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**EDITORIAL ANALYSIS**

# Who Regulates the Regulators: On the Accountable Regulatory State

 **BUSINESS STANDARD**12 June 2026 · **POLITY** · **ECONOMY** · **GS2** · **GS3**

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# Who Regulates the Regulators: On the Accountable Regulatory State

Business Standard

12 June 2026

GS2

GS3

Source: [ujjyari.com](http://ujjyari.com) — Free UPSC & State PCS Current Affairs



## INTERVIEW ANGLE

*"Independent regulators need autonomy to do their job well. But as they accumulate vast power, who holds them accountable, and how do we balance independence with oversight?"*

Source: [Original editorial](#)

Business Standard

✓ Every fact web-verified against primary sources

HOW

## WHY THIS MATTERS NOW

As **independent regulators**, for securities, telecom, power, finance and more, accumulate vast power over the economy, the question of their **accountability** grows urgent. For an aspirant, this is a sophisticated **GS2 (governance, the regulatory state) and GS3 (economy) lead**. The puzzle: regulators need **autonomy** to work well, but autonomy without accountability is power without a check.

## THE CRUX IN 60 WORDS

India's **independent regulators** often combine **rule-making, enforcement and adjudication**, concentrating powers usually kept separate. Independence from political interference is valuable, but without **transparency, reasoned orders, strong appellate tribunals and oversight**, it can shade into unaccountable power, risking overreach, inconsistency or capture. The answer is to pair **autonomy with accountability**: insulated from politics, yet answerable through process.

## THE ISSUE, DECODED

ELEMENT	WHAT IT IS	WHY IT MATTERS
<b>The regulatory state</b>	Governance by expert regulators	Shapes vast sectors of the economy
<b>Concentrated functions</b>	Legislative + executive + judicial	Powers usually kept apart
<b>Regulatory independence</b>	Insulation from political control	Valuable but needs a counterweight
<b>Accountability</b>	Answerability through process	The missing balance

## THE ANALYSIS: INDEPENDENCE AND ITS LIMITS

- ❶ **Regulators concentrate power.** One body makes, enforces and adjudicates the rules.
- ❷ **Independence is valuable.** It brings expertise and insulates markets from political winds.
- ❸ **But it can become unaccountable.** Opaque rule-making, unreasoned orders and weak appeals erode answerability.
- ❹ **The risks run both ways.** Overreach and capture both harm markets and citizens.

## DATA AND INSTITUTIONS VAULT

**SEBI** (securities), **TRAI** (telecom), **CERC** (electricity), the **RBI** and **IRDAI** (finance and insurance), the **CCI** (competition). **Functions:** the blend of **legislative (rule-making)**, **executive (enforcement)** and **quasi-judicial (adjudication)** functions in one body. **Accountability tools:** **appellate tribunals** (such as **SAT**, **TDSAT**); **parliamentary committees**; transparent, consultative rule-making; reasoned and appealable orders. **Concepts:** **regulatory capture**; the “fourth branch” of government; separation of powers; the regulatory state. **Linkage:** institutional design, the economy and good governance.

## THE DEBATE

**Argument for strong autonomy:** Regulators need wide powers and insulation to act decisively; too much oversight would politicise or paralyse them.

**Argument for accountability:** Concentrated power without answerability risks overreach, inconsistency and capture; independence cannot mean immunity.

**The balanced verdict:** Independence and accountability are not opposites. Protect regulators from **political capture** while making them answerable through **process**, transparency, reasoned orders, strong appeals and parliamentary review. The former is legitimate only with the latter.

## HOW TO THINK ABOUT THIS (TRANSFERABLE SKILL)

*A weak answer treats any oversight of regulators as interference. The strong answer separates protection from political capture (legitimate) from freedom from all accountability (dangerous), and locates accountability in process rather than in political control. The move is from “autonomy versus oversight” to “autonomy through accountable process.” The same lens applies to the judiciary, the central bank and any independent institution.*

## DIAGRAM-IN-WORDS

Independent regulators concentrate rule-making + enforcement + adjudication. The value: expertise + insulation from politics. The risk: opaque rules + unreasoned orders + weak appeals + thin scrutiny -> unaccountable power (overreach or capture). The balance: transparent rule-making + reasoned/appealable orders + strong tribunals + parliamentary review -> independent yet answerable.

