming of the students as well as the Institute.

4.3.2 The Institute would establish “Chairs” from Governments and institutions, such as Central/State Governments, International Agencies (DFID, WB, ADB, UNDP), LSE, MIT, HSE, CESP, DSE, NIPFP, NCAER etc. which work on Applied Economics, Public Finance, Trade and Finance, Environmental Economics and other subject areas of Economics. The Institute, the ‘Chairs’ and the host organisations would be linked through a knowledge management platform.

4.3.3 There is a scope and good prospects for setting up Chairs through Central Ministries including of External Affairs, Finance, Water Resources, Rural Development, Human Resources Development, Health and Family Welfare, Women and Child Development, Social Justice and Empowerment and other central institutions like NITI Aayog. These Ministries would be approached on the basis of proposal highlighting the research domain that falls within their business rules and are relevant. Planning Commission (now NITI Aayog) has been funding several Chairs in various Universities/institutions. State government would support the proposals and approach Central Ministries on behalf of the institute.

4.3.4 Selection of Institutions for Chair Professionals

The institutions envisaged as partners should be a mix of public and private institutions which would facilitate Geographical spread and Diversity of domain/ expertise.

- ***Selection criteria for 'Chairs' are***

- Institutes of international reputation
- Relevance of domain
- Experience in strengthening skills and capacities of Practitioners, Elected representatives and Policy makers
- Existing or planned linkages with other institutions in the region and beyond
- Placement Track Record
- Strong networks to exchange experiences and to share best practices
- Have scientific excellence in technique (publication record, modern equipment, standards of measurements, etc.
- Full time staff/visiting staff credentials
- Self- sustenance
- Demonstration of collaboration, output of collaboration, duration of collaboration
- Research Track Record
- Publications & citations
- Ranking

4.4 Creating and Sustaining Excellence in Institute

As outlined in Chapter 1, following underlying institutional features are embedded for sustaining long term excellence.

4.4.1 Strong Leadership

Strong Leadership is a precondition for setting direction and creating clear and visible values and fulfilling high expectation by ensuring creation of strategies, systems and methods for achieving excellence, stimulating innovation and building knowledge and capabilities. The role and strategies of leadership is summarized in Annexure III.

4.4.2 Autonomy

Academic institutions need five kinds of freedoms to function effectively, to contribute best to the society, and to human civilization. Three of them are academic. The other two are economic and administrative.

- ***Academic Autonomy:*** The freedom to decide what to teach, whom to teach, and who will teach: (a) Regarding the freedom to decide what to teach, there should be ample

freedom to teachers to devise and revise the course curriculum so as not to just train their minds but also their hearts for the goodwill of the society. *(b)* Regarding freedom to decide whom to teach, the autonomy must come with clear and transparent accountability to the Government, Parliament, students and the wider society.

(c) Regarding the freedom to decide who will teach, there needs to be open and transparent system for selection because teachers are the seeds of intellectual crop of the future; they have to be the best.

- ***Economic Autonomy***: The freedom to seek resources from where they are best available and to decide what to do with those resources.
- ***Administrative autonomy***: The flexibility in its internal working environment, ensure active involvement of professional staff in key decision making processes related to academics and develop a strong faculty governance system. All faculty members should be considered “colleagues”.

All policies related to the Institute’s direct operations should lie with the Governing Body and to that extent, there is flexibility in modifying the same in line with emerging stakeholder requirements and control of norms and procedures related to academic activities, including aspects such as design of courses, teaching material to be used, evaluation, collaboration with other agencies, relevant research and consulting, design and control of admissions process.

4.4.3 Focus on attracting and retaining talent

To attain and sustain national, regional or international quality; certain components are particularly relevant, notably careful selection of staff and continuous staff development, promotion of appropriate programmes for academic staff development, including teaching/learning methodology and mobility between countries, between higher education institutions, and between higher education institutions and the world of work, as well as student mobility within and between countries. The new Information Technologies are critical in this process, owing to their impact on the acquisition of knowledge and networking.

4.4.4 Collaboration and institutional linkages

The Collaboration will help promote sharing and learning from existing best practices from the best national and international Institutes. LSE, MIT, HSE, NUS are some of the Institutes which are focused for collaboration. It will also help in Student exchange programmes and to invite best faculties and economist to impart knowledge to PSE’s students.

4.4.5 Qualitative Evaluation

Quality is a multidimensional concept, embracing all its functions and activities: teaching and academic programmes, research and scholarship, staffing, students, buildings, facilities, equipment, services to the community and the academic environment. Internal self-evaluation and external review, conducted openly by independent specialists, if possible with international expertise, are vital for enhancing quality. Independent bodies should be established and comparative standards of quality, recognized at international level, should be defined. Due attention should be paid to specific institutional, national and regional contexts in order to take into account diversity and to avoid uniformity. Stakeholders should be an integral part of the institutional evaluation process.

4.4.6 Focus on quality of output

Managing quality comprises a wide variety of mechanisms and processes acting at various levels throughout the Institute's programmes and across its organization. These build on the professional interests and motivation of the employees, faculties, governing body and Founders. They reinforce each other as a means of serving student's and researcher's needs.

4.4.7 Strong Communication Strategy

An integrated communication process, needed in high education institutions, must be defined as the complete shape, including a proper communication channel, a good speech, an understandable message, evaluation of the feedback by creating educational programs adjustable to the student needs.

4.4.8 Knowledge Management System (KMS)

The KMS would help to build collective competence and organizational capabilities and would serve as a platform to facilitate knowledge sharing of national, local and international practices and experiences. It will also help to identify and absorb tacit knowledge, which is often embedded in firms and persons and cannot easily be transferred to others.

4.4.9 Infrastructure and Ambience

Facilities are required for institution to run the educational and research programmes efficiently and the growth of the infrastructure to keep pace with the academic growth of the institute.

4.5 Proposed Outcomes

4.5.1 The Institute will focus on economic policies of the state, nation, world and a number of theoretical and empirical issues, which are important for the advancement of national as well as international economy. In addition, the centre will encourage quality research by students and faculty on important economic and social issues and support research collaboration with different national and international institutions.

4.5.2 The outcome would be involvement of all stakeholders viz. Government, Students, Universities, Teachers, Research & academic groups, Industries, National/International agencies and Society on a single platform to achieve the following:-

- (i) Better Employability (Output from Inter disciplinary and cross disciplinary learning)
- (ii) Quality gains (Output form Governance, Faculty ratio, Academic reforms, Autonomy)
- (iii) Better research yields (Output from Publications, PhDs, M Phils., Investment)
- (iv) Output in terms of Access, Excellence and Equity
- (v) Achievement of internationalisation goals (with regard to faculty, students, collaborative research)
- (vi) Outcomes in terms of NET/JRF qualification and capabilities in providing quality teachers for higher education in economic disciplines
- (vii) Contribution in research and policy support to Government.

5.0 Academic and Research Centres

5.1 PSE Centres

This chapter gives overview of the Academic and Research Centres at the Institute. Six Academic Departments and Research Centres are proposed to begin with offering courses from varied fields of Economics and Public Finance as shown in Table 3 below:

Table 3: Centres at PSE*

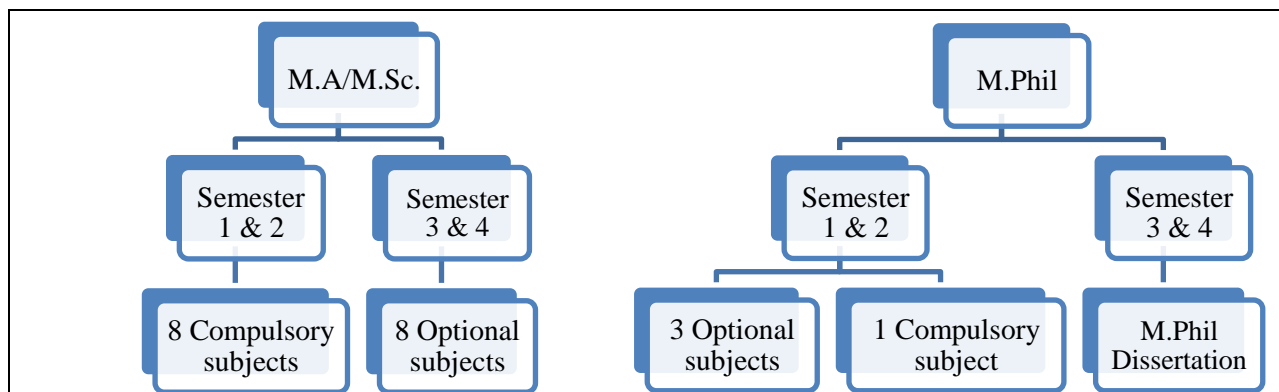
Fundamentals of Economics	Econometrics and Quantitative Economics	Development Economics	Public Economics	Money, Banking and Trade	Environmental Economics
<ul style="list-style-type: none"> • Microeconomics • Macroeconomics • Behavioral Economics • History of Economic Thoughts and Contemporary Issues • Indian Economy 	<ul style="list-style-type: none"> • Econometrics • Qualitative Methods • Applied Research • Data Analytics • Operations Research 	<ul style="list-style-type: none"> • Development Economics and Planning • Agrarian Economics • Welfare & Labor Economics • IT Economics • Development Strategy for Bihar • Demography 	<ul style="list-style-type: none"> • Public Finance • Public Policy • Public Systems Management • Local Body Finances 	<ul style="list-style-type: none"> • International Finance • Monetary Policy • Indian Banking & Global context • International Trade & WTO 	<ul style="list-style-type: none"> • Economics of Energy & Industry • Economics of Science & Technology • Climate Change • CPR, Water resources

***Note: Political Sciences are to be included in near future with a view to ensuring integrity of knowledge.**

5.2 Academic Courses

5.2.1 In both CESP (JNU) and DSE, there are 4 semesters in a year with some core courses that are mandatory and some optional courses where the student have to make choice from the given list of courses. A list of courses offered at CESP (JNU), DSE and Department of Economics at Harvard University is given at Annexure IV. The initial semesters have more of core courses while the number of optional courses increases in later semesters (Figure below):

Figure 1: Course structure at CESP, (JNU)



5.2.2 There are a large number of subjects/ themes in economics and it is not possible that every student could be taught everything in some years of his academics. It is also not

required. Besides, every student has different interests and it is not prudent to burden the student with subjects in which he is not interested. The best way for PSE is to prepare a list of courses and to identify core/ mandatory courses and optional courses. Courses should be relevant from the point of view of students and not merely on the availability of teachers.

5.2.3 It is observed that optional courses play an important role in the world of work while the mandatory courses provide strong foundation in theory and invariably include Econometrics and Quantitative Methods honing the skills in applied research. When MSE was launched in rented buildings, it immediately latched on to Environment Economics which was new area then and prepared students for highly competitive jobs in the global market. This also brought funds from the Central Ministry and enabled internships to its students. Otherwise, Public Finance and Econometrics were supposed to be the core specialisation of MSE.

5.2.4 Therefore, while the list of optional subjects are prepared, prospects of quality employment for students, increased global interest in the subject, contemporary body of knowledge, its relevance to the developing countries and national and State efforts in the domain area needs careful consideration. Teaching of courses would also depend upon interest and expertise of teachers. PSE needs to hire teachers who could transact the syllabi as per the curricula. This is where guest lectures and visiting professorships help.

5.2.5 The courses will be so diversified as to attract a talented pool of students from varied backgrounds, including not only economics but from other fields such as mathematics, physics, philosophy and engineering at the PG and research degree levels. LSE admitted Indian students with technical degrees.

5.2.6 Students would get exposure to a wide range of courses and also gain experience in empirical work, analysis of data and writing technical papers. PSE will run free optional classes for developing generic skills viz. language proficiency, report writing, communication, basic principle of business, contracts, partnerships, presentation skills and possibly one UN language, preferably French or German whose conjugation of verbs is closer to Hindi, depending upon the students interest.

5.2.7 MSE deputed PG students to Planning and Finance Department of Tamil Nadu Government for summer camps in applied research.

5.3 Academic Divisions and Programmes

5.3.1 The Educational Statistics of Bihar (AISHE, 2012-13) shows undergraduate enrolments at 10.79 lakh. The PG enrolments are less than one lakh (92,091). Bihar Universities do not offer M.Phil. research degree courses. The PhD enrolments are just 2556. These numbers reveal two crucial aspects. The educational progression in the state is seriously constrained due to lack of adequate access to PG and research degree courses. The students are forced to move out of the State sometimes with inadequate means to support them and suffer in far off places where cost of living is high. Second, Bihar is not in a position to produce high quality faculty with research degrees in adequate numbers which impinge on quality of education. When one earns

a Ph.D. with M.Phil, he or she becomes a good teacher and guide as the process involves rigorous research and thesis writing twice.

5.3.2 Presently, at PG level, limited attempt is made to develop research skills as no dissertation has been prescribed. Even those who have enrolled at research degree programme, suffer due to lack of experience in preparation of a proper synopsis. In view of the above, although PSE should have undergraduate courses, as recommended by Yashpal Committee, it could wait for a few years as the pressing need is for PG and research degree courses.

5.3.3 Assuming at least 10 per cent of undergraduates are in economics, statistics, mathematics and commerce streams who are likely to apply for PG courses at PSE, the numbers are too high and PSE could get talented students for all Departments. PG / MPhil/Ph.D. courses could be launched in rented premises as their number is likely to be small. PSE may earmark 75% seats for State domiciled students, 15% for all India competition and 10% to international students from IORA countries/South Asia and SEAsian countries which have affinity for the rich cultural heritage of the State. If seats reserved for other than domiciled students remain vacant, these could be filled through State domiciled students. When PSE gets first batch of Ph.D. scholars earning degree, PSE will have full strength of research scholars to run tutorials and weekly seminar classes for under- graduate courses as is the practice in Western Universities. It will free the faculty to devote more time to scholars of research streams and funded research studies.

5.3.4 Three years Undergraduate program

This will be a multidisciplinary program comprising of 8 semesters which will be divided accordingly to provide holistic approach to various social science disciplines with a focus on economics fundamentals.

5.3.5 Two years Post graduate Program

This is four semesters of specialized course with strong focus on Quantitative economics, Behavioural economics, Mathematics for economic sciences and statistics. The student could be given the opportunity to select electives in the last two semesters. All students admitted to the PG programmes would be required to register for fourteen compulsory papers and six optional papers within two years, spread over four semesters, from the date of admission. For each course, the students would prepare assignment papers for assessment. The Master's program should culminate with producing a dissertation (thesis) which is an integral part of student's assessment and grading along with the semester examination results. The academic calendar would be developed in such a manner that the students earn full credit in about 15 months and the last two months of the last semester is devoted to writing dissertation.

5.3.6 Five years PhD program/ Three years integrated PhD program

There could be a standard PhD program for 5 years or integrated PhD for 3 years where exceptional students from master programs are encouraged to transform their thesis into full-time PhD studies.

5.4 Teaching and Learning Methods

5.4.1 It is observed that in today's world, employers expect to pick up candidates for work 'off the shelf' and deploy straight away with very little formal training. A bulk of educated Indians abroad are in teaching jobs or jobs that could be performed solo as in software development and application. This is mainly due to lack of multidisciplinary approach in the educational institutions, lack of group efforts and less integration of teaching and research. For example, research outputs in IITs apparently suffered due to the very same reasons.

5.4.2 A list of relevant options and burden on students are two different things. The burden of students has to do with the syllabi under subject and curricula. In developed countries at PG level, the syllabi is very simple with not more than 18-20 topics. In optional papers, it is even less. Pedagogical methods are innovative and chalk talk business is reduced to 20-25 minutes per lecture and the rest is devoted for discussions. The syllabi is conveniently split and handled in tutorials enabling additional discussions and weekly seminar classes enable peer learning. No one feels the burden. PSE need to adopt such teaching and learning methods.

5.4.3 Implementation of full-fledged semester system with weekly tutorials, seminars and evening classes, where preparation and performance of each student is carefully watched and assisted, is necessary. Some classes will be taken by Internationally reputed Economists in the form of Guest lectures. Organisation of lectures by international experts and encouraging students' participation/ interaction in study tours, interuniversity seminars, lectures and support publication are also desirable. The program will, therefore, be fully residential with 100% hostel facility for classes.

5.5 Academics Committee

5.5.1 Responsibilities

Academics Committee is responsible for establishing and maintaining the highest standards of teaching and learning in the Institution. It provides independent and authoritative advice to the Board of Governors on all academic matters.

