

Vedanta University – Its importance to Odisha and India

(with answers to some frequently asked questions)

Chitta Baral

Professor, Arizona State University

CONTENTS

In this document we will first address the significance and importance of Vedanta University for Odisha and India through the following points.

1. India currently does not have a single world class university; i.e., none of India's universities or institutions are ranked in the top 100 or even top 200 of world rankings.
2. Vedanta University has a chance of becoming India's first world class university.
3. Private funding will play an important role in making world-class universities in India and Vedanta University has a viable financial plan.
4. A world class university in Puri will make the Bhubaneswar-Puri area one of the top knowledge hub of India and would have a huge impact on rest of Odisha and rest of India.

In addition we will address several frequently asked questions (FAQs) such as the following:

1. Why does Vedanta University needs so much land?
2. Why should we believe that Mr. Anil Agarwal will indeed keep his promise and donate \$1 Billion for this university?
3. What progress has been made towards making Vedanta University?
4. Why is there opposition to Vedanta University in Odisha? What about the high court case verdict on land acquisition?

India currently does not have any world class universities.

There are various definitions of world class universities. One definition is given by Alison Richard, the VC of Cambridge University, UK in the Economic Times article[1] (dated 7th Jan 2008). President Richard Levin of Yale University talks about how to build universities of world-class status in research in his speech[2] to the Royal Society, London on February 1 2010. See also his speech to FICCI[6]. The MHRD of India has come up with a concept note[3] on innovation universities aiming at world class standards.

We take a more operational definition that a world class university is one which is ranked among the top 100 in one of the well accepted rankings of world universities. There are two such rankings:

- The Academic Rank of World Universities (ARWU)[4] which grew out of a ranking done by China's Shanghai Jiao Tong University. (See [7] to find out how well this ranking is accepted and used.)
- Times (UK) higher education ranking[5] done with the help of Thomson Reuters.

In the 2010 ARWU rankings there is mention of only two Indian institutions. These institutions and their rankings are:

- 300-400 IISc Bangalore (44-68 in Asia Pacific)
- 400-500 IIT Kharagpur (69-106 in Asia Pacific)

In discipline specific rankings, these two institutions appear with rank 76-100 in the discipline of Engineering/Technology and Computer Science.

Just for reference, the top 5 universities in this ranking are: Harvard, Berkeley, Stanford, MIT and Cambridge.

In the 2010-11 Times Higher Education top 200 ranking there are no Indian Universities or Institutions. They also give discipline specific ranking and no Indian Institutions or Universities appear in them either.

There are two other rankings of world universities that I am aware of [8,9].

In the 2010 ranking in [8] IIT Bombay appears at 187, IIT Delhi appears at 202, IIT Kanpur appears at 249, IIT Madras appears at 262, IIT Kharagpur appears at 311, Delhi University appears at 371, IIT Roorkee appears at 401-450 and Mumbai University appears at 451-500.

In the 2010 ranking in [9], IIT Kanpur appears at 444 and IISc Bangalore appears at 468.

[1] <http://economictimes.indiatimes.com/opinion/view-point/What-makes-a-world-class-university/articleshow/2680826.cms>.

[2] <http://opac.yale.edu/president/message.aspx?id=91>

[3] <http://www.education.nic.in/uhe/Universitiesconceptnote.pdf>

- [4] <http://www.arwu.org/>
- [5] <http://www.timeshighereducation.co.uk/world-university-rankings/>
- [6] <http://www.ficci.com/events/20009/ISP/richard.pdf>
- [7] <http://www.arwu.org/aboutARWU.jsp>
- [8] <http://www.topuniversities.com/>
- [9] <http://www.highimpactuniversities.com/rpi.html>

Vedanta University has a chance of becoming India's first world class university

There are several important aspects of being able to build a world-class university. The speech by President Levin of Yale University[1] outlines some of them.

We start with identifying some points that are absolutely necessary to establish a world-class university.

1. There must be a good plan to achieve various attributes of a world class university.
2. There must be adequate finances to make a beginning of the university.
3. There must be a plan for future finances to be able to hire the best faculty and build the university.
4. The administrative structure of the university should be like that of world-class universities.

We now elaborate on these points.

1. Good plan to to achieve various attributes of a world class university

The Vedanta University official web page [2], especially its section on mission and vision [3], and the radio interview [4] describe various attributes of the planned university that are crucial in building a world-class university. Some of the attributes that are emphasized in them include: being multi-disciplinary, focus on research and creation of knowledge, and applying the learning to the betterment of society. These are all very important components of world-class universities.

2. Adequate finances to make a beginning of the university

The budget of making Vedanta University is Rs. 15,000 crores out of which 5,000 crores is pledged by multi-Billionaire industrialist Anil Agarwal. Earlier this year Forbes [5] estimated his worth at \$6.4 Billion. In 2006 when he initially announced that he will be donating \$1 Billion towards Vedanta University his worth was only \$2.8 Billion [6]. Earlier this year in September Anil Agarwal told Editor Prabhu Chawla of India Today [7] that he will donate 75% of his wealth to charity. The 2009 Forbes article on Vedanta University [8] has the following:

... he will donate 75% of his wealth to charity. He's already transferred \$250 million to his Anil Agarwal Foundation for Vedanta University

Now lets us see how significant Rs. 5000 crores and Rs. 15000 crores is with respect to India.

The initial establishment budget (over 5-7 years) for one of India's new IITs [9] is Rs. 760 crores, a new IIM [9] is 210 crores, a new central university [10] is 300 crores, an IISER [11] is 500 crores and an AIIMS [12] is 840 crores. This adds up to 2610 crores.

So just the

5000 crores donated by Anil Agarwal >

Initial establishment budget of 2 new IITs + 2 new IIMs + 1 new central University + 2 new IISERs + 2 new AIIMS (= Rs 4920 crores)

So if one considers the total budget of 15,000 crores. Then we have

15000 crores > Initial establishment budget of 6 new IITs + 6 new IIMs + 3 new central University + 6 new IISERs + 6 new AIIMS

The above comparison may look unbelievable. However we can validate it in another way by comparing the proposed faculty size of Vedanta University and the faculty sizes of the IITs/IIMs/etc.

- Proposed faculty size of Vedanta University is 10,000.
- Average faculty size of the old IITs is 500 [13]
- Faculty size of IIM Ahmedabad is 110 [14]
- Faculty size of a University of Hyderabad, the best ranked research university of India [28], is 540 [15]
- Faculty size of the new AIIMS-like institutes is 243 [16]
- Faculty size of IISER is 200 [17]

So the faculty size of 6 new IITs (3000), 6 new IIMs (660), 3 new central universities of the size of Univ of Hyderabad (1620), 6 new AIIMS-like institutes (1458) and 6 new IISERs (1200) add up to 7938 which is less than the proposed faculty of 10,000 for Vedanta University.

3. Plan for future finances to be able to hire the best faculty and build the university

Vedanta University being a private university will need to generate its own resources to run the university. The initial budget of 15,000 crores will not go too far in that direction, especially when one considers the budget of world-class universities.

The annual budget of a regular top 100 (in the world) US state university (Arizona State University) [18] is about 1.7 billion USD/year (= Rs 8000 crores) and the annual budgets of Stanford [19] and Harvard [20] are in the range of 3.5 billion USD (=Rs 16,000 crores). In contrast the annual budget of IISc (Indian Inst of Science, Bangalore) [21] is about Rs 220 crores and all of our IITs put together [21] is about Rs 2000 crores/year.

To be a world-class university Vedanta University would need an annual budget of \$1-\$2 Billion with PPP (purchasing power parity). In terms of PPP \$1 = Rs 17. So this comes to about

1700-3400 crores. At tuition fees of an average of Rs100,000 per annum Vedanta University can generate 1000 crores. The rest has to come from alternate sources. As a comparison, in case of Harvard, only 20% of its budget comes from student tuition and rest from research grants and contracts and from its endowment. Harvard currently has an endowment of \$27.6 Billion [22].

In the absence of cash endowment beyond the \$1 Billion that will get spent in building the campus, the township part of the university project will serve as a significant contributor to the endowment.

Echoing similar sentiment about having extra land to serve as a source of income generation for a world-class university the Chair of the Knowledge Commission, Mr. Sam Pitroda is reported to have said [23]:

"Since public finance is an integral constituent of universities worldwide, most of the new universities shall need significant initial financial support from the Government. Each university may be endowed with a substantial allocation of public land, in excess of its spatial requirements ... The excess land can be a subsequent source of income generation, he says. Exceptions need to be made in existing income tax laws to encourage large endowments."

Hence, the land for the township is an important reason why the Vedanta University proposal seems financially feasible to take it on a path of becoming a world class university.

This is also supported by the following excerpt about an article [27] on how land helped Stanford University and the resulting impact.