## THE WAY FORWARD

- ① **Make rule-making transparent and consultative.**
- ② **Require reasoned, appealable orders** and well-staffed appellate tribunals.
- ③ **Strengthen parliamentary scrutiny** of regulators.
- ④ **Set clear statutory mandates** that bound regulatory discretion.

## THE TAKEAWAY BOX

*“Regulatory autonomy must be balanced with accountability.” Examine the challenges of India’s regulatory state and the reforms needed. (250 words)*

*“A regulator that is independent but unaccountable is a power without a check; independence is legitimate only with accountability.”*

*SEBI · TRAI · CERC · CCI · SAT / TDSAT (appellate tribunals) · regulatory capture · the “fourth branch.”*

*How do we keep a powerful regulator independent of politics yet answerable to the public?*

*Connects to GS2 PYQs on regulatory bodies and institutional design and GS3 on the economy; a probable question is the autonomy-versus-accountability framing above.*

*static GS2 on statutory and regulatory bodies and the separation of powers; the broader theme of the regulatory state.*

*Sources: Business Standard, SEBI, PRS Legislative Research*

Source: Who Regulates the Regulators: On the Accountable Regulatory State — Ujiyari.com | Free UPSC & State PCS Editorial Analysis

### ● KEY ARGUMENTS AT A GLANCE

**India’s independent regulators wield growing power over the economy, often combining rule-making, enforcement and adjudication, yet their accountability has not kept pace; the challenge is to preserve their autonomy while ensuring transparency, due process and oversight.**

#### ✓ SUPPORTING

- Regulators such as those for securities, telecom, electricity and finance shape vast sectors, exercising legislative, executive and quasi-judicial functions at once.
- Independence from political interference is valuable, but it can shade into a lack of accountability if oversight, transparency and appeal mechanisms are weak.
- Weak accountability risks regulatory overreach, inconsistency, capture, or under-regulation, all of which harm markets and citizens.


**COUNTER**

Some argue that strong, independent regulators need wide powers and insulation to act decisively, and that too much oversight would politicise or paralyse them.


**WAY FORWARD**

Pair autonomy with accountability, transparent rule-making and consultation, reasoned orders, independent appellate tribunals, parliamentary scrutiny, and clear mandates, so regulators are independent but answerable.

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**MAINS ANSWER FRAMEWORK**
**QUESTION**

*"Regulatory autonomy must be balanced with accountability." Examine the challenges of India's regulatory state and the reforms needed. (250 words)*

**INTRODUCTION**

The modern economy is governed less by ministries than by regulators, specialised bodies overseeing securities, telecom, power, banking and more. Their rise raises an old question in new form: who regulates the regulators?

**BODY**

Independent regulators emerged to bring expertise, continuity and insulation from political interference to the governance of complex sectors. That rationale is sound: markets need stable, credible rules set by experts, not shifting political winds.

But regulators are unusual creatures of the state. A single body often makes the rules (a legislative function), enforces them (an executive function) and adjudicates disputes under them (a quasi-judicial function), concentrating powers that the separation-of-powers doctrine usually keeps apart.

This concentration makes accountability essential, yet it has lagged. Where rule-making is opaque, where orders are unreasoned, where appeals are weak or appellate tribunals understaffed, and where parliamentary scrutiny is thin, independence can shade into unaccountable power.

The risks run both ways: overreach and inconsistency on one side, regulatory capture or under-regulation on the other, each harmful to markets and citizens. The counter-view, that strong regulators need wide powers and insulation to act decisively and that excessive oversight would politicise or paralyse them, is not wrong, independence is genuinely valuable, and accountability must not become political interference.

The resolution is to distinguish the two: protect regulators from political capture while making them answerable through process. That means transparent, consultative rule-making; reasoned, appealable orders; effective and well-staffed appellate tribunals; periodic parliamentary review; and clear statutory mandates that bound their discretion.

Independence and accountability are not opposites; the former is legitimate only with the latter.

### CONCLUSION

A regulator that is independent but unaccountable is a power without a check. India's task is to build regulators that are insulated from politics yet answerable through transparency, due process and oversight.

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