

IGIDR Vision

1 Blue print for the development of the Institute

1.1 Background on IGIDR

IGIDR, conceptualized as a think tank in development policy by the then RBI governor Dr. Manmohan Singh, is an autonomous research body located in Mumbai and founded in 1987 by the Reserve Bank of India to commemorate its golden jubilee. In its role as Deemed University (since 1995) with the highest rating “A” by the National Assessment and Accreditation Council (NAAC) of India, it offers M.Sc. in Economics and integrated M.Phil./Ph.D. programs in Development Studies. Its mission is to promote the study and dissemination of knowledge of, and conduct research from a broad interdisciplinary perspective, on development with its economic, technological, social, political and ecological aspects, to gain insights into the process of development and alternative policy options, with special emphasis on social, legal, organizational and institutional aspects. Its vision is to serve as a nodal centre in development research for promoting cooperative endeavours with other Indian and International scholars and institutions; to organize courses, capacity building programs, conferences, and workshops on subjects of theoretical or practical relevance for development and policy formulation; to publish journals, reports, pamphlets, books, research papers in furtherance of these objectives; and to provide consultancy to national and international institutions on issues linked to these objectives.

Research in IGIDR

The research agenda of IGIDR is guided by contemporary policy concerns, individual faculty members’ research interests, and through sponsored projects. Theoretical as well as empirical research undertaken over the years cover a wide range of topics and themes such as macroeconomics, banking and finance, household finance and financial sector regulation, poverty, inequality and human development, food security and agriculture, industrial organisation and corporate governance, international finance and trade, development economics, public economics, institutional and law and economics, energy and environment policy, urban economics and migration, and city planning.

IGIDR faculty edit three major journals: *Journal of Quantitative Economics (Springer)*, *Journal of Interdisciplinary Economics (Sage)*, and *Macroeconomics and Finance in Emerging Market Economies (Routledge)*. Besides, many faculty members also serve on the Editorial Boards of several national and international journals.

IGIDR faculty also serve in several important Government Committees such as *Prime Minister’s Economic Advisory Council (PMEAC)*, *Reserve Bank of India’s Technical Advisory Committee on Monetary Policy*, *National Statistical Commission*, *Central Statistical Office Advisory Committee on National Accounts Statistics*, *Bankruptcy Law Reforms Committee*, to name a few.

IGIDR's research is ranked 6th in India by RePEc. It should be emphasised that 102 Ph.D. and 91 M.Phil. and 244 M.Sc. students have graduated out of IGIDR. The alumni form the core of economics faculty at several Institutes of national importance such as IIMs, IITs, ISID, JNU, MSE, NCAER, NIPFP, and some of the emerging private universities in the country. They also occupy top managerial positions in multinational enterprises operating in India and abroad.

It should be emphasized that IGIDR's contributions arise from academic freedom, supportive non-hierarchical democratic systems, high quality support from administration, computing centre, library, resources and accountability. Continuation and further augmentation of these support systems in response to the changing needs of faculty and students are essential for IGIDR to maintain its position as a centre of excellence for research and teaching in economics.

IGIDR's influence in policy debates/decisions of national and international importance

IGIDR's impact has come from relevant faculty publications, participation in committees, discussions in public fora and media that sought to bring in fact- and context-based non-ideological inputs to complex issues that arose as the economy opened out yet sought to forge its own balanced growth path. For example, IGIDR produced the first Ph.D on adapting inflation targeting to the Indian context much before the country formally adopted flexible inflation targeting.

The work done on 'Decision Making Framework' (with K.J. Arrow et al.) for IPCC second assessment report on climate change impact resulted in citations to IGIDR faculty from the Prime Minister of India on account of Nobel Prize to IPCC. Continued IGIDR input into CDMs, demand side management, framework for National resource Accounting (which became an integral part of the National Environmental Action Plan of India), and strategy briefs on Clean Water, Sustainable Wetlands, Land and Forests, Air pollution and health, Environmental and Economic Decision making prepared under UNDP's Capacity 21 program have influenced country's policymaking.

