

REVISED DRAFT

Pains of Pension: An Exploration into Corruption in Delivery of Public Pension



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Research Supervisor

Dr. Salahuddin M. Aminuzzaman

Professor

Department of Public Administration
University of Dhaka

Researcher

K N M Hossainul Haque

Manager, Programme and Communications, MRDI
and
Research Fellow, TIB

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SECTION I Introduction

Public pension is one of the key areas of public expenditure in Bangladesh. In the annual budget of 2005-06 fiscal year, a total sum of BDT 2,693 crore has been allocated for pension in public service¹. It is nearly 6% of the total budget allocation and over 7% of non-development expenditure². Pension ranked as the second largest area of public expenditure after interest payment in that budget³.

According to latest available government estimates, the total number of public employees working in various ministries, divisions, departments, directorates, autonomous bodies and corporations of Bangladesh government is estimated to be 9,32,050⁴. Among them, 1,00,678 are women. They public employees are divided into four grades (Class I-IV). Number of employees in each grade are as follows- Class I: 89,357 (Women: 7,978); Class II: 47,218 (Women: 3,629); Class III: 5,94,910 (Women: 75,287); and, Class IV: 2,00,565 (Women: 13,784).

The employees of the first two grades are *gazetted employees* and those of the later two grades are *non-gazetted employees*. Recruitment of gazetted employees are publicised by government through official gazette that do not happen in case in case of non-gazetted employees. The Class I employees can be further classified into two groups: BCS or Cadre officials and Non-BCS or Non-Cadre officials.

According to one estimate, the number of public pensioners in Bangladesh is 3,24,107⁵. They are either retired public employees or their immediate family members. In a study of 2005, 71% people reported that they had to pay an average BDT 8,000 as bribe to have their pension delivered⁶.

The research titled *Pains of Pension: An Exploration into Corruption in Delivery of Public Pension* under 'TIB Fellowship on Corruption and Governance' is examining the corruption dynamics of public pension delivery in Bangladesh. The research report constitute of eleven sections including this introductory section. The current section includes research objectives, research methodology and limitations of the research. Section two deals with theoretical issues pertaining to corruption and governance. A general introduction to the public pension system has been given in section three. It includes development of public pension in Bangladesh, elements of public pension package and operation of public pension delivery system. Section four is the literature review. It incorporates newspaper scanning report on newspaper coverage of pension related corruption as well as review of legal framework on public pension. In section five, a profile of the interviewees of questionnaire survey under the research has been presented. The profile has covered three sets of basic information regarding pensioners: basic personal information, general information regarding retirement and general information regarding pension. The fifth section deals with the dynamics of pension related corruption. It focuses on how retiring public employees face ranges of corruption in various institutions at the hands of different actors in the process of securing pension. The following section discusses causes of corruption in terms of their various sources. Section nine showcases a number of case studies that lays down practical experiences of pension processing. The next section examines coping mechanisms applied by pension seekers in the face of monetary and procedural corruption. The report has ended with conclusion and recommendations in section eleven.

¹ MoF (2005) *Annual Budget 2005-06: Budget in Brief*, Finance Division, Ministry of Finance, GoB, Dhaka.

² Ibid.

³ Ibid.

⁴ BBS (2005) *Statistical Pocket Book of Bangladesh*, GoB, Dhaka.

⁵ *Dainik Prothom Alo*, 17 May 2005, p.

⁶ TIB (2005) *Corruption in Bangladesh: A Household Survey*, TIB, Dhaka.

Objectives of the Research

The research has been aimed to fulfil the following objectives:

- Understand nature, processes and dimensions of corruption in delivery of public pension.
- Identify the causes underlying corruption in delivery of public pension.
- Measure economic, social and human costs or implications of corruption in delivery of public pension.
- Device strategies, policies, tools and actions for effectively controlling corruption in delivery of public pensions.

Research Methodology

The research has drawn upon data collected from primary as well as secondary sources. In the formative phase, it has begun with exploring the existing knowledge on the public pension delivery through literature review and newspaper scanning. Then the study graduated into empirical phase where combined quantitative and qualitative data have been gathered. The quantitative data have been collated through a sample-based questionnaire survey. Open-ended interviews and case studies have been the methods for qualitative data collection.

Secondary Sources

Literature Review

At the beginning, policy documents on public pension have been studied. These include laws, policies, regulations and circulars related to pension benefits. The Pensions Act, 1871; The Public Servants (Retirement) Act, 1974; The Public Servants (Retirement) Rules, 1975; *Pension Shahajikaran Nitimala*, 2001; Fundamental Rules; Bangladesh Service Rules (Part I); Bangladesh Employees' Benevolence Board Act, 2004; The Provident Fund Act, 1925; General Provident Fund Rules, 1979; Contributory Provident Fund Rules, 1979 etc. are among those documents.

Review of Pension Papers

Based on preliminary idea gained from the policy documents, pension papers of five pensioners were reviewed. They represent all the five groups of retired public employees covered in the study: Class I (BCS or Cadre officials), Class I (Non-BCS or Non-Cadre officials), Class II, Class III and Class IV.

Newspaper Scanning

Issues of January-December 2005 of four national dailies and one national periodical have been scanned under this research. The national dailies are *Dainik Ittefaq*, *Dainik Prothom Alo*, *Dainik Amar Desh* and *The Daily Star*. *Shaptahik 2000* is the lone periodical included for scanning. The newspapers have been selected on the basis of three criteria. They are: circulation⁷, perceived policy orientation and depth in news coverage.

Primary Sources

Consultation Interviews

After the paper work, formative consultations were done with three groups of people: pensioners, pension delivery functionaries and serving public employees. Ten retired public employees (both

⁷ DFP (2005): *Audit Bureau of Circulation (ABC) Report*, ABC, Department of Films and Publications, GoB, Dhaka.

male and female), ten pension delivery functionaries of different levels (administrative officer, supervisor, auditor etc.) and five serving public employees who are well acquainted with pension issues were interviewed. The interviews were loosely structured on some key points drawn from review of the aforementioned policy documents and pension papers.

Sample Survey

After the formative study with secondary information, a sample-based questionnaire survey has been conducted for primary information with focus on quantitative data. The survey has been conducted with a structured open-ended questionnaire.

There is available estimate of civil public employees (both male and female) in the four grades (Class I-IV) of public service. But it is difficult to obtain further breakdowns in terms of each ministry, division, department and directorate. Total number of pensioners in each grade is also not available in public domain. Let alone their further breakdowns. Besides, no complete estimate of public employees/pensioners in terms of their home district or place of residence is available.

Therefore, it has not been feasible to have a sample that proportionately represents pensioners under each ministry/division. Striking a rural-urban balance in the sample based on residential status has also not been feasible. Under this circumstance, random selection has been opted for to decide the nature of the sample. Pensioners of different ministries/divisions and residential status (rural/urban) have been randomly selected. Finally, a sample of 100 public employees has been included in questionnaire survey since one hundred is a standard sample size for survey. Twenty interviewees have been taken from each group of public employees: Class I (BCS or Cadre officials), Class I (Non-BCS or Non-Cadre officials), Class II, Class III and Class IV. One-fourth or 25% of the aggregate survey population are women.

Questionnaire Development

A questionnaire has been developed for sample survey. It is a mixed questionnaire consisted of both closed and open-ended questions. Prior to initiating survey, the draft questionnaire was tested through five mock interviews. The feedbacks of these interviews helped in making necessary modifications in questionnaire design.

Open-ended Interviews

Besides survey, open-ended interviews of various other stakeholders of public pension have also been taken. This group of interviewees include retired public employees, senior pension delivery functionaries, members of retired public employees' associations and conscious quarters of civil society.

Case Studies

Some case studies have also been conducted. They have focused on pension seeking experiences of public employees of various grades, seeking family pension and audit obstacles in pension processing. A number of interesting cases have been selected from each category of pensioners for case study. Attention will be given to make it representative of the sample.

Limitations of the Research

The proposed research methodology could not be fully followed as the research was operationalized. The ground realities posed some unforeseen challenges that required modifications in methodology and approach.

Limited Focus in Quantitative Research

Public pension is a big area of study that involves huge population and numerous institutions. In general public pension can be classified into six types according to the nature of conclusion of service⁸: compensation pension, invalid pension, superannuation pension, retiring pension, family pension and extraordinary pension.

Pension delivery processing for compensation, superannuation and retiring pensions are almost similar. But this is different for invalid, family and extraordinary pensions. For example, 10-11 sets of papers have to be submitted to the authorities for retiring pension. But for invalid pension, 11-12 sets of papers have to be submitted. In case of family pension, 10-18 sets of papers have to be submitted. With changing intensity of paper work from one kind of pension to another, steps, institutions and actors involved in pension delivery process also vary significantly. As a result, nature, processes and perpetrators of corruption are often significantly different for each type of pension.

Quantitative analysis of corruption in each type of pension demands almost different sets of variables and different questionnaires. Such wide research focus will create lots of difficulties in analysis and interpretation of data. This is also not viable within the time and resources available under this fellowship. Therefore, focus of the quantitative part of this study has been narrowed down to corruption in delivery of two types of public pension: superannuation pension and retiring pension. They share similar delivery process and majority pensioners are recipients of these types of pension. However, family pension and other special pensions have been touched upon qualitative part of the research.

Relatively Smaller Size of Sample

The study has been inclined to developing an indepth picture of corruption in public pension delivery. This purpose will be served more by detail discussion with limited number of interviewees than brief interview of large number of pensioners. Although public pensioners are huge in number, they are scattered all over the country. It is very difficult to find them in clusters. Snowball method is being used to locate interviewees for survey. But not all interviewees are equally cooperative. It also happens that due to change of residence an interviewee is not found in the address given by his colleague interviewed earlier. Therefore one interview does not necessarily lead to another interview. In this circumstance, the size of sample has been narrowed down to 100.

