



Shri Rajiv Gauba calls for a shift to Light-Touch, Risk-Proportionate regulation at the 5th Kautilya Economic Conclave

Posted On: 03 OCT 2026 8:43PM by PIB Delhi

Shri Rajiv Gauba, Member, NITI Aayog in his address at the plenary session on **“Regulatory Oversight in an Age of Disruption”** at the 5th Kautilya Economic Conclave, highlighted the need for regulatory frameworks to evolve alongside a rapidly changing geopolitical, technological and economic environment. He emphasised that the challenge before policymakers is not to choose between regulation and growth, but to develop regulations that manage risks while supporting innovation, competition and investment.

Setting the context, Shri Gauba observed that geopolitical uncertainty, disruptions to trade routes and global supply chains, and the increasing use of tariffs, export controls and investment restrictions as strategic instruments are reshaping the economic landscape. At the same time, he noted that technological change is advancing faster than many institutions and regulatory frameworks can adapt, particularly in areas such as artificial intelligence, cybersecurity and digital technologies.

He also highlighted the growing complexity of modern business models, which increasingly span multiple sectors and technologies. As traditional boundaries between industries become less relevant, he stressed that regulatory frameworks must evolve to address interconnected risks without creating fragmented or conflicting obligations.

Shri Gauba underlined that while regulation is essential for safety, consumer protection, market integrity and systemic stability, excessive or poorly designed regulation can impede innovation, competition and investment. He stressed that national competitiveness depends not only on infrastructure, labour laws and incentives, but also on the clarity, consistency and predictability of the regulatory environment. For businesses considering new investments, he said, the ability to operate at scale and innovate with certainty is an increasingly important consideration.

Emphasising the need for a proportionate approach, Gauba said regulatory requirements should be calibrated to the nature and consequences of the risks involved. He noted that regulators must carefully assess whether new rules are warranted before intervening in new and rapidly evolving sectors and avoid attempting to prescribe solutions for every possible failure.

He further emphasised that regulatory independence must go hand in hand with accountability. While regulators need autonomy to take difficult decisions free from undue influence, public confidence requires transparent decision-making, clear procedures, effective review mechanisms and accountability for regulatory performance.

Gauba also stressed that effective regulation depends on the capacity of the State. As markets and technologies become more sophisticated, regulators need specialised expertise. Strengthening analytical capabilities, attracting specialised talent and developing structured engagement with industry, academia

and technology institutions, he said, will be critical to building regulatory capacity.

He called for greater coordination among regulators to address overlapping mandates, avoid duplication and close regulatory gaps as businesses increasingly operate across traditional regulatory domains.

He said that the goal should be a State that is "firm where risks are high, and light-touch where risks are low," but predictable in both cases. Linking this to India's growth trajectory, he said that sustaining the high growth needed for Viksit Bharat by 2047 would require a decisive shift toward light-touch regulation, consistent with Prime Minister Modi's governance philosophy of Trust Based Governance or Jan Vishwas.



MJPS/SS/PRK

(Release ID: 2318770) Visitor Counter : 247

Read this release in: Marathi , Gujarati