The East Asian crisis did not change the fact that many of these economies had experienced three decades of rapid growth. The study of these economies in 90s, which resulted in two monographs, evolved a common framework which was then applied to India; it also studied the restructuring experiences of Asian tigers and put it in perspective for the Indian crisis and subsequent reform process.

Food and agricultural policies are undergoing changes due to trade integration under WTO. Studies of policies of output price support, input price subsidies and their impact on agricultural prices, productivity and rural employment; Challenges for food security, targeted public distribution system and rural employment guarantee scheme to reduce poverty risk and vulnerability resulted in output that can be categorized into three different viewpoints within IGIDR, an advertisement for its research culture.

IGIDR has been at the forefront of CGE modelling with the focus on growth and welfare impacts of various agricultural and rural development policies with regard to trade, output pricing, input subsidies, irrigation, trade agreements and regional integration. Currently, it is developing and maintaining a CGE model (along with the underlying SAM) of India for the Planning Commission. The

objective is to use this model to provide inputs to various issues of policy concern to the Government such as impact of oil price rise, and effect of economic slowdown.

IGIDR designed and implemented the risk management system used for the first exchange-traded derivatives in India at the NSE.

In a series of state development reports prepared for the Planning Commission, IGIDR took stock of the state economic development, identified the problems and constraints to development, and the potential for policy intervention. They covered economic profile of the state, including poverty, fiscal structure, and focused on agriculture, industry, and services among other things.

The increasing incidence of farmers' suicides is symptomatic of a larger agrarian crisis. IGIDR's work identifies that the systemic risk faced by cotton growing Vidarbha farmers are yield, price, credit, income, and weather uncertainties. A primary survey spread across 100 villages comparing suicide case households with non-suicide controls indicates relatively higher outstanding debt, higher family size (particularly female members), lower assets (particularly bullocks) and lower value of produce. Based on the suggestions, a number of policies have been implemented by the state government. This work made it to NY Times front page and led to Radhakrishna Committee Report for Central Government.

IGIDR has played a key role in the bankruptcy reforms of the last two years. Faculty from the Institute were part of the Bankruptcy Law Reforms Committee, which was given the task of creating a legal framework to improve the insolvency and bankruptcy processes with a mandate to draft a single law. The Finance Research Group, IGIDR was the research secretariat that was given the mandate to design and draft this new legal framework. The rationale and design of the law was written at the IGIDR, and was presented to the Ministry of Finance as Volume 1 of the Report of the Bankruptcy Law Reforms Committee.

1.2 Strengths, Weaknesses, Commitments

Strengths

Research: IGIDR faculty have specialized and established themselves as leading researchers in their respective areas of specialization in India. They have contributed to academic and development policy debates at both national and international level.

Teaching: Over the years, IGIDR as an organization has evolved to become a full-fledged teaching cum research institution. The strength of IGIDR lies in its interdisciplinary approach to teaching and research right from the Masters level to the Ph.D. programme. It is a unique programme in economics and development policy in India that admits students from diverse disciplinary backgrounds that span economics, engineering, mathematics, statistics and physical sciences. The course structure has been designed to impart analytical and empirical skills to analyze development problems from an economist's perspective. Students have written their theses on a wide range of issues covering economics, energy and environment.

Organizational Design and Functionality: Since its inception, the organizational structure of IGIDR has been designed to support top quality teaching and research activities. A formal standard structure is in place starting at the base with Assistant Professor and moving up to the position of Senior

Professor, with the Director at the helm of the organization. The Director in turn reports to the Board of Management headed by the Governor of the Reserve Bank of India; the members include two IGIDR faculty representatives (by rotation) and illustrious external academics. Functionally, however, the strength of the Institute lies in its flat structure, and its democratic transparent and decentralized decision making process. This is accomplished through three decision stages, first at the committee level, then at faculty meetings and finally at the meeting of the Academic Council. Academic Council is the ultimate decision making body on all academic matters constituting of faculty members and five external academicians. The committee positions, including the position of the Dean are normally rotated every two years.

