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Another Nadar

Is the HCL founder's newest educational venture aiming to create India's first Ivy Leaguer an attempt to raise the bar for learning? His ticket to a hitherto elusive high table? Or sensible succession planning? The quest for answers yielded fascinating and rare insights into the man himself

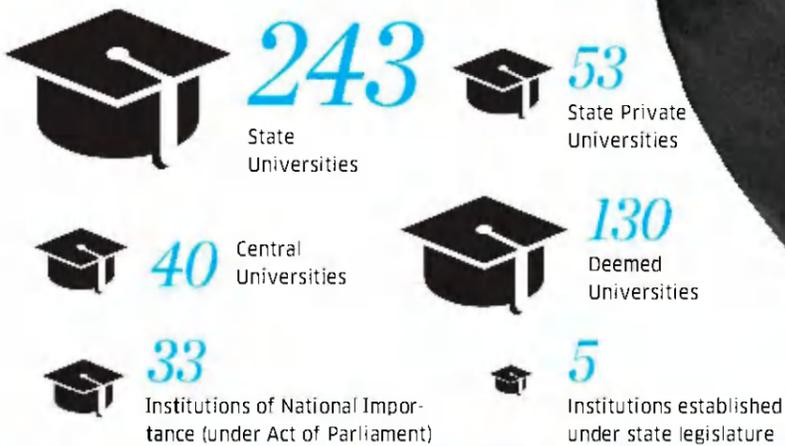
:: TR Vivek & Shelley Singh

Some 50 km from the capital, a new university aspiring to be India's first Ivy Leaguer is getting ready to open its doors on August 18. Its 300-acre campus is more than twice the size of the main campus at Carnegie Mellon University (CMU), considered among the new Ivies. Like the latter, it aspires to be a multidisciplinary research university offering world-class arts and engineering programmes. Also, its founder is a sexagenarian, roughly the same age as Andrew Carnegie when he incepted CMU. Any guesses? We are talking about Shiv Nadar, chairman of HCL, and his eponymous university.

The word multidisciplinary probably caught your eye. At the Shiv Nadar University (SNU), which will offer both graduate and postgraduate courses, an engineering student will enjoy the rare chance of taking courses in economics or sociology. Or an arts student can take a technical elective. That's going multidisciplinary, or to encourage collaboration across disciplines, something Nadar laments is glaringly absent in undergraduate education in India. He cites the



Education: The Supply Side



UNIVERSITIES: 504 COLLEGES: 25,751

example of his daughter, Roshni, who went to the US to study economics, but also studied communication and worked with Sky News in London before doing her MBA. "Such choices of shifting and learning from other areas just doesn't exist here. Discovery will be a big part of SNU," he promises, adding that, "There are other places that will create more BTechs. We don't want to do that." Another glaring limitation of India's education system, according to Nadar, is the inability for instance to teach languages like Mandarin. China is India's biggest trading partner, yet during business negotiations, managers of both countries spend more time in punching numbers on a calculator than trying to communicate verbally. So how about mechanical engineering with Mandarin as an elective? Nadar is convinced that's the way ahead.

The Billion-Dollar Undertaking

To give better shape to his vision, in 2005, he relinquished operational control of the \$6-billion IICL Technologies – the country's fifth largest IT firm – to chief executive Vineet Nayar and started devoting more than 60% of his time to his philanthropic interests under the aegis of the Shiv Nadar Foundation (SNF). In addition, he has ploughed in a big chunk of his personal fortune into it. In a 2009 interview to *The Economic Times*, Nadar had announced his decision to give away 10% of his personal wealth to charity. Earlier this year, *Forbes* magazine estimated his fortune at around \$5.4 billion, of which close to \$1 billion will go into philanthropy over the next five years. More interesting, over 90% of this has been earmarked for his educational ventures, and the figure is expected to go up further.

Nadar's first brush with the education sector happened 15 years ago when he set up the Sri Sivasubramaniya Nadar College of Engineering (SSN), which is named after his father, in Chennai. Here, too, there is a Carnegie link – SSN offers two postgraduate programmes in collaboration with CMU, allowing students to study two semesters in the US. It is a matter of great pride to Nadar that SSN has consistently been ranked among the best engineering colleges in Tamil Nadu. Then there are the VidyaGyan secondary schools in Uttar Pradesh (UP) that target the rural poor. These schools offer free residential education for the brightest children from each district of the state hailing from families with a household income of under ₹1 lakh a year.

