



# THE CORPORATE OUTSIDER

SUNDEEP KHANNA

Respond to this column at  
[sundeep.k@livemint.com](mailto:sundeep.k@livemint.com)

## INDIAN BILLIONAIRES SHOULD EMULATE BLOOMBERG

**M**ichael Bloomberg, the former mayor of New York and a potential 2020 presidential candidate, has just donated \$1.8 billion to Johns Hopkins University, the largest ever contribution to a US academic institution. That's on top of the \$1.5 billion he's already gifted to his alma mater. The research institution, already one of the best in the world, will use the money to provide financial aid to its undergraduate students from lower- and middle-income backgrounds.

No such act of generosity has been visible in India despite its 131 billionaires and countless millionaires. India's rich have many passions—yachts, horses, cars, planes, even airlines and big fat Indian weddings. But institution building isn't quite their thing.

Strangely, this aversion to funding education seems to be a post-liberalization phenomenon. Many Indian business families like the Tatas, the Birlas and the Shrirams, gave liberally through the early years of independent India, in the process setting up a string of excellent schools, colleges and research institutions.

Our tycoons will tell you they do their bit. There's the mandatory corporate social responsibility (CSR) contribution and all those little acts of charity performed mostly with the cameras on and then there is the assistance to political parties which provides the necessary fuel for our democracy. Many contribute generously to the spiritual uplift of the masses. Witness, for instance, the sheer sprawl of the Radha Soami Satsang Beas (RSSB).

The results of this munificence are there to see in the form of ashrams, TV channels beaming the light of spirituality and any number of places of worship.

But there are not enough schools, colleges and universities to provide quality education to the nearly 600 million young people

**Michael Bloomberg has just donated \$1.8 billion to Johns Hopkins University**

under the age of 25 that need education and training. In a September 2018 report, World Education News & Reviews writes that India will soon have the largest tertiary-age population in the world, but the tertiary gross enrolment rate (GER) stands at only 25.8%. Sadly, the expenditure on education, as a percentage of the GDP, by states and the Union government combined, has actually been declining over the last few years.

A five-year-old study of 60,000 university graduates in different disciplines by assessments and job credentialing firm Aspiring Minds concluded that 47% of them were unemployable in any skilled occupation. Another, more recent report said that 95% graduating engineers are not employable for software development jobs with a meagre 1.4% of them capable of writing functionally correct and efficient code. The study's most worrying conclusion: Programming skills are five times poorer for third tier colleges as compared to tier one colleges, underscoring the need to direct funds to colleges that aren't well known ([bit.ly/2OQQNrn](http://bit.ly/2OQQNrn)).

It comes as no surprise then that in any ranking of global educational institutions, India is a consistent under-performer.

In its latest issue, *The Economist* lists the 20 highest ranked universities in the world in terms of the top 1% most highly cited papers between 2013 and 2016 in math and computing. Amid obvious names like Stanford and MIT, there are six universities from China and none from India. The reason for this is not far to seek. India's spending on research and development (R&D) at about 0.6% of GDP is well below that in other developed economies like the US (2.8%), China (2.1%), Israel (4.3%) and Korea (4.2%).

Perhaps there is a distrust of existing institutions' utilization capabilities. Which is why, many billionaires, particularly the tech tycoons, have chosen to set up their own universities. Among them are NIIT University, Shiv Nadar University and Azim Premji University. In the future, some of these may scale global standards. But in the meantime, there are several existing institutions which are in urgent need of funds. The worry is that even as the newer ones play catch up, older, more pedigreed, institutions may just wither away for lack of funds.

In an opinion piece explaining his decision to give \$1.8 billion to Johns Hopkins, Bloomberg urges others to donate, too, "whether the check is for \$5, \$50, \$50,000 or more." His final comment, "There may be no better investment that we can make in the future of the American dream", is worth heeding in India as well.

*Sundeep Khanna is a consulting editor at Mint and oversees the newsroom's corporate coverage. The Corporate Outsider will look at current issues and trends in the corporate sector every week.*