Academic Freedom: One of the major sources of strength of IGIDR is the intellectual freedom each faculty member enjoys in deciding on his/her research agenda and activity. The overall research objectives of the Institute, set internally with inputs from external experts (mostly identified by faculty), are broadly defined in terms of topical developmental issues and the faculty members have the freedom to identify the specific issues of interest. Research students too enjoy this freedom.

Continuous Evaluation: The performance of IGIDR as a deemed university and premier research institution is subject to both internal and external evaluation. Internal evaluation consists of submitting activity reports pertaining to work undertaken by faculty to the Board of Management twice a year. Teaching evaluations are conducted for every course offered. Outside evaluations involve periodic review by the Board of Management appointed committee as well as by the National Assessment and Accreditation Council (NAAC). IGIDR has been awarded the highest rating of “A” Grade by the NAAC. Finally, faculty evaluations and promotions at IGIDR follow international best practice based on his/her research publications, teaching, supervision and other academic and non-academic output. Academic decisions, including curriculum development, solely rest with the Academic Council with no external interference.

Weaknesses

As with any organization, despite being a highly reputed and accredited institution, there are several areas that have scope for further improvement. These are listed as follows:

- IGIDR suffers from lack of strong access to think tank network because of geographical location disadvantage relative to other institutes and limited knowledge sharing.
- IGIDR faculty research covers a wide range of economic issues and the areas of specialization within the Institute are diverse. It suffers from lack of critical faculty size in individual research areas limiting collaborative work and restricting scaling up of research output in individual areas. In the short term, hosting reputed faculty who can offer courses and contribute to research can help bridge the gaps in faculty specialization.
- The opportunities for capacity building through external linkages for students and faculty are rather limited. It is important that proactive steps be taken for building such linkages and funds allocated for the same.
- There exists considerable scope for improvement in terms of efficient use of human and technological resources through institute-wide MIS systems.

- The Institute currently lacks dedicated resources for communications and publicity because of which the Institute's work sometimes does not get due attention / credit. For instance, few know that IGIDR has produced over 100 Ph.D.'s since the doctoral programme started in 1990, who are equally employed in academia and industry.
- There is substantial scope for strengthening public policy interactions through an expansion of base and greater visibility of IGIDR activities. Concerted effort is required to create awareness of IGIDR as a major think tank among citizens at large.

Commitments towards improving organisational performance

IGIDR's reputation as an advanced teaching and research institute has enabled many of the initiatives to take-off without much difficulty. However, these programs require performance evaluations, system evolution and continued funding to become sustainable over time and to expand their coverage across beneficiaries. Among the organizational commitments made by IGIDR in this regard are:

- To continue to maintain its autonomy, strengthening of its internal decentralized decision making systems, and preserving its independence in setting the research agenda
- To critically analyze the existing systems in light of changing academic and policy environment, and IGIDR's own long term commitments and to make modifications where necessary such as curriculum changes and teaching systems or evolve altogether new systems in light of globalized academia
- To explore novel and meaningful ways of interaction with outside experts whereby a steady flow of new ideas and processes into / out of IGIDR is maintained so as to stay on top, for example establishment of adjunct and short term positions or periodic video conferencing of lectures or debates
- To be able to evolve systems that would allow it to maintain and augment its international network and positioning, for example facilitating systems for international collaboration
- To constantly upgrade its library, online resources and IT architecture in line with its evolving needs
- To develop special systems geared towards policy outreach, for example public relations systems and presence in the capital city

How IGIDR would contribute to learning and exchange with other research institutes?

Four key avenues of IGIDR's potential interlinks with other institutions would be emphasized.