Lack of Literature

Public pension delivery is a complex area of study. It is more so when it comes to research on pension related corruption. Previous works may provide guidance in researching on such complex issue. But previous research regarding corruption and governance in public pension is next to non-existent. This hindered smooth taking-off of the research.

Lack of Access to Official Documents

Despite several attempts, the researcher was little successful in securing any official document related to pension delivery. Unavailability of the official documents that contain basic information about pensioners and pension delivery devoid the study of precise and targeted sample design.

Securing of Lesser Information than Targeted

A whole range of quantitative and qualitative data was initially targeted to be collected through the questionnaire survey. But as the research progressed, it didn't appear to be viable. Although the questionnaire developed had sought data regarding many details about pension experience, most pensioners were not found to be prepared to sit for long time to respond to all the questions.

⁸ Mohsin, I. M. M. (2004) *Pension Bidhi (Pension Regulation)*, New Warsi Book Corporation, Dhaka.

Limited Coverage in terms of Location

The research hasn't been able to cover all kinds of geo-administrative locations for limitation in terms of time and resources. Therefore, corruption faced by pensioners in pre-pension and post-pension phases at rural and semi-urban setting hasn't been properly represented in the research.

Limited Coverage of Costs

The research has been able to cover economic costs of corruption both in terms of informal payments and additional economic costs. But it has not been able to delve much on social, emotional and health costs.

SECTION II

Theoretical Issues

Although governance is relatively a new term, that is not the case with corruption. We see instances in history, politics and culture of different nations that are termed as corruption. However it is about one and half decade that corruption is receiving greater academic attention. Also, since the 1990s governance has gradually become an important area of research. The theoretical works on corruption have mostly focused on causes (determinants) of corruption and ways (antidotes) to curb corruption.

Determinants of Corruption

Initially corruption was approached through economic analyses. Crime and punishment model of Becker (1968) is the pioneering framework about determinants of corruption. It implies that individuals choose to undertake illegal activities if the expected payoffs from them are greater than the expected payoffs from legal activities. Policies to fight corruption, therefore, should focus on increasing rewards (wage) on the one hand and enforcement (punishment) on the other.

Becker and Stigler (1974) extended the analysis to the principal-agent model where due to incomplete information the higher-level manager (the “principal”) cannot observe actions of the public official (the “agent”). Incomplete information enables the corrupt public official to hide his/her corrupt activities. Rose-Ackerman (1978) and Klitgaard (1988) have also made similar arguments. They also regard corruption as an information problem on behalf of the “principal” who fails to control the “agent” properly. Therefore, the principal-agent model primarily relies on information problems in explaining the incidence of corruption. The monopoly power of officials and the degree of discretion they enjoy in exercising this power create a formidable information barrier between the principal and the agent. Monitoring the power of institutions and horizontal competition within the government have been emphasised as antidotes of corruption in this model.

Tirole (1986, 1992) further extends the principal-agent model to a three-tier principal-supervisor-agent model. In this new model, a supervisor is hired by the principal to monitor the agent. The supervisor’s usefulness can be compromised if he chooses to collude with the agent rather than reveal the information.

Another major determinant of corruption is the structure of the private market. It was first emphasised by Krueger (1974) that restricting the operation of the market through quantitative restrictions causes more welfare cost than the tariff equivalent, since shortage economy leads to rent-seeking. It is often argued that market competition reduces corruption, but it is also possible that corrupt officials may destroy competition to create room for bribe. Rose-Ackerman (1975) argued that market competition is not sufficient to prevent bribery, if firms can play with the terms of contract to create excess profit from which the bribe is paid. On the empirical front, however, there is less ambiguity. The works of Ades and Di Tella (1997,1999), Laffont and Tchetche (1999), Svensson (2000), Acemoglu and Verdier (2000), and Larrain and Tevares (2001) indicate that lack of competition (measured as share of imports, antitrust law, market dominance, distance to world markets) is associated with more corruption (see also).

State structure, particularly the degree of (political) decentralization has also been responsible in creating corruption. Seabright (1996) argues that decentralization should improve the quality of government by bringing officials closer to the people and by encouraging competition between local governments. Fisman and Gatti (2000) and de Treisman (2000) find that corruption is higher in federally structured states and in countries that have more tiers of government. Bardhan and Mookherjee (2000b) point out that lack of accountability arises from two factors: political capture by the special interest and the bureaucratic corruption due to agency problem. The second factor is less problematic in local governments, whereas more problematic in centralized systems

(Carbonara 2000). Local capture may be less or more prevailing depending on a multitude of diverse factors, such as heterogeneity within a district (more heterogeneity leads to more local corruption), the nature of electoral system (proportional representation limits discretionary power), the size of the country (larger countries have more agency problems - thus, more corruption) etc. (Bardhan and Mookherjee 2000a). Mello and Barenstein (2001) report that fiscal decentralization is associated with lower corruption.

Other scholars, however, argue that corruption is more prevalent at the local level. Tanzi (1995) argues that high patronage politics and clientelism emerge from closer interaction between local governments and citizens. Moreover those inefficiencies due to vertical and horizontal coordination problems, lack of qualified employees and effective monitoring mechanisms at the local level may increase corruption at the local level (Prud'homme, 1994).

Antidotes of Corruption

Becker and Stigler (1974), Klitgaard (1989) and, Haque and Sahay (1996) have argued that raising public officials' pay will reduce corruption. Besley and McLaren (1993), Dabla-Norris (2000) and Wane (2000) have argued in the opposite that the required pay raise may be prohibitively expensive and it may be cost effective for governments to pay "capitulation wages" (that attract only the dishonest) rather than raise wages to the high levels required in order to deter corruption. Even if it is feasible to pay high government wage, it may cause misallocation of talent across public and private sector (Acemoglu and Verdier, 1998).

Effectiveness of pay hikes as a policy tool to combat with corruption has also been criticized. Di Tella and Schargrodsky (2000) argue that when control mechanisms are too weak or too strong, wages do not have any impact on corruption. Van Rijckeghem and Weder (1997) argue that the agent may engage in corrupt activities only if there is a differential between the actual wage and the "fair" wage as perceived by the agent. According to see Shleifer and Vishny (1993), and Walter (2000), weakness of hierarchical control mechanisms in corrupt government systems exacerbates corruption, because officials do not coordinate their corrupt activities and internalize the externalities. Rauch and Evans (2000) argue that when jobs and promotions in public service are based on political connections, public officials would have less incentive to stay "clean" because their prospect in their job is linked to "whom they serve" rather than to their performance. Thus, a bureaucracy that offers long-term careers with chances of advancement based on merit would result in lower level of corruption. Politicization of institutions, on the other hand, causes economic distortion and corruption through inflated budgets and high government pay (Menes, (1999).

In addition to hierarchical systems of administrative control based on rewards and penalties, accountability mechanisms may also build upon citizen voice (the capacity of "outsiders" to express their views to the government officials) and exit (switching to privately supplied services, or moving away from jurisdictions with poor public services). Besley and Case (1995), Porto and Porto (2000), Gordon and Wilson (2001) show that people can compare the performances of local governments and if they are dissatisfied they can vote the incumbent out of power.

Alternatively, they can "vote by their feet" or by "their pocket". In this case, according to Tiebout (1956), Besley and Case (1995), Porto and Porto (2000), and Gordon and Wilson (2001), "Bertrand-style" competition takes place and the agencies that outbid each other to the bottom until their bribe demand diminishes to zero. Gray-Molina et. al. (1999) find that over-pricing and informal payments to municipal health service providers in Bolivia decline significantly in places where citizens participate in health board meetings and there exists an exit option in the form of private health service provision. Furthermore, they find that formal control and supervision mechanisms have no significant affect on corruption behavior. Kuncoro (2000) shows that decentralization of administration of business licenses in Indonesia has created locational preference on the part of individual firms to choose to region with lower or optimal bribe.

SECTION III

The Public Pension System

Pension takes the form of provision of annuities for the senior population. Historically, old age pensions, guaranteed by a government to its employees emerged in France in 19th century, followed by its introduction in the United Kingdom in 1834 and in Germany in 1873. The public pension system eventually spread to many countries of Europe and North America in the first decade of 20th century. In the region constituting Bangladesh, pension for older population was first introduced in 1924, primarily for the government employees under the British colonial rule. In the following lines, we will first take a look at the development of public pension system of Bangladesh for about a century since the period of British India. Then the elements of public pension system of Bangladesh will be discussed.

Development of Public Pension in Bangladesh

The public pension system of Bangladesh as it is today is the outcome of developments for about a century. Chronologically, the development of public pension in Bangladesh can be divided into segments: British period, Pakistan period and Bangladesh period.

British Period: 1871-1947

Pension Act 1871 is the first pension related act of Bangladesh that was promulgated by the British Indian government. But the act hasn't dealt with pension for public employees. Rather pension under the scope of this act refers to compensational payments made by government in respect of any right, privilege, perquisite or office.

Provision of pension benefits for retiring public employees became a part of Civil Service Regulation (CSR) in early twentieth century. Pension had been generally determined on the basis of average of a public employee's last 36 months' pay. The total amount used to be very nominal. Moreover, separate systems of pension were set up respective of positions and services of public employees. So, there was discrimination among different groups of public employees regarding pension.

Pakistan Period: 1947-1971

When Pakistan was born in 1947, she inherited pension system of British India. But gradually it did not appear to be fully appropriate. Some modifications were introduced through amendments in CSR and Bangladesh Service Rules (BSR), Part I, two of the major existing pension related legal documents. These amendments further increased pension coverage by incorporating officiating and temporary public employees. In 1952, gratuity and family pension were introduced as two new pension benefits under Revised Pension Rules 1966.