***Just after** World War II, Stanford University was struggling financially. It was land-rich but cash-poor, so its leaders had an idea: How about we create a new income source by using some of the land for industry?*

The Stanford Research Park, as it's now known, was the first of its kind in America. Today, the 700-acre spread has 10 million square feet of commercial real estate that generates millions of dollars for the university each year. It's home to iconic tech brands such as Hewlett-Packard, one of the first tenants, and the banks, consultants, restaurants, and law firms that serve them. According to Mark Kindred, a Palo Alto -- based senior research analyst at the commercial real estate firm Jones Lang Lasalle, "It's the epicenter of Silicon Valley."

The park "has changed along with the rest of the valley," he notes, with three of its newest major tenants -- Facebook, Tesla, and Skype -- reflecting technology's evolution. "Startups cluster in downtown Palo Alto, but when they mature and the space needs to grow, the park is the big draw."

4. The administrative structure of the university

The administrative structure of Vedanta University as laid out in the Vedanta University act [24] that was passed in the Odisha assembly in 2009 is very similar to world class universities. See especially pages 16-23 of that act which talks about the various administrators and the board of the university and their powers.

5. Conclusion

To conclude we give some quotes from Ila Patnaik's article [25] in Indian Express. All the points she mentions would be satisfied by Vedanta University.

If progress has to be made in India, every assumption of the HRD ministry now needs to be questioned. In addition to removing entry barriers against new private or foreign universities, the four new ideas that need to be brought in are: autonomy of universities (including on budget); reduced core funding combined with more competitive research grants; a flexible salary structure; end of government interference in recruitment of staff and students.

Last week, the NBER Digest carried an article by Linda Gorman summarising a research paper by Philippe Aghion, Mathias Dewatripont, Caroline M. Hoxby, Andreu Mas-Colell and Andre Sapir [26] which investigates the sources of success in building universities. The paper is immensely useful in thinking about how to build universities in India; it should be on the top of Kapil Sibal's reading list.

The paper finds that the first element that pulls down the rank of a university is the process of budgetary approval from the government. The average European university that sets its own budget has a rank of 200 while the average European university that needs approval from the government has a rank of 316. In other words, giving a university autonomy to set its own budget on average yields an improvement of 116 ranks. The message for India: in order to obtain high-quality universities, we need to give universities autonomy.

The second important feature is the role of government in funding universities. They find that each percentage point of the university's budget that comes from core government funds reduces the rank of the university by 3.2 points. The message for India: in order to obtain high-quality universities, we need to give them less money through core funding from the government.

The third issue is inequality in wages. European universities which pay the same wages to all faculty of the same seniority and rank have an average rank of 322. Universities which vary wages for each faculty member and pay different salaries to two people of the same seniority and rank, have an average rank of 213. In other words, flexible HR policies yield an improvement of 109 ranks. The message for India: freeing up HR policies is essential to building high-quality universities.

The fourth issue is the recruitment process for students. Universities which are free to recruit undergraduate students as they like have a rank 156 points higher than those where the government determines the composition of students. The message for India: universities should have full freedom to recruit students as they like, without interference from the government.

*The fifth issue is competition. Each percentage point of a university's budget that comes from a competitive research grants process yields an improvement in its ranking by 6.5.
...*

Variation across state governments in the United States shows that the best universities come up in states which allow more autonomy, such as independent purchasing systems, no state approval of the university budget, and complete control of personnel hiring and pay.

There is only one university in India which has autonomy on budget setting, recruits its own students, has flexible HR policies, etc., and this is the Indian School of Business. It is perhaps logical that, in 2008, ISB was ranked the 20th best MBA programme by The Financial Times, and in 2009 this rank was improved to 15. None of the IIMs feature anywhere. This is a striking contrast between enormous state expenditures on the IIMs failing to yield measurable results when compared with an alternative which has landed India in the top rankings of the world.

- [1] <http://opac.yale.edu/president/message.aspx?id=91>
- [2] <http://www.vedanta.edu.in/>
- [3] <http://www.vedanta.edu.in/page.php?id=5&sid=15>
- [4] <http://www.orissalinks.com/vedanta/radio.mp3>
- [5] http://www.forbes.com/lists/2010/10/billionaires-2010_Anil-Agarwal_WDNS.html
- [6] <http://www.forbes.com/lists/2006/10/WDNS.html>
- [7] <http://indiatoday.intoday.in/site/Story/112115/now-we-are-bleeding-anil-agarwal.html?complete=1>
- [8] <http://www.forbes.com/forbes/2009/0330/136-campus-politics.html>
- [9] IIT, IIM, World Class Univ budget: <http://pib.nic.in/release/release.asp?relid=37684>
- [10] Central Univ cost is 300 crores: <http://pib.nic.in/release/release.asp?relid=29814>
- [11] IISER budget: <http://pib.nic.in/release/release.asp?relid=12975>
- [12] AIIMS budget: <http://pib.nic.in/release/release.asp?relid=64351>
- [13] Faculty size of IITs: <http://www.orissalinks.com/archives/986>
- [14] Faculty size of IIM Ahmedabad: <http://www.expressindia.com/latest-news/IIMA-to-mentor-Udaipur-Bschool/637903/>
- [15] Faculty size of central universities: <http://timesofindia.indiatimes.com/india/Top-central-universities-have-34-teaching-posts-vacant/articleshow/5895118.cms>
- [16] Faculty size of new AIIMS-like institutes: <http://www.orissalinks.com/archives/1842>
- [17] IISER faculty size: <http://pib.nic.in/release/release.asp?relid=32181&kwid>
- [18] ASU Budget: <http://budget.asu.edu/all-funds-budget-0>

- [19] Stanford Budget: http://www.stanford.edu/dept/businessaffairs/cgi-bin/downloadpdf_v3.php?file=BudBk_2010-11_sec1.pdf
- [20] Harvard Budget: [http://www.provost.harvard.edu/institutional_research/Provost -
Harvard Fact Book 2009-10 FINAL.pdf](http://www.provost.harvard.edu/institutional_research/Provost_-_Harvard_Fact_Book_2009-10_FINAL.pdf)
- [21] Higher Education Budget 2010-11: <http://indiabudget.nic.in/ub2010-11/eb/sbe58.pdf>
- [22] <http://www.hmc.harvard.edu/>
- [23] <http://indiatoday.intoday.in/site/Story/26086/NATION/School+for+squabbles.html>
- [24] <http://www.facebook.com/vedantau?v=photos#!/album.php?aid=42217&id=159154217444275>
- [25] <http://www.indianexpress.com/news/set-the-campus-free/469847/0>
- [26] [http://www.economics.harvard.edu/faculty/aghion/files/Governance% 20and% 20Performance.pdf](http://www.economics.harvard.edu/faculty/aghion/files/Governance%20and%20Performance.pdf)
- [27] <http://www.fastcompany.com/magazine/149/hot-spot.html>
- [28] <http://www.ias.ac.in/currsci/sep252009/751.pdf>

The role of private funding in making world-class universities in India; the advantage of Vedanta University

Having significant private funding is a very important component in making world-class universities in India. The basic reason is that top researchers are like Olympic athletes; they can go to whichever country they want to and there is a competition between universities across the world to recruit top researchers from all over the world. In that regard one may note that many Nobel Laureates in US and UK universities and institutions are born elsewhere. This includes Indian born laureates Amartya Sen, Hargobind Khorana, S. Chandrasekhar and last years winner Venki Ramakrishnan.

An important component in recruiting top faculty is salary, and Indian government funded institutions have inherent restrictions on how much maximum they can pay a government employee. Sure, some very good people forgo offers from other countries and join Indian institutions despite the salary differences, but that number is not very high.

We support the above statements through the following supporting examples.

1. Given below are some quotes from Yale University President Prof. Richard Levin. They are self-explanatory.

Quotes from [1]

Q. By "innovation," what do you mean? Could you give me some examples?

A. The biggest one is this: If India is going to build some truly high-quality institutions, it is going to have competitive compensation on a global scale. One of the things the Chinese have done, ... they have essentially decided to break their salary scales to recruit back Chinese expats working in the U.S. and U.K. to be leaders and senior professors at their top institutions. And India has an extraordinary expat academic population. But it is very hard to get those people back in the public universities [here], because they are not attractive-enough jobs. So "innovation universities" offer hope that they'll be able to provide competitive compensation and merit-based compensation.

Q. Did you talk with Kapil Sibal, India's minister in charge of higher education, about this?

A. Yes, with the minister and many other people here. ... The whole point of innovation universities is that both public and private innovation universities in the legislation [to allow for their creation] will have the possibility of not paying [faculty salaries] according to the standard scale.

Q. Why is that issue here in India important to you at Yale?

A. If the question posed to us is, Help us build world-class institutions, my first piece of advice is you can't do it and pay people 20 percent of what they earn in the U.S. [He laughs.]