- First, development of joint degree programs in judiciously selected thrust areas in development policy, wherein we would seek partner institutions that could complement us.
- Second, identify research areas in which India is lagging behind and develop strategies in collaboration with other institutions to address them.

- Third, establishment of research ties in the form of joint workshops, joint research programs, faculty and student exchanges.
- Fourth, designing outreach activities and platforms whereby students and faculty from elsewhere are funded to visit IGIDR for short and long stays, participation in well-established conferences like the Annual Macroeconomics and Finance Conference and workshops that would facilitate knowledge sharing.
- Fifth, currently IGIDR is part of the European Union Erasmus Mundus Law and Economics Programme. It is perhaps the only Indian institution which is a full-time partner in any of the Erasmus-plus programmes of the European Union. The Institute is also in close academic relations with Free University of Amsterdam, University of Bayreuth, University of Hamburg in the area of politics, philosophy and economics. Following the Look-East Policy of the Government of India, IGIDR has opened its academic programmes to students from select Asian countries.

In the past, IGIDR had thriving faculty and research student exchange programmes with Free University of Amsterdam International Institute of Applied Systems Analysis, UNU-Tokyo, and Yale University. At an individual level too, several faculty had collaborated with researchers from several countries, and had undertaken research projects for international organisations such as the ADB, FAO, ILO, OECD, UNDP, UNESCAP, UNFCCC, USAID, World Bank, to name a few.

IGIDR looks for strategic partners such as Warsaw School of Economics, which opens a window to research collaboration on policies issues that are of common interest with the transition economies. In a similar vein IGIDR is also exploring potential collaborations with economics research institutions in BRICS nations. Though some of the partner institutions / universities such as Free University of Amsterdam have been funding IGIDR Ph.D. students visits, IGIDR faculty and students are often constrained by availability of funding.

With the rapid growth of the Indian economy, there is now much greater interest among potential partners for collaboration. From the point of the Institute such international collaboration would greatly help improve the exposure to new research areas and alternative perspectives. From a national perspective, India needs to augment its research capacities on the economics of other countries of strategic importance to her. All this require sustained resource (human and financial) commitment, perseverance over several years to build trust for long-lasting academic partnerships. Given IGIDR's past experience since inception, the Institute is well placed to pursue and benefit from such international partnerships.

2 Academic programmes

- I. IGIDR research identification process: A decentralized system for faculty and students ensures a free intellectual market of research ideas, within the broad parameters of Development. Thrust areas, evolved internally through brainstorming, with external expert inputs through Academic Council, Research Advisory Committees and discussion meetings, allow us to identify national lacuna and form flexible research groups to focus on them. Externally defined research projects are accepted if they are found to augment IGIDR's vision.

- II. Based on the feedback of the faculty, the following are the emerging research areas that IGIDR should focus upon in the next decade:
 1. Economics of education, health, nutrition
 2. Labour economics
 3. Sustainable development issues, energy and climate security, sustainable cities
 4. Economic geography, spatial economics, agglomeration and urban economics
 5. Behavioural economics theory and experiments, social networks, market design
 6. Competition policy and regulation, empirical industrial organisation, empirical law and economics, and political economy of development
 7. Econometric theory, applied time series, big data analytics

- III. At the same time, IGIDR needs to augment its capacity in areas of current strength such as,
 1. Macroeconomic stabilisation, monetary and fiscal policies, global financial integration, business cycle fluctuations
 2. Financial markets, commodity markets, development banking, corporate finance
 3. International economics theory, empirics and spatial issues, international trade negotiations
 4. Sectoral issues in agriculture, industry and service, rural development,

- IV. During Academic Year 2016-17 IGIDR introduced “Fields of Specialisations” in its M.Sc. and Ph.D. programmes. Under this, students are required to choose a “major” and a “minor” field of specialisation. Various optional courses offered by faculty have been grouped into different fields. It is too early to assess this structured course-work and its potential to evolve into differentiated degree programmes. This is expected to work well in conjunction with the introduction of new courses and research themes suggested above. It is also expected to improve the quality and breadth of IGIDR Ph.D. theses.