Bangladesh Period

After independence of Bangladesh in 1971, another set of changes in pension system was in motion. The first major change was in 1972 regarding basis of determining pension. Instead of being based on average pay of last 36 months, pension was to be determined on last 12 months' pay average. The percentage rate was lowest 21% for 10 years' qualifying service to highest 60% for qualifying service of 25 years or above. Since 1989-90 financial year, the percentage rates have been increased to lowest 32% for 10 years' pensionable service to highest 80% for pensionable service of 25 years or more.

The Public Pension Package

Public pension is granted to a public employee on his/her retirement from public service on the basis of length of qualifying service rendered and amount of emoluments last drawn. In the case of appointment in the public service, government fixes an age limit. In certain cases, this age limit is relaxed. According to general recruitment rules, a person can enter into public service from minimum eighteen years' age provided that the person has requisite qualification for service.

A citizen enters into service at young age for serving the people and for the welfare of the country. S/he then spends the most valuable time of his/her life in the service and ultimately at age of 57 years retires from service because of old age. Being adjusted in routinized life profile, it is difficult for a public employee to adjust with the other occupations of the society after retirement. His/her capability of work gets reduced. In most cases, S/he is no more in a position to pursue any other occupation. Besides, many government officials become handicapped or die because of this. His/her dependent family members face serious financial setback. There is acute necessity of social security for the handicapped alive retired public employee or for the dependents of the deceased employee.

At this backdrop, the government has introduced a 'pension package' that constitute of pension, gratuity, group insurance, benevolent fund and medical allowance for the retired public employees and their dependents. With this system the retired persons or their dependents do not have to depend on others for their survival. It should be noted that although this study, unless otherwise mentioned, the term pension will refer to the whole pension package not just the individual benefit of pension.

Types of Pension

According to the existing laws, rules and regulations, public pension can be classified into different types according to the nature of conclusion of service. Now let us discuss these different types of public pension.

Compensation Pension

When a public employee is given pension after abolition of permanent post held by him/her in the process of downsizing or abolishing of the government establishment where the post was positioned, it is called compensation pension.

A public employee can claim compensation pension for his/her past service. S/he is either appointed in new post or transferred to other establishments. The procedure in providing this pension involves preparation of a list of the officials losing their jobs at a minimum expenditure of the government. The important point in this case is that in abolishing the posts the income of the government has to be increased. Again in this process the income of the government has to be more than the amount of the compensation pension to be paid.

In this process, if an employee is discharged from a post after completion of service in terms of fixed service conditions, s/he cannot claim any pension. For loss of any special pay, pension or compensation allowance is not allowable. For example, schoolteachers or other employees who perform duties in the postal department in addition to their own duties. If they are released from the department, they are not entitled to pension.

If a change takes in the official duty of an employee, the issue of compensation pension or gratuity payment must have to be brought to the notice of the government for decision according to the admissible rules for the purpose. If an employee is engaged in two posts and because of

abolition of one post, s/he wants to retire or the authority intends to retire him/her, the matter has to be sent for decision of the government.

In the case of retrenchment of permanent employees, if notice, which is necessary, is issued giving a time period of less than 3 months, in that case proportional compensation is to be paid for the period falling short of 3 months. If an employee is re employed and intends to return the compensation, s/he can do so by intimating the issue to the authority. But a temporary employee cannot do so. If an employee entitled to compensation pension desires to be employed in other government post and if so appointed, and subsequently proceeding on compensation pension, s/he is given the same amount of money as s/he was entitled to in the first time.

Invalid Pension

If a public employee's service concludes due to his/her physical or psychological invalidity, s/he receives invalid pension. According to the Bangladesh Service Rules, if a public employee applies for invalid pension before attaining 57 years of age, the head of his/her office of employment will process the sanction for the pension on the basis of the medical certificate regarding invalidation of the employee.

The employee shall be required to submit application for invalid pension in prescribed form along with recommendations of concerned Medical Board and relevant documents. Medical certificate in prescribed is an essential requirement for invalid pension. If the employee facing medical test for invalidity cannot appear before the Medical Board in the capital city of Dhaka, then the Board shall be constituted in such a place where the employee can conveniently appear. If a public employee claims invalid pension while in leave abroad, s/he will be required to appear before the Medical Board constituted by Bangladesh embassy in that country. The authority that will grant invalid pension to an employee shall send a brief statement under sealed cover to the health examining medical officer or to the Board mentioning therein the information as to types of treatment taken by the employee.

When an employee applies for invalid pension and produces doctor's certificate, s/he will not be kept in service and no leave will be granted. Moreover, there is no scope for re-employment after invalid pension. In some cases invalid pension is not allowed. For example if an employee is discharged from service for other reasons, then s/he will not be given the pension despite providing medical certificate. If an employee becomes invalid because of bad habit and irregularity, s/he will not be entitled to the pension on invalid ground.

Superannuation Pension

When a public employee's service compulsorily concludes due to his/her attaining certain age determined by law for retirement from public service, s/he becomes entitled to superannuation pension. The retirement age of public employee is 57 according to the Public Servants (Retirement) Act, 1974. Recently, the government has increased the retirement age for judges of the Supreme Court and teachers public university to 65 years.

Retiring Pension

According to the law of the country, the government may, if it considers necessary in the public interest to do so, retire a public employee from service at any time after s/he has completed 25 years of service without assigning any reason. But any other appointing authority is not authorized to exercise this power. If any sub-ordinate appointing authority desires that an employee employed by it should retire after 25 years of service, that authority shall propose to the concerned ministry to that effect. In the case of gazetted officers the issue of retiring shall be referred to the President of Bangladesh for decision.

Optional Pension

A public servant has unqualified right to opt to retire from service at any time after s/he has completed 25 years of service upon the only condition that s/he shall have to give a notice in writing to the appointing authority at least 30 days prior to the date of his/her intended retirement. In this case, the government is bound to accept the application and has no legal scope to refuse. But such option once exercised shall be final and shall not be permitted to be modified or withdrawn.

Family Pension

When pension is sanctioned to the family of a pensioner on his/her death, it is called family pension. In the case of family pension, a public servant while remaining in service at any time afterwards may nominate one or more members of his/her family as successor for the whole or part of his/her family pension. But in the absence of nomination and if the wife of the deceased pensioner or any member of the family is not available, his/her last controlling authority shall decide the successor for providing family pension and gratuity. However, it is mentioned that the rules for family pension are different for different members nominated.

Other Pension Benefits

As mentioned earlier, pension is a package that constitutes a number of benefits besides pension. Now let us take a look at the other pension benefits apart from pension.

Leave Preparatory to Retirement (LPR)

This is admissible to a retired public employee. The period of such leave may extend beyond the date of retirement but not beyond the completion of the fifty-eighth year of age and if s/he proceeds on such leave before the date of his/her retirement, his/her retirement shall be effective on the expiry of the leave. After enjoying the LPR, if the retiree has earned leave to his/her credit, s/he will be entitled to 12 months' pay for 12 months of un-enjoyed earned leave.

Gratuity

The government presently allows gratuity to the retiring person up to 80% of the emoluments of the retiree after his/her completing 25 years of pensionable service. Presently a retired public servant is allowed a gratuity in lieu of 50% of his gross pension that s/he compulsorily surrenders at the rate of BDT 200 for every one taka. S/he is also allowed to surrender the remaining 50% of his/her gross pension at the rate of BDT 100 for every one taka.

Government Accommodation

In the event of death, retirement including compulsory retirement, the retired person or his family is entitled to remain in the allotted accommodation. If the retired employee (allotee) dies while in service, his/her family shall be permitted to stay in the accommodation for two years subject to certain conditions from the date of the death of the allottee.

Benevolent Fund

If a public employee dies in the middle service life or dies within five years from the date of superannuation, s/he or in the event of death, his/her family, shall be entitled to receive a benevolent fund grant from the benevolent fund for a period of ten years according to the scale specified in the schedule of the Bangladesh Employees' Benevolence Board Act 2004, the law relating to the benevolent fund.

Group Insurance

Group Insurance fund has been constituted by the government under the Bangladesh Employees' Benevolence Board Act 2004. All employees except the Class III and Class IV employees are required to deposit premium to the Fund at the prescribed rates. This is managed by a Trustee Board. Every government employee may nominate someone for receiving money from the fund.

If an employee dies while in service, his/her family will get one-time financial assistance from the Fund. The amount of that assistance shall be equivalent to the pay of 24 months based on the last pay of the deceased employee. However, the amount in any case shall not exceed Tk. 100,000.

SECTION IV

Literature Review

As mentioned earlier, being a major area of public spending, pension has likelihood of high corruption. But strangely enough, hardly any work on corruption and governance so far has dealt with pension related corruption. Therefore, the literature review has focused on newspaper scanning and review of legal framework regarding public pension.

Newspaper Scanning

Newspapers whether dailies or periodicals are among the most available and accessible sources of current knowledge. It is more evident on governance issues like corruption that draw considerable public attention. However corruption in all areas do not get equitable media coverage. The example of one large-scale newspaper scanning of 2002 on corruption related news can be cited as an example in this regard⁹. The report covered 16 national and 6 community newspapers. It has found law and order agencies (18.4%), local government (15%) and education (15%) to be three sectors that received highest coverage in terms of corruption news. It has been observed in the report that corruption in such big sectors as mentioned above receive more media attention than many other sectors where corruption may be more rampant. Similar trend has also been noticed in the newspaper scanning under the current study.

Result of Scanning

In the January-December 2005 time period, a total of 101 **news items** related to pension have been published in Dainik Ittefaq, Dainik Prothom Alo, Dainik Amar Desh, The Daily Star and Shaptahik 2000. The highest 63% news items have appeared in the Ittefaq. It is followed by 19% in the Prothom Alo, 15% in the Amar Desh, 2% in the 2000 and just 1% in the Daily Star.

