

# **BUREAUCRATIC CORRUPTION IN THE ADMINISTRATION OF MILITARY PENSION IN NIGERIA**

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## **Abstract**

Corruption is a social problem that demands critical attention. This paper sees corruption as an offshoot of the lapses of bureaucracy in both private and public work sector. It is discovered to be more prominent in government establishments as formal organizations. The revealing negative effects of corruption are heavy on the society since corruption hinders development at all levels of governance. The citizens suffer heavy loses too. The paper reveals that the military pensioners suffer denial, neglect and are not cared for because of the bureaucratic lapses of government. The paper recommends among other things a less bureaucratic measure which will work towards ensuring that pensions are delivered to the retirees on time and as at when due. This measure will build hope on both the serving and retired personnel in all sectors of the Nigerian economy.

**Key Words:** Bureaucracy, Pension, Military, Corruption, Bureaucratic failure

## **Introduction**

It is not a hidden fact that in Nigeria and Africa at large, development in all sectors of economy has been hindered by corruption. To say that corruption has eaten deep into every aspect of the Nigerian society is to affirm the obvious.

In Nigeria, several reforms have been carried out in the public sector. This is on the premise of consolidating a result oriented bureaucracy and efficiency. One of the major factors which hinder the development of a more positive result oriented public bureaucracy in Nigeria is corruption. Corruption has permeated the Nigerian social structure. This is a national problem. Achebe (1998) posits that anyone who can say that corruption in Nigeria has not yet become alarming is either a fool, a crook or else does not live in Nigeria.

Significantly, this paper discusses bureaucracy as a failure, an overview of bureaucratic corruption in Nigeria and the negative role of bureaucracy in military pension administration in Nigeria. This paper highlights the role of bureaucracy in aiding corruption in Nigeria. It has a particular emphasis on the administration of the military pension scheme. It argues that the gains of good governance in Nigeria and in the military in particular have eluded Nigerians due to bureaucratic corruption.

### **Conceptual Clarifications: Bureaucracy, Corruption and Pension Bureaucracy**

The Longman Dictionary of Contemporary English, 2000 edition, sees bureaucracy as a complicated official system which is annoying or confusing because it has a lot of rules, processes etc. From the field of Sociology, bureaucracy is associated with Max Weber. It was a product of Weber's modernism, which was based on Western rationality (Burger, 1992).

Accordingly, Onyeonoru (2005) argues that Weber (1976:21) explains bureaucracy as a triumph of 'modern rational organization of capitalist enterprise'. Weber views bureaucracy in terms of its 'technical means of production' including the technical utilization of scientific knowledge based on application of rules. He further posits that Weber's theme of rationality pervaded his thesis on capitalism, organization and modernism. Weber's conception of bureaucracy is development oriented. He laid emphasis on: 'rational rules or laws' (Weber, 1978:16), 'rational book keeping', 'exact calculation' 'the basis of everything else' (Weber, 1976:22); rational private enterprise involving 'certainty of calculations' with rationality promoted by 'the calculability of the most important technical factor'; derivable from the 'exact and rational experiment' of the sciences (Weber, 1976:24; Onyeonoru, 2005:17).

### **Corruption**

In the context of this work, corruption is a systematic vice in an individual, society or a nation which reflects favouritism, nepotism, tribalism, sectionalism, undue enrichment, amassing of wealth, abuse of office, power, position and derivation of undue gains and benefits 'it also includes bribery, smuggling, fraud, illegal payments, money laundering, drug trafficking, false declaration, evasion, underdevelopment, deceit, forgery, concealment, aiding and abetting of any kind and to the detriment of another person, community, society or nation.

### **Pension**

A pension is a steady income given to a person usually after *retirement* from work as an employee of an organization. Pensions are typically payments made in the form of a guaranteed annuity to an employee. In the context of this work, the Longman Active Dictionary (2005) defines it as 'money that the government or a company pays regularly to someone who does not work anymore because he/she is old or ill'.

### **Theoretical Perspective**

Max Weber, a German Sociologist developed what he called the model of military bureaucratic setting in his book titled 'The Theory of Social and Economic Organization', published in 1947. Weber was concerned with explaining the differences which exist between family and factory based organizations. He had deep interest in social changes and the consequences of such changes.

