



Mains Marathon

Day 51: Parliamentary oversight of regulators is necessary for the effective functioning and implementation of government policies. Analyze. (150 Words)

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Approach / Explanation / Answer

- Start your answer by highlighting different mechanisms of parliamentary oversight of regulators.
- Discuss how these are necessary for the effective functioning of regulators.
- In the end, provide recommendations of various committees for strengthening legislative oversight.

Answer:

Regulators do not exist in a vacuum outside government policy. While regulators have independence in performing their role, they still fall within the broad definition of the executive branch of the State and are accountable to the legislature. In order to simultaneously ensure regulatory independence and enforcement of regulations consistent with government policies, legislative oversight of regulators is necessary.

Parliamentary oversight mechanisms in India

Parliamentary scrutiny of the regulators can take place through the following means: (i) question hour; (ii) discussions in Parliament; (iii) parliamentary committees etc. Some of the means of legislative oversight, such as the annual submission of reports by regulators to Parliament, are provided in enactments. Other mechanisms are laid down in the Rules of Procedures of Parliament.

- **Question Hour:** During question hour, MPs can ask questions to scrutinize the functioning of ministries and the regulators related to their departments.
- **Discussions:** Parliament may take up the role of regulators for debate under different Rules of Procedure of Parliament (such as half-hour discussions and discussions under Rule 193 in the Lok Sabha). In these debates too, the concerned minister responds to the issues raised by the MPs. During these discussions, regulators cannot be summoned to explain their functioning.
- **Department Related Standing Committees:** The Committee system of Parliament is often used in several countries for oversight of regulators. In India, there are 24 Department-Related Standing Committees that comprise members from both Houses of Parliament. These committees are ministry specific and may review the working of regulators within their respective departments.
- **Finance Committees:** The two parliamentary committees on finance that exercise oversight of

regulators is: (a) the Committee on Estimates; and (b) the Public Accounts Committee (PAC). The Committee on Estimates reviews budgetary estimates of government departments. Such estimates include the budget of regulators as well.

- **Ad-hoc Committees:** Parliament may establish ad-hoc committees that may examine the working of regulators. For instance, the terms of reference of the Joint Parliamentary Committee (JPC) on the allocation of 2G spectrum included the review of the policy on spectrum pricing and grant of telecom licenses.

Recommendations by various committees on strengthening legislative oversight

The Planning Commission and the **Second Administrative Reforms Commission** have made recommendations on strengthening parliamentary oversight of regulators.

- Legislative oversight of regulators should be performed by sector-specific committees. Oversight should not be conducted by a cross-sectoral committee that is empowered to review the working of all regulators.
- The regulators should be present before the standing committees to explain their actions and be subjected to legislative questions.
- The regulator should annually present a report to Parliament assessing its success in achieving the objectives set out in its annual plan.

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