Categories of News Items

These news items can be categorized into three: letters, reports and commentaries. Among them the ratio of letters is an astounding 85% and that of reports is 13% percent. The remaining 2% are commentaries. The ratios of pension related letters published in the three Bangla dailies are: 65% in the Ittefaq, 20% in the Amar Desh and 12% in the Prothom Alo. The remaining 2% and 1% letters have been published in the 2000 and The Daily Star respectively. A majority of 47% reports have appeared in the Prothom Alo closely followed by 40% in the Amar Desh and the remaining 13% in the Ittefaq. All the commentaries belong to the Prothom Alo.

Subjects of News Items

Subjects of the pension related letters published in the five newspapers reviewed can be classified into three: rise in pension benefits or introduction of new benefits for pensioners, pension related corruption and policy reforms that will facilitate pensioners. Highest number of letters that is about 38% have dealt with pension raise. Corruption is the subject of 22% letters. All the remaining 40% letters are about policy reforms related to pension and pensioners. Policy reform and corruption are the two kinds of subjects covered by the newspaper reports regarding pension. Two-third of them are about policy issues and one-thirds are about incidents of corruption.

⁹ TIB (2002) *News Scan Analysis 2002*, TIB, Dhaka.

Portrayal of Corruption

Now let us see how corruption regarding pension has been portrayed in letters and reports published in the selected newspapers over the last year. It is seen that cross-section of public pensioners are being facing pension related corruption. They include retired public employees of different positions and their spouses (in case of the death of the public employees). The incidents of corruption are seen to be taking place in public organizations of various kinds.

Victims of Corruption

We find former executives of a public jute mills, former employee of a public utility organization, former non gazetted employee of postal department, former non gazetted employee of forms and publications department, wife of a late former public banker, wife of a late former employee of customs, excise and vat department, former primary school teacher, wife of a former soldier, wife of a late former Ansar official, wife of a late former non-gazetted employee of Bangladesh Water Development Board (BWDB) and former soldiers facing corruption in getting pensions they are entitled to. Diversity in the group's composition points to the fact that corruption in delivery of public pension is taking place in all sorts of public organizations: civil or military, technical or general, factory or office, service delivery establishment or administrative department etc. Whether a high official or minor staff, a whole range of public employees or their spouses are having corruption hindering their ways to what is rightfully theirs.

Nature of Corruption

Natures of the pension related corruption discussed in the newspapers include partial or full deprivation from pension, unnecessary delay in processing pension delivery, harassment during collection of monthly pension, not providing necessary papers duly, undue delay in pension payment and lack of implementation of pension regulations.

Two former executives of a public jute mill informs that they had to retire on February 2004 under 'Golden Handshake' program with pledge of various benefits in single package including full payment of gratuity and provident fund at one time. But now Bangladesh Jute Mills Corporation (BJMC) authorities have declared to pay 75% of the promised benefits (Ittefaq, 8 January 2005, p.4). A former employee of Dhaka Electricity Supply Authority (DESA) who regularly retired on December 1997 upon reaching 57 years alleges that he has been deprived of two 'pay fixation' during retirement. Now, even after about a decade of retirement, his pay fixations have remained unresolved and his pension delivery has stuck therefore (Ittefaq, 11 April 2005, p.4). These two cases are concerned with two different types of retirement: one regular, the other irregular. But both cases involve corruptions like partial deprivation of pension and undue delay in pension payment. However, from the information provided in the letters, it is not clear who are responsible for these corruptions, the amount of financial loss due to corruption and how the concerned pensioners are persuading their claims. In the following cases we get some of those information.

A former teacher of government primary school who regularly retired on July 1998 has written that while she has received other pension benefits, she is yet to receive gratuity worth 2,25,200 taka despite continuous persuasion (Ittefaq, 16 June 2005, p.4). Financial loss due to pension related corruption might not be limited to the part of pension lost. As published in report, a former engineer of a public jute mill who retired in January 1999 had to receive 5,60,000 taka in gratuity. But upto December 2005, he received 2,95,000 taka in two instalments. Furthermore, to secure this much, he had to spend 65,000 taka as bribe and other costs (Amar Desh, 11 December 2006, p.14). So, he has already incurred financial loss equivalent to 12% of his pension while he could secure little over half of it.

The aforementioned people are still lucky since they have received their pension partially. There are numerous others who haven't received a dime of their pension although years have passed since retirement. According to the letters and reports scanned, this is more common regarding

pension of dead or handicapped public employees. We have come across a number of such instances. Wife of a retired soldier of Bangladesh army writes that her husband has not received any pension since he retired in 2004 after about 16 years of service. This person became physically challenged after an accident on duty and had to retire later on after being declared medically unfit for military service by doctors (Amar Desh, 14 June 2006, p.8). Wife of a late Ansar staff is also having somewhat similar experience. Her husband died on service in 2003. Then she approached the concerned battalion office for her husband's pension that she was now entitled to. Although, it is two years now that she has submitted application and relevant papers, there is no positive reply (Prothom Alo, 31 July 2005, p.5). In another case, an employee of BWDB retired in 1972 and was in pension till he died in 1994. But ever since, for over a decade, her wife couldn't get the pension despite numerous persuasions at different levels (Ittefaq, 30 May 2005, p.3).

Non-payment of pension can also be as strange as the following incident. A woman from Kumarkhali, Kushtia was receiving pension of her husband, who was a retired Ansar commander, from 1984 upon his death. In 1998, the pension suddenly stopped. Then in 2000, she again received few months' pension. Then again she has not been receiving any pension till the writing of the letter (Ittefaq, 23 June 2005, p.4). A former postman who retired from GPO in July 2004 was instrumental in revealing a pension fraud while in service. He received a pension voucher of 23,345 taka on February 1999 and informed the authorities right away. It was discovered in the following investigation that 2,79,66,390 taka has been siphoned through false pension vouchers. However, his pension is now held up in this connection (Ittefaq, 1 May 2005, p.4).

Above are some manifestations of corruption in pension delivery. But why is it happening in the first place? Non-implementation or partial implementation of existing rules-regulations, contradictory policy measures and confusion over government policy are among the factors of corruption. We get some glimpses of these aspects from the following cases.

Causes of Corruption

A leader of the teachers' community has alleged in his article that money is being deducted from pension of teachers as 'overdrawn' through government order. It is happening due to some confusion over pension regulation. Following requests from the primary teachers' associations to prevent this deduction, the Prime Ministers' Office issued directive to the Primary and Mass Education Ministry for taking necessary actions. Despite this directive dated 8 July 2002, deduction from primary teachers' pension through government order is still continuing (Prothom Alo, 9 January 2005, p.8).

A pensioner former soldier of Bangladesh army narrates his share of trouble in securing increased amount of pension under the national pay scale of 2005. The concerned branch of the public bank where he draws his pension from refused him and other pensioners of armed forces to pay monthly pension in the increased rate of 25%. However, they were paying pension to the civil public employees according to the new pay scale. Referring to a note of finance ministry, the bank manager maintained that the military pensioners cannot be paid increased pension unless they produce order in this regard from their respective 'records' (respective accounts offices under which they retired). He and most of his colleagues retired in places far from home. So in this old age and broken health, it is very difficult for them to physically appear in respective records to collect the orders. Moreover, the required conveyance and other costs will far surpass the increased amount of pension (Amar Desh, 10 November 2005, p.6). What new we see from this letter is that it is not only during sanctioning of pension that one may face corruption. Even in the middle of routinely receiving pension, one might be subjected to corruption from time to time.

There are a number of opinions that non-implementation of existing regulations are hindering smooth delivery of public pension. One such regulation that has been often referred to is a Memorandum of finance ministry dated 18 February 2001 that further eased rules and methods related to pension delivery. It has progressively altered various aspects of the pension delivery

process. This note provides that pension should not be held up if necessary papers of a pension claim are not found or not satisfactory. Rather 80% of gratuity and full neat pension should be delivered. It has been recognized as an important contribution of this note. However, this note is hardly followed by the ministries and accounts offices (Amar Desh, 21 August 2005, p.7). Therefore, a large number of pensioners are not receiving pension for last three to five years (Prothom Alo, 22 August 2005, p.7).

Public Pension: The Legal Framework

As discussed earlier, public pension package constitute of a number of benefits. Not all of them had been components of pension package right from the beginning. Different benefits have been introduced at different times by various governments. Therefore, any single law does not cover all components of public pension. Besides, government has enacted different rules and regulations from time to time. Now let us take a look at the major laws, rules and regulations governing pension.

The Public Servants (Retirement) Act 1974

This law mainly deals with definition of public servant, age and period of retirement, re-employment and extension, leave preparatory to retirement, and cases of non-entitlement to retirement benefits.

The act defines public servant as any person who is in the service of the republic or of any corporation, nationalised enterprise or local authority. Members of any defence service, teacher or employee of any University, person employed in or under a temporary commission, committee or board, contingent or work-charged employee, and worker of state-owned factories have been excluded from definition of public servant. Fifty-seven has been identified as compulsory age of retirement. But a public servant may opt to retire before that age on completion of twenty-five years of service. Prior to commencement of retirement, a public servant is entitled to leave preparatory to retirement for one year form the date of his retirement or cessation of service.

Government may retire a public servant before completion of twenty-five years of service if it is deemed necessary in public interest. If any judicial or departmental proceeding is pending against a public servant, he shall not be entitled to any pension and most other retirement benefits till determination of such proceedings. Till then he will only get subscriptions to any provident fund and interests on them. The act finally empowers government to make rules for carrying out the purposes of this act.

Bangladesh Employees' Benevolence Board Act 2004

This law establishes a broad institutional framework for managing benevolent fund and group insurance. It describes, often in detail, multiple aspects related to managing these two benefits. These include: formation of benevolence board, members of the board, activities of regional committee, meeting of regional committees, benevolent fund, subscription to the benevolent fund, contribution from the benevolent fund, group insurance, group insurance fund, financial sources of group insurance fund, deposition of premium, accounting and auditing, reporting, special powers of chairman, director-general, appointment of staff, budget etc.