Quotes from [2]

Leading Indian institutes are good at teaching but they are not research-oriented. What should be the focus now?

The IITs and IIMs are basically good teaching institutions... The biggest contribution made by research universities is that they have advanced knowledge as well as educate quality students. The requisite for making that happen is, one, opening up the structure of faculty compensation so that you can actually attract world-class individuals.

The strong Indian nationals go to graduate schools in the US and they will not come back if they don't get compensation close to what they get aboard. And right now, they would not unless there is some change in legislation.

The impression here is Yale is interested in partnering one or more of the proposed innovation universities. Is that true?

We can have partnership in more than one area (but) not as co-brands. There will be some exchanges.

We may have some advisory role, having some of our faculty helping establish these universities. No joint investment. I think the real hope (for innovation university) is private sector support.

How do you see the growth of education in India vis-à-vis China?

... To compete successfully 20 years from now, India and China will need much stronger research universities. China is very aware of this and politically committed to it.

China is making big investments in research laboratories. They are putting lots of money in top universities to make them competitive with Harvard, Yale and Stanford. They are focusing more on a small number of top universities. Politically, that is very hard for India to do because of India's democracy. It is very hard for America to do so. Solution is to allow the private sector to have a big role in higher education.

I believe you will succeed because India has built great companies in (the) last 20 years. I think a lot of people responsible for that want to give back to the Indian society. They are eager to do what Leland Stanford (founder of Stanford University) and John D. Rockefeller (founder of Chicago University and Rockefeller University) did in America over 100 years ago. If I am not mistaken, all Parliament needs to do is not to give the money away but pass legislation so that will happen.

2. Earlier we made the case that there are no world-class universities in India. There is however an institute that is ranked quite high in its field. Here we are talking about the Indian School of Business Hyderabad, a private entity. Its success and meteoric rise in rankings reveals how other Indian institution can indeed become world class provided that they have the right attributes.

In the world ranking of business schools done by Financial Times [3] IIMs do not appear but Indian School of Business Hyderabad appears at number 12.

Now let us explore the salary structure of ISB and IIMs. In the Times of India article at [4] it is mentioned that:

an assistant professor (AP) at Harvard gets \$140,000 as annual starting pay, equivalent to Rs 23 lakh and Indian School of Business (ISB) pays over Rs 20 lakh to its APs. Against this, an IIM-A AP gets only Rs 5.5 lakh as starting pay annually.

Here Purchasing Power Parity (PPP), where \$1 is equivalent to Rs 17, is used.

So the lesson is that if the faculty salaries in an Indian institution is similar to the salary of top world universities then the Indian institution can indeed compete. ISB's 12th rank, which is higher than the rank of Business Schools at NYU, Yale, Duke, Oxford, etc. proves this.

However like the IIMs cannot currently pay what ISB pays, government funded universities and institutions in India cannot currently pay world class salaries even taking PPP into account; Vedanta University can and has suggested that it will.

[1] <http://chronicle.com/article/Yales-President-Talks-About/125273/>

[2] <http://www.livemint.com/richardlevin.htm>

[3] <http://rankings.ft.com/businessschoolrankings/global-mba-rankings>

[4] <http://timesofindia.indiatimes.com/news/city/ahmedabad/IIM-A-dons-want-Harvard-like-status/articleshow/4974404.cms>

Impact of Vedanta University on Bhubaneswar-Puri area, on Odisha and on India

The official web page of Vedanta University has a nice description of the economic impact of Vedanta University [1]. Here we will first list our own points.

Impact on the Bhubaneswar-Puri area:

- Vedanta University will serve the role Stanford serves in the Silicon Valley or Harvard and MIT serve in the Cambridge-Boston area. Following is an excerpt about the Stanford Research park from [23].

Just after World War II, Stanford University was struggling financially. It was land-rich but cash-poor, so its leaders had an idea: How about we create a new income source by using some of the land for industry?

The Stanford Research Park, as it's now known, was the first of its kind in America. Today, the 700-acre spread has 10 million square feet of commercial real estate that generates millions of dollars for the university each year. It's home to iconic tech brands such as Hewlett-Packard, one of the first tenants, and the banks, consultants, restaurants, and law firms that serve them. According to Mark Kindred, a Palo Alto -- based senior research analyst at the commercial real estate firm Jones Lang Lasalle, "It's the epicenter of Silicon Valley."

The park "has changed along with the rest of the valley," he notes, with three of its newest major tenants -- Facebook, Tesla, and Skype -- reflecting technology's evolution. "Startups cluster in downtown Palo Alto, but when they mature and the space needs to grow, the park is the big draw."

- Because of Vedanta University many top notch companies will locate in the area. For example, Bhubaneswar area which now goes after companies like Wipro, Infosys, Satyam, TCS, Mindtree, etc. will be able to pursue companies like Google, Facebook, Yahoo, Roche etc.
- Vedanta University will elevate the academic standards of the various colleges and universities in the area as well as all of Odisha. Many of its graduates will remain in the area and some will become faculty at other colleges and universities in the area. Many researchers from all over the world wanting to be close to Vedanta University will join other colleges and universities in the area. Other universities in the area will have a higher benchmark to look up to. Vedanta University will make IIT Bhubaneswar one of the top IITs of the country and similarly it will make NISER Bhubaneswar one of the top science institutes of India.
- Vedanta University Medical College will benefit the locals. It will create a healthy competition with the AIIMS-like institution being built in Bhubaneswar. Together they will make the area a medical tourism destination.
- The building of Vedanta University and its surrounding townships will provide jobs to lakhs of locals.

- People having land near Vedanta University will see a huge rise in the value of that land. This is exactly what happened when Nano moved to Gujarat. Following are some news headlines on that.

[2] Nano triples agriculture land prices in Gujarat; DNA May 31 2010.

[3] Land prices skyrocket in Sanand on Nano arrival; Economic Times, June 2 2010.

[4] Nano turns Sanand into Gold; Gujarat Startups, July 23, 2010

- People who lose their land to Vedanta University just have to use that money immediately (not wait till Vedanta University operation starts and the prices skyrocket) to buy land in nearby areas and they will also tremendously benefit. This will be the added benefit beyond what they would get via R & R.
- Although Vedanta University will not have quota for students from Odisha it has been reported that it will take a significant number of students from Odisha. In particular, in [5,6] the promoter Mr. Anil Agarwal is reported to have said

“We will work towards giving 25 percent seats to the students from Orissa who will be taken on merit basis”

- With a student body of 100,000 it will graduate 20,000 students per year. As is the norm in the universities that Vedanta University is trying to aim for, the alumni will significantly contribute to the future growth of the university and hence the area around it. Thus in ten years (past its build out) it will have more than 200,000 alumni. In comparison Stanford has 188,385 living alumni [9]. The alumni are the main contributors to the endowment funds of a university and Stanford has a current endowment of \$13.8 Billion [10]. As another comparison all the IITs of India put together have an alumni strength of less than 200,000. [11]

Impact on Odisha as a whole:

- It will have students from all over Odisha.
- The following excerpts from [7,8] are from reports about the Vedanta University bill's passing in the Odisha assembly and the amendments that were made at that time. It is clear from them that Vedanta University will spread its wings throughout Odisha and its 16 member governing body will have at least 5 members from Odisha who will watch out for Odisha's interest.

the university authorities will set up knowledge centres in different regions of the state for development of higher education in these areas.

Similarly, there will be concession in the fee structure for the weaker section, scheduled caste, scheduled tribe students of the state. The governing body of the university will comprise of 16 members. They will include two MLAs, one lady from SC or ST community and two nominated members of the government who includes the higher education secretary and an eminent educationist of the state.

Impact on India:

- It will become India's first world class university.
- Vedanta University will produce top-notch graduates (especially PhDs) who will enrich other institutions in India.
- Vedanta University will set an example of how to establish a world-class university in India and because of it many other \$-Billionaires from India may decide to establish similar universities.
- In this regard one must note that in recent years India has realized the importance of world class universities and is very focused on establishing a bunch of world-class universities. This intent was first formally announced in 2008 [12]. Following is an excerpt from that news release.

The 11th Five Year Plan, endorsed by the National Development Council in December, 2007, envisages, inter-alia, establishment of the following new higher education institutions in the Central sector: ...

14 Universities aiming at world class standards

... As regards 14 Central Universities aiming at world class standards, it has been considered necessary that these are located in or near selected large cities which would automatically have the kind of connectivity and infrastructure which such universities would need.

Since then the Indian government has come up with a concept note on these universities [13] and a draft of a bill [14] (supposed to be presented this parliament session) for these universities have been circulated. Earlier this month the parliament was informed [15] that the national development council has approved the setting up of these universities. Following is an excerpt.