5.5.2 Membership of the Academic Committee

The members of the Academic Board would be appointed by the Governing Board. The members would be selected for their academic and professional experience and scholarly contribution in academic arenas. The members of the Academic Board would be as follows:

- External Experts (3), with established reputation in (a) Economics, (b) Public Finance, and (c) Money & Banking, respectively.
- HOD's of all Centres (6)
- Representative of PSE Professors (1)
- An expert in use of IT in Teaching/ Research (1)

Members would serve terms of three years. They may seek re-appointment at the end of each term

5.5.3 General functions of Academic Committee

- To maintain the highest standards in teaching, learning and scholarship and in so doing, to safeguard the academic freedom of the Institution.

- To oversee and monitor the development of the academic activities within the Institution.
- To communicate with the academic community, the Course Advisory Committee and other similar organizational units.
- To maintain and promote regular links with relevant professional organizations and industry groups to ensure that the Institution's academic courses maintain industry relevance and create work-ready graduates.
- To respond to any matters referred to it by the Governing Board or any academic committees.
- To review, guide and encourage the current nascent research programs

5.5.4 Advisory Functions of the Academic Committee

- To provide advice to the Governing Board on academic matters that relate to and affect the Institution's teaching activities for its higher education courses, including advice on academic priorities and policies.
- To maintain academic standards in higher education courses in the Institution.

5.5.5 Specific functions of the Academic Committee

- To initiate the development of new higher education courses for approval by the Governing Board. To delegate responsibility for developing new higher education courses to Course Advisory Committee as required.
- To make recommendations to the Governing Board regarding endorsement of new higher education academic courses, major changes in existing higher education courses and courses for submission to the external regulatory authority for accreditation.
- To approve all minor changes to existing high education courses for implementation in the Institution.
- To formulate and review policies, guidelines and procedures in relation to academic matters.
- To approve academic matters relating to human resource management, the conditions of appointment and employment of academic staff, including position descriptions and staff qualifications.
- To play an active role in assuring the quality of teaching, learning, and scholarship within the Institution.
- To monitor the admission criteria for students in higher education courses in the Institution.
- To initiate and oversee a formal course of review of the academic activities in the Institution.
- To promote and support the development of on-line delivery methods to effectively complete the courses provided and to further develop life-long learning skills.
- To annually review information gained from surveys of students and staff, recommendations from the HOD's and academic staff.
- To consider and advise on matters referred to it by the Governing Board.
- To recommend the conferral of awards for graduation by students in higher education courses within the Institution.

- To exercise oversight of assessment standards and practices as they are implemented within the Institution.
- To provide advice concerning changes and requirements as they occur in the higher education sector.
- To benchmark key activities against those of other higher education providers internationally, where relevant.
- To monitor academic staff development and scholarship activities in the Institution, and to ensure academic staff qualifications are appropriate.
- To monitor current activities and research related to the online pedagogical models to reduce student attrition and to improve ‘connectivity’ and ‘presence’ of students to PSE.

5.6 Research Committee

5.6.1 Membership of the Research Committee

The committee will be headed by a Research Expert of high repute. He will be assisted by other fellows. Director, Directorate of Economics & Statistics of State Govt. will be ex-officio member.

5.6.2 Functions of Research Committee

- Identify priority areas of research based on the review of national and cross-country experiences and interactions with eminent public and private institutions and agencies operating in the areas of social sciences
- Formulate broad guidelines for the Institute’s on-going and proposed research activities and provide suitable advice and guidance for the improvement of the Institute’s programmes
- Develop Terms of Reference with the sponsoring agency and the host institution as the case may be.

5.7 Research Centres and Areas

5.7.1 There exist no dichotomy between research and teaching in the advanced countries as happens in India. This anomaly has been highlighted by Yashpal Committee Report. It is not viable to have one set of faculty for research and another for teaching alone. In fact, a bulk of our universities and affiliated college are with only 14 –hour- a- week teachers that adversely affected research. India has not been producing enough PhDs. Very few students continue on to research degrees compared to other countries. Hardly 1% is enrolled as post graduate researchers in the country. The lack of enquiry-based learning and early researcher skills is limiting the capacity of Indian institutions to engage in vital research and innovation activity. (British Council, 2014).

5.7.2 The institution will have Research Centres (RCs) in various Departments. A common Research Facilitation Centre (RFC) will undertake liaison work with the government and other funding agencies to promote applied research that are of importance to them. The RFC will run Student’s Bureau and implement ‘earn while you learn’ scheme to lend some financial support

to students. The Research Centres of the Departments will be compensated from the grants received from various departments, agencies and UGC.

5.7.3 The RFC will make resource pooling arrangements. The RFC will receive and handle research proposal, research funding, provide field staff from Student's Bureau and ensure that there are no time and cost over runs. The Research Centres will be responsible for the project work and the RFC will not interfere with the academic work. The RFC, as in UK universities, will play a catalytic role in bringing the client and RCs together and will be in lookout for projects to keep the Research Centres fully engaged and generate IEBR (internal extra budgetary resources).

5.7.4 Research areas/topics to be undertaken by the Institute are illustrated below:

1. **Economic Growth** - Research on economic growth assesses how policy making and economic institutions either help or hinder efforts for employment and to generate sustainable growth in living standards.
2. **Development Planning:** including Interventions for **reaping demographic dividends.**
3. **Political economy and Institutional design**
4. **Budget, Taxes and Public Investment-** Economic behaviour of the public sector, theory of social goods, problems of tax structure/incidence, and multi-unit finance
5. **Inequality and Poverty-** Research on levels of economic inequality in connection with levels of economic mobility and levels of poverty.
6. **Trade and Globalization-** analysis of the effect of trade and commercial policies on the allocation of resources, income distribution, and growth.
7. **Public Expenditure and Fiscal Management-** Major works in this area include those on state finances, public debt, government subsidies, analysis of public spending both at Central and State level, public expenditure management, financial consolidation, Outcome budget (FRBM), innovation, performance based financing.(PBF)
8. **Intergovernmental Fiscal Relations-** This includes studies on fiscal relations, both between the Union and State governments, and the State and the local governments. Various aspects of fiscal federalism including expenditure assignments and fiscal instruments for revenue generation at different levels of the government and measures to .augment local body non-tax revenues
9. **Education-** Impacts of social and economic inequality on student achievement, and suggests policies, within school and out, to narrow outcome gaps between middle class and disadvantaged students. Evaluation of implementation of RTE Act, RMSA and RUSA.
10. **Health**
11. **Green Economics-** Research on the role that public investment, regulation, and tax policy play in making the economy more sustainable and equitable.
12. **Skill development and employment-** Research in this area is as critical as ever and focuses on understanding the intricacies and impact of the slow recovery in the Indian labour market, including persistent high unemployment, near-record long-term unemployment, mass underemployment, and weak labour force participation.
13. **Rural – urban continuum and convergence-** Convergence of natural resource

management and livelihood

14. **Money, credit and banking.**

15. **Urban problems-** topics include slums, residential segregation, intra-city location of economic activity, urban renewal, urban sprawl, transportation, and governance.

16. **Social Security and safety nets-** examines the inequities in the current system and promotes initiatives that protect Social Security and lead to universal, secure and adequate retirement policies.

17. **Theoretical Economics.**

5.8 Admission Policy for Students

5.8.1 Eligibility Criteria

Criteria	For UG	For PG	For PhD
International Norms for Indian students (LSE)	a) Average of 80%-85% across five subjects in plus two exams b)UG Admission Assessment Score	a) Bachelor's (honours) degree with overall grade in excess of 65%.	a) Master's degree with an overall grade in excess of 65% b) Minimum level of Mathematics knowledge
AKU Norms	-	-	a) Master's degree in economics or equivalent with minimum 55% marks
Proposed Norms for PSE	Plus two examination with minimum 65% marks. Mathematics or Economics at the plus-two level.	Graduates with a minimum of 65% marks with Economics, Physics, Statistics, Mathematics, Engineering, etc. as one of the subjects.	a) Master's Degree in Economics, Mathematics, Engineering, Public Finance or equivalent with at least 65 % marks from a reputed University/Institute b) M.Phil. Degree

5.8.2 Mode of Selection

1.	Advertisement regarding invitation of application from Admissions office
2.	Screening of application forms
3.	Rejection of incomplete applications
4.	Review of completed applications to filter eligible candidates
5.	Providing scores of eligible candidates as per academic weightage
6.	Inviting them for: <ul style="list-style-type: none"> • Entrance Test and Personal Interview (For UG and PG) • Entrance Test, Group Discussion (GD) and Personal Interview (For PhD/M.Phil.) PhD/M.Phil candidates qualified in UGC, GRE, JRF/NET exams are not required to give Entrance test.
7.	Preparing final selection list by providing aggregate weightage based on: <ul style="list-style-type: none"> • Academic score, Test score and Interview score (For UG and PG) • Academic score, Entrance test/UGC/GRE/JRF/NET score, GD score and Interview score (For PhD/M.Phil)

5.8.3 Reservations for students

- As per Bihar Government Norms.
- 75% seats in all courses reserved for the State domiciled students, 15% based on All-India competition, up to 10% international students.

5.8.4 Scholarships

As per Revised UGC Norms

5.9 Teaching Staff

5.9.1 Student-Teacher ratio

In the Western Universities students get glued to the teacher and students get individual attention if they so require. The regular tutorials and weekly seminar classes bring the teacher and the taught very close. Accordingly, the proposed Student-Teacher ratio is 8:1.

5.9.2 Strength of Teachers

The total number of teaching staff is proposed to be 30 to begin with, in order to reach the proposed student ratio of 8:1 as total number of students is 240. Post- Doctoral staff would be in addition.

Level	Professor	Associate Professor	Asst. Professor	Total
No.	6	12	12	30

6.0 Institutional Setup

This chapter presents the institutional setup and organizational structure for the Institute. It examines:

- (a) The options of the legal structure for the Institute.
- (b) The governance and organizational structures for the Institute.

6.1 Legal Structure of the Institute

6.1.1 The Institute would be set up as an autonomous organization and would be a separate legal entity. The options for a separate legal entity could be a (i) Society (under The Societies Registration Act, 1860), (ii) Trust (under The Registration Act, 1908 or The Indian Trust Act 1882) or (iii) Company (under the Companies Act, 1956).

6.1.2 The key considerations and parameters for selection include aspects such as ease of formation, desired governance structure, types of activities allowed, recurring expenditure, area of operation, labour and relevant laws, and eligibility of foreigners as members/trustees. **Annexure V presents a comparison of the three options.**

6.1.3 Some institutes in the recent past such as National Institute of Solar Energy and ICICI Knowledge Park have been set up as Section 25 Companies. Gokhale Institute of Politics and Economics have been registered under Trust. However, most educational/ research oriented institutes established by Government have been established as Registered Societies viz. MSE, DSE, NIPFP, IIMs, IEG. A Registered Society is considered to provide requisite flexibility for operations as they are designed as democratic structures and suit collaborative activities. This form is appropriate where work calls for consultation and participation of a large number of people and is, therefore, the suggested option for PSE.

6.2 Why an Independent Institution?

6.2.1 Annexure VI gives different options regarding the housing of the Institute. The key question is “would administrative control of any of the existing institutions, under its existing regulations, be in a position to facilitate the excellence, flexibility and autonomy that the Institute requires to succeed?”

6.2.2 It is suggested that the proposed institute be established as an independent entity (not under the administrative control of another institute). The rationale for the same is presented below:

(i) Autonomy: Institutions such as the IIMs were set up outside the University system because the founding fathers of these institutions wished to provide a unique operation model involving institutional, financial, academic and administrative autonomy. This argument also holds true for the proposed Institute.

Autonomy will let introduce better practices in the system, so better and fairer evaluation, things follow schedule, and operations get smoother. The proposed Institute needs to develop its own unique culture free from any specific legacy of an existing institution.

(ii) Choice for Students: Autonomous Institutes provide freedom to select some of the subjects as per their interest areas by giving them the choice of optional which is not exercised by non-autonomous colleges and it affects creativity of the students.

(iii) Character/role of the organization: The role of the proposed Institute is envisaged to be different from any existing institution of Economics in Bihar in terms of orientation towards economics education, Research and consulting. The Board should be diverse with eminent personalities from around the world. The modern, updated syllabus with required revisions at regular intervals is to be adopted. The PSE needs to devise its own admission criteria which will be solely on merit and is required to attract best talents for the job.

6.3 Organization and Governance Structure

6.3.1 Board of Governors

The Governing Council/Body/Board of various Institutes is represented by a wide range of stakeholders as follows:

- MSE has an 18 member Board of Governors which is chaired by an ex-Governor of RBI. The Board consists of besides Director of the Institute, five chairman and Managing Directors from Public Banks, one nominee from Ministry of Environment and Forests, One nominee from State Finance Department, three nominees from Collaborative Institutions and two nominees from Corporates.
- The Institute of Public Policy Research (IPPR), United Kingdom has an 11 member Board of Trustees. The IPPR Trustees have the ultimate responsibility for directing the affairs of IPPR, ensuring that it is solvent, well-run, and delivering charitable outcomes for the benefit of the public for which it has been established.
- The NIPFP is chaired by an eminent professional in the area of public finance. The Board consists of, besides the Director of the Institute, two nominees from the Ministry of Finance, one nominee of the RBI, one nominee of the Planning Commission, three nominees from the sponsoring State Governments, two nominees of industry institutions, three nominees from collaborative institutions, three eminent economists, one member to be co-opted by the Governing Body and one Senior Fellow from the Institute.

6.3.2 Administrative Structure

In many organizations such as MSE and GIPE, there is a body (Executive Council) under the Board of Governors (which oversees policy matters) to look into the institutes' management and administration. The number of members in the Executive Council ranges between 5 and 11.

- **GIPE:** There is a body of management and administration which consists of eight members consisting of the Director, Registrar, Finance and Accounts officer, Officer on Special duty, Librarian and Associate Professors.
- **MSE:** There is a body called as General Body which is vested with the powers to take decision on administration matters. The body includes all the members of the Board of Governors and other members including chairman from Private Banks, two members as

chairman of an FMCG company, a member from World Bank, member from Media companies and other corporates from multinationals.

6.3.3 Suggested Composition for PSE

(i) **Board of Governors:** A 15 member Board is suggested after analysing the Board of other top economic institutes. This would include a Chairperson (a person with experience in public affairs, economics or management), a representative each from the State Planning Board, State Finance Department and State HRD, three Representative from collaborative Institutions (such as DSE, NIPFP, JNU etc), one representative each from MHRD and UN Body, two nominees from the Industry, Head of the Institute, IT Expert in education domain and two members from the Academic staff of the Institute.

(ii) **Administrative Board:** It may comprise of Director and Heads of the 5 Divisions viz: Academic, Finance, Human Resource, Infrastructure Development and Support, Research.

(iii) **Director:** He is the academic and administrative head of the Institute.

6.3.4 Role of the Board of Governors

The Board of Governors would:

- Be responsible for formulating policy and guidelines for the Institute's effective functioning
- Make decisions pertaining to the effective utilization of the Institute's funds and assets
- Approve the business plan for the Institute and its revision from time to time, suggest options for funding and financial sustainability
- Monitor the activities of the Institute and establish committees from time to time as may be required
- Be able to delegate its power to the Head of the Institute or the Director or any officer or committee for conduct of business
- Deliberate and act upon the recommendations of committees and approve various action plans developed by the committees mainly from an administrative and budget perspective while maintaining the autonomy and flexibility of the committees
- Based on the recommendations of various committees, the Board of Governors would also recommend the focus areas for research, training, consulting and as a think tank for Government and its Agencies
- Review from time to time the positioning, governance and institutional structure, human resources and support systems

6.3.5 Role of Administrative Board

The head of the divisions viz. Academic, Finance, Human Resource, Infrastructure Development and Support, Research will report to the Administrative Board, which will be responsible for functioning of the committees. The roles and functions of the committees are described below. Administrative Board will report to the Board of Governors.

6.4 Committees

6.4.1 Academics Committee

The role, functions and composition of Academic Committee is discussed in Chapter- 5.

