



Regulating Lobbying

What is the issue?

\n\n

\n

- Recently, the CBI alleged that AirAsia tried to influence India's international flying regulations through lobbyists.

\n

- It is imperative to look at the varied issues in relation with the reality of lobbying.

\n

\n\n

What is lobbying?

\n\n

\n

- Lobbying refers to the practice of influencing the policy decisions of the government.

\n

- It refers to the business classes' efforts to shape the policies to suit its needs.

\n

- The decisions may be benign such as urging subsidies for electric vehicles.

\n

- It could also be harmful like relaxing environment norms for coal-mining or having an impact on the national interest.

\n

- Lobbying is an inescapable characteristic of any economy with a vibrant business ecosystem.

\n

- This is particularly prominent in systems that function in a democratic polity.

\n

\n\n

How is lobbying in India?

\n\n

\n

- The secretive habits of the licence raj still linger in terms of opacity in policy-making.
- Amidst this, lobbying remains a grey area, which is neither recognised nor regulated.
- Yet, the irony is that governments are subject to lobbying for sure.
- There is absence of a specific statute or even “guideline” in this regard.
- This is making way for a range of illegal activities which are hard to detect or control.

\n

\n\n

How have governments handled this?

\n\n

\n

- Successive Indian governments have had middlemen in the defence business.
- The Bofors scandal of the mid-1980s resulted in a blanket ban on middlemen for defence purchases.
- However, middlemen still perform a service worldwide.
- They enable the governments to evaluate a range of choices and negotiate optimum deals.
- In 2014, the present government allowed middlemen back.
- But it was cautious with their re-entry, by specifying various conditions.
- These included delinking their commissions to the outcome of the negotiations.

\n

\n\n

How is it in other countries?

\n\n

\n

- In the US and some western European jurisdictions, lobbying is subject to disclosure statutes.
\n
- They make it mandatory to register, declare their client lists, activities, fees and itemise expenditure.
\n
- These disclosure laws do not eliminate corruption.
\n
- However, they allow for a considerable level of transparency.
\n
- They make it possible for journalists and the general public to access information.
\n
- It provides on which lobbyists had been paid, by whom and for what cause.
\n
- It also allows tracking the outcome in terms of policy-making.
\n
- Evidently, many cases of corruption come to light simply by accessing public records.
\n

\n\n

What is the way forward?

\n\n

- India could consider emulating the best practices in other parts of the world.
\n
- This would work better, as against unrealistic restrictions on politicians and bureaucrats under Prevention of Corruption Act.
\n
- A clear lobbying law would introduce transparency at the intersection of business and politics.
\n

\n\n

\n\n

Source: Business Standard

\n



IAS PARLIAMENT

Information is Empowering

A Shankar IAS Academy Initiative