While describing 'employee' under the scope of this act, a long list is included that specifically mentions some important public institutions. The act establishes a board named 'Employees' Benevolence Board' and render it certain powers. It includes a list of 17 categories of people as members of the board representing various segments of public service machinery. The board has 19 categories of activities of which 18 are specific activities and one is any activity necessary for implementation of the aforementioned activities.

The act supervises two specific retirement benefits: benevolent fund and group insurance. Public employees who die or become invalid in the middle of service life after being in qualifying service for ten years are entitled to these benefits only. Different rates of subscription and entitlement have also been described. Each employee would submit 1% of monthly salary or Tk.50 whichever is lowest as the monthly subscription to the benevolent fund and group insurance. Being unable to contribute subscription for any reason would not disentitle a public servant from receiving the benefits. But the due subscription would be deducted from the money given.

If a public servant is removed from service after being declared physically or mentally unable/unfit by proper medical authority, or die in the middle of service, or die within 10 years of retirement, he will be entitled to benevolent fund and group insurance benefits. In case of the employee's death, the money is supposed to be given to the family member(s) appointed by the pensioner. If there is no such person, the family member empowered in writing by the other members will receive the benefits. If that is also not possible, then the members nominated by head of the pensioner's last parent office would get the money.

The monthly grant given by government from the benevolent fund is determined against the salary scale of the pensioner during retirement. A rate-chart is incorporate in the '*tafsil*' of the act. Pensioner's nominated family member would receive benevolent fund grant for 15 years. In case the pensioner is living, he will receive the grant upto 10 years from the date of retirement. The group insurance is one-time payment equivalent to last twenty-four months' salary of the pensioner on the basis of his salary during retirement. But the total amount will not be over Tk. 1 lakh.

The Provident Fund Act 1925

This act is the fundamental legal framework related to provident fund, a fund in which subscription or deposits of any class or classes of employees are received and held on their individual and accounts, and includes any contributions and any interest or increment accruing on such subscriptions, deposits or contributions under the rules of the fund. The act discusses about two provident funds under government supervision: Government Provident Fund and Railway Provident Fund. It provides protection of the deposits under provident fund(s) and repayment mechanisms for contributions from them. It also incorporates a set of rights of the nominees and gives certain powers of deduction to the government.

General Provident Fund Rules 1979

This is a regulatory framework for General Provident (GP) fund that builds further on the 1925 act. It provides rules on all aspects of GP fund. These are: maintaining of fund, criteria of joining the fund, contribution, nomination, conditions of contribution, rate of contribution, securing contribution, interest on deposit advance from the fund, amount of advance, securing of deposit, contribution from fund at the death of contributor etc.

Contributory Provident Fund Rules 1979

This is the regulatory framework for Contributory Provident (CP) fund. It has dealt with much fewer aspects than the previous law. Its content include: nomination, contribution, rate of contribution, government contribution, interest, deduction, contribution in fund etc.

Pension Sahanjikaran Bidhimala 2001 (Memorandum on Greater Easing of Rules/Methods for Pension Sanctioning and Delivery of Civil Service Employees 2001, also known as Easing Pension Order 2001 or the 2001 Order)

Ministry of Finance, Government of Bangladesh issued a memorandum on 1 July 1994 easing rules and methods of public pension delivery. It was amended and reissued in 8 October 2001 in the last working day of the then caretaker government. In the century-plus history of public

pension in Bangladesh, this is the single most well intended policy document regarding public pension.

Retiring Pension

Welfare Officer

The memorandum has enunciated a set of modifications in pension delivery mechanism that is supposed to stimulate faster and smoother pension delivery. It calls for nomination of a Welfare Officer in each government establishment: ministry/division/department/directorate/office. His main tasks would be keeping record of concerned retiring employees, monitoring progresses in settling of pension cases and facilitate pension related grievance redressing.

Service Book

Each government establishment would up-to-date (Within February of each year) two copies of service book of non-gazetted employees every year. One copy would be kept in the concerned office and the other with the employee himself. In case of failure in timely conclusion of the task, the concerned office should punish the responsible official/employee.

Service Record of Officials

The administrative ministry/division should keep record of all service related information like appointment, promotion, punishment, leave, time scale, higher scale, selection grade, retirement, death etc. through assigning centrally recognisable identification number.

List of Retiring Employees

There should be a list of employees under each administrative ministry/division/department/directorate/office who are going to retire in the next calendar year. The list containing necessary relevant information like name, designation, workplace, date of birth, date of LPR, date of retirement etc. should be updated on quarterly basis (in every January, April, July and December). Copy of the list should be sent to the concerned employee's parent office, accounts office and housing department (for those who live in government accommodation) at least one year before commencement of LPR.

Expected Last Pay Certificate (ELPC)

Eleven months prior to a public employee's LPR, the concerned Accounts Office/Drawing and Disbursing Officer (DDO) will issue ELPC mentioning his last receivable/determinable expected salary on the immediate past date of LPR and on the immediate past date of retirement. The ELPC of non-gazetted employee issued by the DDO should be counter-signed by the concerned Accounts Officer. The ELPC should include amount and date of any salary increase, leave due before going to LPR, deposits and interests of provident fund and dues of government. Accounts office and the concerned employee should be informed of any service related development after issuing of ELPC by the administrative authority.

Timeline of Submitting Pension Application and Sanctioning of Pension

Within a month of receiving ELPC, the concerned employee should submit LPR and pension applications in prescribed forms to proper authorities. Within 5 months of receiving pension application, the administrative ministry/pension sanctioning authority would up-to-date service record/service book of the employee. It should also collect No-Demand Certificate from concerned authority on the basis of ELPC and last three years' record. Then after estimating and securing government dues, the authority should issue pension-sanctioning letter and send the papers to the concerned accounts office for issuing Pension Payment Order (PPO).

Post-Dated Check for Leave Encashment, Provident Fund Deposits and Gratuity

Three months prior to LPR, payment order for leave encashment money and deposit of provident fund including interest (by the concerned ministry/division/department/directorate/office) should be simultaneously issued. The concerned employee would submit the bill on receiving the order. After getting the bill, the accounts office would hand-over the leave encashment money (equivalent to highest 12 months' basic pay) and deposits of provident fund including interest (while relevant) to the head of the concerned employee's controlling authority/office in post-dated check. After estimating interest till the date in which the concerned employee wish to withdraw deposits and interests of provident fund (not more than 6 months of going to LPR), post-dated check containing that date will be issued 2 months before commencement of LPR. Head of office/controlling authority would submit the check to the concerned employee one month before commencement of LPR.

Within one month of receiving pension-sanctioning papers, the concerned accounts office should issue PPO after ascertaining appropriate pension amount. Along PPO, the gratuity money should be handed over to controlling authority/head of office of concerned employee in post-dated check three months before employment. The PPO and gratuity check would be given to the retiring employee one month before retirement. The post-dated check would be in the date of the employee's date of retirement.

If any of these activities cannot be completed within stipulated time, Implementation and Regulation Wing of the Finance Division should be informed of the matter with explanation within next one month.

Punitive Measures for Negligence in Performing Duties

If a pension delivery functionary fails to settle a pension case within stipulated time, punitive measures will have to be taken against him for negligence in performing duties under Public Servants (Discipline and Appeal) Rules.

Leave Salary and Pension Contribution during Deputation

Under the existing system until then, public employees in deputation in autonomous/semi-autonomous organisations, corporations, nationalised commercial banks, financial institutions and local government institutions had to submit their leave salary and pension contribution of that period in government fund. This system is being abolished. It will also apply to public employees who have been in deputation before. But public employees in deputation in foreign governments/organisations will continue to submit leave salary and pension contribution.

Disputed Service Period

If the pensionable service period is 25 years or more after deducting disputed service period, then pension will have to be sanctioned. Pension cannot be held for disputed service period.

Monitoring of Pension Case Settlement

The concerned administrative/pension-sanctioning office and high official of Accounts Office will regularly monitor stipulated time through the nominated Welfare Officer. They will record their comments in inspection book after monitoring.

All DDO/Accounts Officers will prepare quarterly (January, April, July and October) reports on issuing of ELPC, PPO and other information of last three months and regularly send them to Implementation and Regulation Wing of Finance Division through proper authorities (Accounts Offices through CGA and ministry/division through respective administrative section).

Provisional Pension

For the pension cases that cannot be settled for lack of no-demand certificate or other necessary papers, 80% of gratuity and full neat pension should be provisionally given on the basis of application by the concerned pensioner/successor. Within next six months, the concerned office will finalise the case by collecting necessary papers. Otherwise, after the six months, the pension will have to be finalised and the rest of gratuity will have to be paid on the basis of pensioner's own account.

Pension Submission

Under existing rules, a pensioner receives one time gratuity in exchange of 80% gross pension. The employees who have retired or will retire on/after 01-06-1994 can also submit the remaining 50% pension at one time. They can exchange it for gratuity in half of existing exchange rate. This matter will have to be clearly mentioned in pension application and cannot be changed later.

Family Pension

Nomination of Successor

A pensioner can nominate one or more members of his family as successor of his partial or full pension during service period or later. Without nomination, the pensioner's last controlling authority will determine the successor according to Memorandum No. 2566(40) dated 16-04-1959, in case of absence of any family member to inherit pension, even male child above 25 years age will get pension. But he will continue to receive it till the time left upto 15 years from the date of pension commencement.

Age Limit of Unmarried/Widow/Divorcee Daughter

If time is left to be 15 years from commencement of pension, unmarried/divorcee/widow daughter(s) irrespective of age will inherit family pension.