6.4.2 Finance Committee

a) Advises the Board of Management on all matters concerning financial management of the Institution. It is charged with protecting and renewing the institution's resources and helping the board fulfil its fiduciary responsibilities.

b) General functions of Finance Committee

- To examine the budget proposals of the Institutes.
- Budgetary control of expenditure, income etc.
- Generally to exercise the administrative powers as delegated by the Board and Director from time to time and to make correspondence with Central/State Government etc.
- To issue financial sanctions within the approved budget for purchase of various items and for maintenance and repair of items.

c) Specific functions of the Finance Committee

- To monitor all contracts, agreements, that the Institute enters with the contractors, suppliers, service providers, etc.
- Ensure that General Financial Rules and other rules & regulations issued by various authorities from time-to-time are complied with.
- Will be responsible for vetting of all projects, research, and consultancy agreements from centres, faculty, publishers, etc.
- Accounts & Finance Department will provide required details as and when necessary.
- Will oversee pre, internal, statutory, and CAG audits and ensure compliance of guidelines.
- Will ensure compliance of investment guidelines.
- Will be responsible for presenting the contract and other documents to internal auditors, statutory auditors, and CAG.

6.4.3 Human Resource Committee

a) HR Committee will be headed by an Officer having knowledge in matters relating to human resources.

b) General functions

- To look at all HR matters starting from advertisement to retirement.
- Negotiations with the Staff Unions/Association.
- To exercise powers of the Disciplinary authority as per the delegation of authority by the Director.
- Legal/Statutory matters.
- RTI matters.
- All grievances related matters of administrative staff.
- All welfare related matters of administrative staff.

c) Specific functions of Human Resource committee

- Overall responsible for Academic Associates and Project Staff recruitment and appointment
- Academic Associates performance evaluation
- Provide data

6.4.4 Infrastructure Development and Support Committee

a) It will be headed by Executive engineer or an Estate officer who will be assisted by Junior Engineers and other Staffs.

b) General functions

- Overall supervision and responsible for Estate, Transport, Security, Stores & Purchase, Management Development Centre, Community Welfare, Students Hostels, Land etc.
- To examine proposals of the Institute Engineer and to be responsible for construction and maintenance of buildings and Institute campus.
- Implementation of various other guidelines and orders received from the Board.
- Any other function as decided by the Director.

6.4.5 Research Committee

The functions and composition of Research Committee are discussed in Chapter- 5.

6.5 Organizational Design

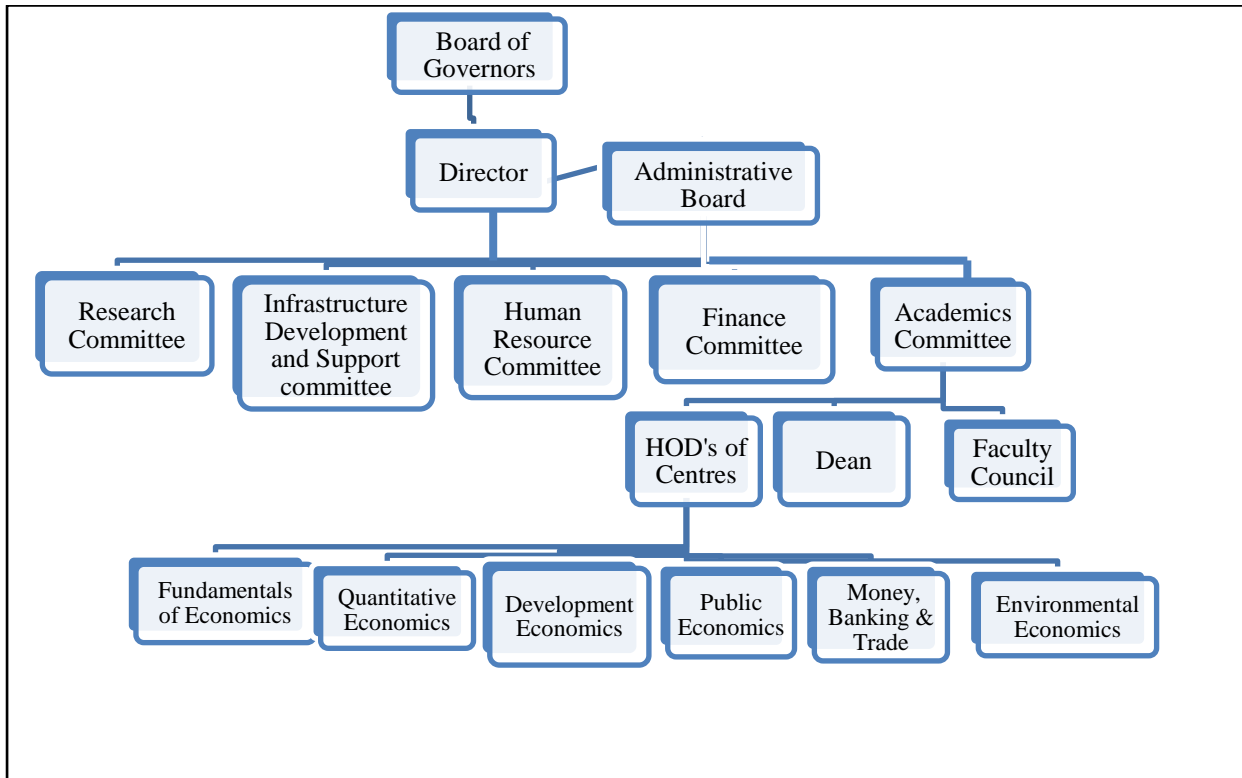
6.5.1 Head of the Organization

Many Institutes have had visionary leaders who possessed excellent management skills to guide and lay down the values that drive the Organization. Evidently, the leadership often defines the journey that the Organization takes. A respected professional in public affairs, economics or public finance may attract the best talent required to make it an Institute of Excellence.

6.5.2 Organization Structure for Institute

- To design the Organization structure of PSE, a study of organization structure of various educational Institutes were undertaken to understand the requirements of smooth and efficient management of the Institute as detailed in Annexure VII.
- The proposed structure (Figure 2) seeks to open up the lines of communication and collaboration while removing layers within the organization. Unlike the traditional hierarchy which typically sees one way communication and everyone at the top with all the information and power; a “flatter” structure is recommended. The professionals and experts would be grouped around the departments and centres identified by the Institute.

Figure 2: Proposed Organizational Structure of PSE



7.0 Project Cost and Financing

The infrastructure at the Institute has been proposed based on the study of other similar educational Institutions with adjustments made to the scale of operations.

The Institute would be built upon at least 20 acres of land and would be known for its **Smart and Green buildings and Campus, designed by an internationally reputed architect.**

7.1 Buildings

7.1.1 Instructional Area

It would comprise of Classrooms, Syndicate Rooms, Seminar Halls, Auditorium, Library with online access to e-books and Massive Open Online Courses (MOOC), etc. The infrastructure requirement for the instructional block with the detailed costs is presented in Annexure VIII & IX. A snapshot of the instructional area statement is given in Table 4.

Table 4: Instructional Area

	Unit	Carpet area (sq ft)	
		Per unit	Total
Classrooms	15	1000	15000
Seminar Halls	1	2500	2500
Syndicate Rooms (capacity 10)	3	300	900
Auditorium (capacity 500)	1	7000	7000
Library with 4 cubicles (capacity 200)	1	6500	6500
Server Room	1	200	200
Pantry Area	1	250	250
Toilets	10	150	1500
Maintenance	1	300	300
Security	1	200	200
Housekeeping	1	200	200
Examinations Control Office	1	300	300
Total			34850

7.1.2 Administrative Area

It would include Office space for all management, professional, administrative and support staff. The Administrative block will have independent Research Centres, Conference Rooms, Reception Areas etc. The carpet area has been increased by a factor of 40 per cent (in line with the AICTE norms of 25%). The infrastructure requirement for the administrative block with the detailed costs is presented in Annexure VIII & IX. A snapshot of the administrative area statement is given in Table 5.

Table 5: Administrative Area

	Unit	Carpet area (sq ft)	
		Per unit	Total
Office of Director	1	500	500
Office of HODs	6	250	2000
Office of Faculty	24	200	5200
Office of Finance, Admin, Placement and other officers	10	150	1500
Research Associates	15	150	2250
Office of Support Staffs, Assistants	15	100	1500
Reception area	1	400	400
Store Room/ File storage	1	500	500
Conference Room (capacity 15)	1	400	400
Toilets	5	200	1000
Kitchen	1	300	300
Total			15550

7.1.3 Amenities

It would include Utilities Area, Pantry, Toilets, Parking, open areas, Store Room etc. The utilities block comprises of areas that will house the main electrical meter, VCBs, HT panel, distribution panel and power back up DG plant. The utilities block will also house water pumps, sewage pumps, sewerage treatment plant and their associated panels. The open areas around the building will also have some provision.

7.1.4 Hostel and Accommodation

It will comprise of Residential area of staffs, guest houses, Hostel Buildings. The hostel block will comprise of accommodation for visiting students. Two Hundred Forty rooms of single occupancy have been proposed for the hostel. The guest house will have four single and eight double occupancy rooms. A snapshot of the area statement for hostels and guest houses is presented in Table 6. Details are in Annexure VIII & IX.

Table 6: Hostel and Accommodation Area

Description	Unit	Carpet area (sq ft)	
		Per unit	Total
Hostel Facility (Double Occupancy)	240	400	96000
Guest House (single occupancy)	4	300	1200
Guest House (double occupancy)	8	500	4000
Boy's Common Room	1	1000	1000
Girl's Common Room	1	1000	1000
Toilets	120	100	12000
Mess	1	4000	4000

Sick Room	1	150	150
Principal's Quarter	1	2500	2500
Sports Club	1	3000	3000
Stationery Store	1	200	200
Total			125050

7.1.5 Circulation Area

Circulation Area of 40% of sum of Instructional, Administrative and Hostel and Accommodation area is required covering common walk ways, staircases, entrance lobby and other amenities following the norms of AICTE of 25%. A snapshot of the Built up Area Statement for Administrative, Instructional and Hostel and Accommodation Area is given in Table 7.

Table 7: Built up Area Statement

Type	Carpet Area	Circulation Area (0.4* Carpet Area)	Built-up Area (Carpet + Circulation)	Cost of Construction	
				Per sq ft	(in Rs. lacs)
Instructional Area	34850	13940	48790	3074	1500
Administrative Area	15550	6220	21770	3674	800
Hostel and Accommodation Area	125050	50020	175070	2000	3500
Total	83800	33520	245630		5800

7.2 IT Infrastructure

The IT infrastructure at the Institute would comprise of the latest hardware/software and network infrastructure. It would provide access to relevant online databases. The IT unit would support all departments, accounts, administration, library, etc.

Table 8: IT Requirement at the Institute

Description	Requirement
Desktops/ Laptop	Available to employees and faculty when appointed
Server	2 servers
IT services and hardware	Outsourced
Knowledge Management system	software packages for statistical analysis and subscription to EBSCO database

7.3 Library

It is important for a research institution to have a well-stocked library with books, periodicals, journals, CDs/DVDs, e-books, MOOC etc. These need to be properly catalogued and computerized for timely retrieval. Its collection, development policies and information services are mandated by the Institute's teaching, research and training objectives. It will have all necessary subscriptions to newsletters and bulletins, and may also offer reprographic services. Besides being available to students, the facilities will be extended to research fellows and faculty of the Institute.

7.4 Capital (Non-Recurring) Expenditure

7.4.1 The non-recurring expenditure consists of one-time expenditure incurred towards establishing the Institute including civil costs towards the construction of buildings and IT infrastructure for the Institute's knowledge management functions.

7.4.2 The construction has been phased over a three to five year period and would commence once the land acquisition is complete. A temporary arrangement in the interim period by way of operating from rented premises has been provided.

7.4.3 Apart from the Institute's Administrative Area (with built up area of approx. 21770 sq. Ft inclusive of circulation area of 40%) to accommodate around 70 staff members (peak strength); Instructional Area (with built up area of approx. 48790 sq. ft inclusive of circulation area of 40%) with classrooms, library, an auditorium with a capacity of 500 PAX, three syndicate rooms; Hostel and Accommodation Area (with built up area of approx. 175070 sq. ft inclusive of circulation area of 40%) with a guest house of twelve rooms for accommodating visiting faculty and participants in training programmes, hostel facilities of 240 rooms besides various service areas (mess, sick rooms, toilets, etc.) has been taken into consideration.

7.4.4 The total land area required to establish the Institute is at least 20 acres. The assumption for arriving at this figure is judgemental. Broadly, the sum of the plinth area for all blocks has been multiplied by two, in line with AICTE norms. The construction period for the Institute is considered to be three to five years.

Table 9: Non-Recurring Expenditure for Institute (Rs. Lac)

Non- Recurring Expenditure	Y1	Y2	Y3	Y4	Y5	Total
Administrative Building	200	350	200	50	0	800
Instructional Building	400	600	350	100	50	1500
Hostel and Accommodation Building	700	1300	900	500	100	3500
Furniture and Fixtures	30	100	300	500	220	1150
Project Management Consultancy	15	10	5	0	0	30
Office Rental (interim period)	75	70	75	80	0	300
IT Hardware and Software	10	10	20	20	10	70
Vehicles	3	0	5	0	2	10
Plant and Equipments	10	20	40	20	10	100
Books and Magazines	0	0	10	20	10	40
Total	1443	2460	1905	1290	402	7500

7.5 Recurring Expenditure

7.5.1 During the operations phase, expenditure would be incurred on various components as shown in Table 10. As per estimates, remuneration and salaries are a major expenditure head, accounting for almost 40 per cent of the recurring expenditure in the first year and stabilizing at around 25 per cent in the later years.

7.5.2 The other major budget heads for recurring expenditure are the Institute’s academic activities (which include training programmes and conferences conducted through self or network institutions, documentation and publication costs), travel costs and annual maintenance. Since the core work of the Institute makes it imperative to have state of the art IT infrastructure and management System, year-on-year expenditure on procuring, modifying and upgrading these systems have also been considered. Other costs include library establishment costs and insurance costs for the Institute assets, stationery, consumables, etc.

7.5.3 Salary Structure

The salary structure of the Institute’s faculty should be at par with the structure applicable to the IIMs in order to attract the requisite talent. The proposed institute should have the flexibility of inviting scholars of outstanding merit on compensation packages that the Board of Governors may determine.

The salary structure of administrative should be at par with that of the state government.

Table 10: Recurring Expenditure for Institute (Rs. Lac)

Recurring Expenditure	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Total	% of Total
Remuneration and salaries	320	400	520	680	800	920	1000	1080	1120	1160	8000	40.0
Office and Administration	120	150	195	255	300	345	375	405	420	435	3000	15.0
Transportation Cost	16	20	26	34	40	46	50	54	56	58	400	2.0
Electricity and Fuels	64	80	104	136	160	184	200	216	224	232	1600	8.0
Staff Training	40	50	65	85	100	115	125	135	140	145	1000	5.0
IT Services	16	20	26	34	40	46	50	54	56	58	400	2.0
Public Relations Agency	32	40	52	68	80	96	100	102	112	116	800	4.0
Insurance Cost	16	20	26	34	40	46	50	54	56	58	400	2.0
Repair and Maintenance	24	30	39	51	60	69	75	81	84	87	600	3.0
Academic Activities	24	30	39	51	60	69	75	81	84	87	600	3.0
Legal Expenses	1.6	2	2.6	3.4	4	4.6	5	5.4	5.6	5.8	40	0.2
Purchase of Consumables	80	100	130	170	200	230	250	270	280	290	2000	10.0
Scholarship and Fee Concessions	6.4	8	10.4	13.6	16	18.4	20	21.6	22.4	23.2	160	0.8
Other Costs	40	50	65	85	100	115	125	135	140	145	1000	5.0
Chair Professional*	0	0	0	0	0	0	0	0	0	0	0	0.0
Total	800	1000	1300	1700	2000	2300	2500	2700	2800	2900	20000	100.0

***To be sponsored**

7.6 Project Financing

7.6.1 A review of reputed institutions like DSE, MSE, NIPFP, NIUA, etc. shows that the Institute’s major income source in the initial years of operation was through government grants. The Institute’s key activities comprise of education, research, consultancy and training which would take time to generate revenues. Major Government grant support would, therefore, be required for the Institute to function till the time it establishes itself in the market and starts generating own revenues through Research, Training and Consulting activities as well as Academic Programmes.

7.6.2 Two options could be considered for grant support. The first option involves a onetime endowment corpus of Rs. 275 crore from State government based on indicative physical and financial phasing. The second option involves an annual recurring grant from state government based on annual budgets prepared by the Institute. The first option is not financially feasible given the resource constraints of the State. Practically also, corpus earnings are lower than cost of borrowing of funds by the Government. Prorata distribution of corpus money locks up funds. The second option is, therefore, recommended.

7.6.3 The entire cost of buildings and infrastructure is assumed to be funded through government budgetary allocations and hence no debt component is considered. Should the Government decide to develop the project through PPP or other implementation formats, there would be some financing by the project proponents also.

