Cooling Off Period for Officials

What is the issue?

\n\n

\n
- Ex-foreign secretary S. Jaishankar recently joined the Tata Groups.
\n
- The cooling-off period has been waived off for him, leading to questions on the decision.
\n

\n\n

What is a cooling off period?

\n\n

\n
- Bureaucrats serve a cooling off period after they retire and before they can join a private firm.
\n
- As per rules for the all-India services, officials undergo a “cooling-off period” for a year.
\n
- The period was reduced from the earlier 2 years, in December 2015.
\n
- This applies to officers of Group "A" Central Civil Services/Posts and All India Services.
\n
- Government permission is to be sought for post-retirement commercial employment.
\n
- This is if the job is taken up within 1 year of leaving office.
\n

\n\n

What is the significance?

\n\n

\n

- Senior bureaucrats occupy key policymaking positions in the government.
  \n
- The cooling-off period is a way to reduce any possible conflict of interest.
  \n
- But it ensures their right to take up an employment of choice in the future.
  \n

\n\n

What is the present case?

\n\n

  \n
- Individual bureaucrats can apply for waivers from the "cooling-off period".
  \n
- Mr.Jaishankar had reportedly written to the Prime Minister.
  \n
- He had sought a waiver after he had been offered a position in the Tata Group. He has been offered waiver.
  \n
- He is appointed in the Tata Group as its new president in charge of global corporate affairs.
  \n

\n\n

What were the earlier instances?

\n\n

  \n
- Former finance secretary Ashok Jha was granted a waiver to join as head of Hyundai India.
  \n
- The present government changed the provisions of the TRAI Act through an ordinance, once it was in power.
  \n
- This was done to appoint the former chairman of TRAI as the principal secretary to Prime Minister.
  \n
- The ordinance relaxed the conditions, for former TRAI's chiefs to take up an employment under the central and state governments.
  \n

\n\n

What is the concern?

\n\n

\n
- Well-laid procedure is in place for processing proposals to grant such permission to officers who retire as joint secretary and above.
\n
- This is to ensure that grant of such permission does not depend on the discretion of the government of the day.
\n
- It is not a credible practice for these choices to be made discretionarily on case by case.
\n
- But the recent decisions leave scope for doubting the rationality.
\n

\n\n

What should be done?

\n\n

\n
- Sticking to the rules is essential to maintaining the proper distance between policymaking and corporate interests.
\n

\n\n

\n
- Certain reforms in this regard were demanded by an Indian parliamentary committee in 2014.
\n
- It indeed extended its concerns to “consultancy” or non-executive work undertaken by retired officials.
\n
- There were also demands to extend the cooling-off period.
\n
- Importantly, it called for adhering to a mandatory one-year cooling-off period without exception.
\n
- These reforms could be considered for implementation, to establish the credibility in the working of executive offices.
\n

\n\n

\n\n

Source: Business Standard

\n