- V. The current teacher-student ratio at around 1:2 is probably among the best in the country. The entering class comprises of 35 M.Sc. and 15 M.Phil./Ph.D. students. There is some scope to enlarge the student intake marginally subject to infrastructure constraints such as hostel accommodation and classroom.

- VI. Given that the M.Phil. Degree in general in the country is not enough for an academic position under the UGC rules IGIDR could consider abolishing the M.Phil. Programme and focus exclusively on M.Sc. and Ph.D. programmes.

- VII. There is a strong sense among the faculty that the current entering class is highly-skewed towards students from Delhi and Kolkata, which arguably reflects the undergraduate teaching quality in economics across the country. In the past, IGIDR was able to attract students from all around the country much more possibly due its entrance exam structure and openness to students with mathematics background across disciplines such as engineering and sciences. It is not clear if the move to have a subject based exam in the entrance test has worked against such

students from non-economics background. A careful review of the data is essential to identify the problems in maintaining the national character of the Institute.

VIII. The general consensus among the faculty is that the tuition fee for the M.Sc. Programme is among the lowest in the country. Given that the Institute provides need-based scholarships there is probably no case for providing funding for all M.Sc. students. The need-based scholarship covers tuition fee and also reasonable subsistence expenses.

IGIDR's M.Phil. and Ph.D. scholarships are among the best in the country.

For research students whose theses involve field survey / experiments, IGIDR could provide separate research funding to encourage such students' research.

IX. Currently IGIDR has several outreach programmes aimed at students at different levels such as Visiting Students Programme for Masters level students, Visiting Scholars Programme for Ph.D. students, Conversations of Research (CoRe): IGIDR Ph.D. Colloquium, Post-Doctoral Fellowship, training / capacity building workshops for officers of RBI, Indian Economic Service, Indian Statistical Service, and junior faculty of other colleges / universities. These programmes attract a large number of applicants from all across the country, and several students from various universities have benefited by their stay and interaction with IGIDR faculty and students. Perhaps an audit of the strengths and weaknesses of these programmes may be undertaken to further enrich their content and efficacy.

3 Measures to attract best faculty

I. To attract best faculty IGIDR should highlight its strengths such as optimal teaching and research load on faculty, a healthy teacher-student ratio, a vibrant Ph.D. programme, complete academic freedom coupled with a liberal work environment, seed fund for individual faculty research and conference travel, opportunities for consulting assignments, a non-hierarchical organisation structure, excellent library, computing and physical infrastructure.

Currently, the faculty annually report their output in terms of publications, teaching, student guidance, sponsored research projects, administrative responsibilities as per the Minimum Work Load guidelines. The Institute could potentially use this Minimum Work Load metric to reward performance, which is way beyond the minimum threshold. In particular, incentives for publication in top journals in line with similar practices in other comparable institutions of national importance could be considered.

Further, the seed funding (Professional Development Scheme) could be enhanced from the current Rs. 4 lakhs for three-year cycle to Rs. 4 lakhs for two-year cycle. Further, the fund amount should be periodically revised to keep up with inflation, especially the cost of hiring good research assistants.

Additional research funding could be provided to faculty whose research involves extensive field work to gather primary data / conducting experiments.

- II. IGIDR should possibly tweak its earlier tenure track system followed during the 1990s keeping in mind the Special Institutes Regulation of the Government of India.

To recap, under the earlier system a fresh Ph.D. was offered two years contractual position, followed by two years of probation at the Assistant Professor level if offered, and another three years for promotion to Associate Professor Level; subsequently, six year from Associate Professor to Professorship.