7.6.4 The potential sources of income for the Institute, apart from State Government allocations, could be contributions by Central Government Department, multi/bilateral agencies and corporate sponsors. The Research Centre could be supported through MMEs of CSS operating in the State. Direct funding could also be obtained from the Ministries from National MME.

7.6.5 CSR is also a good option to tap funding for the Chairs locally. Banks, financial institutions and IT majors could be approached for bigger contribution towards infrastructure, a specific component of the proposed infrastructure plan of PSE like Auditorium, IT infrastructure and networking, Library, Hostel blocks etc. which could be named after the donor .

7.6.6 While the Government will support the institution with adequate funding partly through endowment and mostly through budgets in the nascent stages, it has to stand on its own with high quality academic, training and research programmes in the long run. It should have a viable fee structure, generating at least 40% of O&M expenditure in the long run. This is attainable with differential fee structure for international students. It may be noted that the role of the government in nurturing the growth of world class universities (e.g. Ivy League Universities in US, Oxbridge in UK) was not a critical factor. It took long many years for them. However, newer universities/institutions learn to walk before creeping.

7.6.7 It has been seen that institutions like NIPFP conduct training programmes for around 150 participants every year. A similar assumption has been made for the Institute's potential training/academic programmes. On an average when fully functional, say in the fifth year of operations, the Institute could conduct six highly specialised training programmes with 30 participants per programme. Most of the modern universities earn money through sandwich courses that facilitate high quality jobs.

8.0 Marketing of the Institute

Higher education institutions are becoming increasingly integrated in the global education market and institutions are facing rising competition for the best students, teachers and professors. ICT has enhanced and changed the nature and context of communication exchange, allowing for a broader range of competition.

The concept of marketing the institute will help PSE to understand the wide context of changes within which they are operating, thus supplying an important feedback system to identify various and ever changing needs in order to establish the quality services satisfying those who are the target-segments: potential students, actual students, professors, companies, parents, society etc. In order to attract quality students, attracting and retaining top class teachers and Professors is critical. That's why, Research need to be carried out in order to obtain information about student choice decision making to assist institution in optimizing their recruitment and enrolment efforts.

8.1 Important Factors in decision making

8.1.1 People make choices every day, but most of them are low-involvement decisions. The decisions about educational choices are high-involvement decisions because: -

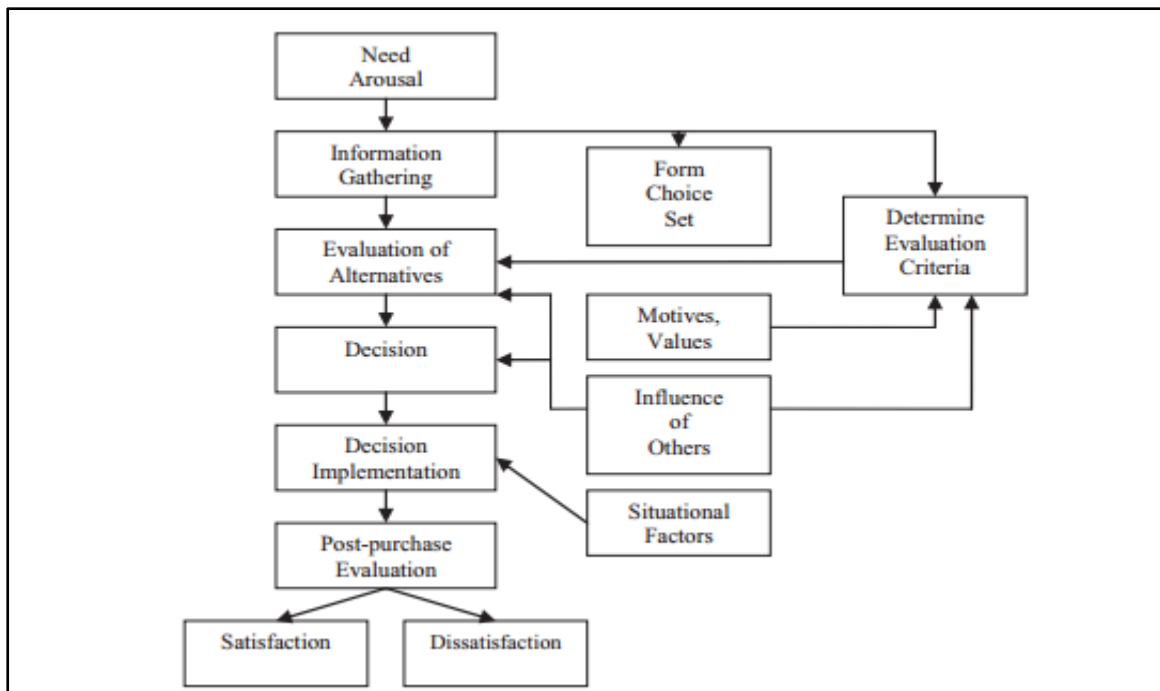
- The pupil's decision will reflect upon his or her self-image and could have long- term consequences.
- The cost to carry out a decision involves major personal or economic sacrifices.
- The personal and social risk of making a “wrong” decision is perceived as high.
- There is a considerable reference-group pressure to make a particular choice or to act in a particular way to meet the expectations of reference groups.

8.1.2 However, ‘quality’ factors such as Academic reputation and Quality of faculty are consistently identified as fundamentally important. Other factors that applicants typically consider are: -

- Location of the university and closeness to home area.
- Job opportunities upon completion of study: placements, employability, reputation and career guidance.
- Influence of others: Extensively researched factors include the influence of family, friends, socioeconomic status, etc.

8.1.3 Figure 3 shows the steps followed by a potential student in educational choice decision-making process. Evaluating the options is considered to be a challenging job due to the intangibility of the product.

Figure 3: The steps in highly- complex decision making



Source: Kotler Philip, Karen Fox, Strategic Marketing for Educational Institutions, Second Edition, Prentice-Hall, Inc., New Jersey, 1995, p. 251.

8.2 Getting the Best Talent

8.2.1 Faculty

- **Fellows of Econometric Society-** The Econometric Society is an international society of academic economists interested in applying statistical tools to their field. Some of the members of this society are professors in Department of Economics at Cambridge University, Oxford University, Harvard University as well as Delhi School of Economics and CESP at JNU to name a respectable few.
- **Strong Networks-** The teachers with strong networking with Corporates or other educational Institutions will be very important assets to the Institute as their relationships will help to invite scholars as speakers and invite organizations and companies for student's placement process.
- **Diverse Industry backgrounds-** The diverse experience collected after number of years by working at different Industries will be very beneficial and helpful to students to understand the subject from all practical aspects and the problems and solutions associated therewith.
- **Faculty Exchange Programmes-** The benefits include wider experience for faculty members teaching in new and different environments as well as broader exposure for students from visiting faculty members. It will contribute in expanding reputation of the University in the quality of its students and faculty and increased opportunities for faculty to meet and work with colleagues in different institutions.

8.2.2 Students

- Opportunity to work in Think Tank of Government will be a learning path and a motivating factor for many students

- Good Placements at reputed organizations can be the most important motivation factor for many of the students
- Distinguished Scholars as visitors will impart many important learnings and the opportunity to listen and to be trained from the eminent personalities will be an important factor for the student’s enrollment in the Institute.
- Opportunity in Research
- Scholarship on Merit basis

8.3 Marketing Mix

The marketing mix refers to the set of actions, used to promote brand or product in the market. The 7P’s in the components of Marketing Mix is in the Context of PSE is given below: A framework is given in Annexure X.

1) Education as a Product:

Considering students, the essence of a service they are looking for is information/ knowledge. The most important decision is which curriculum and services are to be offered to students, partners and other public.

2) Price/ Tuition fee:

The price needs to be considered both from the economic and psychological point of view. Regardless of the tuition fees, the student and their families are interested to know the effective price which is the net amount they pay for the educational benefit.

Table 11: Cost and Benefit Analysis for Fee Evaluation

Costs	Benefits
<ul style="list-style-type: none"> •Time and efforts •Self/family savings •Loans •Opportunity cost •Scholarships 	<ul style="list-style-type: none"> •Career Prospects •Prestige •Ongoing Experience •Education •Program Uniqueness

Source: Briggs S., Wilson A., (2007) “Which University? A Study of the Influence of Cost and Information Factors on Scottish Undergraduate Choice”, Journal of Higher Education Policy and Management, 29 (1), pp. 57-72

3) Educational Service Distribution:

The competitive advantage of the location in Bihar is good as there is currently no nationally reputed institute of Economics in Bihar when a large number of Bihar students move to other cities to pursue courses. Other advantages are State Government support which is very crucial for the establishment and development of the Institute.

4) Promotion:

Promotion, in terms of PSE, is communication of higher education Institute of Economics with the target market. The important factors in pupils selection of higher educational institution are: “Job opportunity”, “Institute’s Reputation”, Information offered by Institution through media (such as Magazines, brochures, websites, Presentations). These things must, therefore,

be considered while designing a campaign or awareness programme.

5) People:

People, as a key instrument in educational process, are constituted of curricular, extracurricular, staff, students and other partners in the environment, doing business with the Institute. How the participants dress, their personal opinion and behaviour influence the perception of potential students and their families.

- **Staff :**

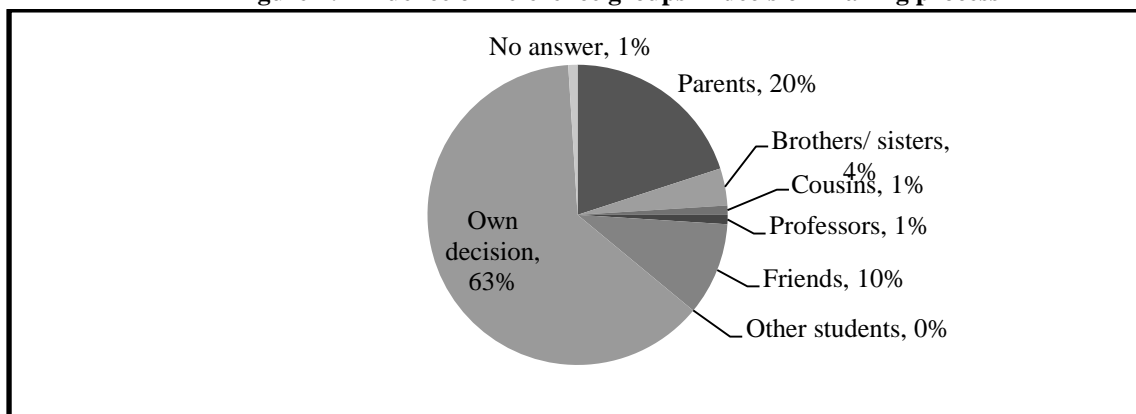
Success of PSE depends on quality and dedicated staff. For which, it is necessary to provide motivational working conditions (academic freedom, adequate financial compensation etc.), possibility of career building for long-term specialization and employment. To maintain and develop effective, friendly and informative internal channel communication and interaction among employees and departments, it is necessary to have open communication throughout Institution.

- **Students:**

As started earlier, Student's choice of institution is influenced by a complex combination of personal expectations, motivations and aspirations and all of them influenced by the family, peers, relatives, media, teachers, idols etc. Figure 4 shows that 63% of students made the decision of the institution on their own. This is considered the target group which is believed to have highest influence of commercial propaganda as this category is characterized by sophisticated information gathering processes.

Further, student satisfaction depends upon academic and pedagogical quality of classes, university Infrastructure and administrative staff service quality.

Figure 4: Influence of Reference groups in decision-making process



Source: Gajic, J. (2010)

6) Teaching Process:

Educational services are personal and characterized by intensive, intellectual, emotional and physical participation of students in a service process. Successful schooling would have to be founded on teaching principles. All teaching systems, methods, forms and all instruments of work rely on them.

7) Service Environment:

Physical environment plays a significant role in student's choice. As it is one of the most important decisions in life of young people and their families, which cause modern educational institutes to offer virtual tours as Harvard's and Stanford's, all with the purpose of providing future users with a closer insight into the environment, before making the final decision.

Table 12 shows different elements of physical evidence forming a part of the service environment of any institute.

Table 12: Elements of Physical Evidence

Facility Exterior	Facility Interior	Other Tangibles
<ul style="list-style-type: none">•Exterior design•Signage•Parking•landscape•Surrounding Environment	<ul style="list-style-type: none">•interior design•Equipment•Signage•Layout•Air quality/ Temperature	<ul style="list-style-type: none">•Business cards•Reports•Staff dress•Uniforms•Brochures•Web pages•Virtual servicescape

8.4 Media Mix










8.4.1 According to Kotler and Fox (1995), most educational institutions use public relations, marketing publications and, to a lesser extent, advertising. Public Relations should encourage open two way communication and mutual understanding. Whatever is the format of information, Honesty is, to a reasonable extent, the best solution.

8.4.2 The modern communication media is very crucial for developing a trusting relationship between the institution and its users. The people usually become motivated to share important information with their friends on the network, because they expect their experience to be helpful or of any use to someone.

8.4.3 Higher education institutions communicate with various groups (students, parents, donors, employees and community) whose interests vary. In addition, alumni can be promoters and can influence the attitudes and behaviour of remaining partners and potential students.

8.5 Business Model Canvas: Figure 5 below gives a snapshot, in the context of PSE, whereas, Annex XI gives a theoretical framework.

Figure 5: Business Model Canvas for PSE

<p><i>Key Partners</i> </p> <ol style="list-style-type: none"> 1. Central Govt. 2. State Govt. 3. International Colleges 4. Corporates 	<p><i>Key Activities</i> </p> <ol style="list-style-type: none"> 1. Academic 2. Research 3. Consultancy 4. Think Tank for Government 	<p><i>Value Proposition</i> </p> <p>Centre of Excellence for higher studies in Economics</p>	<p><i>Customer Relationships</i> </p> <p>Personalization</p>	<p><i>Customer Segments</i> </p> <ol style="list-style-type: none"> 1. College Age Students 2. Working People with specialized earning needs
<p><i>Key Resources</i> </p> <ol style="list-style-type: none"> 1. Professors 2. Governing Body 3. Library 	<p><i>Channels</i> </p> <ol style="list-style-type: none"> 1. Websites 2. Classrooms 3. Publications 			
<p><i>Cost Structure</i> </p> <ol style="list-style-type: none"> 1. Establishment Cost 2. Admin. Salary 3. Faculty Fees 4. Maintenance Cost 5. Marketing Cost 		<p><i>Revenue Streams</i> </p> <ol style="list-style-type: none"> 1. Fees Charges 2. Grants 3. Alumni Contribution 4. Consultancy 5. Research Projects 		

Source: Osterwalder, Pigneur & al. 2010

9.0 Risk and Mitigation

This chapter presents the risks envisaged for the proposed Institute and the possible mitigation measures.

The major risks for the proposed Institute are outlined below:

9.1 Lack of effective cooperation from some key stakeholders

Support from major stakeholders is crucial for the success of the Institute, and involves a wide range of political, institutional, socioeconomic, cultural and technical dimensions.

As a possible mitigation measure, the composition of the Board is proposed to be representative and a formal institutional arrangement such as “Chair Professional” has been proposed.

9.2 Inability of the Institute to obtain a visionary leader and attract talent

Establishing a high quality institution requires a leader with a bold vision and the first Head of the institution often sets its broad direction. Similarly, the staff quality would determine the institution’s credentials. Discussions with various stakeholders indicate that there are few experts in Economics and spread across many existing institutional support institutions. Therefore attracting appropriate talent for the institution is a risk for the proposed Institute.

The Institute needs to be positioned as a one of its kind institution and a start-up, which offers opportunities to its professionals to work in a highly challenging area. The promoters of this Institute need to offer it autonomy. The Chief Executive Officer is envisaged as a visionary which would encourage other professionals to be a part of this venture.

9.3 Centre not perceived as a “thematic leader”

The success of any Organization depends upon the extent to which it is able to establish its credibility amongst stakeholders, sponsors, and network institutions. The factors facilitating the credibility include rigor and standards reflected in its research, relevance of insights on the needs of economy, calibre and profile of the professional staff, liberal and academic environment of the Institution, good relationship with governmental institutions and strategic partnerships with local, regional and international institutions with similar interests.

The promoters of this Institute need to offer it autonomy. The Institute needs to take positions based on its independent research and fact finding. The Institute may explore different sources of finances, including the private sector, multilateral/bilateral funding agencies, Central Governments etc.