This paper anchors on the bureaucratic model as presented by Max Weber. Max Weber derived his model of bureaucracy from his conception of three forms of legitimate authority: traditional, charismatic and legal rational. Traditional form of authority is based

on the sanctity of prevalent traditions and the legitimacy of those who exercise such authority. Examples of persons who exercise this type of authority are traditional rulers, village heads and so forth. On the other hand, charismatic authority is the type in which one who has a gift of grace possesses. It is premised on the voluntary yielding of members of a social group to an individual because of his/her extraordinary or somewhat divine attributes. The attributes may be his/her uprightness, holiness, and fluency of speech/oratory gift, scholarship and heroic qualities, which are inspirational. They are functional in pulling crowds towards the individual.

Legal rational authority is the third form. It hinges on the uprightness of law. It depends on the reasonableness of law. People who exercise this form of authority are appointed based on rational legal provisions. The legitimacy of people/leaders who exercise this depends on the influence of laws. This is the basis for the existence of bureaucracy in formal organizations. This form of authority confers on the owners and managers of formal organizations or administrators the legal right of control.

Significantly, there are basic qualities associated with bureaucracy. Hall (1963) identifies these qualities as presented by Max Weber as:

- (a) A division of labour based upon functional specialization;
- (b) Hierarchical authority structure with defined areas of command and responsibilities;
- (c) A system of rules covering the rights and duties of positional incumbents;
- (d) Impersonality of relationships between organization members. Here sentiments are waved out when responsibilities are discharged;
- (e) Promotion and selection for employment based on technical competence and;
- (f) Differentiation of private and official income fortune. It implies that expenditures must receive official approval without which it becomes illegal. Personal income is separated from official income for property records.

We may be obliged to infer that the chief merit of bureaucracy is its technical efficiency, with a premium placed on precision, speed, expert control and continuity. Members' activities are ordered and routinized. There is a clear structure of commands, which are strictly followed with precision and dispatch. The military in its operations is structured in the manner in which Max Weber explains the contents of bureaucracy.

In the main, it is believed that every formal organization operates on the basis of bureaucratic structure especially the military. It is believed that from the operative principles of bureaucracy, corruption should never be experienced. This is because the strictness of the rules in which members are obliged to follow can never permit members' involvement in corrupt practices. The military as a case in point is always seen as an example of an institution where discipline is observed among members.

Max Weber in his position sees bureaucracy as an ideal form of formal organizations. He believed that the managerial efficiency of formal organizations depends solely on structural provisions of bureaucratic principles. Thus, he identified clear manifestations of the process of rationalization in which jobs are systematically ordered, routinized and subjected to centralized managerial control. This is not far from the valued

feature of the military. The military is an organized body with structured rules, which systematically define members' functions.

Inferring from the above, it is important to believe that the establishment of the Military Pension Board is focused towards proper management of pension funds. Pension fund management becomes the prime purpose of the Board. Members of the board have defined functions.

### **Bureaucracy as a Failure**

Bureaucracy, as a managerial philosophy, is associated with a lot of demerits. This is because its principles are often manipulated by managers of business enterprises and those who are in control of governance at all levels. It therefore implies that the anticipated merits of bureaucracy like precision, speed, clarity in communication, reduction of friction, prevention of fraud, reduction of personnel cost etc. may not be functional in formal organizations.

In Nigeria, the stakeholders of political power at different sectors of the economy are often instrumental to the failure of bureaucracy. This makes it lose its value and ideal status of formal organizations as proposed by Max Weber. In this light, we shall consider the following as critical arguments against bureaucracy.

#### **1. It is not an ideal form of formal organization.**

This is a simple truth. Though formal organizational structures depend greatly on the principles of bureaucracy. The ideal principles of bureaucracy are not real in determining increased work efficiency and productivity of formal organizations. In appraising the results of the Hawthorne's studies by Elton Mayo, Oribabor in Ogunbameru et al (2003) argues that it is significant to realize the extent to which shared norms and values of social group determine the behaviour of its members. From this revelation, he further argues that it became clear that the worker does not always behave and respond to management rules and orders according to the logic of the economic man as propounded by Fredrick Tylor in his Scientific Management Approach. In his own position, Mouzelis (1970:102) asserts that group norms or rules take precedence over management decisions. The rules established and enforced by the work group as against the standing rule of the management allows group members to affect some control over their work environment, including control of proper levels of productivity.

In the same order, Sofer (1978:81) believes that in discussing managerial control, emphasis should be shifted to the worker as a group member, which has dominated organizational sociology since 1940s. This has resulted in increased emphasis on human problems in labour management, increased emphasis on securing cooperation through acceptance and consent rather than through merely issuing orders and emphasis on effective communication.

