



Regulatory performance in India

achievements, constraints, and future action

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Foreword

India has had several years of experience with regulatory reforms and the establishment and functioning of independent regulatory bodies, particularly in several infrastructure sectors. The record in this respect has been mixed. Needless to say that an institutional innovation of this nature requires regular appraisal and assessment to evaluate its effectiveness. This was attempted through the event organized by TERI, in which several distinguished persons, well versed in the diverse range of issues related to regulatory performance, took part. The topics covered included the creation of a competitive environment, developing a framework for adequate private participation in infrastructure services, best practices, and innovation in tariff regulation, (which is critical for the successful functioning of a regulatory commission). Equally important is the need for consumer involvement in the regulatory process. Finally, there was also a session devoted to approaches for assessing regulatory impact.

Some concern of national endeavour in this area is the lack of a professional approach in the operations and functioning of some regulatory bodies. This lacuna can only be filled by proper recruitment procedure, adequate training and capacity building, and defining relationships between different stakeholders including the organizations that are being regulated, governments that lay down specific policies as well as consumers who are the ultimate object of decisions taken by the regulatory bodies. While there have been several successes with the experience that we have had in India thus far, there have also been an equal number of failures, some of which perhaps do not even come to the surface. Consequently, a deliberate approach at carrying out a comprehensive assessment of regulatory performance is essential to bring out and assess the implications and opportunity costs of failures.

This volume presents extremely rich and relevant material that would be of benefit to a number of organizations that have any connection with regulatory bodies and decision-making. As the experience with independent regulation develops and expands in this country, it would be necessary to evolve a methodology and process by which proper assessment is carried out of the functioning of regulatory bodies. With this in view, TERI is setting up a specific group to focus on regulatory performance, the feedback from the efforts of which will be designed to help the practices of independent regulation in this country.

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