The National Development Council has approved the setting up of fourteen Universities aiming at world class standards and dedicated to innovation. These universities are proposed to be located at Bhubaneswar in Orissa, Kochi in Kerala, Amritsar in Punjab, Greater Noida in Uttar Pradesh, Patna in Bihar, Guwahati in Assam, Kolkata in West Bengal, Bhopal in Madhya Pradesh, Gandhinagar in Gujarat, Coimbatore in Tamilnadu, Mysore in Karnataka, Pune in Maharashtra, Vishakhapatnam in Andhra Pradesh and Jaipur in Rajasthan respectively.

During the last one and half years, preparation has been going on for these universities. In particular, realizing that India does not have any world-class university that can be used as a model and thus needs foreign help [17], the Indian HRD minister Mr. Kapil Sibal has visited many countries asking them for their help in building these universities. Following is an excerpt from [17].

Decades after India sought foreign assistance to establish its first premier technical institutes - the Indian Institutes of Technology or IITs - it is again seeking guidance from the world's top institutions to set up 14 innovation universities.

The government wants mentors from leading universities in the US and UK. They include the Massachusetts Institute of Technology, Harvard, Yale and George Washington universities, and Imperial College, London.

... Education Minister Kapil Sibal has indicated that, apart from the US and UK, he was seeking Singapore's help with infrastructure in setting up the innovation universities.

India is also looking at a public private partnership model for some of the universities. For instance, the private sector could put in money to develop the infrastructure while the government paid recurring costs such as teacher salary and maintenance fees.

The countries Mr. Sibal has visited on this and related topics include Singapore (December 2009) [14], UK (January 2010) [18], multiple visits to US (October 2009) [15] (June 2010) [19], and Australia (April 2010) [20] with some reciprocal visits [16].

However, a lesson from all these can be summarized from the interview given by the President of Yale University. We mention them in another note; but it is worth repeating. In [21] he says:

A. If the question posed to us is, Help us build world-class institutions, my first piece of advice is you can't do it and pay people 20 percent of what they earn in the U.S. [He laughs.]

In [22] he says:

Leading Indian institutes are good at teaching but they are not research-oriented. What should be the focus now?

The IITs and IIMs are basically good teaching institutions... The biggest contribution made by research universities is that they have advanced knowledge as well as educate quality students. The requisite for making that happen is, one, opening up the structure of faculty compensation so that you can actually attract world-class individuals.

The strong Indian nationals go to graduate schools in the US and they will not come back if they don't get compensation close to what they get abroad. And right now, they would not unless there is some change in legislation.

.... China is making big investments in research laboratories. They are putting lots of money in top universities to make them competitive with Harvard, Yale and Stanford. They are focusing more on a small number of top universities. Politically, that is very hard for India to do because of India's democracy. It is

very hard for America to do so. Solution is to allow the private sector to have a big role in higher education.

*I believe you will succeed because India has built great companies in (the) last 20 years. **I think a lot of people responsible for that want to give back to the Indian society. They are eager to do what Leland Stanford (founder of Stanford University) and John D. Rockefeller (founder of Chicago University and Rockefeller University) did in America over 100 years ago. If I am not mistaken, all Parliament needs to do is not to give the money away but pass legislation so that will happen.***

The above implies that while India is seriously interested in building world-class universities it needs help from private philanthropic individuals and foundations who can pay the needed top faculty a global salary.

Vedanta University would be a pioneering example of that and will trigger and help guide more world class universities in India.

Excerpts from [1]:

All of the above is based on our research independent of the Vedanta University Project authorities. We now give some excerpts from their web page [1].

The campus and surrounding areas will house more than 5 lakh people, enabling a dynamic intellectual community whose demand for goods and services will provide employment opportunities for lakhs of others.

Some quick facts:

- *Around the world, university campuses generate an average of 1.5 additional jobs for each job on campus*
- *The average return on investment, measured as value generated by its operation, for money invested in comparable institutions is \$5 for each \$1 expended*
- *For each \$1 spent in local communities by a University, its faculty, students, and visitors independently spend an equivalent amount for local goods and services.*

... To tap the potential for developing cutting-edge businesses, Vedanta University will establish an extensive research park and business incubator. The University will not only work with existing corporations, but it will also help start-up enterprises build on university research.

In turn, access to innovative enterprises and opportunities to apply knowledge will ensure Vedanta University students are among the best-prepared and competitive minds in the world.

Below are some examples of the value addition to economies enabled by research universities:

- *The Palo Alto Research Park at Stanford University in California has led to the establishment of more than 1200 companies with combined market capitalization in excess of US \$330 Billion. It has given rise to a technological revolution with reach throughout the world.*
- *The Massachusetts Institute of Technology (MIT) has inspired more than 4000 companies with over US \$230 Billion in annual revenue; in addition, MIT was instrumental in the development of its state's high-technology corridor. It is estimated that one out of every 150 jobs in the United States is generated by an MIT-linked firm.*
- *Hsinchu Science Park in Taiwan is home to prestigious academic institutions including National Tsing Hua University and National Chiao Tung University, which provide quality human resources and learning opportunities for employees. In 27 years, the park has given rise to 370 high-technology companies and is home to the world's top two semiconductor foundries. The park is considered the "crown jewel" of Taiwan's industrial machinery and produces more than US \$37 Billion in goods annually.*

A significant percentage of graduates from research universities establish permanent careers in the vicinity; the related rise in average levels of education will help raise wages, aspirations, and overall economic output.

- [1] <http://www.vedanta.edu.in/page.php?id=14&sid=27>
- [2] http://www.dnaindia.com/india/report_nano-triples-agriculture-land-prices-in-gujarat_1390055
- [3] <http://economictimes.indiatimes.com/markets/real-estate/news-/Land-prices-skyrocket-in-Sanand-on-Nano-arrival/articleshow/6001016.cms>
- [4] <http://www.gujaratstartups.com/news/bpocanada/20100723/nano-turns-sanand-land-gold>
- [5] http://www.thaindian.com/newsportal/business/vedantas-orissa-projects-are-on-schedule-agarwal_10042388.html
- [6] <http://www.orissalinks.com/archives/1105>
- [7] <http://www.business-standard.com/india/news/orissa-assembly-adopts-vedanta-university-bill/365425/>
- [8] <http://www.orissalinks.com/archives/2829>
- [9] <http://www.stanford.edu/about/facts/alumni.html>
- [10] <http://www.stanford.edu/about/facts/finances.html>
- [11] http://en.wikipedia.org/wiki/Indian_Institutes_of_Technology
- [12] <http://pib.nic.in/release/release.asp?relid=36955>
- [13] <http://www.education.nic.in/uhe/Universitiesconceptnote.pdf>
- [14] <http://www.orissalinks.com/acts/Universities%20for%20Innovation%20Act.pdf>
- [15] http://www.indiaedunews.net/Today/India_taps_Singapore_to_set_up_%27innovation_universiti es%27_9916/
- [16] <http://economictimes.indiatimes.com/news/politics/nation/Sibal-eyes-tie-ups-with-leading-global-universities/articleshow/5066504.cms>
- [17] <http://www.universityworldnews.com/article.php?story=20100416174234535>
- [18] http://hclondon.in/pressview.php?category_id=75

- [19] <http://www.indianembassy.org/prdetail1521/union-minister-for-human-resource-development,-mr.-kapil-sibal-meets-secretary-clinton>
- [20] http://www.unsw.edu.au/news/pad/articles/2010/apr/India_visit.html
- [21] <http://chronicle.com/article/Yales-President-Talks-About/125273/>
- [22] <http://www.livemint.com/richardlevin.htm>
- [23] <http://www.fastcompany.com/magazine/149/hot-spot.html>

FAQ: Why does Vedanta University needs so much land?

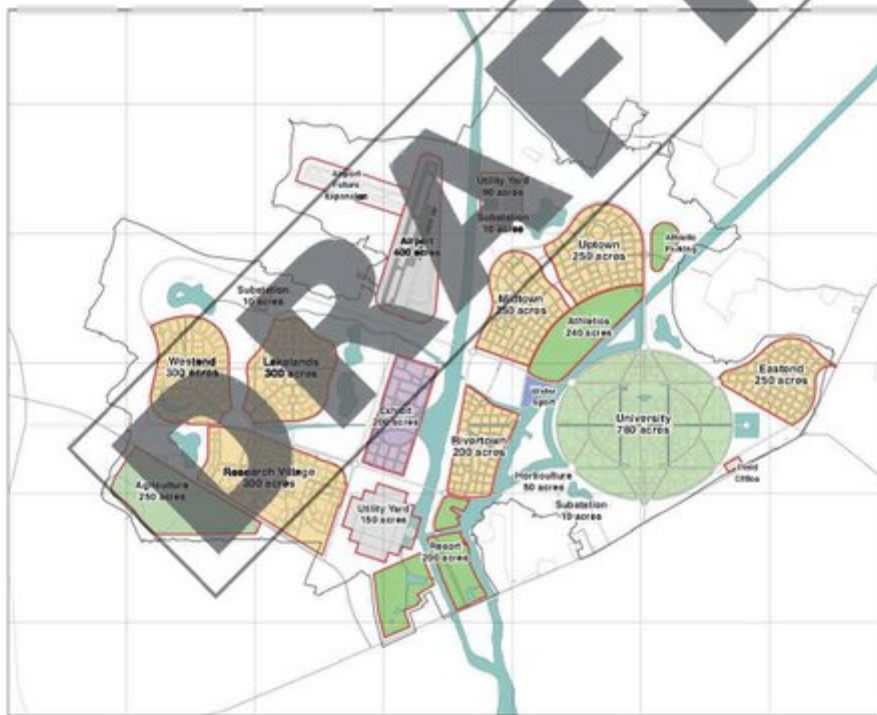
First let us start with the exact picture of Vedanta University's land use. The following two pictures [1,2] are from a draft of Vedanta University's master plan. It gives the detailed breakup of the land use for the university.