#### **2. Bureaucracy neglects the social nature of man at work.**

It places man as an engine, which obeys the command of the owner in the process of its operation. Official rules put the social man *in chain*. In several ways, it is often difficult

to cage people with rules. Individual volitions pressure against the working provisions of rules at all levels. Addressing this vividly, great scholars like Maslow (1943); Herzberg (1960); Likert (1961); Arghris (1957) and countless other research studies view man at work as a social being motivated by affective needs. Man, also, is not a passive, but an active agent in work place that has social recognition.

**3. Bureaucracy is a failure to social development.**

Its principles can be manipulated to frustrate even development of society. Lawal and Ariyo (2006) assert that institutions have been dishonest, ineffective and highly centralized. They further argue that this as a matter of fact, has already been identified with all administrations in Nigeria since independence in 1960.

**4. Bureaucratic corruption engenders political instability.**

Viewed from the political angle, bureaucratic corruption has the capacity of engendering political instability, breakdown of law and order, brain drain, inefficiency of the public service among others. This is a terrible state which demands attention.

**An Overview of Bureaucratic Corruption in Nigeria since Independence in 1960**

Nigeria gained her independence in 1960 and acquired a republican status in 1963. These new rebirth mechanisms were supposedly believed to put the country in a freedom track i.e. freedom from exploitation, expropriation and intimidation. The reverse became the case.

Available records reveal that corruption has been the bane of Nigerian public administration. At this level, we may wish to assess various governments in Nigeria and their role in corrupt practices. We shall begin with General Gowon's administration. Assessing Gowon's administration, the Nigerian Tribune asserted inter alia:

Gowon's regime was unashamedly corrupt to the macro. Everyone knew it. They did not hide it from public gaze. His pledge to enact an anticorruption decree like other promises was never fulfilled. And when an attempt was made to expose these evils, he suppressed the attempts with the very weight of his high office (Nigerian Tribune, August 1st 1975 cited by Maduagwu (1995).

Lawal and Ariyo (2006:645) argue that the level of corruption under Gowon's regime came under public scrutiny when Muritala Mohammed became the head of state and set up Assets Investigation Panel (AIP) to probe the Governors that served under Gowon. The panel found ten (10) guilty out of the twelve (12) governors and subsequently had their assets confiscated. The total value of assets confiscated from the governors was over ₦10 million in 1976. The anticorruption crusade of Muritala Mohammed also spread to the entire public service. The purge of the service led to the retirement/dismissal of over 10,000 public servants nationwide.

They further stressed that one would have expected that going by the efforts and energy dissipated on the cause to address corruption under Muritala's administration and ignominious ways the indicted governors that served under Gowon were treated; the

politicians of the second republic would distance themselves from corruption. But the reverse was the case. The regime of Muritala Mohammed was not left out. There were incidences of corrupt practices in all sectors of the nation's economy though not so glaring like in other regimes. As a proof to this, Maduagwu (1995) argues that: the politicians of the second Republic engaged in different corrupt practices of different shades. The era was marked by gross abuse of power by virtually all public officers ó career and political officeholders. The political office holders used their offices to siphon and misappropriate public fund. Lamenting the scourge of corruption in the second Republic, Maduagwu asserts that:

Ministers, governors, party officials, supporters of all the political parties, business associates, all rallied round to share the booty. Shagari's NPN ruling party, having more access to the national resources, excelled, of course, in this rape of public wealth. But the other four parties were also involved in the scramble for the national cake. The parties made sure that in the states where they were in charge, public funds were diverted to the parties and private accounts as subsequently revealed by panels of enquiries after the overthrow of the politicians.

The level of corruption under the Shagari's administration got to an alarming rate that the administration could not just wait but created the Ministry of National Guidance to carry out ethical revolution.

The military government led by Major-General Muhammed Buhari, which succeeded the Shagari's administration was determined to wipe out corruption from Nigeria through the crusade tagged "War Against Indiscipline (WAI)" Various Tribunals, both at the Federal and state levels, were set up to probe the political actors of the second Republic. The Paul Omu led Tribunal found most of the politicians guilty and sentenced them to jail of various terms.