Given SSN's success, when Nadar decided to up the ante on his educational thrust, most people ex-

pected him to launch replicas in different parts of the country. His decision to open a new university was bound to have raised eyebrows. In a way, his straddling the entire spectrum of private-sector participation in education could be construed as spreading butter too thin. But, in fact, Nadar's first choice was to convert SSN itself into a full-fledged university – he accepted that it is cumbersome to create something new, especially a truly multidisciplinary, brand new university. However, the unfavourable regulatory and political environment in Tamil Nadu hampered his ambition. "Let me put it this way, we couldn't do what was necessary to get the requisite approvals," he says with a wry smile. An undaunted Nadar then saw and tapped the opportunity in UP, which had a friendlier policy and offered easier terms and conditions for starting a private university. Thus SNU was born in Noida, and the entire national capital region is poised to benefit.

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Nadar is clear he doesn't want to plug any holes in the state's education system, or its ability to deliver quality. "My thoughts were not based on gaps. There are many good institutions, and there will be need for more. We wanted to start something that will add to the system, not plug a gap," he says. UP anyway has always enjoyed a sentimental edge with Nadar since it was here that he made his fortune – IICL's predecessor, Microcomp, that Nadar co-founded was a joint venture with the state's electronics corporation.

The bigger question is why Nadar picked education as his worthy cause among so many options requiring meaningful benefaction. TSR Subramanian, a former cabinet secretary who is now the chairman of SNF, (he is also on the board of IICL Technologies) recalls a particularly philosophical coffee session with Nadar in 2005. The main topic of discussion was 'how much is enough?' and the conversation resulted in the setting up of VidyaGyan schools four years ago. "He clearly believed in the transformative power of education. After all, it is education that had given people like us the resources and the network to shine. Why not give the poorest of the poor the same chance? Shiv believed that this could be our best contribution to society," says Subramanian.

Give to Get More

Philanthropy in education is also a sure way of guaranteeing future profits. Because giving back in this field means to create opportunities that will nurture future talent base, guaranteeing industry-ready professionals and highly educated individuals with a re-

search mindset. The sheer size of the opportunity is another sure bait. When it comes to education, there isn't a gap separating demand and aspiration from supply and quality; it's more of a gulf. The situation, according to an estimate by PricewaterhouseCoopers, is so hopelessly dire that the only way out is greater capital investments in education from the private sector and through philanthropy. The gross enrolment ratio (GER) – the number of students enrolled in primary, secondary and tertiary levels of education as a percentage of the total population of school-going children at each of these levels – is 12.4% in India. Globally, the GER is 23% (54.6% for developed countries and 22% for countries in Asia). The Indian government plans to increase the GER to 15% by 2012. "To achieve this, India needs about 2,000 new colleges and the government is setting up only 30 new ones [adding to the base of 25,951 colleges up and running at present]. So there's a massive opportunity for private capital, for people like Nadar, to build institutes," says Dhiraj Mathur, executive director, PwC. Besides, Indians spend \$4 billion annually to study overseas, and \$1 billion as "capitation fee". Tapping this kind of moolah is hardly a challenge. Mathur estimates that it would take ₹300 crore to start a reasonably good private university in places far removed from urban clusters where real estate is substantially cheaper.

Little wonder then that Nadar isn't the lone moneybags in the game. While several names from the Indian billionaires club have dabbled in education grantmaking, India's tech tzars and their spouses seem to take the lead. Azim Premji, NR Narayan Murthy and his wife, Rajendra Pawar, Nandan Nilekani's wife Rohini...the list goes on, and it's a very bourgeois list. Many would go so far as to say that Nadar does not quite make the cut when one talks about Boston Brahmins such as Premji and Murthy. Also, while IICL was a much feared competitor thanks to the street-lighter spirit and the deriding-do Nadar had lent it, Infosys and Wipro along with their promoters are usually spoken about in more revered terms.

The Eternal Outsider

How much of this is because of Nadar's humble background and, more important, his determination to stay true to his roots? Where most IT honchos have the IITs or the Ivy Leagues as their alma maters, Nadar is an exception.

