Indian Institutes of Management (IIM) Bill, 2017

Why in news?

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The Rajya Sabha has recently passed the Indian Institutes of Management (IIM) Bill, 2017 which was earlier passed by the Lok Sabha.

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What are the highlight provisions?

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- **Autonomy** - India has 20 Indian Institutes of Management in all, functioning as elite Business-schools.
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- The legislation seeks to grant greater administrative, academic and financial autonomy to these IIMs.
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- The institutes will be made free of government interference and will now be board-driven.
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- Consequently, the power to appoint the chairperson as well as, the director will now lie with the board of the institutes.
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- It means neither the HRD ministry nor the President of India will have any say in the selection of top executives and the faculty members.
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- The government will also not have any say in the fees charged at these institutes.
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- The Board will now reserve the power to review the performance of each IIM and will be the principal executive body.
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- The bill also has provisions for the representation of SC, ST and women in the board of governors.
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- **Degrees** - Until now, the IIMs have not been governed by an act of Parliament or overseen by the University Grants Commission (UGC).

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- So they were awarding only postgraduate diplomas to its students.
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- The legislation would make IIMs institute of national importance, granting them the power to award full-fledged degrees instead of diplomas.
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- **Regulation** - The bill contains a provision for a "Coordination Forum of IIMs".
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- But it will have limited power and will work as an advisory body.
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- It will be a forum of 33 members, and its chairman will be selected by a search-cum-selection committee.
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- The HRD minister will not head it.
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- The central government may frame rules to give additional powers and duties to IIM boards.
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- It will also decide on the terms and conditions of service of directors, although the appointments will be made by the boards.
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- It will notify the IIM coordination forum to be headed by an eminent person.
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- The accounts of the IIMs will now be audited by the Comptroller and Auditor General (CAG) of India.
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What are the shortfalls?

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- The bill is seen as a needed reform in the education sector.
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- However, there is a concern that the government would control the IIMs via the coordination forum.
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- Besides, the government is fails to clearly spell out the process of appointing the board of governors that will control IIMs now.
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- The bill is also silent on any reservations in the faculty recruitment.
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- There is also a concern with IIMs being granted the complete control over

the fee structure.
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- There are now demands for similar independence from government control to the Indian Institutes of Technology (IITs) and other top schools in the government and private sector.
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Source: Financial Express, Livemint

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