Handicapped Children

Handicapped children are entitled to family pension for life. But they will have to submit copy of identification of registration under Clause: 13 (*Kha*) of Bangladesh Handicapped Act 2001.

Widow

If the widowed wife of public employee does not remarry, she is entitled to full family pension for the whole life. But they cannot submit pension.

Family Pension in Death After Retirement

If a pensioner dies after retirement, his family/nominated family member will continue to receive pension in same rate.

Pension in Case of Suicide

Family of pensioner who has committed suicide will receive pension as usual.

Other Pension Related Matters

Emergency Pension Delivery

In case of forced retirement, retirement due to handicap, voluntary retirement and pension due to death, the administrative authority will sanction pension within one month application submission and accounts office will be taken accordingly to chapter 2.12 of the memorandum.

Annual Confidential Report (ACR)

The ACR will not be consulted to sanction pension.

Attestation of Information by Administrative Authority

The information attested by the administrative office of concerned pensioner will be accepted without further cross-checking.

House Rent and Allied Dues

The concerned accounts officer/controlling office will take necessary steps to collect overdue house rent and utilities bill (electricity, gas, water etc.).

D-half and PPO

The PPO should mention nominees' relation with pensioner, marital status, age etc. The accounts office will ensure proper filling of D-half and PPO.

Pension Delivery Among Pensioners of Dhaka Metropolitan Area

Pensioners of Dhaka metropolitan are who collect pension from Dhaka District Accounts Officer's Office will collect it from Chief Accounts Officers' offices under Controller General of Accounts (CGA).

Pension Form

The revised pension form (Annex-4) and family pension form (Annex-5) will be used to submit pension application. No information outside pension form can be asked to pensioner/nominee. The two pension forms will be of different colour.

Delivery of Non-withdrawn Pension and Overdue Pension

If a pension remains un-withdrawn for a year or more period, an application mentioning reasons of delay will have to be submitted to Chief/District/Upazilla accounts office. The Chief/District/Upazilla accounts officer can pay the due pension on the basis of properly received PPO and D-half. No new sanction/permission is required from pension sanctioning authority.

SECTION V The Profile of Interviewees

This section presents a profile of the public employees covered in the questionnaire survey. The profile of interviewees constitute of three sets of basic information: basic personal information, general information regarding retirement and general information regarding pension.

Basic Personal Information

The basic personal information includes location (residing district), sex, age, education, family structure, number of family members, family income and sources of family income.

Location

The interviewees covered by the questionnaire survey are from five districts. They are: Dhaka, Chittagong, Khulna, Manikganj and Narayanganj. A clear majority of 73% interviewees are located in Dhaka. Among the remaining 27%, there are 9% from Chittagong, 5% from Khulna, 6% from Manikganj and 7% from Narayanganj. All (100%) the interviewees of Dhaka district are residents of the capital city. Interviewees of other districts include residents of both district towns and surrounding peri-urban areas.

All (100%) the interviewees of Class I (BCS), Class I (Non-BCS) and Class IV positions are residents of Dhaka. Interviews are taken from outside Dhaka only in case of Class II and Class III positions. Among the Class II employees, there are 45% interviewees each from Dhaka and Chittagong districts. The remaining 10% are from Khulna. District wise ratio of interviewees among the Class III public employees is 20%, 15%, 30% and 35% respectively from Dhaka, Khulna, Manikganj and Narayanganj.

Table: Location (residing district) of interviewees (%)

District	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
Dhaka	20	20	9	4	20
Chittagong	-	-	9	-	-
Khulna	-	-	2	3	-
Manikganj	-	-	-	6	-
Narayanganj	-	-	-	7	-

Sex

The male-female ratio of the survey participants is 75%:25%. Although women are less than one-tenth of public employees, relatively more women have been covered in the current study. It was felt that the gender dimension of the research topic would not be sufficiently covered if at least a quarter of the sample **were** not women. There are 25% women each among the pensioners of Class I (Non-BCS), II and III positions. From the Class I (BCS) and Class IV pensioners, 20% and 30% women have been interviewed respectively. Except the 15% from Manikganj, all the remaining (85%) women interviewees are residents of Dhaka.

Table: Sex of interviewees (%)

Sex	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
Male	16	15	15	15	14
Female	4	5	5	5	6

Age

Since 57 is the general age for retirement from public service, the research was restricted within certain age groups. The pensioners under this survey can be classified into three age groups: within 60, 61-65 and above 65. Half (50%) of the interviewees belong to the 61-65 age group, 38% are aged 60 or below and 12% are 65 or above years old. Half (50%) of Class I (BCS) pensioners are aged between 61-65. Majority (55%, 50% and 45% respectively) of the following three groups, Class I (Non-BCS), II and III pensioners are 60 years or lesser old. Except 10%, all the remaining (90%) pensioners of the last (Class IV) group are from the 61-65 age group.

Table: Age of interviewees (%)

Age	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
Within 60	6	11	10	9	2
61-65	10	7	7	8	18
Above 65	4	2	3	3	-

Education

As there are different educational requirements for different levels of public jobs, diversity of educational level is obvious among the survey population. The highest 49% interviewees have post-graduate qualification. The next big group is 22% interviewees who have education below SSC. They are followed by 14% HSC, 8% graduate and 7% SSC.

Table: Education of interviewees (%)

Education	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
Below SSC	-	-	-	3	19
SSC	-	-	2	4	1
HSC	-	-	4	10	-
Graduate (BA/BSS/BCom/BSc)	-	-	5	3	-
Post-graduate (MA/MSS/MCom/MSc)	20	20	9	-	-

It is obvious that all (100%) the interviewees from Class I (BCS and Non-BCS) positions are post-graduate since it is minimum educational qualification for those jobs. However, about half or 45% of the Class II pensioners surveyed are post-graduates although **graduation is required for those jobs**. These people either pursued further studies after joining service or understated their qualification to get the job.

The latter frequently happens in this country particularly over government jobs. Because sufficient employment opportunities suited to one's qualification is not available in the least developed and service sector dominated economy of Bangladesh. Besides, people are often more eager for government jobs due to their permanent nature, regular payment of salary, greater social status and provision for pension. But not only over qualified ones, this group of pensioners also include underqualified people. About one third or 30% of them are not even graduates. It has happened because the Class III jobs where these persons originally joined were elevated to Class II jobs at later stage.

Family Structure

Among the generally recognised three kinds of family structures, two kinds of families have been found among the survey population: single and joint. Ratios of interviewees living in the two kinds of families are 57% for single families and 43% for joint families. Among each group of

interviewees, the trend is mostly in favour single families except in case of the Class IV pensioners. Majority 65% each of both the Class I (BCS and Non-BCS) employees live in single families. The ratio is higher or 75% among the Class II interviewees. Although majority of Class III employees also have single families, the ratio is much lower than the previous groups of interviewees: 55%. Only one-fourth or 25% Class IV employees live in single families while the majority 75% live in joint families.

Table: Family Structure of interviewees (%)

Family Structure	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
Single	65	65	75	55	25
Joint	35	35	25	45	75

Number of Family Members (Including Regular Earning Members)

Now let us see the numbers of total members and regular earning members of the pensioners' families. Since the researcher obviously considers pension as an earning, pensioners are also considered as a kind of earning members. Therefore, the other earning members who are not pensioners and have regular jobs have been termed as 'regular earning members'. We have shown what these numbers are, both after and before retirement.

During the survey, 64% pensioners had 4-6 members in their families. Among the other pensioners, 26% has more (7-9) and 8% has lesser (-4) number of family members. Only 2% pensioners have more than 9 members in family. If we take on each group of interviewees separately, it is seen that majority of the first four groups interviewees, from Class I (BCS) to Class III, have 4-6 family members. The ratios are respectively as follows: 90% (Class I/BCS), 70% (Class I/Non-BCS), 70% (Class II) and 60% (Class III). Another 25% and 20% respectively of Class I (Non-BCS) and Class III interviewees have family size of 7-9. Among the remaining Class II employees, equal proportions of 15% have less than 4 and 4-6 family members. The trend is stark opposite for Class IV employees of whom majority 70% have 7-9 family members and the other 30% have 4-6 family members.

Table: Number of current family members (%)

Number of Family Members	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
Within 4	10	5	15	10	-
4-6	90	70	70	60	30
7-9	-	25	15	20	70
Above 9	-	-	-	10	-

Majority of the interviewees found to have more than one regular earning member in family. A total of 55% interviewees have two regular earning members. It is followed by 29% with just 1 regular earning member and 12% with 3 regular earning members. Another 3% have more than 3 regular earning members. There is 5% who have no regular earning member at the moment. It means these person are totally dependent on pension.

Half or 50% of both Class I (BCS) and Class I (Non-BCS) employees have 2 regular earning members in family. It is same for families of greater number of Class II (75%) and Class IV (60%) interviewees. Another big portion of both groups of Class I (BCS and Non-BCS) employees, 45% and 40% respectively, have just 1 regular earning member in family. Among the Class III interviewees, roughly equal numbers of families have 2 (40%) and 1 (35%) regular earning members. Another 20% of them have 3 regular earning members in family. Majority 60% of Class IV employees have 2 regular earning members in family while another 20% have 3.

Table: Number of current regular earning members (%)

Number of Regular Earning Members in Family	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
1	45	40	15	35	10
2	50	50	75	40	60
3	-	10	10	20	20
Above 3	-	-	-	5	10
0	5	-	-	-	-

Family Income

Monthly incomes of the pensioners' families fall in various ranges. It has been found to be from below Tk.2000 to over Tk.25,000. More than one-fourth or 27% interviewees have a monthly family income of Tk.40,000-50,000. The following three income groups in large numbers are: 15% with Tk.20,000-30,000; 12% with Tk.30,000-40,000 and 11% with Tk.10,000-15,000. The ratio of families earning Tk.25,000-30,000 and Tk.50,000 or above are both 10%. The remaining earn in the ranges of Tk.5000-10,000 (9%) and Tk.15,000-20,000 (6%).