- Seven Townships - 1900 acres
- University Precinct - 780 acres
- Exhibition grounds - 200 acres
- Airport - 265 acres
- Resort/Golf - 200 acres
- Agricultural research - 250 acres
- Horticulture - 50 acres
- Athletics and sports facilities - 240 acres
- Water Sports - 15 acres
- TOTAL Developed land - 4300 acres

Land Allocations

Seven Townships:	1,500 Acres
University Precinct	780 Acres
Exhibition Grounds	200 Acres
Airport	265 Acres
Resort/Golf	200 Acres
Agricultural Research	250 Acres
Horticulture	50 Acres
Athletics & Sports Facilities	240 Acres
Water Sports	15 Acres
Proposed Developed Land Total	4,368 Acres

The conceptual master plan for the entire property recognizes the following use categories: Academic, Administration, Student Life, Arts, Medical, Restive and Active Recreational Spaces, Community Facilities, Athletics, Commercial and Retail, Cultural, Research, Residential, Transportation, and Utilities. The plan broadly interprets and recommends site locations for these uses and all associated and supporting activities. This framework plan should be the information basis to guide all development and aesthetic decisions in the future. The land allocations suggested are more than sufficient to meet the short and long term needs of the university and community.



As shown above the main academic campus of Vedanta University is only 780 acres. For 100,000 students (at build-out, expected in 15-20 years) it is a very compact design. In comparison NISER Bhubaneswar is given about 300 acres [3] and it will have a student population of about 2000. Similarly, IIT Bhubaneswar has been given 936 acres [4] and it aims to have 10,000 students [4] in 15 years.

So one really can not say that the academic part of the university is consuming too-much land. The following figure shows the compact design of that part.

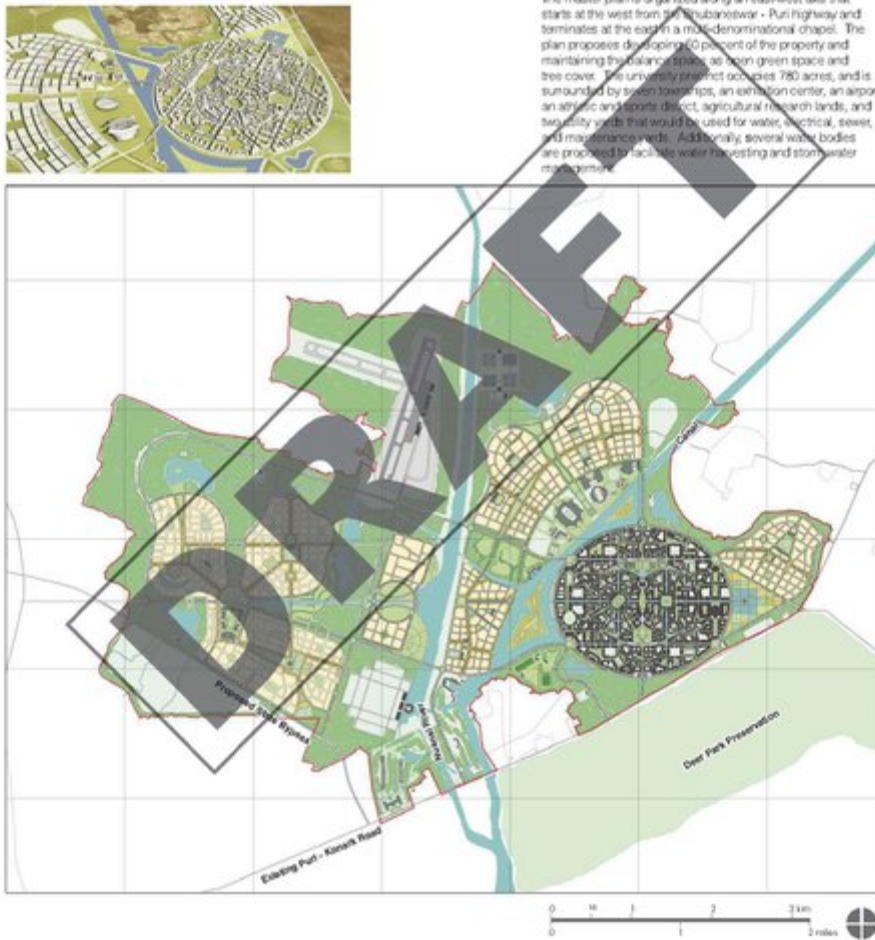


Fig 2: Vedanta University Academic area layout

As one can see from the following picture a large amount of land, about 2000 acres, is devoted towards greenery.

SITE MASTER PLAN

Master Plan



I assume no one would complain about the 2000 acres of greenery. That would be a huge environmental boon. It is like someone building a huge park spending their own money.

So the main concerns would perhaps be with respect to the 1900 acres for the seven townships.

Although it may seem at first glance unrelated to the university, it is one of the key elements of the Vedanta University plan that would give it a fighting chance to become a world class university. We elaborate on this by repeating few points from some of the other notes.

Vedanta University being a private university will need to generate its own resources to run the university. The initial budget of 15,000 crores will not go too far in that direction, when one consider the budget of world-class universities.

The annual budget of a regular top 100 (in the world) US state university (Arizona State University) [5] is about 1.7 billion USD/year (= Rs 8000 crores) and the annual budgets of Stanford [6] and Harvard [7] are in the range of 3.5 billion USD (=Rs 16,000 crores). In contrast the annual budget of IISc (Indian Inst of Science, Bangalore) [8] is about Rs 220 crores and all of our IITs put together [8] is about Rs 2000 crores/year.

To be a world-class university Vedanta University would need an annual budget of \$1-\$2 Billion with PPP (purchasing power parity). In terms of PPP \$1 = Rs 17. So this comes to about 1700-3400 crores. At tuition fees of an average of Rs100,000 per annum Vedanta University can generate 1000 crores. The rest has to come from an alternate source. As a comparison, in case of Harvard, only 20% of its budget comes from student tuition and rest from research grants and contracts and from its endowment. Harvard currently has an endowment of \$27.6 Billion [9].

In the absence of cash endowment beyond the \$1 Billion that will get spent in building the campus, the township part of the university project will serve as an endowment.

Echoing similar sentiment about having extra land to serve as a source of income generation for a world-class university the Chair of the Knowledge Commission, Mr. Sam Pitroda is reported to have said [10]:

"Since public finance is an integral constituent of universities worldwide, most of the new universities shall need significant initial financial support from the Government. Each university may be endowed with a substantial allocation of public land, in excess of its spatial requirements ... The excess land can be a subsequent source of income generation, he says. Exceptions need to be made in existing income tax laws to encourage large endowments."

Hence, the land for the township is a key reason why the Vedanta University proposal seems financially feasible to take it on a path of becoming a world class university.

This is also supported by the following excerpt about an article [11] on how land helped Stanford University and the resulting impact.

Just after World War II, Stanford University was struggling financially. It was land-rich but cash-poor, so its leaders had an idea: How about we create a new income source by using some of the land for industry?

The Stanford Research Park, as it's now known, was the first of its kind in America. Today, the 700-acre spread has 10 million square feet of commercial real estate that generates millions of dollars for the university each year. It's home to iconic tech brands such as Hewlett-Packard, one of the first tenants, and the banks, consultants, restaurants, and law firms that serve them. According to Mark Kindred, a Palo Alto -- based senior research analyst at the commercial real estate firm Jones Lang Lasalle, "It's the epicenter of Silicon Valley."

The park "has changed along with the rest of the valley," he notes, with three of its newest major tenants -- Facebook, Tesla, and Skype -- reflecting technology's evolution. "Startups cluster in downtown Palo Alto, but when they mature and the space needs to grow, the park is the big draw."

In conjunction with the question "Why does Vedanta University needs so much land?" people often point out many world-class universities which have much less acreage.

