



Lateral Entry Reform

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This article is based on “**Lateral Entry: A challenging administrative reform**” which was published in The Indian Express on 19/03/2021. It talks about the lateral entry of the private sector into administrative positions.

Recently, eight professionals were recruited for joint secretary-level positions in various ministries under the lateral entry scheme. Lateral entry means when personnel from the private sector are selected to an administrative post of the government despite them not being selected in or being part of a bureaucratic setup.

Lateral entry is needed because contemporary times require highly skilled and motivated individuals at the helm of administrative affairs, without which public service delivery mechanisms do not work smoothly.

However, the success of lateral entry hinges entirely on how it is designed.

Permanent System of Administrators

- In the permanent system, IAS officers get promoted to joint secretary level after 17 years of service and remain at that level for ten years.
- Joint Secretaries are at a crucial level of senior management in the Government of India and lead policymaking as well as the implementation of various programs and schemes for the department assigned to them.
- The joint secretary-level is usually filled by officers selected through the Civil Services Examination conducted by Union Public Service Commission.
- The IAS and permanent system are strictly seniority-bound — nobody gets promoted ahead of time.
- That makes the average age of a joint secretary around 45.

Advantages of Lateral Entry

- **Need for Specialized Knowledge:** Governance is becoming more and more complex requiring specialized skills. For example, increasing penetration of data dominance in our lives.
 - Generalist officers cannot be always expected to be up-to-date with specialized knowledge.
 - Therefore, people with expertise and specialist domain knowledge are required to navigate the complex needs of present-day administrative challenges.
- **Filling The Gap:** According to Department of Personnel and Training data, there is a shortage of about 1500 IAS officers. Lateral entry can help bridge this deficit.
- **Bringing a Change in Work Culture:** It will help in bringing change in bureaucratic culture in Government sector culture. This bureaucratic culture is criticized for red-tapism, rule-book bureaucracy, and status-quoist.

Lateral Entry helps in bringing the values of economy, efficiency, and effectiveness in the Government sector. It will help in building a culture of performance within the Government sector.
- **Participatory Governance:** Presently, governance is becoming a more participatory and multi-actor endeavor. In this context, the lateral entry provides stakeholders such as the private sector and non-profits an opportunity to participate in the governance process.

Arguments Against Lateral Entry

- **Outsourcing Expertise:** There is a difference between bringing expertise and being part of the decision-making process.

For bringing expertise, the government doesn't strictly need to hire private-sector personnel. Expertise is widely available and used by almost every ministry — expert committees, consultations, think tank engagements, etc.
- **Cumbersome Decision-Making Process:** The success of lateral entry requires an understanding of the system and an ability to work with the “permanent” establishment. No training or orientation is provided for this.

By the time networks are built, it is time to move on. On past evidence, the lateral entrants who made the biggest impact are those who served in the system for a length of time and at different levels
- **Profit Motive vs. Public Service:** Private sector approach is profit-oriented on the other hand motive of the Government is public service.

This is also a fundamental transition that a private sector person has to make while working in government.
- **Conflict of Interest:** Hiring of the private sector into administrative positions raises issues of potential conflict of interest.

This issue requires a stringent code of conduct for entrants from private sectors to ensure conflict of interest is not detrimental to the public good.

Way Forward

- **Setting Objective Criteria:** There are several joint secretaries in each ministry who handle different portfolios. If lateral entrants are assigned to an unimportant portfolio, there are chances that they will not be motivated.
 - A cursory look at the portfolios of the eight laterally-hired joint secretaries doesn't suggest that they hold critical portfolios. That's why one entrant has already quit.
 - Thus, what key skills, qualities, and experiences a particular role requires must be objectively decided.
- **Relaxing Age Barrier:** To attract the best talent from outside at the joint secretary level, entry requirements need to be relaxed so that persons of 35 years of age are eligible.
 - If one looks at lateral entry in an earlier generation, among economists, there was much greater flexibility.
 - The likes of Montek Singh Ahluwalia, Bimal Jalan and Vijay Kelkar were joint secretaries in their mid-30s and secretaries by their late 40s or by 50.
 - That is one of the reasons they left lucrative assignments abroad.
- **Need for the Transparent Process:** The key again to the success of this scheme would lie in selecting the right people in a manner that is manifestly transparent. The constitutional role of UPSC should not be ignored as it will provide legitimacy to the entire process of selection
- **Training of Lateral Entrants:** An intensive training program for entrants from the private sector to civil services needs to be formulated which helps them understand the complex nature of work in Government.

Conclusion

Lateral entry, like competition in any sphere, is a good thing. But serious thinking is required on entry requirements, job assignments, number of personnel, and training to make it a force for positive change. Apart from it, reforms of the “permanent” system — particularly its seniority principle — are also a prerequisite for holistic administrative reforms.

Drishti Mains Question

Enabling lateral entry into an otherwise “permanent” system of administrators is a positive step towards administrative reforms in India. Critically analyze.