9.4 Quality of output, lack of uptake of the Institute’s programmes and advice

There have been questions raised by some stakeholders as to whether there is a need for the Institute and whether it would serve any purpose. Another concern raised is whether the Institute would be able to sustain the quality of its outputs and whether there would be any takers for its programmes and advice.

The Institute needs to:

- *Develop mechanisms for ensuring quality, including international assessments and dissemination of research results in internationally recognized publications.*
- *Undertake peer review of activities, both internal and external, as a systemic element. The principal elements in the peer review process include the presence of a formal policy, the appointment of a reviewer, the preparation of written comments, and the existence of methods for resolving conflicts between a reviewer and an author.*
- *Undertake benchmarking studies, conducted by panels of international experts, evaluate the Centre's standing relative to other comparable institutions.*

The selection of the Board, Director and Faculty needs to be done with due diligence to ensure that the best and relevant expertise is available to the Institute. It is suggested that an accountability framework be developed up-front and a strong management information framework. It would help risk mitigation.

10.0 Implementation/Conversion Plan

10.1 Operating Steps

Following steps appear necessary to establishing the proposed institute:

- Constitution of a 3 member Task Force to finalise the Memorandum of Association (MoA) of the proposed Institute for registration under the Societies Registration Act, 1860. A draft is given at Annexure-XII. The draft MoA comprises the goals and objectives and functions of the proposed Institute, the structure of governance, the procedure for the selection and appointment of the Chief Executive Officer etc. Other details like the administrative and financial powers of the functionaries and service rules should be drafted under the guidance of the Board of Governors.
- Setting up of the Board of Governors and a Search Committee for the selection of the Chief Executive Officer (CEO) for the proposed Institute.
- Constitution of an Ad-hoc Academic Committee to chart out the academic etc activities of the proposed Institute and arrangements for implementing the activities in the first two years. It is necessary not to delay the professional activities. Evidently, the proposed Institute will operate from temporary campus in the first two years.

10.2 Implementation Roadmap

An indicative implementation format for PSE is presented below. The format needs to be filled by the aforesaid 3 member Task Force.

Table 13: Implementation Roadmap

Sl. No.	Sub Activity	Lead role	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
A.	Registration of the Institution											
	Preparation of MoA for Registration (Annexure XI)											
	Completion of Registration Process											
B.	Setting up of oversight mechanisms- Board and other committees											
	Prepare the ToR for the Board and Research, Academic and Consultancy committees											
C.	Setting up of Physical Infrastructure											
	Lands and Buildings											
	Constitution of a committee for site selection and monitoring of building construction											
	Site Selection											

	Acquisition of Land												
	Tendering and Selection process for Architect and Builder												
	Civil work construction, plumbing, electrical fittings, furnishing, air conditioning, fencing, landscaping												
D.	Recruitment of Personnel												
	Constitution of Selection committee for identifying and recruiting professionals for the Institute												
	Recruitment of Head of Institution												
	Recruitment of other personnel for the Centre												
	Identification of Institutions for Collaboration and for getting Chairs												
	Signing of MOU's with the Hosting Institutions												
E.	Implementation of Technical Programmes												
	Round Table Conference to identify intervention areas and sectors for Research programmes												
	Identification of potential Individual experts on Research partnerships												
	Identification of potential Institutions, academia and NGO's for research partnerships												
	Formation of Researcher's colloquium with Independent research experts and Institutions												
	Support to individual/ institutions undertaking research												
	Undertake Research programmes												
	Gap identification in the areas of project management and												

	implementation												
	Development of tool kits, manuals, brochures, guidelines for Academic programmes												
	Undertake consultancy assignments												
	Development of standardized curriculum for academic programmes												
	Development of framework for taking admissions												
	Development of innovative methods of teaching												
	Preparation of concept note and guideline for establishing networks												
	Formation of national network of institutions working on academia, research and consultancy												
	Enter into MoU's with select institutions												
	Board Meetings												
	Workshops and Seminars for students												
	Prepare broad guidelines and action plan of possible networks for joint collaboration in Academic, Research and Consulting												
	Identification and selection of International institutions for networks and preparation of databank of Institutions												
	Formation of International Network of Institutions												
	Joint collaboration on Research programmes												
	Joint collaboration on consultancy programmes												
	Exposure visits for experience sharing												

Organise International seminars												
Study existing economic system and come up with concept note for modifications												
Developing performance evaluation indicators for Institute												
Developing standard guidelines and formats for Accounts department												
Development of Framework for student performance improvement												
Innovative best practices and major lessons in service delivery are documented												
Organise seminars to share and exchange of information of and to replicate in other areas												

10.3 Performance Assessment Framework

10.3.1 In order to systematically monitor the Institute’s impact and performance, it is proposed that a self-assessment framework be developed. The objective of the self-assessment framework is to provide timely and accurate feedback on the progress of the Institute’s activities and highlight possible risks. This would also help in ensuring transparency and accountability of participating stakeholders including partner institutes.

10.3.2 Some common parameters could include the following:

- Academic reputation (formal accreditation; citations; publication in major academic books, journals, conferences, etc.);
- Media reputation (number of media appearances, interviews, and citations);
- Influence with policymakers (recognition with particular issues, number of briefings and official appointments, policy briefs);
- Level of Organization’s financial resources (endowment, membership fees, annual donations, government and private contracts, earned income);
- Overall output of Organization (policy proposals, publications, interviews, conferences, staff nominated to official posts);
- Extent to which respected publishers agree to publish an Organization’s works;
- Number of recommendations adopted by policymakers, staff serving advisory roles to policymakers, awards given to scholars;
- Organization’s ability to produce new knowledge or alternative ideas on policy;

- Ability to bridge the knowledge gap between policymakers and “on the ground” realities;
- Ability to include new voices in the policymaking process;
- Ability of Organization to be the hub for or central actor in issue and policy networks; and Success in challenging the traditional wisdom of policymakers and the public.

10.3.3 While some of the parameters are quantifiable and may be captured and tracked based on the Institute’s normal MIS, many others are based on the perception of various stakeholders. In this context, it is suggested that the Institute may commission periodic stakeholder surveys on its own performance and seek suggestions from them on improving its performance.

Annexures

I. Vision and Mission Statements of International Economics Institutes

A. International Organizations

S.I No	Name of Organization	Vision and Mission
1.	Harvard College, Harvard University	<p>Vision: Harvard College will set the standard for residential liberal arts and sciences education in the twenty-first century. We are committed to creating and sustaining the conditions that enable all Harvard College students to experience an unparalleled educational journey that is intellectually, socially, and personally transformative.</p> <p>Mission: To educate the citizens and citizen-leaders for our society. We do this through our commitment to the transformative power of a liberal arts and sciences education.</p>
2.	Massachusetts Institute of Technology	<p>Mission: To advance knowledge and educate students in science, technology, and other areas of scholarship that will best serve the nation and the world in the 21st century.</p>
3.	London School of Economics	<p>Vision</p> <ul style="list-style-type: none"> • To deliver challenging research led degree programmes in an environment that supports learning and develops independent thinking among our students; • To ensure that our research and teaching remain at the forefront of the social sciences, addressing the evolving challenges of society; • To be among the most internationally oriented centres of social science excellence in the world; • To extend our engagement with society across our full academic portfolio and in key regions of the world and • To enrol the best students from around the world to benefit from, and contribute to, the learning environment at the School
4.	University of California, Berkley	<p>Mission: The distinctive mission of the University is to serve society as a centre of higher learning, providing long-term societal benefits through transmitting advanced knowledge, discovering new knowledge, and functioning as an active working repository of organized knowledge. That obligation, more specifically, includes undergraduate education, graduate and professional education, research, and other kinds of public service, which are shaped and bounded by the central pervasive mission of discovering and advancing knowledge.</p> <p>Vision: Contribute even more than California's gold to the glory and happiness of advancing generations.</p>
5.	Princeton University	<p>Mission: To empower members of the University community as they seek to learn about self, understand the breadth of cultural and social differences among us, and build the skills needed to create and lead a more just world.</p>

		<p>Vision:</p> <ul style="list-style-type: none"> • Create a greater sense of community and improve the quality of life for Princeton students; • Create and promote a sense of belonging that permeates throughout all aspects of the Princeton community; and, • Foster the growth and unity of the Princeton community by advancing student learning through programs and experiences that integrate self-awareness, multicultural and intercultural communication skills, social justice education and leadership opportunities.
6.	Yale University	<p>Mission: Like all great research universities, Yale has a tripartite mission: to create, preserve, and disseminate knowledge. Yale aims to carry out each part of its mission at the highest level of excellence, on par with the best institutions in the world. Yale seeks to attract a diverse group of exceptionally talented men and women from across the nation and around the world and to educate them for leadership in scholarship, the professions, and society.</p>
7.	University of Oxford	<p>Vision:</p> <ol style="list-style-type: none"> 1. The University of Oxford aims to lead the world in research and education. We seek to do this in ways which benefit society on a national and a global scale. Over the period of this Plan we will build on the University’s long traditions of independent scholarship and academic freedom while fostering a culture in which innovation plays an important role. 2. The University of Oxford’s distinctive structure, born of its history, is a source of strength. Its colleges offer environments which are both supportive to individual scholars and characterised by a defining and enduring sense of community. The personal sense of academic identity that they provide is life-long. 3. We will monitor progress against our priorities, commitments, and aims using relevant performance indicators, benchmarks, and targets. Through this we will maintain focus on the Strategic Plan, ensuring that it continues to meet academic needs, enables us to respond to the external environment, and is updated as appropriate. 4. The annual planning and budgeting process will provide the framework for making the Strategic Plan operational at divisional and service level.
8.	University of Cambridge	<p>Mission: To contribute to society through the pursuit of education, learning, and research at the highest international levels of excellence.</p>
9.	Columbia University	<p>Vision: To be widely recognized as a top-ten research university in the world, and a model university for the interweaving of liberal education and fundamental knowledge with practical education and impact on societal and world problems.</p>

		Mission: To discover, preserve, and disseminate knowledge; produce creative work; and promote a culture of broad inquiry throughout and beyond the Cornell community. Cornell also aims, through public service, to enhance the lives and livelihoods of our students, the people of New York, and others around the world.
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B. Vision and Mission of National Institutions

1.	Delhi School of Economics	It grew out of a vision that a newly independent nation, which aspired to social and economic progress, needed a vibrant centre for advanced studies in the social sciences.
2.	Jawaharlal Nehru University	Vision and Mission: The University shall endeavour to promote the study of the principles for which Jawaharlal Nehru worked during his life-time, National integration, social justice, secularism, democratic way of life, International understanding and scientific approach to the problems of society.
3.	Madras School of Economics	Vision: To become an internationally recognised Centre of Excellence in economic studies, attracting the best of students and teachers from different parts of the country
4.	Gokhale Institute of Politics and Economics	Vision: To conduct research, education and extension on the foremost social and economic problems at national and international levels with the aim of providing viable solutions for decision makers for the betterment of human life. Mission: To undertake research and provide education in all fields of economics with the singular purpose of contributing its might to enhance economic betterment and social welfare
5.	Institute for Social and Economic change	Vision: strengthening and diversifying development research, analysis of the rapid changes and increasing the influence on policy making

II. Mandate Relating to Bihar

The State is deficient in basic economic & social infrastructure and also institutional support to show case the State's rich cultural heritage, natural endowments, abundance of workforce at affordable labour cost and the ability of the Government to support, facilitate, nurture and private investments including FDIs in infrastructure and industrial ventures that would promote rapid industrialisation and urban development.

Moreover, Agrarian economy of the State has been gradually changing with accelerated growth of services sector although from a low base. The Government is under obligation to fulfil the legitimate expectations of the people for enhancing quality of life through education, health, employment, food security, poverty alleviation and insulate them from recurrent natural calamities.

Despite instability, the growth of NSDP since 2004-05 has been encouraging. However, with less buoyancy in own tax revenues, sluggish growth of non-tax revenues and inadequate balance from current revenue (BCR), the initiation has become increasingly complex.

There is a felt need for professional assistance in priority setting for investments, show casing the States' ability to collaborate with investors in the private sector to attract investments and alert the State on economic aberrations or wide deviations in ratios computed for financial resources management and also provide advance estimates for receipts with the use of econometric models to support State planning and finance department for formulation of more realistic Annual Financial Statement(Budget) .

The proposed institution will collect, collate and develop data set for the State. It is well known that a bulk of the information is generated mainly for administrative purposes, not organized and stored systematically and often put to limited use. Further, a bulk of the information is generated through Central sector and Centrally Sponsored Schemes. Government of India has more organised information on socio-economic parameters through various reporting systems (TRS) of State data than many states due to poor institutional support and lack of qualified manpower and cannot replicate for sub state levels. Some States depend on CMIE data, which is basically culled out from annual financial statements, budget notes of the departments, news clips and central government statistical releases etc.

While the Health and Education departments have fairly good documentation of statistical information at the state and sub state levels, most other departments are dependent on Directorate of Economics and Statistics and their hand book of statistics invariably gets delayed. In view of highly complicated schedules in providing information to central organisations and also mandatory participation in their surveys and data collection, State Directorates are constrained by manpower and time to undertake economic analysis for various sectors. Typical case is that of TRS of district wise area, production and yield of agriculture sent to the Ministry of Agriculture, Government of India.

It is envisaged that the new institution will not only develop analytical data set for various sectors of state economy but would also provide intra-state, inter-state and comparative national/global indicators/information. M.Phil./PhD scholars will be encouraged to undertake qualitative and quantitative studies in key economic sectors, public finance being the prime area. While basic details will continue to come from the Directorate, the institution will provide all analytical and comparative information. State specific information from Census and national surveys like NSS, NFHS, NCAER etc. will be collated, analysed to lend technical support to the State Departments concerned.

The Research Centre created out of faculty in Public Finance Department of the Institute will lend credible research support to the State Planning and Finance Departments. These will be treated as special studies as these are usually quick studies with specific terms of references, urgently needed by the Government. Planning and Finance Departments formally and informally help researchers with latest details while RCs are expected to have historical data set generated from State Finances released by MoF, CSO and RBI(Currency & Finance, Debt & Investment Surveys etc.).

Hitherto, Planning Commission was undertaking several exercises for central and State financial matters and these were shared with the states during Annual Plan discussion. Only a handful of States like Karnataka, Tamil Nadu, Kerala, Maharashtra were undertaking these exercises of their own and rest of them were taking the outputs from Planning Commission. Planning and budgetary exercises required some crucial ratios like Savings Rate, Investment rate, incremental capital output ratio (ICOR), TFP, exercise on material balance etc. With the new NITI Aayog, States Plan discussions have been done away with. Some of the technical exercises was often outsourced. State Planning Commissions/Boards which have not yet developed well and are short of technical manpower will have to depend professional agencies in public finance and there are very few institutions in the domain of Public Finance to deliver timely inputs to the States for budgetary exercises. The government proposes to assign this important role to PSE which will work in close collaboration with Planning and Finance Department.