The top 10 universities in the ARWU 2010 rankings [18] are: Harvard, Berkeley, Stanford, MIT, Cambridge, Cal Tech, Princeton, Columbia, Chicago and Oxford.

The acreage of the universities in that list which I could locate are as follows:

- Harvard: 591 urban acres [15] but total land holdings of [17] is 4979 acres.
- Berkeley: 6651 acres [19]
- Stanford: 8180 acres [20]
- MIT: 168 acres [12]
- Cambridge
- Cal Tech: 124 acres [14]
- Princeton: 600 acres [16]
- Columbia: 299 acres [21]
- Chicago: 211 acres [13], not including the Jet Propulsion Laboratory, Palomar Observatory and the W.M. Keck Observatory.
- Oxford

What the above shows is that some of the top universities have large land holdings (Berkeley, Harvard and Stanford, the top 3) while many others do not.

Not all universities use their land as a monetary source. As mentioned above Stanford does and Vedanta University will need to do that. That is what justifies the need for so much land.

One can also justify the need from another angle. All across India satellite cities are being built [22,23] with much larger acreage than that would be used by Vedanta University. Following are excerpts from [22].

the size of the Dholera city that the Gujarat Industrial Development Board plans to build with private participation will be all of 360 sq km. ...

The Vijaynagar Area Development Authority in Karnataka has roped in the Centre for Environmental Planning and Technology as architects for developing a new city in Karnataka.

"The area has the largest reserve for iron ore in the country and the new city would come up in a 570 sq km area, which has been identified and earmarked," said Anil Roy, Assistant Professor at CEPT.

The new city would have a capacity to accommodate 5-10 million population, on the basis of estimates.

... The Karnataka government also recently invited proposals to develop four cities of about 9,000 acres (around 35 sq km) each near Bangalore, according to a developer who has evinced interest in the project.

"It is better to have newer cities than to expand," said Utpal Sharma, dean of planning & public policy faculty at CEPT. Sharma is leading a team of architects in laying out a plan for the Hyderabad Metropolitan Area, seen as an extension of the existing city. "An additional area of 450 sq km will be added, scaling the overall size to 760 sq km with a new airport."

... GIDB already possesses over 50,000 hectares of land at Dholera. The cost estimate for infrastructure is estimated to be about Rs 38,000 crore (Rs 380 billion) and will create housing facilities for 500,000 people over 30 years, according to estimates by UK-based Helcrow who are doing the master planning for the city.

... The Gujarat government came up with a Special Investment Region (SIR) Act in March 2009 for setting up new cities in the state, driven by industrialisation.

About 12 such special investment regions have been identified and given to agencies for master plan so far with two more in the offing. These include Sanand, Dholera, Changodar, Santalpur, Hazira, Navlakhi, Simar, Pipavav, Dahej, Anjar, Okha, Aliabet, Savli and Halol.

"The minimum size for an SIR is 100 sq km," sources said.

Aliabet, which will house townships for the Japanese, has been identified as an entertainment zone SIR to come up on about 100 sq km, said sources.

While Hitachi and Mitsubishi-led consortiums have been selected by DMICDC for laying out plan for developing 'Smart Cities' in Dahej and Chagodar respectively, Toshiba and JGC Corp-led consortiums will give shape to Smart Cities in the Maneswar-Bawal region of Haryana and Shendra industrial region in Maharashtra.

After Dholera, Gujarat government has put its plans to develop Dahej as a greenfield city on a fast track.

... "The minimum size for developing Dahej city is 100 sq kms. The maximum developable area is about 350 sq kms," said sources close to the development. The estimated investment by a developer would be about Rs 10,000 crore. The bidding process for the project is expected to be over in three months time.

"Gujarat Industrial Development Corporation (GIDC) has recently invited expression of interest from players with a seed capital of Rs 1,000 crore," sources said. The proposed area will have about 75,000 to one lakh housing units.

... Rajgopal Nogja, President of HCC Real Estate, said "We are interested in developing Dahej in Gujarat as a greenfield city, besides developing one city in Himachal Pradesh and in Karnataka."

Following are some excerpts from [23].

A massive, state-of-the-art integrated 'Odyssey Science City' is proposed to be established in drought-prone Anantapur district [Inserted: in Andhra] with an investment of \$ 25 billion (Rs. 1.1 lakh crores) over the next 10 years by a consortium of four Australia and Singapore-based companies.

The proposal for setting up the mega venture was signed by Additional Secretary (Industries) K.R. K. Reddy on behalf of the State Government and Bob Sharpless, Managing Director, Springfield Land Corporation, Australia, in the presence Chief Minister Y. S. Rajasekhara Reddy here on Thursday. It would be coming up between Odicheruvu and Ammadiguda in Anantapur, a few hours' drive from Bangalore.

Dr. Reddy said: "We are excited about the announcement of Odyssey Science City in an area that has been traditionally drought-prone and backward." He assured full Government support for the project.

The consortium consists of Springfield Land Corporation, Macquarie Bank, Australia and Juron International Group, and Semb Corp Industries, both from Singapore.

Speaking at the signing ceremony, Mr. Sharpless said the project envisaged a self-contained, hi-tech complex with its own comprehensive infrastructure, including power, expressways, telecom networks, desalination plants, biotech parks, SEZs, IT/Biotech parks, industrial parks, hospitals, educational institutions, hotels and amusement parks.

He said Science City would provide direct employment to 15 lakh people and indirect employment to another 10 lakhs. It would be financed entirely by the consortium and the Government's support would be required in areas like provision of land and water on commercial terms.

The Karnataka government is establishing an 8000 acre Science City in Chitradurga. See details about it in [25]. Following is an excerpt from that page.

A new township on 8,000 Acres is being formed by IISc, Isro, DRDO, BARC. Chitradurga could be the science hot spot of the country as the major 4 institutions of India are setting their foot here in Challakere.

The townships of Vedanta University are like satellite cities which are crucial to make Vedanta University world class university. This indirectly implies that the other states which are building satellite cities would be more than happy to make Vedanta University as part of their plans. Such overtures have been reported to have been made by Andhra Pradesh, Karnataka and Gujarat. Following are some excerpts from [24].

Even as the Congress and BJP, two parties in the opposition bench in Orissa, are stiffly opposing the setting up of the Vedanta University Project at Puri, two south Indian states, where the government of these parties are in power, are vying with each other to get the project relocated to their respective state.

First it was Karnataka, which had sent feelers to Vedanta chief Anil Agarwal and assured him all support if he decided to relocate the project to the state.

Now, it is Andhra Pradesh chief minister K. Rosaiah, who has gone all out to woo Agarwal to set up the university project in his state. Congratulating Agarwal for entering the shores of Andhra Pradesh through acquisition of majority stake in Cairns India which has interest in KG Basin, Rosaiah in a letter to Vedanta chief has urged him to cement the ties further by complementing the Andhra Pradesh government's efforts to make the state global centre of learning.

... In his letter to Agarwal, who is also the chairman of Anil Agarwal Foundation (AAF), Rosaiah said, "I request you to choose Andhra Pradesh as the state has a unique capacity and culture to nurture the institute of your dreams that will put Indian education back on the global map. I depute the chief executive officer of AP Invest, the state government's nodal agency, to make a detailed presentation to you in this regard. I assure you that the state government will extend every possible support to this endeavour."

"Your vision of building a research university of the stature of Stanford in India, your dream of providing higher education of global standards to over one lakh students is all the more heartening. My government strongly believes in nurturing great institutions of learning in the state. As part of this vision, we have successfully invited institutions of excellence like Tata Institute of Fundamental Research (TIFR), Christian Medical College-Vellore and Indian Institute of Science-Bangalore to start their academic and research campuses in the state", the letter added.