The Babangida's administration that terminated the Buhari's administration via the palace coup of August 27, 1985 did not show any commitment to the anticorruption drive of its predecessor. Rather, it launched the Nigerian society to eight years of leptokurtic rule characterized by corrupt practices of different shades. Maduagwu (1995) citing The News, December 20, 1993 listed the following as some of the highlights of Babangida's corrupt practices:

- \$2 billion Gulf war wind fall in 1991;
- 30% of oil revenue diverted to frivolous uses throughout the time;
- Huge extra-budgetary spending: 1989 - ₦15.3b, 1990 - ₦23.4b, 1991 - ₦35b, 1992 - ₦44.2b, 1993 (by August) - ₦59billion;
- \$200 million siphoned from the Aluminum Smelting project;
- Colossal corruption at the NNPC, e.g. \$101million for the purchase of strategic storage facilities.

The Okigbo Panel set up by the Abacha led administration to look into the Babangida's administration indicted General Babangida and the Governor of the Central Bank of Nigerian (CBN) of frivolous and clandestine spending. The Abacha administration that took over from the interim National Government followed the pace set by the Babangida's administration in looting the government treasury. A total sum of ₦63.25 billion was recovered from the Abacha's family. In fact up till now, cases of money recovered from Abacha's family and his cronies still occupy the headline of many Nigerian newspapers (The News, 30 April 2000).

General Abdusalam Abubakar's administration cannot be divorced from the mass looting of the public treasury. The Christopher Kolade Panel set up to review contracts, licenses and appointment made under Abdusalam's administration came out with shocking revelation. The panel found beyond imaginable proportions that, though Nigeria was already neck deep in corrupt practices, the Abdusalam administration made mockery of any sense of discipline and probity and at a scale that practically made saints of his predecessors.

The panel specifically in its final reports reviewed 4072 contracts, 576 licenses, 807 appointments, 768 awards and 111 approvals. All these were made within five months. The panel submitted that the 4072 contracts cost Nigeria ₦635.62 billion. The panel also revealed the depletion of the foreign reserve, which as at the end of 1998 stood at \$7.6 billion but shrank to a \$3.8 billion by May 1999 (The News, 30 April 2000).

The various military administrators that served under Abdusalam Abubakar also did a lot of havoc to the states where they served. On assumption of office in May 1999, many state governors started lamenting the state of their treasury already looted by the military administrators. For instance, James Ibori of Delta State claimed that he inherited a dept of N300 million, Achike Udenwa of Imo State claimed he inherited a debt of ₦10 billion, Akume of Benue state claimed he inherited ₦12 million, Governor Osoba claimed that he inherited a debt of ₦687,829 salaries and allowances, ₦754, 187, 825.52 leave allowance, ₦26,635,407,71 pension, ₦7,118,000.08 of unpaid gratuities. Governor Tinubu of Lagos State claimed that he inherited a total debt of N1 billion from Governor Marwa. The list is inexhaustible.

In Obasanjo's political dispensation, there are cases of sharp corrupt practices involving key political office holders. Cases of falsification of age and academic records by Salisu Buhari and Enwerem, the Ecological Fund involving Obasanjo, Atiku and Dariye, the loots of many state governors, ministers, commissioners, local government chairmen and many others abound. The list is endless.

Even in the current political dispensation led by Umaru Musa Yar'Adua, several cases of corrupt practices abound. The former speaker of the House of Representative Mrs. Patricia Etteh in the year 2007 was removed for over ₦600, 000,000 (six hundred million naira) contact scandal. Other members of the House of Representatives and Senate are not left out. It means that Nigeria is in great danger. The negative effects of the dangers inherent in these corrupt practices affect Nigeria as a nation and Nigerians in particular. Both human and infrastructural developments are affected. The worst hit are retirees who

are left at the mercy of their employers for survival until death will visit them. Even at their death, what is the hope of their families? This is a big national question.

### **Negative Role of Bureaucracy in the Military Pension Administration in Nigeria**

Pension administration is one of the prime objectives of the International Labour Organization (ILO). Pension is therefore institutional. It is part of the programme package of ILO with the purpose of reducing poverty among workers in all formal organizations. This will have adverse effect on the society.

The ILO aims to link poverty reduction strategies with employment ó intensive economic growth and the generation of descent work opportunities. It sees considerable scope of strengthening policy integration through its involvement in Poverty Reduction Strategy (PRS).

It is significant to note that good pension administration is a good motivating factor of workers. Pension scheme is relevant in formal work organizations. It gives hope to employees. Where it is operational, it provides economic security to employees at all levels. Different organizations have rules guiding their administration of pension.