His father was a magistrate who was regularly transferred from one district to another, so he was put in a Jesuit-run boarding school in Trichy. A bachelor's degree in electrical and electronic engineering from PSG College in Coimbatore followed in due course. Then, in his twenties, he travelled

The Education Philanthropists



Azim Premji: The most generous donor; has committed \$2 bn to his eponymous foundation and university. The foundation works with 20,000 schools across 13 states to improve quality of education. The university too is focused on creating a bigger pool of enlightened teachers.



NR Narayana Murthy: Goaded by his son Rohan, himself a Harvard student, Infosys chairman donated \$5 mn to Harvard University Press to bring out more than 100 books from various Sanskrit and other Indian languages as part of the Murty Classical Library of India series.



Ratan Tata: The Tata Sons chairman donated \$50 mn to Harvard Business School from the Dorabji Tata Trust and the Tata Education and Development Trust to build a new academic and residential building on the school's Boston campus



Anand Mahindra: M&M's vice-chairman and MD gave \$10 mn to the Harvard Humanities Center, his alma mater, to promote interdisciplinary exchanges through scholarships, conferences and workshops. The institution has renamed the department Mahindra Humanities Centre.



Nandan and Rohini Nilekani: The former Infosys boss and his activist wife gave ₹50 crore to the new Bangalore-based interdisciplinary college Indian Institute for Human Settlements to set up the School of Environment and sustainability.

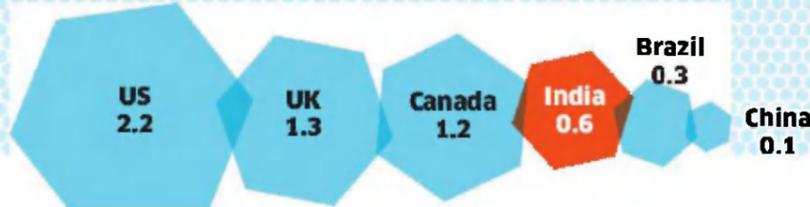


Sunil Mittal: Bharti Foundation runs close to 240 free-of-cost English medium schools in some of the poorest districts across India at an annual cost of more than ₹30 crore. By 2013 he plans to more than double the count of such primary schools and enroll 1,00,000 children.



In 2006, India's giving totalled close to **\$5 billion**. That would translate into **\$7.5 billion** in 2009 based on gross domestic product figures if the rate of giving remained steady. According to Bain's analysis, philanthropic donations would amount to **0.6%** of India's GDP. In Brazil, the rate of giving is **0.3%** and in China, just **one-tenth of 1%**. So, India is faring well when compared with other emerging nations. Now let's look at how we compare to the United States, the world's leader in giving. Annually, Americans make donations totalling slightly more than **\$300 billion** or about **2%** of the US gross domestic product...

% OF GDP INTO PHILANTHROPY



Source: Bain & Co

“Shiv believes in the transformative power of education. After all, it is education that had given people like us the resources to shine”

TSR Subramanian
Ex-cabinet secretary, chairman, SNF



north, broke language and cultural barriers, and saw his first big city – Delhi. He came to the capital in 1968 to join DCM's electronics division that made calculators.

Six years later, Nadar and five of his DCM colleagues quit to breathe life into IICL. The team members brought different skills – technology, sales, finance – to the table, and Nadar as a marketing man well-versed with cash flows was at the helm in building the start-up. However, most of his partners were from India's best schools, and there he was, strong Tamilian accent and all. “Shiv came out of a village school and went to a good engineering college but he used to often tell me, ‘you are from Doon School and IIT’. I think he felt he could have done things differently had he studied at marquee institutes. By differently I mean that he would have had a grander vision,” says Arjun Malhotra, an IICL co-founder who has known Nadar for almost 40 years now.

Redefining Himself

Here's another telling instance: during our interview, Nadar, a film fanatic with close to 4,000 DVDs in his collection, shared that he's a fan of Tamil comedian Nagesh. He then mentioned the 1964 classic *Server Sundaram* where Nagesh plays an unlucky-in-love restaurant waiter who eventually makes it big as a film actor. “I got the girl I loved, but yes I too rose from the trenches,” said Nadar. This anecdote, when juxtaposed with the way he carried himself for most part of the interview – playing the raconteur, candid in his opinions, and generous with juicy tidbits about cricket gods and their ego clashes during the parties he hosted at his residence in the 1980s – underscores the importance he places on his past. “At this stage he doesn't have to prove anything [but] there's an opportunity to do something for the country and redefine himself after so many years,” says Malhotra.