III. Role and Strategies of Leadership

	Leadership roles	Strategies for achievement of education quality
Goal and specification model	<ul style="list-style-type: none"> ● Goal developer ● Goal leader ● Planning facilitator 	<ul style="list-style-type: none"> ● Develop appropriate institutional mission and goals and establish programmes, plans and standards ● Lead members to achieve goals, implement plans and programmes, and meet standards
Resource-input model	<ul style="list-style-type: none"> ● Resource developer ● Resource distributor 	<ul style="list-style-type: none"> ● Procure needed resources and inputs ● Allocate resources to support effective teaching, learning and functioning
Process model	<ul style="list-style-type: none"> ● Process engineer ● Process facilitator 	<ul style="list-style-type: none"> ● Engineer and facilitate smooth and healthy internal process including learning and teaching ● Encourage participation and promote social interactions and positive classroom and institutional climate
Satisfaction model	<ul style="list-style-type: none"> ● Social leader ● Social satisfier 	<ul style="list-style-type: none"> ● Create opportunities to satisfy the diverse expectations of all powerful constituencies ● Lead members to satisfy the needs of key stakeholders in teaching and all other activities
Legitimacy model	<ul style="list-style-type: none"> ● Public relations manager ● Environmental leader ● Accountability builder 	<ul style="list-style-type: none"> ● Establish good public relationship with the community ● Market the institution's strengths and image ● Build up the institutional accountability
Absence of problem model	<ul style="list-style-type: none"> ● Supervisor ● Dysfunction detector ● Problem shooter 	<ul style="list-style-type: none"> ● Lead members to avoid and solve conflicts and problems successfully ● Identify and prevent structural and organisational defects in the institution
Organisational learning model	<ul style="list-style-type: none"> ● Environmental analyser ● Learning promoter ● Organisational developer 	<ul style="list-style-type: none"> ● Lead members to have a full awareness and analysis of environmental changes and internal barriers ● Promote organisational learning ● Establish a strategic plan for institutional development

Source: Leadership and Strategy, the Principles and Practice of Educational Management

IV. List of Economics Courses offered at Other Institutes

DSE	JNU	Harvard University
Microeconomics	Microeconomics	General Economics, Economic Theory, History of Economics
Macroeconomics	Macroeconomics	Econometrics & Quantitative Methods
Economic History	Trade, Finance and Development	Economic History: Development Economics
Econometric Methods and Applications	Introduction to Statistics and Econometrics	Monetary & Fiscal Theory & Policy: Public Sector Economics
Finance: Theory, Institutions and Modelling	Political Economy of Development	International Economics
Public Policy: Theory and Institutions	Indian Economic Problems	Industrial Organization & Regulation: Environmental Economics
Development Economics	Mathematical Methods in Economics	Financial Economics
Industrial and Agricultural Economics	Problems of Accumulation	Labour, HR and Income Distribution: Urban Economics
General	-	Graduate Courses for Reading & Research

V. Comparison of three forms of Registration

Description	Society	Trust	Company
Acts under which it is registered	The Societies Registration Act, 1860	The Registration Act, 1908	The Companies Act, 1956
Ease of Formation	Relatively simple, it may take 1-2 months	Very simple, it may take a week	Relatively complicated, it may take 3-6 months
Authority with whom to be registered	Registrar of societies of the concerned state	Sub- registrar of Registration at district level	Registrar of company of the concerned state
Permitted Scope of Activities	literary, scientific or charitable purpose or for the promotion of science, literature or the fine arts	charitable, educational or socially beneficial activities	Promote commerce, art, science, religion, charity or any other useful purpose
Approval of name	Separate application not required. Name is generally granted if available	Not required	Separate application is required to be made. There are strict guidelines for approval of name
Minimum no. of subscribers/ Trustees required	Seven	Two	Two
Cost of Registration	Less than Rs. 10,000	Less than Rs. 10,000	Less than Rs. 25,000
Governing Structure	Two tier structure a) General Body b) Board of Directors	Single tier structure where the Trustees are the ultimate authority	Two tier structure a) General Body b) Board of Directors
Voting Rights	All members have equal rights	All trustees have equal rights	The voting rights may vary on the basis of shareholding. This provision can be used for control purposes
Type of Activities allowed	Not much difference between 3 forms. Any kind of charitable and Public utility activities can be undertaken	Same	Same
Annual documents to be filed	The Act requires a list of names, addresses and occupations of council, directors, committee and governing body to be filed annually.	No documents are required to be filed	Annual accounts and annual return of the company required to be filed annually including minutes books record for board meeting
General and Board Meetings	General & Board meetings are required to be held as prescribed in the by-laws of the society	No provisions are laid down, Adequate rules should be framed in the trust deed, in this regard	Specific provisions have been laid down. At least 1 Annual General Meeting and 4 Board Meetings are required to be held every year

Transfer of Membership	Membership is not transferable	Membership is not transferable	Membership can be transferred. Restrictions can also be placed on transfer
Payment to Functionaries	Permitted as per General Body approval	There should be provision in the trust deed for any such payment	Permitted as per General Body's approval
Recurring Expenditure	The statutory compliances required are minimal. Consequently recurring expenditure are also negligible	No statutory recurring expenditure	Annual Returns and Balance sheet are filed along with certain fees. Again the quantum of expenditure is not significant
Description	Society	Trust	Company
Area of Operation	Can operate through India even if registered in one particular state. No separate registration is required for operating in another state	Can operate through India	Can operate through India as the registration is granted by the Central Government
Income Tax Registration	Compulsory within 12 months of its registration	Same	Same
FCRA Registration on prior permission	Compulsory for receiving foreign funds	Same	Same
Labour and other Relevant laws	To be compiled as per applicability	Same	Same
Foreigner as a member/ Trustee	Possible	Same	Same
Risking having a foreigner on the Board	Difficulties may be faced in getting FCRA registration	Same	Same
Liability	Unlimited	Limited	Limited
Termination	The trust can be dissolved by the settlor	Can be dissolved by 3/5 th of the members	Winding up is a cumbersome and time consuming process which can take anywhere between 10-12 months
Transfer of ownership	Not permissible	Permissible with appointment of new members and resigning of old members and approved by 3/5 th member resolution	By transfer of shares

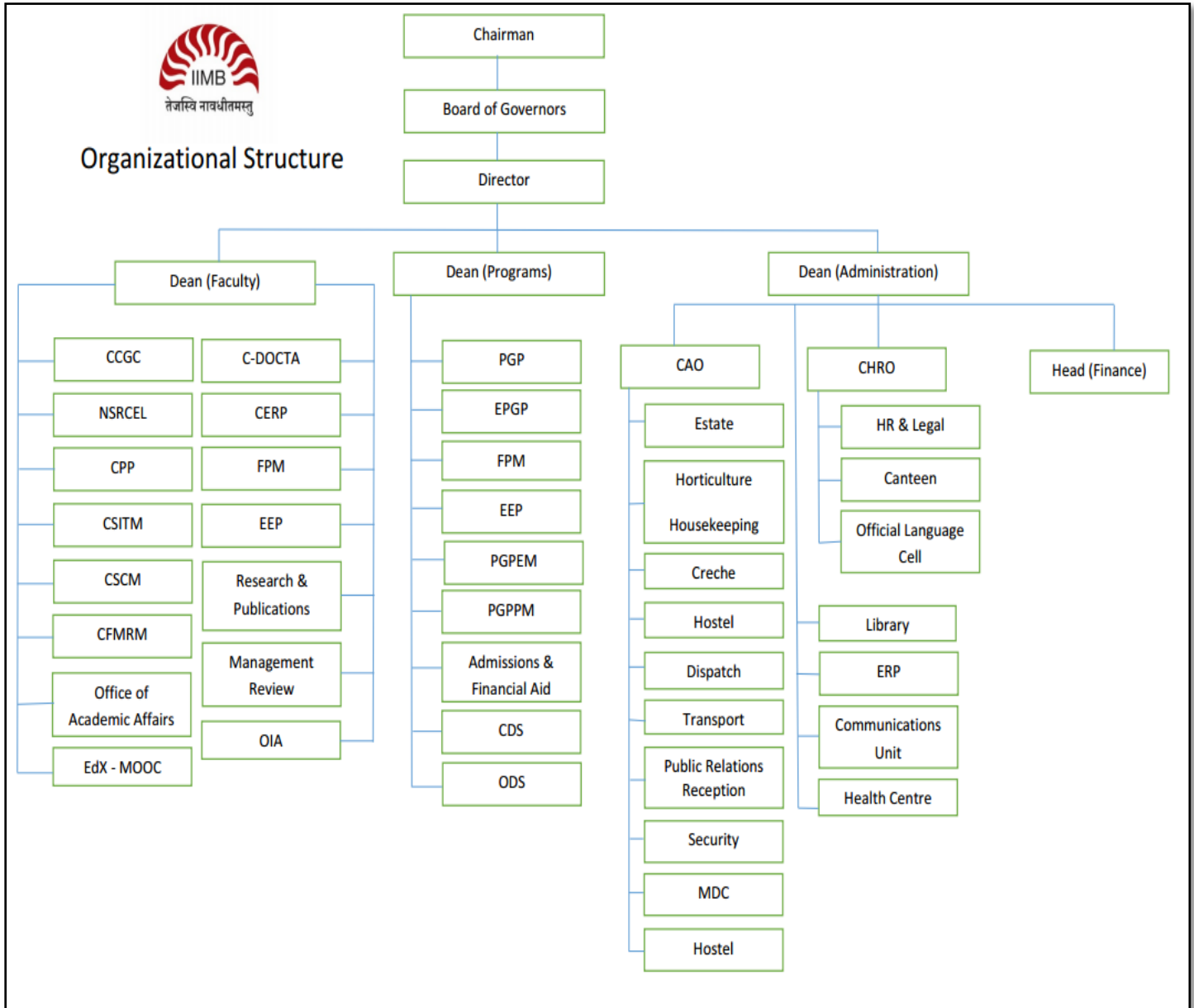
VI. Comparison of Different Housing Options

Housing Type	Definition	Features
Autonomous Institute	Affiliated to a Govt. University but does not follow its syllabus or curriculum. Apart from it, some other institutions are granted the permission to autonomously award degrees. These institutes neither affiliate to any university nor are officially called “universities”. They fall under the administrative control of the Government Department. These organizations include IITs, NITs, IIMs, IISc (though these award diplomas, not degrees) and other similar institutes.	Academic independence which gives it the freedom to revise the syllabus with time and follow a schedule which is more suitable for the set curriculum.
		Exams are conducted by the institute itself and are in accordance with what is being taught during the session.
		Relative grading system where the highest marks obtained by a student decide the marks the others get. So in case of a difficult paper, a low percentage score would not necessarily mean a low GPA.
		Degrees finally awarded by the affiliated University which generally carries a lot of reputation.
Non-Autonomous Institute	Affiliated to a Govt. University and follows its prescribed syllabus & curriculum.	Curriculum is common with many other affiliated institutes and is regulated by a University throughout a certain region (sometimes even an entire state).
		Easy availability and ample options for books (especially local authors)
		Exams are conducted by the affiliated University.
Institute under Deemed University	Affiliated to a Private University which has its own course structure.	Admissions are independently conducted (with a separate entrance at times).
		Absolute academic independence which gives it the freedom to revise the syllabus with time and follow a schedule which is more suitable for the set curriculum.
		Exams are conducted by the Deemed University (which in most cases doesn't have any other institutes offering the same course and in effect means that question papers are prepared by the professors of that institute itself)

VII. Organization Structure of Reputed Educational Institutions

A- Organization Structure at IIM, Bangalore

Figure 6: Organization Structure at IIM, Bangalore



Source: Right to Information, IIM Bangalore: http://www.iimb.ernet.in/right_to_info

The Institute's apex governing body is the IIMB Society. The general superintendence, direction and control of the affairs of the society and its income and property are vested with the Board of Governors headed by the chairman. The Director is the principal academic and executive officer of the Institute. He is vested with Academic, Financial and General Powers approved by the Board of Governors. The powers of the Director have been sub-delegated to the faculty and officers under him. Dean Academic and Dean Administration, appointed from among faculty, in rotation advise the Director on academic and administrative issues. Chief Administrative Officer (CAO) assists them in administrative matters.

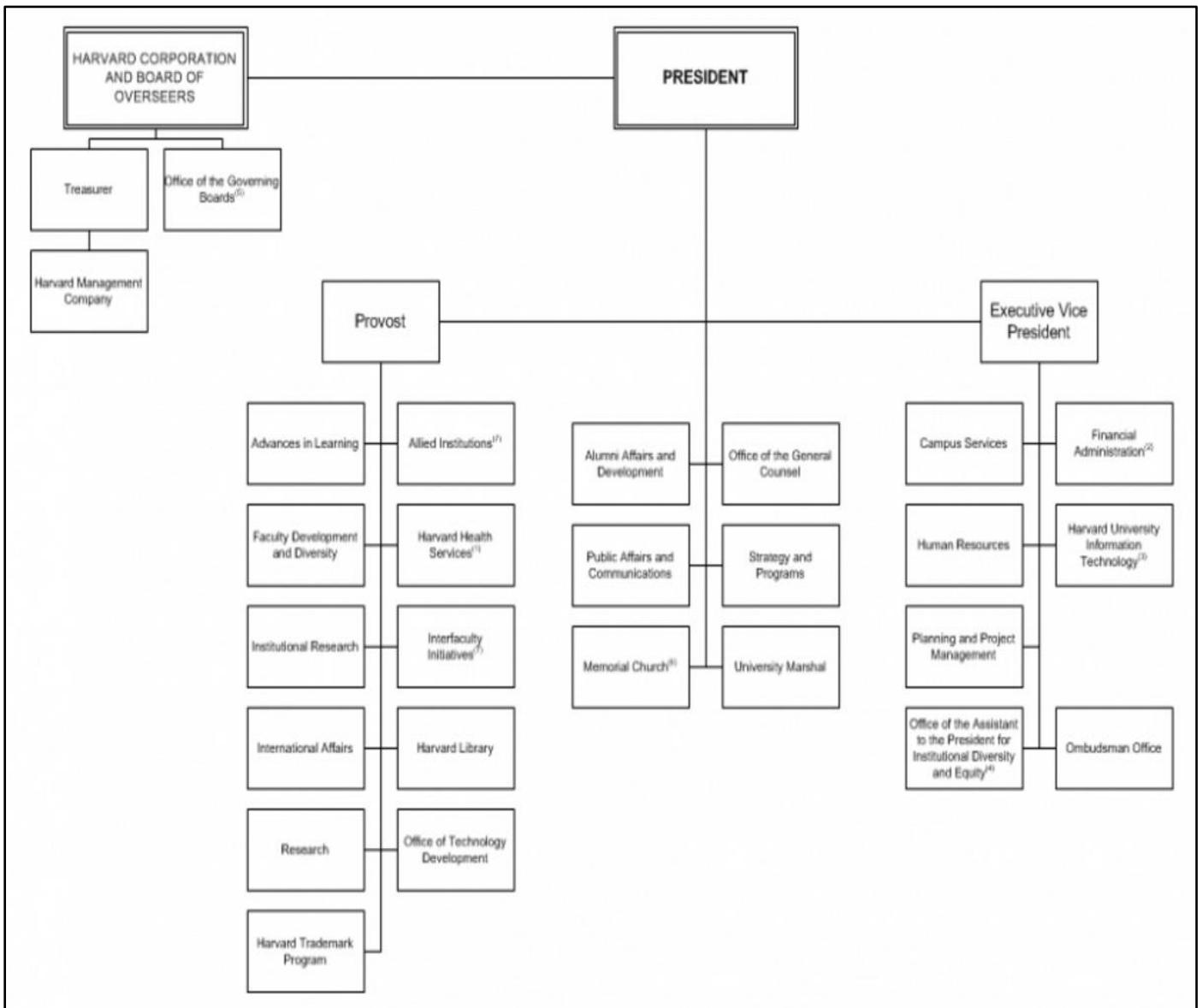
The Financial adviser and Chief Accounts Officer manage the Financial and Accounting

functions.

The final authority to vet the decisions is the Director, Chairman, Governing Board and IIMB Society.

B- Organization Structure at Harvard University

Figure 7: Organization Structure at Central Administration, Harvard University



Source: Harvard University Office of Institutional Research: cir.harvard.edu

The Harvard Corporation, a seven-member board is responsible for the day-to-day management of the University's finances and business affairs. The President is elected by the Corporation, with the counsel and consent of the Board of Overseers. Significant matters of educational and institutional policy are also brought before the President and Fellows by the President and Deans.

