Cooling Off Period for Officials

What is the issue?

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

What is a cooling off period?

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

What is the significance?

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

What is the present case?

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

What were the earlier instances?

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

What is the concern?
Well-laid procedure is in place for processing proposals to grant such permission to officers who retire as joint secretary and above.

This is to ensure that grant of such permission does not depend on the discretion of the government of the day.

It is not a credible practice for these choices to be made discretionarily on case by case.

But the recent decisions leave scope for doubting the rationality.

What should be done?

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

Certain reforms in this regard were demanded by an Indian parliamentary committee in 2014.

It indeed extended its concerns to “consultancy” or non-executive work undertaken by retired officials.

There were also demands to extend the cooling-off period.

Importantly, it called for adhering to a mandatory one-year cooling-off period without exception.

These reforms could be considered for implementation, to establish the credibility in the working of executive offices.

Source: Business Standard