[1] <http://www.orissalinks.com/wp-content/uploads/image/20090813%20Vedanta%20univ%20page%2075.jpg>

- [2] <http://www.orissalinks.com/wp-content/uploads/image/20080813%20Vedanta%20Univ%20page%2077.jpg>
- [3] <http://www.orissalinks.com/archives/5154>
- [4] <http://www.business-standard.com/india/news/our-aim-is-to-encourage-product-designing-product-creation/364381/>
- [5] ASU Budget: <http://budget.asu.edu/all-funds-budget-0>
- [6] Stanford Budget: http://www.stanford.edu/dept/businessaffairs/cgi-bin/downloadpdf_v3.php?file=BudBk_2010-11_sec1.pdf
- [7] Harvard Budget: http://www.provost.harvard.edu/institutional_research/Provost_-_Harvard_Fact_Book_2009-10_FINAL.pdf
- [8] Higher Education Budget 2010-11: <http://indiabudget.nic.in/ub2010-11/eb/sbe58.pdf>
- [9] <http://www.hmc.harvard.edu/>
- [10] <http://indiatoday.intoday.in/site/Story/26086/NATION/School+for+squabbles.html>
- [11] <http://www.fastcompany.com/magazine/149/hot-spot.html>
- [12] http://en.wikipedia.org/wiki/Massachusetts_Institute_of_Technology
- [13] http://en.wikipedia.org/wiki/University_of_Chicago
- [14] <http://www.pma.caltech.edu/GSR/newintro2.html>
- [15] http://en.wikipedia.org/wiki/Harvard_University
- [16] http://en.wikipedia.org/wiki/Princeton_University
- [17] <http://www.harvard.edu/about/glance.php>
- [18] <http://www.arwu.org/ARWU2010.jsp>
- [19] http://en.wikipedia.org/wiki/University_of_California,_Berkeley
- [20] http://en.wikipedia.org/wiki/Stanford_University
- [21] http://en.wikipedia.org/wiki/Columbia_University
- [22] <http://business.rediff.com/slide-show/2010/jul/07/slide-show-1-indias-soaring-ambition-5-new-cities-by-2015.htm>
- [23] <http://www.hindu.com/2007/01/26/stories/2007012604870800.htm>
- [24] <http://www.business-standard.com/india/news/rosaiah-invites-aaf-to-relocate-vedanta-university-to-ap/405561/>
- [25] <http://www.karnataka.com/tourism/chitradurga/science-city.html>

FAQ: Why should we believe that Mr. Anil Agarwal will indeed keep his promise and donate \$1 Billion for this university?

0. Seeing is believing:

One must watch the video interview of Anil Agarwal at http://www.charlierose.com/guest/byname/anil_agarwal and listen to the radio interview <http://orissalinks.com/vedanta/radio.mp3> . Watching that interview and listening to the radio interview makes one believe that indeed Mr. Anil Agarwal is serious about donating \$1 Billion and making this university.

1. He has the net worth to donate \$1 Billion to a cause.

Mr. Anil Agarwal's worth as estimated by Forbes earlier this year is \$6.4 Billion [1]. In 2006 when he initially announced that he will be donating \$1 Billion towards Vedanta University his worth was only \$2.8 Billion [2].

2. He has told the whole world that he is donating \$1 Billion towards Vedanta University.

Earlier this year in September Anil Agarwal told Editor Prabhu Chawla of India Today [3] that he will donate 75% of his wealth to charity. The 2009 Forbes article on Vedanta University [4] has the following:

... he will donate 75% of his wealth to charity. He's already transferred \$250 million to his Anil Agarwal Foundation for Vedanta University

Some of the other world media which talk about his \$1 Billion donation are:

- Forbes 2008 [5]

Building Vedanta University, to which he has pledged \$1 billion, in eastern India.

- Forbes Asia 2008 [6]

Pledged \$1 billion in 2006 from his Anil Agarwal Foundation to set up Vedanta University. Envisions the school as an elite institution modeled on Stanford University and targeting the young Indians who now leave the country in droves to study overseas. Hopes it will boost the lagging economy of Orissa State, in eastern India, where it will be built on a 6,000-acre campus that will ultimately accommodate 100,000 students. Some 1,000 acres have been acquired so far—despite the opposition of locals—and the first batch of students is expected next year.

- Public Broadcasting Station TV in USA - Interview with Charlie Rose (**must see**) [7]
- Radio interview of Vedanta University Architect in Maryland, USA (**must listen**) [8]
- Independent, UK, 2007 [9]

California's Stanford University will be the template for an ambitious \$3.5bn (£1.7bn) international institution in the Indian state of Orissa, called Vedanta University. Anil Agarwal, British mining and metals magnate, is behind the plan. A savvy businessman, Agarwal will capitalise on the Indian demand for universities, and for a more multidisciplinary, American approach to higher education.

- Economist 2007 [10]
- Chronicles of Higher Education, USA 2007 [11,12]
- Time 2007 [13]

Cause: University education in India. The London-based mining magnate has pledged \$1 billion to establish a world-class, need-blind university in Orissa, eastern India. To be called Vedanta (the name of his mining group), the school will focus on liberal arts, in contrast to India's many technically oriented schools.

Impact: Vedanta will help address the region's dearth of university spots, which keeps qualified students from going to high-quality colleges.

- Congress for the new urbanism, USA [14]
- Stanford Daily 2006 [15]

Modeling after Leland Stanford himself, Anil Agarwal of Vedanta Resources, a metals and mining company in India, has made the largest ever donation granted to a single educational institution anywhere in the world.

With his \$1 billion donation, Agarwal established Vedanta University in the Indian state of Orissa. The money, according to Agarwal as quoted in The Chronicle of Higher Education, is set to create a large, multidisciplinary research university resembling Stanford's "economic hub" style in Silicon Valley.

India's state-run educational system has long been criticized for using outdated approaches, like rote learning. In the 2004-05 school year, more than 80,000 Indian students entered American universities, according to the Institute of International Education. But with an expected enrollment of over 100,000, beginning with the first class in 2008, Vedanta University may soon attract many of the students who previously left India for foreign universities.

- Chronicle Almanac 2008-09: Major Private Gifts to Higher Education Since 1967

\$101-million and above

Gates Millennium Scholars program: from the Bill & Melinda Gates Foundation, \$1-billion over 20 years; cash; 1999*

***Vedanta University (India):** from the Anil Agarwal Foundation, \$1-billion endowment to establish the university; cash; 2006**

***California Institute of Technology:** from Gordon and Betty Moore and the Gordon and Betty Moore Foundation, \$600-million, consisting of \$300-million over 5 years and \$300-million over 10 years; cash and stock; 2001**

- Pitched the Prime minister his plan to donate \$1 Billion for Vedanta University

Vedanta group's executive chairman, Anil Agarwal gave a presentation to the Orissa chief minister, Naveen Patnaik, at the state secretariat about the blue print of the university.

Vedanta has given similar presentations on the proposed university to the prime minister and heads of five states.

The point of all of the above pointers is that he has told everyone around the world that he is donating \$1 Billion for Vedanta University. So if he does not do it (while we allow him to do it) he will lose his face. It is hard to believe that a multi-billionaire like him will risk losing his face.

3. He says in [4] that he has already transferred 1/4th of the pledged amount (\$250 million) to the Anil Agarwal foundation which is a non-profit (Section 25) public company.

... he will donate 75% of his wealth to charity. He's already transferred \$250 million to his Anil Agarwal Foundation for Vedanta University

He has also already spent a lot of money in acquiring about 4000 acres of the needed 6137.9 acres land [18]; in the design of a master plan by perhaps the top architect for university campuses [19]; in designing the medical campus of Vedanta University [20,21] and in space planning for the medical college and hospital [22].

In regards to the proposed medical college they have interfaced [23] with two prominent doctors from Odisha: Dr. Kabi Mishra and Dr. Dipika Mohanty.

4. Billionaires of the world do pledge and donate large percentage of their worth to charity.

Encouraged by Bill Gates and Warren Buffet 40 Billionaires in US have pledged to donate half their wealth to charity [24]. So it is not far fetched that Anil Agarwal, a multi-billionaire would donate \$1 Billion towards a university.

5. Some great universities of the world have been built by donations by rich industrialists.

Following is from the interview of Yale President Richard Levin in [25].

I think a lot of people responsible for that want to give back to the Indian society. They are eager to do what Leland Stanford (founder of Stanford University) and John D. Rockefeller (founder of Chicago University and Rockefeller University) did in America over 100 years ago.

- [1] http://www.forbes.com/lists/2010/10/billionaires-2010_Anil-Agarwal_WDNS.html
- [2] <http://www.forbes.com/lists/2006/10/WDNS.html>
- [3] <http://indiatoday.intoday.in/site/Story/112115/now-we-are-bleeding-anil-agarwal.html?complete=1>
- [4] <http://www.forbes.com/forbes/2009/0330/136-campus-politics.html>
- [5] http://www.forbes.com/lists/2008/10/billionaires08_Anil-Agarwal_WDNS.html
- [6] http://www.forbes.com/lists/2008/56/biz_philanthropy08_Anil-Agarwal_WDNS.html
- [7] http://www.charlierose.com/guest/byname/anil_agarwal
- [8] <http://orissalinks.com/vedanta/radio.mp3>
- [9] <http://www.independent.co.uk/news/education/higher/will-a-billionaire-philanthropists-new-americanstyle-university-stem-the-flow-of-indian-undergraduates-heading-west-396505.html>
- [10] http://www.economist.com/node/9539815?story_id=9539815
- [11] <http://chronicle.com/article/For-Planners-the-Opportunity/8525>
- [12] <http://chronicle.com/article/In-Rural-India-an-Ambitious/21375>
- [13] http://www.time.com/time/specials/2007/time100powergivers/article/0,28804,1616375_1615711_1615671,00.html
- [14] <http://www.cnu.org/awards2008>
- [15] <http://www.stanforddaily.com/2006/07/26/new-indian-university-modeled-after-stanford/>
- [16] http://chronicle.com/stats/big_gifts.htm
- [17] <http://www.indianexpress.com/news/vedanta-pitches-orissa-for-its-1-billion-un/2713/>
- [18] <http://www.business-standard.com/india/news/no-irregularities-in-land-acquisition-for-vedanta-varsity-naveen/416193/>
- [19] <http://www.asg-architects.com/portfolio/vu/>
- [20] <http://www.perkinswill.com/work/vedanta-university-medical-precinct-master-plan.html>
- [21] <http://www.perkinswill.com/work/vedanta-university-teaching-hospital.html>
- [22] <http://www.jensenpartners.com/projects/vedanta-university-teaching-hospital>
- [23] <http://expressbuzz.com/States/Orissa/vedanta-hospital-to-be-ready-by-2011/55903.html>
- [24] <http://www.npr.org/templates/story/story.php?storyId=128983170>
- [25] <http://www.livemint.com/richardlevin.htm>

FAQ: What progress has been made towards making the Vedanta University?