VIII. Assumptions Sheet

Expenditure Assumptions

Parameter		
Manpower Plan		
Strength of core team	Y1: 13 Y2: 23 Y3: 30 Y4: 40	Gradual increase in core team with an aim to get personnel at various levels for all seven areas of specialization
Strength of Administrative team	Y1: 18 Y2: 20 Y3: 22 Y4: 28	The set of professionals for administrative functions would include officers for Admin, Finance, IT, Library, Research as well as support staff
Salary Structure	Rs. 70,000 to Rs. 1,30,000 per month (for CEO, Director, Senior fellow and fellow) Group-B- Rs. 30,000 to Rs. 60,000 per month (Research Associates, Administrative Officers) Support staff- Rs. 10,000 to Rs. 30,000 per month	It should broadly be in line with seventh pay commission recommendations
Chair Professional	Y1: 1 Y2: 2 Y3: 3 Y4: 5 Y5: 6	Inferences from similar organizations and discussions with stakeholders
IT Infrastructure		
Vendor for IT Support services	Rs. 40 lakh each year	Based on Govt. Practices
Number of Desktops/ Laptops	Y1: 15 Y2: + 12 Y3: +12 Y4: +15	Assigned to professionals, research associates and support staff as and when they are appointed
Average cost per desktop/ Laptop	Rs. 45,000	Based on Govt. practices
Server Requirement	Unit: 2 Cost per unit: Rs. 10 lakh	Based on Govt. practices
Travel		
International travel	No. of Trips Y1: 3 Y2: 5 Y3: 8 Cost per trip per person: 1.5 lakh – 2 lakh	Gradual increase to match with the envisaged workload/ activity levels Cost based on Govt. Practices
Domestic Travel	No. of trips Y1: 35 Y2: 50 Y3: 60 Cost per trip per person: Rs. 25000	Gradual increase to match with the envisaged workload/ activity levels Cost based on Govt. practices
Vehicle Hire	No. of vehicles: 2	Based on Govt. practices

	Cost per year per vehicle: Rs 3 lakh	
Training and Miscellaneous Expenditure		
Leased line cost	Rs. 10 lakh each year	Based on Govt. practices
Stationery cost	Rs. 50, 000 – Rs. 1 lakh each year	Based on Govt. practices
Public Relations agency	Rs. 30 lakh per year	Based on Govt. practices
Training of staff	Rs. 30 lakh- Rs. 35 lakh each year	Based on Govt. practices
Maintenance		
Insurance cost of the fixed assets	2% (annual)	Based on Govt. practices
Maintenance cost of fixed assets excluding land	3% (annual)	Based on Govt. practices
Activities to be organized		
Round Tables/ FGD's	No. of events Y1: 3 Y2: 5 Y3: 10 No. of participants: >15 per event, for 2 days Cost: Rs. 5000 per day per participant	Gradual increase in number of Round Tables/ FGD's with increase in the level of activity. Cost is based on Govt. practices
Seminars workshops	No. of events Y1: 0 Y2: 0 Y3: 3 Y4: 7 No. of participants: >30 per event, for 2 days Cost: Rs. 5000 per day per participant	These events would be initiated from Y3 onwards. Cost is based on Govt. practices
Training programmes	No. of events Y1: 0 Y2: 0 Y3: 5 Y4: 10 No. of participants: 30 per programme, for an academic year Cost: To be decided for each year	As the in-centre training programmes can be conducted only after the centre is established and core team is appointed, these events would be initiated from Y3 onwards Cost is based on Govt. practices
Research Colloquium		
Research through Individuals	Y1: 2 Y2: 5 Y3: 10 One research study per Individual Cost: Rs. 2 lakh per research study	Gradual increase based on level of activity, Cost based on Govt. practices
Research through Institutions	Y1: 3 Y2: 4 Y3: 7 One research study per	Increase based on envisaged growth in activity, Cost based on Govt. practices

	Institution Cost: Rs. 5 lakh per research study	
Documentation of best practices	Cost: Rs. 3 lakh per documentation	Based on Govt. practices
Publications	Leaflets and brochures: 3 each year Cost per 1000 copies: Rs. 50,000 Reports: Cost per 1000 copies: Rs. 1 lakh Toolkits, Manuals and guidelines Cost per 1000 copies: Rs. 30,000	Leaflets and brochures about Institute, academic programmes, Admission process, innovations, placement partners, research findings Number of reports to be published every year would be determined by the research and consultancy projects undertaken by individuals Cost based on Govt. practices
Other overall Assumptions		
Cost escalation per annum	5%	Based on pattern trend in WPI inflation
Contingency	1%	Covers unforeseen expenditure, taken as % of total cost
Plinth area	1.4*carpet area	AICTE norms
Grant		
State Government Grant	Y1, Y2, Y3 The grant requirement from State Government would match the total expenditure in the first three years Y4 onwards The grant component of state government would equal the total expenditure minus the income from academic and other activities and grant from other sources	Inferences from similar organizations
Grant from other sources	Y1: 0% Y2 onwards: 10% of total grant amount	Inferences from similar organizations
Generation of funds from various activities		
Consulting assignments	Y3: 2 Y4: 4 Y5: 7 Consultancy fees: Rs.... Per assignment (plus an increase of 5% per annum)	Inferences from similar organizations
Research Assignments	-	Inferences from similar organizations

IX. AICTE Norms

Norms for Intake and Number of Courses

Level	AICTE			PSE		
	Intake per division	Maximum No. of Division/s	Maximum Intake	Intake per division	No. of Division	Maximum Intake
Graduate	60	3	180	40	1	40
Post Graduate	30	6	180	30	6	180
(M Phil, PhD & Post-Doctoral)	-	-	-	-	-	20

Norms for Land Requirement and Building Space for Technical Institution

Land required (Acres)	AICTE		PSE			
	UG Programs	Standalone PG Programs	UG Programs	Standalone PG Programs	No. of Division	Total PG Programs
	0.75	0.75	2	1.5	6	18
	2+18=20 acres					

AICTE Norms for Instructional Area

	Class Rooms	Library	Auditorium
Carpet Area in sqft. Per room	700	1500	4000
No. of Rooms Required	No. of Divisions	1	1

AICTE Norms for Administrative Area

	Director Office	Cabins for HOD's	Faculty Rooms	Board Room	Placement Office	Pantry
Carpet Area in sqft. Per room	300	100	50	200	300	100
No. of Rooms Required	1	-	A	1	-	1

A= Student Intake/ 15

AICTE Norms for Hostel Area

	Boy's Common Room	Girl's Common Room	Cafeteria	Sick Room
Carpet Area in sqft. Per room	1000	1000	1500	100
No. of Rooms Required	1	1	1	1

X. Marketing Mix components for Educational Institution

Product	<ol style="list-style-type: none"> 1. Range (UG or PG courses or both) 2. Quality Level (To follow International or National Teaching Standards) 3. Brand Name (to create, increase and maintain the brand value and create strong association of brand with product) 4. Post Transactional Service (The alumni network and building Relationships)
Price	<ol style="list-style-type: none"> 5. Levels (single or multiple) 6. Discounts (Allowed to special classes or not) 7. Allowances (Provided to teachers or not) 8. Payment Terms (separate for students and teachers and staffs; Instalment system) 9. Consumers Perceived Value (Perceived Value < or > Price) 10. Quality/ Price Relationship (Dissatisfied/ Satisfied or Delighted customer)
Place	<ol style="list-style-type: none"> 11. Location (Ease of Travel, Comfort) 12. Distribution Channels 13. Distribution Coverage
Promotion	<ol style="list-style-type: none"> 14. Advertising (In magazines, Journals etc.) 15. Personal selling (word of mouth publicity) 16. Sales Promotion (Not Required here) 17. Publicity (Through Public seminars, newspapers, Social marketing) 18. Public Relations (Through Opinion leaders)
People	<ol style="list-style-type: none"> 19. Personnel (To keep adequate no. of people & provide comfortable working environment) 20. Training (Through seminars and development programmes) 21. Commitment (inculcate feeling of ownership with the Institution) 22. Incentives (Provide Fair and timely remuneration) 23. Attitudes (To look for Passionate and dedicated people) 24. Customer Contact (Provide ease of communication to customer)
Physical Evidence	<ol style="list-style-type: none"> 25. Environment (Infrastructure, culture within campus) 26. Furnishings (of the classrooms, Offices , Library, Auditorium etc.) 27. Layout 28. Noise Levels (Design plan to keep minimum noise levels from reaching class)
Process	<ol style="list-style-type: none"> 29. Policies 30. Procedures 31. Mechanisms 32. Employee Discretion 33. Customer Involvement 34. Flow of Activities

XI. Components of Business Model Canvas

1. **Key Activities:** The most important activities in executing value proposition.
2. **Key Resources:** The resources that is necessary to create value for the customer. They are considered an asset to a company, which are needed in order to sustain and support the business. They can be human, financial, physical and intellectual.
3. **Key Partners:** In order to optimize operations and reduce risks of a business model, organization usually cultivate partnering relationships so they can focus on their core activity. Complementary alliances can also be considered through joint ventures, strategic alliances between competitors or non-competitors.
4. **Value Propositions:** The collection of products and services offered to meet the needs of its customers. The value proposition provides value through various elements such as newness, performance, customization, design, brand/status, price, cost reduction, risk reduction, accessibility, and convenience.
The value propositions may be:
 - Quantitative- price and efficiency
 - Qualitative- overall customer experience and outcome
5. **Customer Segments:** To build an effective business model, a company must identify which customers it tries to serve. Various sets of customers can be segmented based on the different needs and attributes to ensure appropriate implementation of corporate strategy meets the characteristics of selected group of clients.
6. **Channels:** A company can deliver its value proposition to its targeted customers through different channels. Effective channels will distribute a company's value proposition in ways that are fast, efficient and cost effective. An organization can reach its clients either through its own channels, partner channels, or a combination of both.
7. **Customer Relationships:** To ensure the survival and success of any businesses, companies must identify the type of relationship they want to create with their customer segments. Various forms of customer relationships include Personal Assistance, self Service, automated Service, Co-creation etc.
8. **Cost Structure:** This describes the most important monetary consequences while operating under different business models.
Classes of Business Structures:
 - Cost-Driven - This business model focuses on minimizing all costs and having no frills.
 - Value-Driven- Less concerned with cost, this business model focuses on creating value for their products and services.
9. **Revenue Streams:** The way a company makes income from each customer segment. Several ways to generate a revenue stream such as Usage fee, Asset Sale, Licensing, advertising etc.

XII. Draft Advertisement for the Position of Director

Government of Bihar has established an Institute of Economics namely PSE. The Institute is expected to impart quality education and undertake research, training and consultancy activities. It is looking for a dynamic person corresponding to the following profile to lead the Institute.

- Lead the overall strategic planning, providing directions for the institute and contribute to the strategic development and management of the Institute
- Oversee the implementation of the academic programmes and manage personnel to achieve the stated objectives
- Actively lead, and support change initiatives related to strategy, Organization, common values, and roll out new policies as well as ensure Organizational learning
- Responsible for generating funding from international and bilateral agencies, corporations, and individuals to continue and aggressively expand project activities
- Be impartial in his conduct with organization, stakeholders, students, teachers and staff
- Ensure the right people management, optimising the Organization, ensuring that people with the right competencies are performing in the right roles, at the right time
- Responsible for overall programme design and proposal development; programme oversight to ensure a high standard and quality of implementation
- Represents the Institute in formal and informal meetings with government officials, international agencies, and other relevant stakeholders
- Lead and coordinate the programme including planning and implementing overall programme
- Ensure the highest technical and professional standards in the Centre's service delivery, training programmes and advisory services to stakeholders
- Interacting with local, national and international institutions and Organizations and collaborators to identify priorities and opportunities and for developing collaborative programmes

Minimum Qualifications Required

For this demanding and challenging position, the Institute is looking for a candidate corresponding to the following profile:

- Degree in Economics or Public Finance or Public Affairs with experience in heading a major institution
- Minimum of 15 years' experience in a leading position
- Good leadership qualities with strategic vision
- Excellent communication skills

Duration: Initially for three years; extendable by 2 years subject to performance.

Remuneration: Remuneration is commensurate with experience and qualifications.

XIII.Memorandum of Association for PSE

Government of Bihar

Subject: Registration of Patliputra School of Economics (PSE) as a Society under the Societies Registration Act of 1860

Reference: Decision of the Government of Bihar for PSE taken at its meeting held onOrder No. 2016.....

Date:

Pursuant to the decision of Government of Bihar referred to above, to set up an autonomous Institute in the name of Patliputra School of Economics contained in Government Order No..... Dated..... for the purpose of building capacities in the spheres of Development Economics and Public Finance and engaging the government functionaries and other stakeholders in further advancing the role of economics and finance in the socio-economic transformation of the State, it is hereby notified that the designated Chairperson of the Board of Governors may take such steps as may be necessary for having the Institute registered under the Societies Registration Act, 1860, and for this purpose, the first Chairperson and members of the Board shall be as under:

- | | |
|----|----------------------|
| 1. | - Chairperson |
| 2. | - Vice-Chairman |
| 3. | - Member |
| 4. | - Member |
| 5. | - Member |
| 6. | - Member |
| 7. | - Member - Secretary |

2. The following will be the several persons to associate themselves for the purpose described in the Memorandum of Association (Annexed hereto) and to form themselves into a Society under the Societies Registration Act, 1860.

- 1.
- 2.
- 3.
- 4.

1. The Memorandum of Association (attached) and Rules of the Society set out in the Statement called the Rules for the PSE Society, will be framed consequent upon its registration.

Certificate of Registration of Societies Registration Act of 1860

I hereby certify that Patliputra School of Economics has this day been registered under The Societies Registration Act of 1860.

Date:

Sd
Registrar of Societies

Memorandum of Association of the
Patliputra School of Economics – Society

1. Name of the Society

The name of the Society is Patliputra School of Economics briefly designed as PSE, hereinafter referred to as the Society.

2. Registered Office

The registered office of the Society shall be situated in Patna, Bihar.

3. Objects of the Society

The principal objects for which the Society is established are:

- (i) To institute studies in economics and Public finance including planning, economic growth, Public economics and Public Policies of India in general and Bihar in particular;
- (ii) To organize, promote and assist research and advancement in various branches of knowledge dealt with by the institution;
- (iii) To undertake studies and consultancy services for the public and private sectors;
- (iv) To undertake tasks related to creating capacities in the spheres of economic development and Public Finance including, but not limited to, Microeconomics, Macroeconomics, Econometrics, Public Systems, Economics of Science and Technology, Behavioural Economics, Environmental Economics, Informatics, International Finance, Welfare Economics, Planning and Development, Economics of IT , and Indian Economy.
- (v) To institute and maintain libraries;
- (vi) To provide opportunities and encouragement for pursuing a regular and liberal course of education of the highest grade and quality in the branches of knowledge dealt with by the institution;
- (vii) Take special measures to facilitate students and teachers from all over India to join the Institution and participate in its academic programmes;
- (viii) Promote in the students and teachers an awareness and understanding of the social needs of the country and prepare them for fulfilling such needs;
- (ix) To organize, promote and supply lectures, class teaching, seminars and individual tuition, and also public meetings, conferences and discussions;

- (x) To award degrees, diplomas, certificates and other marks of distinction to those persons satisfying the conditions for their award as determined from time to time; the implementation of any awards to be administered by the Academic committee on behalf of the Governing Body;
- (xi) To establish working relationships with research and training institutes in India and abroad, and build a directory of such institutions for wider use and benefits;
- (xii) To provide facilities for students and teachers from other countries to participate in the academic programmes and life of the Institute.
- (xiii) To work in collaboration and to cooperate with other Universities, societies, institutions -- national and international -- engaged in the pursuit of all or any of the above subjects.
- (xiv) To assist students or particular categories of students financially or otherwise to pursue a course of education or research at the institution and to provide generally for their well-being.
- (xv) To print or publish Research papers, Periodicals, magazines, pamphlets, books, paintings, drawings or other compositions which may seem directly or indirectly calculated to advance the present objects, or any of them, and to acquire copyrights for the same.
- (xvi) To establish sector-specific information system and develop an Observatory for the same which can be accessed for further research and monitoring;
- (xvii) To consider setting up a certification and accreditation process to bring about standardization in building capacities in the spheres of Economics and Public Finance;
- (xviii) To apply for and obtain any rights, concerns and privileges from and to enter into any arrangements that may seem directly or indirectly conducive to the present objects, or any of them, with any government authorities local or otherwise.
- (xix) To determine, in accordance with the service regulations, salary structures and compensation packages in order to be able to attract faculty of outstanding credentials.
- (xx) To ensure that the income and property of the Institute is utilized for the purpose of advancing the goals and purposes for which the PSE has been established;
- (xxi) To put in place a system of collective responsibility of the Board of governors, without making any individual member liable for any financial loss to the Society, arising by reason of any act done in good faith.

4. Board of Governors

The names, addresses, occupations, and designations of the members of the Board of Governors to whom the management and affairs of the society is entrusted as required

under Section 2 of the Societies Registration Act, 1860, as applicable to Patliputra School of Economics, are as follows-

Name and Address	Occupation	Designation
1.		Chairperson
2.		Vice-Chairperson
3.		Member
4.		Member
5.		Member
6.		Member
7.		Member-Secretary

5. Desirous persons

We, the undersigned, are desirous of forming a Society namely:

“Patliputra School of Economics” under the Societies Registration Act, 1860 as applicable, in pursuance of this Memorandum of Association -

Members

Signatures

- 1.
- 2.
- 3.
- 4.

XIV. Bye-laws of PSE

Patliputra School of Economics

Bye-laws of PSE Society

1. Short Title

These rules may be called the Rules of Patliputra School of Economics.

2. Definition

In these Rules, unless the context otherwise requires:

- a) “Chairman” (hereinafter referred to as the Chairperson of Board of Governors) shall mean the chairperson of the Board of Governors appointed under Rule-3.
- b) “Board of Governors” shall mean the Board constituted under Rule 4.
- c) “Director” shall mean the Director of the Institute appointed under Rule 5.
- d) “Registrar” shall mean the Registrar appointed under Rule 6.
- e) “Administrative Board” constituted under Rule 7.
- f) “Head of Department” constituted under Rule 8.

