Managing conflict of interest: Pre- and post-public employment

Increased mobility between the public and private sector—"revolving door" phenomenon—has raised public and governmental concerns of impropriety which can affect trust in public service. At the same time, it is also in the interest of the public and government to attract experienced and skilled workforce to serve the public interest. In this regard, conflict of interest situations should be appropriately and adequately identified and managed to ensure sound democratic governance. An excessively strict approach could result not only in bureaucratic inefficiency but also in discouraging the employment of potential skilled and competent workers in the public sector.

To properly manage the issue of post-public employment, 22 OECD countries have stipulated specific rules and procedures for it. All OECD countries surveyed except for Sweden legally require public officials not to use confidential or other "insider" information after they leave the public sector. Furthermore, 21 of them (66%) require a "cooling-off" period, restricting public officials leaving the public sector from lobbying or engaging in official dealings, interacting with their former subordinates or colleagues in the public sector. The length of the cooling-off period varies across countries, examples of which include less-than-a-year cooling-off period required for civil servants in Austria and an up-to five years of cooling-off period in Germany, where post-public employments linked to the former tasks of the civil servant have to be disclosed and can be prohibited if public interests are affected. The cooling-off period varies between public officials based on the seniority and the nature of the post as it is the case in Slovenia, the United Kingdom and the United States. During the cooling off period, only some categories of public officials in Austria, Israel, Norway, Portugal and Spain receive compensation. For instance, in Spain, public officials receive 80% of their basic salaries as compensation and in Norway, compensation is awarded only for prohibitions on taking up a specific appointment, the level of which is equivalent to the salary received at the time of the public official left public office.

In sharp contrast to post-public employment regulations, fewer restrictions exist with regard to pre-public employment. Only seven OECD countries – Australia, Austria, France, Israel, Japan, the Netherlands and New Zealand – have restrictions on both private sector employees or lobbyists and suppliers to the government or those who negotiate public sector contracts on behalf of a company, to fill a post in the public sector. Most restrictions take place during the recruitment process where the applicants' previous employments are assessed for potential conflicts of interest. Once recruited, they are also expected to manage their conflicts of interest through recusal from involvement in an affected decision-making process or restriction from certain information.

Methodology and definitions

Data were collected through the 2014 OECD Survey on Managing Conflict of Interest in the Executive Branch and Whistleblower Protection. 32 OECD countries responded to the survey, as well as Brazil, Colombia, Latvia and Russia. Respondents to the survey were country delegates responsible for integrity policies in central/federal government.

A conflict of interest involves a conflict between the public duty and private interests of a public official, in which the public official has private-capacity interests which could improperly influence the performance of their official duties and responsibilities.

The term "public official" is defined as any person holding an executive office of a country, whether appointed or elected, whether permanent or temporary, whether paid or unpaid, irrespective of that person's seniority; and any other person who performs a public function, including for a public agency or public enterprise, or provides a public service, as defined in the domestic law of the country.

Further reading

OECD (2010), Post-Public Employment: Good Practices for Preventing Conflict of Interest, OECD, Paris.

OECD (2003), Recommendation of the Council on Guidelines for Managing Conflict of Interest in the Public Service, OECD, Paris.

OECD (1998), Recommendation of the Council on Improving Ethical Conduct in the Public Service Including Principles for Managing Ethics in the Public Service, OECD, Paris.

Figure notes

- 7.1: Data unavailable for Denmark and Luxembourg. In Chile, public officials leaving public service after having performed oversight function are not allowed to begin a working relationship for 6 months with any private sector entity subject to oversight by the agency from which the officials have left. In Finland, there exist instructions on post-public employment even though there is no regulation on it. In Israel, political advisors/appointees would receive compensation only if they served as civil servants. In the United Kingdom, senior civil servants and civil servants receive compensation in some very exceptional cases when they are observing a waiting period.
- 7.2: Data unavailable for Denmark and Luxembourg. Government suppliers here could refer to suppliers to the government or those who negotiate public sector contracts on behalf of a company.

Information on data for Israel: http://dx.doi.org/10.1787/888932315602.

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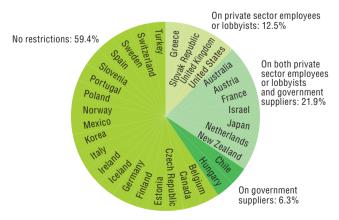
7.1. Post-public employment: Compensation during the "cooling-off" period, 2014

	President	Prime Minister	Minister or Members of Cabinet/Office	Political advisors/appointees	Senior civil servants	Civil Servants
ustralia	Х	0	0	0	0	0
ustria	•	•	•		0	0
elgium	Χ					
anada	Χ	0	О	0	0	0
hile		Χ				
zech Republic						
stonia					0	0
inland						
rance				0	0	0
ermany				0	0	0
reece						
ungary						
eland						
eland				0	0	0
srael		0	О	•	•	•
aly		0	0			
apan	Χ				0	0
orea	0	0	0	0	0	
1exico	0	X	0	0	0	0
etherlands	Χ					
ew Zealand	Χ					
orway	Х	•	•	•	•	•
oland	0	0	О		0	0
ortugal	•	0	0			
lovak Republic						
lovenia	0	0	0	0	0	0
pain	Χ	•	•		0	
weden	Χ					
witzerland	Χ	П			0	О
urkey				0	0	0
nited Kingdom	Χ	0	0	0	0	О
nited States		Х	0		0	0
ECD total						
Yes	2	3	3	2	2	2
) No	4	9	11	10	17	15
No cooling-off period	15	17	18	20	13	15
razil		Χ	•	•	•	О
olombia	0	Х	0	0	0	0
atvia	0	0	0	0	0	0
ussia	О	О	0	0	O	0

Source: OECD (2014), Survey on Managing Conflict of Interest in the Executive Branch and Whistleblower Protection, OECD, Paris.

StatLink http://dx.doi.org/10.1787/888933248821

7.2. Restrictions on pre-public employment, 2014



Source: OECD, (2014), Survey on Managing Conflict of Interest in the Executive Branch and Whistleblower Protection, OECD, Paris.

StatLink http://dx.doi.org/10.1787/888933248837



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