Despite various difficulties significant progress has been made towards the making of the university.

1. \$250 million of the pledged \$1 Billion has been transferred to the Anil Agarwal Foundation [1], a Section 25 public company [2] that is the sponsoring body of Vedanta University.
2. Land Acquisition: 4000+ acres of the needed 6137.9 had been acquired. [3]
3. Vedanta University Bill has been passed by the Odisha assembly. [4,5]
4. An award winning master plan for the university has been created by a world renowned architect Ayers St. Gross. [6]



Fig 1: Vedanta University Master Plan layout



Fig 2: Vedanta University Academic area layout



Fig 3: Vedanta University Phase 1 and 2; view from above



Fig 4: Vedanta University Signature Building

5. Vedanta University Medical College design has been made by LA based company Perkins+Will. [7,8]



Fig 5: Vedanta University Medical Precinct masterplan



Fig 6: Vedanta University Medical College Main Building



Fig 7: Vedanta University Medical College Main Building



Fig 8: Vedanta University Medical College Main Building



Fig 9: View of the temple and the medical campus



Fig 10: Medical College Entrance

6. Space planning for the medical college has been done by the international company Jensen Partners. [9]

7. Top doctors of the state have been consulted in regards to the medical college. [10]

8. Several initial building of the university have been fully designed. [11]

9. Construction contracts were given to L & T. [12]

[1] http://www.forbes.com/global/2009/0316/044_campus_politics.html

[2] <http://www.orissalinks.com/wp-content/uploads/image/2010%2004%2006%20Anil%20Agarwal%20Foundation.JPG>

[3] <http://www.business-standard.com/india/news/no-irregularities-in-land-acquisition-for-vedanta-varsity-naveen/416193/>

[4] <http://www.orissalinks.com/000/vedanta%20university/>

[5] <http://www.orissalinks.com/archives/2829>

[6] <http://www.asg-architects.com/portfolio/vu/>

[7] <http://www.perkinswill.com/work/vedanta-university-medical-precinct-master-plan.html>

[8] <http://www.perkinswill.com/work/vedanta-university-teaching-hospital.html>

[9] <http://www.jensenpartners.com/projects/vedanta-university-teaching-hospital>

[10] <http://expressbuzz.com/States/Orissa/vedanta-hospital-to-be-ready-by-2011/55903.html>

[11] Odisha magazine published October 2010

[12] <http://www.expresshealthcaregmt.com/200906/market06.shtml>

FAQ: Why is there opposition to Vedanta University in Odisha? What about the high court case verdict on land acquisition?

There are several forces that are working against the establishment of Vedanta University.

1. There are political parties that are in principle opposed to large land acquisition and "corporates".
2. There is a large group of people who are opposed to anything "Vedanta".
3. Congress would like to do a come back in Odisha and without an available clean leader of the stature of Odisha Chief Minister Naveen Patnaik it (Congress) is desperate to taint Naveen Patnaik so that he loses his shine.
4. BJP is mad at Naveen Patnaik for parting ways with them before the last election in 2009. They want to embroil Naveen Patnaik in some controversy or other.
5. A large body of main stream journalists are opposed to what they perceive as "blind industrialization" in Odisha and hence they oppose "pet" projects pushed by Naveen Patnaik.
6. There are individuals who hope to revive their political career by opposing this.
7. There is rumor that bosses of some private institutions in Odisha are opposed to Vedanta University as they are afraid of competition from Vedanta University.

We hope that some of the above people will read our notes and no matter what their ideology is and no matter what their beef with Naveen Patnaik is, they will think with an open mind regarding what is best for the state and support this University.

Now regarding the high court case; following is my understanding of the issue based on reading various newspaper reports.

- A: The foundation behind the university is Anil Agarwal Foundation.
- B: It asked the govt. of Odisha to help in acquiring land.
- C: Odisha govt. law dept told them that for them to help in acquiring land the foundation has to be a public company. (At that time the foundation was a non-profit private company.)
- D: After some months the Anil Agarwal foundation people gave some documents to the Odisha government which the Odisha government interpreted as meaning that the foundation has become a public company and hence eligible for land acquisition. So the state government gave the land acquisition order.
- E: Anil Agarwal Foundation has been a public company for some time now. [1]

The main controversy is about D above. It is reported that the Lokpal and the high court said that the documents provided only suggest that the foundation at that time had only applied for public status and did not mean that it had already become one.

The Lokpal had a constructive recommendation [2] which was to stop the project until the company became a public one. Following is from [3].

The Lok Pal has also recommended a moratorium on the project till the Anil Agarwal Foundation complies with the legal provisions pointed out by the Ministry of Company Affairs for conversion of its status from private to public company.

By the time the Lokpal report came the company was already public. Around that time the posting [2] showed that the Anil Agarwal Foundation is a Section 25 public company.

Company Master Details	
CIN	: U91990MH2004NPL146228
Company Name	: ANIL AGARWAL FOUNDATION
ROC Code	: RoC-Mumbai
Registration Number	: 146228
Company Category	: Company limited by guarantee
Company Subcategory	: Company licensed under Section25
Class of Company	: <input checked="" type="radio"/> Public <input type="radio"/> Private
Authorised Capital(in Rs.)	: .00
Paid up capital(in Rs.)	: .00
Number of Members (Applicable only in case of company without Share Capital)	: 7
Date of Incorporation	: 12/05/2004 (dd/mm/yyyy)
Address 1	: 104, MAKER BHAVAN NO. 3,
Address 2	: 1ST FLOOR, 21, NEW MARINE LINES
City	: MUMBAI
State	: Maharashtra
Country	: INDIA
Pin	: 400020
Email Id	: prerna.halwasiya@vedanta.co.in
Whether listed or not	: <input type="radio"/> Listed <input checked="" type="radio"/> Unlisted
Date of Last AGM	: 04/09/2009 (dd/mm/yyyy)
Date of Balance sheet	: 31/03/2009 (dd/mm/yyyy)
Company Status (for eFiling)	: Active

As per news reports the high court seems to have a harsher recommendation of scrapping the acquisition.

As per my understanding the above are the key points.

I think the violation (in D), if any, is a technical one and the Lokpal's recommendation made sense. I do not really see any "corruption" here. In fact I personally believe that the Odisha government's interpretation of the land acquisition act [6] is correct in that all it required in 40 (1) (aa) and (b) was that the government be satisfied about the public purpose of the land acquiring foundation. The act did not specifically require that the foundation has to be a public company.

Again, I hope that the people who for various other reasons are trying to stop this university read the notes and think with an open mind what is best for Odisha and sit with the Odisha government and figure out a way to comply with all rules and laws and have Vedanta University in Odisha.

[1]

<http://www.facebook.com/photo.php?fbid=103923476340255&set=a.103923473006922.5891.100001678081912>

[2] <http://www.orissalinks.com/archives/4196>

[3] <http://economictimes.indiatimes.com/news/politics/nation/Oppn-ups-ante-against-Naveen-on-land-for-Vedanta-University/articleshow/5763800.cms>

[4] To get this document go to the site

http://www.mca.gov.in/MCA21/dca/masterdata/Master_data.html Click on View Company Master Data (link is on the left) Put U91990MH2004NPL146228 in CIN/FCRN and click Submit. It shows the Anil Agarwal Foundation is a Section 25 Company. It gives registration number as 146228.

[5] How to get the CIN/FCRN of U91990MH2004NPL146228: Go to the site

http://www.mca.gov.in/MCA21/dca/masterdata/Master_data.html Click on Access Public Documents; View Public Documents; Type Anil Agarwal Foundation as the Company Name and Click Search. It gives you U91990MH2004NPL146228 as the CIN/FCRN.

[6] <http://dolr.nic.in/hyperlink/acq.htm>