3. Chairman

The chairman shall be appointed in the manner prescribed who shall be the Head of the PSE Society. The subsequent chairman of the Board of Governors shall be elected from among the elected members of the Board of Governors with 3/4th majority. However, the two staff representatives are not eligible to contest for the Chairmanship. The chairman shall hold office for a period of five years, but shall be eligible for re-election for a further period of three years only. The chairman shall, if present, preside at convocation of the Institute for conferring degrees and all meetings of the Governing Board.

4. Board of Governors

- I. The governance of the affairs and finances of the Institute shall be vested in the hands of Governors, who shall consist of not less than 15 members as indicated below.
 - a) A Chairperson (a person with experience in Public affairs, economics or management)
 - b) A representative from the State Planning Board,
 - c) A representative from State Finance Department
 - d) A representative from State HRD
 - e) Three Representative from collaborating Institutions
 - f) A representative from MHRD, GoI

- g) A representative from UN Body
 - h) Two nominees from the Industry
 - i) Head of the Institute
 - j) Technology Expert in education domain
 - k) Two members elected from among the academic staff of the Institute.
- II. a) All members of the Board of Governors other than ex- officio members shall hold office for a period of three years from the date of their election or till the next annual general meeting, whichever is later.
- b) Casual vacancies in the Board of Governors shall be filled by nomination by the Board of Governors, and such member or members shall hold office for the unexpired period of the term of the elected members of the Board.
- Explanation:** Casual vacancy means a vacancy caused by resignation or death of the member.
- III. Apart from the power vested in the Board of Governors over the management of the affairs and finances general of the Institute, the Board of Governors shall have the following specific powers:
- a) To constitute a Finance Committee and such other committees or sub committees as provided in the bye laws and to delegate to them such powers as prescribed.
 - b) To consider the Director's annual report on the working of the Institute and submit the same to the Annual General Body Meeting of the Institute.
 - c) To consider and pass the audited accounts and the annual budget estimates of the Institute presented by the Director and report the same to the Annual General Body Meeting of the Institute.
 - d) To authorize and sanction expenditure of the funds of the Institute.
 - e) To create and maintain academic, research, administrative and other posts in the Institute, fix the amount of their remuneration and define their duties.
 - f) To make appointments to administrative, teaching, research and other staff of the Institute.
 - g) To enter into arrangements with the Government of India, State Governments and other public or private organisations or individuals for furtherance of its objective, for implementation of its programs and for securing and accepting endowments, grants in aid, donations or gifts on mutually agreed terms and conditions, provided that the conditions of such grant in aid, donations or gifts shall not be inconsistent or in conflict with the objectives of the Institute or with the provisions of these Rules.

h) To acquire by gift, purchase, lease or otherwise any property, movable or immovable, which may be necessary or convenient for the purposes of the Institute and to construct, alter and maintain any building or buildings for the purpose of the Institute.

i) To draw, make, accept, endorse, discount and negotiate Government of India and other promissory notes, Bills of exchange, cheques or other negotiable instruments.

j) To invest any surplus funds of the Society not needed immediately for research in accordance with the provisions contained in the Income Tax Act, 1961, and the Board of Governors shall have powers to sell or transfer such investments.

k) To sell, transfer, lease or otherwise dispose of any movable or immovable property of the Institute.

l) The Board of Governors shall have the power to make bye-laws for the conduct of the administration or affairs of the Institute. However, such bye-laws shall not be inconsistent with these Rules and the Memorandum of Association.

m) The Board of Governors shall be the full and final authority on any matter concerning the governance of the Institute.

5. Director

I The Director shall be appointed by the Chairman from a panel of not less than three persons who shall be recommended by a Committee consisting of three Board members:

Provided that, if the Chairman does not approve of any of the persons so recommended, he may call for fresh recommendations after recording the reasons in writing.

II. a) The Director shall be a whole-time salaried officer of the Institute.

b) The Director shall hold office for a term of three years from the date on which he enters upon his office or until he attains the age of 67 years, whichever is earlier, and shall, on the expiration of his term of office be eligible for reappointment to that office for three years period only.

III. The emoluments and terms and conditions of service of the Director shall be as follows

a) The post of the Director shall carry the scale of pay fixed by the competent authority. The Director shall be paid allowances as are applicable to other employees of the Institute. He shall also be entitled to the use of a furnished residence without payment of rent throughout his term of office.

b) The Director shall be entitled to travelling allowances at such rates as may be fixed by the Board of Governors.

c) The Director shall be entitled to leave on full pay for one-eleventh of the period spent by him on active service.

d) The Director shall also be entitled, on medical grounds or otherwise than on medical grounds, to leave without pay for a period not exceeding two month during the term of his office:

Provided that such leave may be converted into leave on full pay to the extent to which he will be entitled to leave under sub-clause (c)

e) The authority competent to sanction leave to the Director shall be the Chairman:

Provided that if the office of the Chairman is vacant, the Board of Governors shall be competent to sanction leave to the Director.

IV. Notwithstanding anything contained in Clause (III), the Board of Governors may with previous approval of the Chairman, vary the emoluments and all or any of the conditions of service of the Director at the time of his appointment.

6. Registrar

The Registrar of the Institute shall be appointed by the Director on the recommendations of the duly constituted Selection Committee and such appointment shall be reported to the Board of Governors in accordance with the bye-laws. Her/His powers and functions will be prescribed by the bye-laws.

7. Administrative Board

I. a) The Director shall be the Head of the Administrative Board.

b) The members of Administrative Board shall be appointed by the Director on the recommendations of the duly constituted Selection Committee and such appointment shall be reported to the Board of Governors.

c) The number of Members of the Administrative Board shall be restricted to 6 members.

d) All members of the Administrative Board shall hold office for a term of two years and shall be eligible for re-election for one more term. The term of the members shall commence on such date as may be notified.

e) Four members of the Administrative Board shall form the quorum.

II. Administrative Board is responsible for smooth functioning of all the authoritative committees in the Institute namely:

a) Academic Committee

b) Finance Committee

c) Human Resource Committee

d) Infrastructure Development and Support committee

e) Research Committee

III. The Administrative Board shall, in addition to all other powers vested in it, have the following powers, duties and functions, namely:-

a) To report on any matter referred to it by the Board of Governors

b) To make proposals to the Executive Council for the establishment of Departments, Special Centres, Specialized Laboratories, Libraries

c) To formulate, modify or revise schemes for the organization of, and assignment of subjects to 6 Academic and Research centres of the Institute

d) To consider proposals submitted by the six Academic and Research Centres

e) To promote research within the Institution and to require, from time to time, reports on such research

f) To make recommendations to the Board of Governors with regard to the creation and abolition of teaching posts in the Institution and the classification of the said posts and the emoluments and duties attaching thereto;

g) To appoint Committees for admission to the Institute;

h) To publish lists of prescribed or recommended textbooks and to publish the syllabuses of prescribed courses of study;

i) To make such arrangements for the instruction and examination of persons, not being members of the Institution, as may be necessary

j) To make arrangements for the conduct of examinations and to fix dates for holding them

k) To make recommendations for the conferment of honorary degrees and to confer or grant degrees, academic distinctions, honours, diplomas, licences, titles and marks of honour

l) To make proposals to the Board of Governors for the institution of fellowships, scholarships, studentships, medals and prizes and to award the same

m) To perform, in relation to academic matters, all such duties and to do all such acts as may be necessary for the proper carrying out of the activities of the Institute.

n) To manage and regulate the finances, accounts, investments, property, business and all other administrative affairs of the Institute and, for that purpose, to appoint such agents as it may think fit

o) To provide the buildings, premises, furniture, apparatus and other means needed for carrying on the work of the Institute

p) To entertain, adjudicate upon, and if it thinks fit, to redress any grievances of the salaried officers, the teaching staff and other employees of the Institute who may for any reasons feel aggrieved:

Provided that, in matters of discipline and punishment, where the final power has been vested to the Chairman of the Institute, no appeal shall lie to the Administrative Board;

8. General Meetings

I. a) The Annual General Body Meeting of the Institute shall be held once every year at such time, date and place as the Chairman may decide. At this meeting called the Annual General Body Meeting, the report of the Management of the Institute for the previous year beginning from 1 April and ending 31 March, together with an audited copy of the balance sheet, income and expenditure account and the auditor's report and any other matter that may be placed before it by the Board of Governors shall be taken up for approval.

b) The first Annual General Body Meeting shall be held by the Institute within 18 months of its registration. The next Annual General Body Meeting of the Institute shall be held within 9 months after the expiry of the year beginning from 1st April and ending on 31 March, in which the first Annual General Body Meeting shall be held; and thereafter the Annual General Body Meeting shall be held within 9 months after the expiry of the year.

c) A Special General Body Meeting may be convened at any time on the requisition of the Chairman or on the requisition of not less than one third of the number of members of the Board of Governors, or one tenth of the total number of the members of the Institute entitled to vote who shall state in writing the business for which the meeting is to be convened and the Board of Governors shall, within ten days from the date of the requisition, proceed duly to call a meeting for the consideration of the business stated on a day not later than thirty days from the date of receipt of the requisition.

d) All meetings shall be called by notices under the signature of the Registrar or any other officer authorised in this behalf by the Director.

e) Every notice calling a meeting shall state the date, time and place at which such meeting shall be held and shall be communicated in writing to every member at the

address mentioned in the Register of members not less than 21 clear days before the date appointed for the Annual General Body Meeting and 15 days for a Special Meeting.

f) If a member has no registered address in India and/or has not supplied to the Institute an address within India for giving notice to her/him, a notice of meeting advertised in a newspaper in Hindi and a newspaper in English or any other language circulating in the neighbourhood to her/him on the day on which the advertisement appears in the newspaper shall be deemed sufficient for all purposes.

g) The Chairman shall preside at all ordinary or special meetings. In her/his absence, the Director shall preside. In the absence of both, the members present shall elect the Chairperson of the meeting from amongst themselves.

h) Two-third of the members shall form the quorum. If there is no quorum at the Meeting, the meeting shall be adjourned for half-an hour and it will then be held even if no quorum is present.

i) The procedure to be followed at the meeting shall be laid down in the bye-laws framed by the Board of Governors.

II. Once in every year on or before the fourteenth day after the Annual General Body Meeting of the Institute a list of documents as required under Section 13 of the Societies Registration Act, 1860 shall be filed with the Registrar of Societies.

III. The Auditors for auditing the annual accounts of the Institute shall be appointed in the Annual General Body Meeting.

IV. On the dissolution of the Institute if there shall remain, after liquidation of its debts and liabilities any property whatsoever, the same shall not be paid or distributed among its members but shall be transferred to some other similar Institute or to the Government for the promotion of similar objects as required under Sections of the Societies Registration Act, 1860.

9. Head of Department

a) Every head of department for each of the six Academic and Research centres shall be appointed by the Director from amongst the Professors of the School for a period of two years and he shall be eligible for reappointment:

Provided that when the office of the Head of Department is vacant or when Head of Department is, by reason of illness or absence for any other cause, unable to perform the duties of his office, the duties of the office shall be performed by such person as the Director may appoint for the purpose.

b) Head of Department shall be responsible for the conduct and standard of teaching and research in the School. He shall have such other functions as may be prescribed by the Director.

- a) The Head of Department shall have the right to be present and to speak at any meeting of a board or committee of the School, as the case may be, but not the right to vote thereat unless he is a member thereof.

10. Meeting of the Board of Governors

- I. a) The Board of Governors shall meet not less than three times during every calendar year at such time, date and place as the Chairperson may decide. The interval between any two consecutive meetings, shall, however, not be more than six months.

b) The meetings shall be called by notice under the signature of the Registrar or any other officer authorised in this behalf by the Chairman and communicated in writing to each member of the Board of Governors at the address mentioned in the Register of Members not less than 15 days before the date fixed for the Meeting. Provided that the Chairperson may call a meeting of the Board of Governors at such shorter notice as may be expedient.

c) One third of the number of members on the Board of Governors shall form the quorum. The requirements of quorum shall not, however, apply to adjourned meetings.

d) The procedure to be followed at the meetings may be laid down in the bye-laws framed by the Board of Governors.

- II. The Board of Governors may dispose of urgent matters by circulating papers, if so desired by the Chairman. All resolutions and decisions thus made shall be reported at the next meeting of the Board of Governors.

11. Alteration of Memorandum of Association and Rules and Regulations

a) Whenever it shall appear to the Board of Governors of the Institute that it is advisable to alter, extend or abridge the objects for which the Institute has been established, as specified in Indian Societies Registration Act 1860, the Board of Governors may submit a proposition to the members of the Institute in a written or printed report, and may convene a Special General Body Meeting for the consideration thereof according to the rules and regulations. No such proposition shall be deemed to have been approved unless such reports have been delivered or sent by registered post to every member of the Institute 21 days previous to the date of the Special General Body Meeting convened by the Board of Governors for the consideration thereof, and

unless such proposition shall have been agreed to by the votes cast in favour of the proposition by members who being entitled so to do, and such votes are not less than three times the number of votes, if any, cast against the resolution by members so entitled and voting and confirmed by a similar majority of votes at a second Special General Body Meeting convened by the Board of Governors after an interval of 30 days after the former meeting.

b) Whenever it shall appear to the Board of Governors of the Institute a need to amend the name and rules and regulations of the Institute, the Board of Governors may submit the proposal to a Special General Body Meeting convened for the purpose of which notice shall have been delivered or sent by registered post to every member of the Institute 21 days previous to date of the Special General Body Meeting and the resolution proposing the amendment is passed by the votes cast in favour of the resolution by members who are entitled so to do, and such votes are not less than three times the number of votes, if any, cast against the resolution by members so entitled and voting.

c) No amendment to Memorandum of Association/Rules and Regulations shall be made which may prove to be repugnant to the provisions of Sections 215, 11, 12 and 13 and 80 (G) of the Income Tax Act 1961 as amended from time to time. No amendment involving matters of income tax or exemption thereof shall be carried out without the prior approval of the Commissioner of Income Tax.

12. Institution Teachers

I. a) Teachers of the Institution shall be of two classes, namely: -

- (i) Appointed teachers of the Institution
- (ii) Recognised teachers of the Institution

b) Appointed teachers shall be persons appointed by the Administrative Board as Honorary Professors, Emeritus Professors, Readers or Lecturers or otherwise as teachers of the Institute.

c) Recognised teachers shall be the members of the staff of a recognised institution other than Patliputra School of Economics;

Provided that no such member of the staff shall be deemed to be a recognised teacher unless he is recognised by the Administrative Board as a Professor, Reader or in any other capacity as a teacher of the Institution.

d) The qualifications of recognised teachers of the Institute shall be such as may be prescribed

e) All applications for the recognition of teachers of the Institute shall be made in such manner as may be laid down by the Regulations made by the Administrative Board in that behalf.

f) There shall be Human Resource Committees constituted for this purpose and making recommendations to the Administrative Board for appointment to the posts of Professor, Associate Professor, Assistant Professor, Registrar, Finance Officer, and Librarian.

II. a) If the Administrative Board is unable to accept any recommendation made by the Human Resource Committee, it may remit the same to the Human Resource Committee for reconsideration and if the difference is not resolved, the Administrative Board shall record its reasons and submit the case to the Director for orders.

b) Every teacher and salaried officer and such other employees shall be appointed under a written contract, which shall be lodged with the Institution and a copy thereof shall be furnished to the officer or teacher or employee concerned.

III. a) Where there is an allegation of misconduct against a teacher, the Director may, if he thinks fit, by order in writing, place the teacher under suspension and shall forthwith report to the Administrative Board the circumstances in which the order was made:

Provided that the Board of Governors may, if it is of the opinion, that the circumstances of the case do not warrant the suspension of the teacher revoke that order.

b) Notwithstanding anything contained in the terms of his contract of service or of his appointment, the Administrative Board shall be entitled to remove a teacher on the ground of misconduct.

c) Save as aforesaid, the Administrative Board shall not be entitled to remove a teacher except for good cause and after giving two months' notice in writing or payment of two months' salary in lieu of notice.

d) No teacher shall be removed under Clause III (a) or under Clause III (b) until he has been given a reasonable opportunity of showing cause against the action proposed to be taken in regard to him.

e) The removal of a teacher shall require a two-thirds majority of the members of the Administrative Board present and voting.

f) The removal of a teacher shall take effect from the date on which the order of removal is made.

g) Provided that where a teacher is under suspension at the time of his removal, the removal shall take effect on the date on which he was placed under suspension.

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