Table: Current family income – (%)

Income Range (In Tk.)	Ratio of Interviewees
Below 5000	-
5000-10,000	9
10,000-15,000	11
15,000-20,000	6
20,000-25,000	15
25,000-30,000	10
30,000-40,000	12
40,000-50,000	27
Above 50,000	10

Sources of Family Income

The interviewees have reported various sources of family income. Seven kinds of income sources have been frequently found in our survey. They are: monthly pension, salary, business earning, house rent, savings' earning/interest, investments' earning/interest and agricultural land. Besides, remittance, informal payment etc. have also been mentioned as family income sources. All pensioners have mentioned a number of income sources for their families.

About their family income sources currently, 85% interviewees have mentioned monthly pension. The three other very large groups of response that follow are: salary (78%), savings' earning/interest (64%) and house rent (54%). Some other sources of income are: investments' earning/interest for 33%, agricultural land for 32% and business earning for 25%. Another 19% have identified remittance, informal payment etc. as sources of income.

Table: Sources of current family income – (%)

Sources of Family Income	Ratio of Interviewees
Monthly pension	85
Salary	78
Business earning	25
House rent	54
Savings' earning/interest	64
Investments' earning/interest	33
Agricultural land	32
Miscellaneous	19

SECTION VI The Corruption Dynamics

The public pension delivery system consists of multiple institutions and actors. They operate on the basis of complex rules, regulations and procedures. Seeking pension doesn't necessarily mean processing the pension form alone. Rather, it generally involves processing of 8 to 13 kinds of supporting documents. These processing works can be divided into three stages respectively: processing LPR, processing pension application and processing pension payment order. A set of documents is required to be processed at each stage to clear the pension form to next stage. The experiences of our interviewees show that in most cases pensioners are subjected to monetary and/or procedural corruption for each processing work at every stage of pension delivery. This section focuses on how retiring public employees face ranges of corruption in various institutions at the hands of different actors in the process of securing pension. In between it also covers other pertinent issues like agents, remedies, social network etc. Quantitative data has focused on payment of bribe and days required for processing each document. The rate of bribe and days required for processing have been influenced by the following factors: geo-administrative position of the processing institution, position of the retiring employee and, social network between pensioner(s) and pension delivery functionaries.

Processing LPR

Leave Admissibility Certificate (LAC)

Bribe:

As mentioned earlier, the pension process kicks off with processing LPR and it begins with processing Leave Admissibility Certificate (LAC). Seventy-two percent of the interviewees reported to have paid bribe for securing this document. So, while 12% didn't have to pay bribe, 50% paid bribe between Tk.200-500, 18% paid within Tk.100, 14% paid Tk.500-1000, 5% paid Tk. 101-199 and only 1% paid in the range of Tk.1000-2000.

It is seen that 80% of the Class-IV employees paid bribe in the lowest range of Tk.100 or less while the remaining 20% didn't have to pay anything. Although the number who didn't have to pay bribe doubles in case of the Class-III employees, about half or 45% of them paid bribe of Tk.200-500. All the Class-IV employees had to get LAC from their own offices and so they could negotiate for nominal bribe or no bribe. Half of those Class-III employees who didn't have to pay bribe could also process LAC in their own office. They were responsible of keeping employees' service books in respective offices. So, literally they themselves processed their papers and there was no point of paying anything to anyone.

Our interviewees from Class-I (BCS) to Class-II positions had to pay considerably higher in bribe than their Class-IV and V counterparts. Majority of them have been found to pay between ranges of Tk.200-500 to Tk.500-1000. The numbers of pensioners paying Tk.200-500 for their LARs are respectively 50% for Class-I (BCS), 85% for Class-I (Non-BCS) and 45% for Class-II. Among the remaining, 20% of Class-I (BCS), 15% of Class-I (Non-BCS) and 30% of Class-II employees had to pay the sum of Tk.500-1000. It is noted that all (100%) the Class-I (BCS and Non-BCS) employees and nearly half of the Class-II employees had to process their LACs in ministries' accounts offices.

Table: Processing expenses – informal fees like bribe, tips etc. in Tk. (%)

Processing Expenses: (Informal fees: bribe, tips etc. in Taka)	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
0	-	-	-	40	20

Within 100	20	-	10	5	50
100-200	10	-	10	5	-
200-400	50	85	45	45	50
500-1000	20	15	30	5	-
1000-2000	-	-	5	-	-
2000-5000	-	-	-	-	-
5000-10,000	-	-	-	-	-
Above 10,000	-	-	-	-	-

Time:

Now let us see how much time was consumed in processing of leave admissibility reports. Our survey findings show that it took 1-7 days for 56% pensioners, 8-14 days for 26% and 15-30 days for 7% in processing this document. However, contrary to this delaying trend, 11% interviewees could collect LAC within a day.

It is observed that clear majority of pensioners from Classes I (BCS), III and IV could have the job done in 1-7 days. The ratios are 70%, 65% and 80% respectively. It was longer for 70% or most of Class I (Non-BCS) employees, 8-14 days. In case of the Class II employees, the duration is 1-7 days for 50% and 8-14 days for 40%. Exceptionally longer time was required for a few interviewees.

A direct link is visible (of course not always) between higher rate of bribe and lower number of days consumed in processing work. The majority 50%, 50% and 45% respectively from Class-I (BCS), Class-II and Class-III employees who paid quite high bribe of Tk.200 to 1000 received their LAR in less than 7 days or within single day. This is however contrary to the experiences of Class-IV interviewees. One-fourth or 75% of them paid within Tk.100 or none in bribe yet received their papers within single day or in less than 7 days. As they could process their papers in their own offices, they could minimise both time and expenses. But unlike all of them, for 30% of the Class-II interviewees and 85% of the Class-I (Non-BCS) employees, it took 8-14 days or more despite paying between Tk.200 to 1000.

Table: Processing time – delays in days (%)

Processing Time: Delays in Days	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
Within 1	5	-	-	30	20
1-7	70	15	50	65	80
8-14	15	70	40	5	-
15-30	10	15	10	-	-
31-60	-	-	-	-	-
61-90	-	-	-	-	-
91-180	-	-	-	-	-
181-360	-	-	-	-	-
Above 360	-	-	-	-	-

Leave Preparatory to Retirement (LPR):

Bribe:

When it becomes clear from leave admissibility report that how much leave an outgoing public employee is entitled to, she can proceed to apply for Leave Preparatory to Retirement (LPR). Eighty-two percent (82%) of the interviewees reported to have paid bribe for getting their LPR application passed. The amount is Tk.500-1000 for 32% interviewees, Tk.200-500 for 31% and Tk.1000-2000 for 7%.

According to the findings, one-fourth of Class-I (BCS) and Class-IV employees, and 40% or about half of Class-III employees didn't have to pay bribe for processing their LPR. Majority 75% of Class-I (Non-BCS) employees and, one-fourth (25%) of Classes II and III employees had to pay bribe worth Tk.500-1000 in this purpose. Majority 55% and 45% respectively of Classes II and IV employees bribed lesser, Tk.200-500. Among the Class-I (BCS) interviewees, 35% gave Tk.500-1000 in bribe and 30% gave Tk.200-500.

It is noted that all the Class-I (Non-BCS) employees, 55% of Class-I (BCS) employees and 35% Class-III employees had to access two institutions for processing their LPR. Majority interviewees from those classes who had to give large bribe ranging between 200 to 2000 takas are generally the ones who had to access two institutions for processing work. With two institutions equally instrumental in processing papers, they had to spend double than the ones who had to deal with just one institution.

Table: Processing expenses – informal fees like bribe, tips etc. in Tk. (%)

Processing Expenses: (Informal fees: bribe, tips etc. in Taka)	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
0	25	-	-	40	25
Within 100	5	-	10	-	30
100-200	-	-	-	5	-
200-400	30	5	55	30	45
500-1000	35	75	25	25	-
1000-2000	5	20	10	-	-
2000-5000	-	-	-	-	-
5000-10,000	-	-	-	-	-
Above 10,000	-	-	-	-	-

Time:

A tenth of total interviewees could collect their LPR order within single day. The rest are however not that fortunate. Although a considerable 22% could get the document in 1-7 days, the task consumed little or much over a week for greater portion of interviewees: 8-14 days for 38% and 15-30 days for 28%. It is worse for 2% pensioners: 31-60 days.

As multiplicity of processing institution generally increases bribe expense, it also pushes up processing days most of the time. If we take up the case of Class-I (BCS) employees, 15-30 days were needed for 40% **out of** 55% who had to access two institutions for processing LPR. In contrary, 40% of the remaining 45% who could have the processing done from single institution, received their papers from within one day to within two weeks. As all of the Class-I (Non-BCS) employees had to access two processing institution, all (70%) of them except 30% had to spare from minimum 15-30 days to maximum 31-60 days. The scenario is generally opposite for interviewees of the other three classes.

As all of the Class-II interviewees had to utilize one institution for LPR processing, majority 70% had to spend one to two weeks on average. It further decreased for Class-III interviewees since 30% of them had the job done within a day and 65% of them spent one to two weeks in this purpose. The later 65% also include 30% of the 35% Class-III employees who had to use two processing institutions. They were employed mostly in union level establishments and the processing institutions were supervisory offices respectively at *upazilla* and district levels. Since these offices kept their service books, they had to be in regular interaction with them in all the previous years. This resulted in social networks that helped fast delivery of processing tasks. The

Class-IV employees were most rewarded in terms of time. Since the single processing institution in this case was their respective offices, the task generally consumed 1-7 days.