In Nigeria, the first Pension Reform Act was introduced in 1974. This Pension Reform Act No 102 of 1974 consolidated all enactment on pensions and gratuity scales devices for public officers by Udoji Public Service Review Commission in 1974. The Pension Act of 1974 was the base under which other pension laws in Public Service of Nigeria were developed. The following are examples of these pension laws:

- (a) The Armed Forces Pension Act No 103 of 1979;
- (b) The Pension Right of Judges Act No 5 of 1985;
- (c) The Amendment Act No 51 of 1988, Act 29 and 62 of 1991 respectively.

In the year 2004, the pension Act was reformed. It was signed into law on the 25<sup>th</sup> of June 2004 by the then President, Chief Olusegun Obasanjo. Objectively, the Act was fashioned in accordance with the International Labour Organization (ILO) charter with a view to ensuring descent work in Nigeria.

In view of the above scenario, the Pension Act of 2004 aims at creating a pool of fund that would assist government to achieve some of its long term micro economic planning and which will help to reduce interest rate and inflation, encourage investment in all sectors of the economy and develop basic infrastructural facilities to enhance favourable living conditions in the society.

The 2004 Pension Act requires periodic (monthly) contributions to be saved. For the private sector, the minimum contribution allowable on behalf of each employee is 15% of total emolument; the employer's minimum contribution rate is set at 7.5% while the employee contributes a minimum of 7.5%. Still a corporate entity can negotiate its contribution mix. For instance, the employer can accept to pay up to 11% while the employee pays 4%.

For efficient management of the pension scheme, the Act introduced two main service providers.

- a. The Pension Fund Administration (PFA)
- b. The Pension Fund Custodian (PFC).

Both the PFA and PFC are to be registered by a regulatory authority known as the National Pension Commission (NPC). This commission prepares the operating regulations/guidelines and monitors the performance of the service providers.

Protocol demands that for any retiree in the Nigerian military to benefit from the pension scheme, he/she must provide the following documents;

- a. Retired officers department files (all volumes);
- b. Pension form completed in triplicate;
- c. Certified true copy of record of service, which must be complete up to the date of retirement;
- d. Salary progression up to the date of retirement;
- e. Notice of withdrawal or retirement stating effective date;
- f. Ministry's or department's signed and dated an acceptance letter stating clearly the effective date of withdrawal or retirement;
- g. Certificate of indebtedness or non-indebtedness to the federal government, showing the outstanding balance in respect of each type of advance;
- h. Federal government staff house board certificate of indebtedness or non-indebtedness;
- i. Copies of gazette publications of dates of first appointment and confirmation of that appointment.

These documents are to be provided by a military retiree before his/her pension would be processed and paid. It is important to note that there are rigors inherent in providing such documents. Many retirees find it difficult to locate and forward accordingly such documents. It implies that any retiree who is not able to fulfill the bureaucratic process is bound not to receive his/her pension and other associated benefits.

### **Conclusion**

It is important to note that the military is a unique institution. It is charged with the responsibility of protecting the territorial integrity of the nation. In doing this, members' life is always at a very high risk. Thousands of them die in the process of national security. Some of them sustain injuries, which destabilize them for life. Such people who bear great risks for the nation's integrity demand great and special care. Special welfare packages are needed in order to build hope in the lives of the nation's risk bearers.

The pensions and gratuities of the military retirees should not be delayed by undue process, stress and/or rules. Pension administrators should design simple measures of identifying and enlisting a retiree immediate attention.

### **Recommendations**

From the foregoing discussions, this study recommends as follows:

- ❖ That the full weight of bureaucratic principles should not be applied in pension administration in Nigeria especially in the military. It means that a simplified measure should be adopted which will not give stress and undue hardship to retirees in receiving their pensions and other entitlements.
- ❖ New recruitment measures should be adopted in all sectors of the nation's economy. This measure should be aimed at adequate replacement of retirees and in time too. The recruitment measure so adopted should inform employees of their possible dates of retirements.
- ❖ There should be constant training and retraining of pension administration officers. This will help to equip them with basic skills that will help them facilitate the process of pension administration.
- ❖ Employers of labour should help facilitate the payment of pensions to their employees on retirement. They should provide enough funds to facilitate the process.
- ❖ Funds contributed by employees for their pensions and other benefits should be properly managed. When this is done, disbursement of the fund should not experience strict control. Retirees would be paid and on time without stress. This will help in promoting their health.
- ❖ Government should take up the challenge of managing pension funds in all sectors of its economy. This will ensure prudent use of the funds in the payment of retirees' pensions.

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