The backgrounder lends weight to the argument that SNU is Nadar's attempt to shatter the invisible ceiling. If it is a successful experiment, SNU could become the model for private sector participation in creating global standard's institutions of higher learning in the country. And secure Nadar a seat at the high table in the insider's club. While Malhotra admits that Nadar never talked about setting up a university during the IICL days, he shares that the

latter always felt that “people with his kind of background should have the opportunity”. So perhaps SNU, and its promise of free education to the first batch of 350 students in the engineering and mathematics courses for all four years, is quite simply Nadar's way of offering the level playing field he never got, and not an entry ticket.

There is a third possibility to explain Nadar's all-consuming passion for SNU and other educational ventures at this juncture of his life: succession planning. The 66-year-old has, in the past, categorically stated that his daughter Roshni, the lone heiress to his vast fortune, would never have much to do with IICL Tech. Roshni, who is keen on social entrepreneurship, is currently the executive director and chief executive of the group's holding entity, IICL Corporation. “His thrust towards philanthropy and education could be because Roshni is interested in it. Shiv has always encouraged her and never pushed her in a particular direction. Roshni will never take over Shiv's IT mantle; she is interested in things that will have a large-scale social impact,” explains a person who until recently worked at IICL.

Whatever his motive behind SNU, Nadar is doing all he can to ensure it's a success. Even before settling down on the beige sofa in his spacious yet sparse corner suite at the glass-and-chrome corporate command central of IICL for this interview, Nadar seeks a status update on the admissions process from Saurav Adhikari, IICL's president for strategy, and now his trusted lieutenant on all matters related to his charity ventures. He has even opened a counselling centre at IICL's corporate office.

A New Method

Then there is his careful attention to operations. Says Sanjeev Agarwal, head of maths department at SNU, who was a professor at Delhi's St Stephen's for the past 24 years, says he was growing disillusioned with the way math is being taught in India. “In a class of 50 at Stephen's, 45 don't want to do Maths. They are there because they got admission for that

course. So many students go overseas to study, but we don't have foreign students coming to India. That's because we are not able to offer quality.” Agarwal believes that the mix of contemporary curriculum and a focus on research from Day One would set SNU apart. The intent is certainly noble, but can he pull it off? His friends point at Nadar's strength as a builder of institutions, and his clarity of vision. “And he is smart in getting the right kind of people around him,” says one of them.

Measure of Success

But when it comes to measuring the success of his philanthropic ventures, Nadar turns philosophical. “The moment I write out a cheque, it's an asset I have written off. SSN's value today may be anything. We didn't create an institution to increase land value or asset value,” he says.

He is also adamant that he won't use classic B-school or business metrics to measure success in anything creative. For example, while he admires the Gates Foundation, he finds it to be completely corrective in nature. “Bill Gates will give money to Stanford to research anti-Aids drugs or to other existing campaign, in other words to existing programmes. He didn't go about creating something from scratch. When you are doing the corrective stuff, you can apply the classic B-school or business metrics to measure success. I will not use it to measure anything creative,” he says.

But that's not to say that he does not have a yardstick ready. According to Nadar, any institution – be it company or college – should be subjected to 10- and 20-year tests to judge whether they are built to last. “Any organisation has to go through at least one depression to see how it survives, and a normal economic cycle takes seven years,” he says. Therefore, 10 years will tell you if the organisation is robust or not; 20 years is a good enough period to test if it's good to last. According to him, IICL has come out with flying colours in such tests and SSN's longevity gives Nadar the same confidence. However, taking it extra cautious, he is giving his educational ventures a century. At the drawing-board stage, when Subramanian asked Nadar by when he expects his endeavours to bear fruit, the latter apparently answered 200 years. He candidly admits that his schools and the university may not produce the kind of results he wants to see in his lifetime.

For now, the happiness he gets from the process of giving is enough for him. “If you are calm about your ambitions, you become confident of achieving what you set out to do. I'm prepared to experiment along the way and not judge myself too frequently. I have a broad route in mind but never a roadmap,” he says of his mantra. “It has worked for me in business, and should be true for philanthropy as well.” ■

If it is successful, SNU could become the model for private sector participation in higher education