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Cooling Off Period for Officials

What is the issue?

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

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

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- 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.

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What is the present case?

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- 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.

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What were the earlier instances?

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- 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.

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What is the concern?

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

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

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

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- But the recent decisions leave scope for doubting the rationality.

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What should be done?

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

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

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

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

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

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

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Source: Business Standard

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