The proposed system may offer three years contractual position, followed by one year of probation at the Assistant Professor level if offered, and another three years for promotion to Associate Professor Level; subsequently, six year from Associate Professor to Professorship.

Under this, the number of years normally taken by a fresher to become a full Professor remains unchanged. IGIDR should make more offers at the entry level and ought to be extremely cautious about tenure track and promotion decisions. Fast-track promotions should be truly exceptional. This would rebalance / optimise the inverted pyramid structure currently seen.

- III. IGIDR should actively invite young scholars and faculty working elsewhere in areas of importance to visit the Institute and spend time interacting with faculty and students. This would enable the Institute to identify potential recruits.

4 Physical infrastructure

The Indira Gandhi Institute of Development Research has completed 30 years of its existence. Based on the recommendations of the Review Committee headed by Dr. Bimal Jalan in 2007-08 and also due to the wear and tear over the years, climatic toll on the buildings and in order to make the campus barrier free and friendly to the Physically Challenged, it was decided to upgrade the Institute to modern and international standards. The review committee had appointed M/s Knight & Frank (I) Pvt. Ltd, to survey and give their report on proposed up gradation of the Institute along with the preliminary estimated cost.

The preliminary approximate estimate for the major components recommended for the renovation works was Rs. 60.00 Cr estimated by the Knight and Frank in 2007-08. However, the actual estimates for the specific works were to be prepared after detailed working on proposals. The IGIDR Board of Management, (BOM) had accepted Review committee Report in its meeting held on 31.07.2008 and also appointed a small sub-committee for the functioning of guidelines suggested by the Review committee. It was agreed and approved by the board in its meeting held on 22nd December, 2010 (based on the proposal submitted by the Director) that the work may be done in the phases based on the recommendations of the Knight and Frank.

An Architect Consultant and also an Internal Infrastructure Committee was appointed by the Institute to look into all the aspects. The internal infra committee served as a channel through which the infrastructure issues across the Institute were captured and shaped into a prioritized agenda. The role of the committee also involved deliberating upon the proposals submitted by the architects cum projects managers and submitting its recommendations. The present committee consists of total 8 members, including 6 faculty members, the Registrar as the Convener and 1 non-faculty

member. The internal infra committee had decided to take up the renovation works in phased manner (i.e. Phase-I, II & III) based on priority of work, availability of site taking into consideration the Academic Programmes being conducted by the institute. The Infrastructure Secretariat consists of Project Managers, Technical Financial Advisor cum Chief Accountant, Administrative Officer, Civil Engineer, Electrical Engineer, etc.

The Total Expenditure on Infrastructure up-gradation/Renovation works as on 31st March, 2017 amounts to Rs.68.49 crore. Every year based on the architects estimations and proposals duly recommended by the Infra Committee and the Finance Committee, the Institute executed the project based on the approvals of the Board of Management.

It is to be noted that the Up-gradation/Renovation works at the institute, as originally estimated by the Knight and Frank and recommended by the Review Committee, could not be executed in the estimated budget due to various reasons such the alteration in the designs during the execution of the projects, inflation costs over a period of time, topographic challenges that needed to be met for carrying out the up-gradation works for Physically Challenged, Waterproofing works and Wi-Fi facility in the entire campus. Some additional works which were not included in the initial proposal, had to be also carried out, due to site conditions and requirements.

Presently we are working on the components budgeted for the year 2017-18, summarized below. We have almost completed 90% of the recommended infrastructure up gradation works as proposed in 2008-09.

Apart from the above mentioned works, the balance works that shall be carried out in future are covering the multi storied corridors, Overall Landscape work, Rain water Harvesting scheme, Waste water recycling, Toilet for maintenance staff, adding Amenity spaces, Addition of lifts in Residential buildings & Electrical Load Enhancement.

Additional proposed works may include; i) repair and construction of boundary wall ii) solar water heater system iii) solar energy iv) reconstruction of main gate cabin and shed.