Table: Processing time – delays in days (%)

Processing Time: Delays in Days	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
Within 1	10	-	-	30	10
1-7	20	-	30	50	90
8-14	25	30	40	15	-
15-30	45	60	30	5	-
31-60	-	10	-	-	-
61-90	-	-	-	-	-
91-180	-	-	-	-	-
181-360	-	-	-	-	-
Above 360	-	-	-	-	-

Provident Fund Check:

Bribe:

As soon as LPR is issued, a retiring public employee becomes formally entitled to receive pension benefits. Provident fund is part of pension package that is outside final pension payment. This is also the only time before payment of pension that a retiring employee receives a large one-time payment from government. So, it is understandable why suddenly the average rate of bribe catapults at this stage. Nearly half or 46% interviewees had to pay Tk.500-1000 for their provident fund check. They are followed by 32% who had to pay Tk.200-500. Among the remaining interviewees, 16% gave higher as bribe: Tk.1000-2000.

The research findings show that majority of the gazetted employees---Class-I (BCS), Class-I (Non-BCS) and Class-II---had to give bribe in the range of Tk.500-1000. The ratios among them are respectively 50%, 55% and 65%. Then equal numbers of people in both groups of Class-I employees have paid lesser and more. The number of people who had to pay Tk.200-500 and Tk.1000-2000 is respectively 20% and 25% in both Class-I (BCS) and Class-I (Non-BCS) employees. In case of the non-gazetted employees, roughly equal number of Class-III employees paid bribe of Tk.200-500 and Tk.500-1000: 35% and 40%. Bribe paid by majority 60% of Class-IV employees is in the range of Tk.200-500. Of the remaining, half paid Tk.200-500 and the other half paid within Tk.100 as bribe.

Table: Processing expenses – informal fees like bribe, tips etc. in Tk. (%)

Processing Expenses: (Informal fees: bribe, tips etc. in Taka)	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
0	-	-	-	-	-
Within 100	-	-	-	5	20
100-200	-	-	-	-	-
200-400	20	20	25	35	60
500-1000	50	55	56	40	20
1000-2000	25	25	10	20	-
2000-5000	5	-	-	-	-
5000-10,000	-	-	-	-	-
Above 10,000	-	-	-	-	-

In case of the aforementioned documents, some interviewees didn't have to pay bribe. But for collecting the provident fund check, all interviewees had to pay bribe, small or big. A major change that occurs in terms of processing work at this stage is change in processing institution. The concerned institution for processing provident fund check is accounts office at ministry or district or *upazilla* level. These offices are separate from other establishments and they operate under rules and regulations that leave spaces for manipulation. Therefore, the leverages that pensioners could capitalize to minimize or avoid bribe in the previous stages becomes least effective at this stage.

Time:

Unlike that in the previous stage, the number of days consumed in paper processing is as high as the amount of money conceded in bribe. Only one interviewee claimed to have received the provident fund check within a day. Then 38% (separately majority of interviewees) received their check in relatively short period of time: 1-7 days. But the remaining 34% and 27% received the check respectively in 8-14 days and 15-30 days. We therefore see the combined number of those who needed more than a week to over a month far surpasses those who could get their papers within a week.

There is a fundamental change in nature of processing work at this stage with those of previous stages. Instead of a paper required in pension delivery formalities, the processing now involves direct financial benefit. The concerned pension delivery functionaries insist on a large sum of bribe based on the amount of the check. The retiring employees negotiate to come out without paying bribe or pay as low as possible. As they reach a mutually acceptable point, the check is cleared. Thus the processing of provident fund check claims relatively longer period of time.

Table: Processing time – delays in days (%)

Processing Time: Delays in Days	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
Within 1	-	-	5	-	-
1-7	60	15	40	50	25
8-14	25	55	20	40	30
15-30	15	30	35	10	45
31-60	-	-	-	-	-
61-90	-	-	-	-	-
91-180	-	-	-	-	-
181-360	-	-	-	-	-
Above 360	-	-	-	-	-

Service Record/Book:

Bribe:

Service Record/Book includes all necessary details of the service life of a public employee. It is not possible to accurately determine one's pension without consulting service record/book. Moreover, it is a time-consuming and painstaking task. So, the concerned pension delivery functionaries are usually not interested to do this without any direct financial benefit although it is part of general official responsibilities.

With the complex nature of the work, the average rate of bribe also seems to rise. Three major range in which bribe was paid are: Tk.500-1000 by 28%, Tk.1000-2000 by 26% and Tk.200-500 by 22%. Smaller percentages of 10% and 3% paid lesser bribe of respectively Tk.100 or less and Tk.100-200. However, 9% didn't have to pay any bribe in this case. Majority 55% of both kinds of Class-I employees had to pay bribe of Tk.500-1000. Majority 70% of Class-II employees had to

pay higher bribe: Tk.1000-2000 Larger portion of Class-III and Class-IV employees respectively 35% and 40% paid Tk.200-500 bribe. One-fourth (25%) and one-fifth (20%) respectively of Class-III and Class-IV employees however could get their service record/book without paying any bribe.

Table: Processing expenses – informal fees like bribe, tips etc. in Tk. (%)

Processing Expenses: (Informal fees: bribe, tips etc. in Taka)	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
0	-	-	-	25	20
Within 100	-	-	10	10	30
100-200	-	-	-	-	10
200-400	20	15	10	35	40
500-1000	55	55	10	20	-
1000-2000	25	30	70	5	-
2000-5000	-	-	-	-	-
5000-10,000	-	-	-	-	-
Above 10,000	-	-	-	-	-

Time:

In terms of duration of processing work, 40% interviewees could get their document in 1-7 days. They are followed by 34% and 24% who received their papers respectively in 15-30 days and 8-14 days. Only 2% could get their work done in a day. Equal proportion of Class-I (BCS) employees, that is 40%, required 1-7 days and 15-30 days. It took 8-14 days for the remaining one-fifth (25%) of them. In case of the Class-I (Non-BCS) and Class-II employees, 60% and 70% respectively needed 15-30 days. On the other hand, majority of the Class-III and Class-IV interviewees had their processing completed in 1-7 days. Their ratios are 65% and 80% respectively.

Being non-gazetted employees, service book of the later groups of public employees are maintained at their own offices or at supervising offices at *upazilla* or district level. The concerned functionaries of these offices are responsible for one or few establishments. Being under relatively less pressure of work and stimulated by bribe or social network, they can deliver information required by the retiring employees in short time. The situation is opposite in accounts offices of ministries and districts, the concerned processing institutions for Class-I (BCS and Non-BCS) and Class-II employees. These offices often have to cater about a dozen or more establishments, both big and small. Under enormous workload, they cannot respond to pensioners' requirements in short duration, incentive of bribe and pressure of social network withstanding.

Table: Processing time – delays in days (%)

Processing Time: Delays in Days	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
Within 1	-	-	-	-	10
1-7	40	5	10	65	80
8-14	20	35	20	35	10
15-30	40	60	70	-	-
31-60	-	-	-	-	-
61-90	-	-	-	-	-
91-180	-	-	-	-	-
181-360	-	-	-	-	-
Above 360	-	-	-	-	-

Expected Last Pay Certificate (ELPC):

Bribe:

The ELPC provides baseline for determining pension amount of a retiring employee. Although information of ELPC is available in the service record/book, pension regulation calls for this separate document. Above half or 53% of total interviewees had to pay bribe of Tk.200-500 for collecting ELPC. They are followed by 18% who paid lesser amount of Tk.100 or less and 12% who paid more: Tk.500-1000. A small ratio of 2% paid relatively higher amount of Tk.1000-2000 as bribe. However, over one-tenth or 11% interviewees didn't have to pay bribe at all. All of them are Class-IV employees. The other 9% of them who had to pay bribe gave the least: within Tk.100. This is stark opposite to majority employees from the other classes, as they had to pay in the range of Tk.200-500. The ratios are 55%, 80%, 60% and 70% respectively for Class-I (BCS), Class-I (Non-BCS), Class-II and Class-III employees.

It might sound like a riddle that Class-IV employees could get their ELPCs in little or no bribe while others could not. The answer lies in the difference between them and others in terms of processing institution. All Class-IV employees could collect their papers from their own offices and all the rest had to access accounts office at ministry, district or *upazilla* level. The processing functionaries in case of the former group are own colleagues. Most of them couldn't charge bribe out of respect for the mutual relationship built over several years of working together or fearing social pressure from other colleagues. And those who were not obliged by these factors and took bribe, charged a token low amount. On the contrary, in case of the accounts offices, such leverages found in own office are not available for pension applicants.

Table: Processing expenses – informal fees like bribe, tips etc. in Tk. (%)

Processing Expenses: (Informal fees: bribe, tips etc. in Taka)	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
0	15	-	-	5	55
Within 100	20	-	10	15	45
100-200	-	-	-	-	-
200-400	55	80	60	70	-
500-1000	5	15	30	10	-
1000-2000	5	5	-	-	-
2000-5000	-	-	-	-	-
5000-10,000	-	-	-	-	-
Above 10,000	-	-	-	-	-

Time:

A little over half or 51% interviewees received ELPC within 1-7 days while it took 8-14 days for above one-fourth or 27%. For another 8%, longer time period of 15-30 days was required. The remaining 14% received the document within a day. If we see how long did it take for each class of pensioners, it is seen that the duration is 1-7 days for majority of Class-I (BCS), Class-II and Class-III pensioners. The time required by majority 65% of Class-I (Non-BCS) employees is longer: 8-14 days. On the contrary, majority 60% of Class-IV employees could collect their ELPC within a day.

Unlike the retiring employees of other classes, the Class-IV employees had the advantage of having their own offices as processing institutions. With the processing work underway in her

familiar environment and having colleagues as pension functionaries, they could influence and in some extent dictate issuing of their ELPCs. So, it no wonder that they could often have the document processed in one sitting within couple of hours. However, interviewees of the other groups had to access accounts offices of various denominations instead. Huge workload, rent-seeking by pension functionaries, lack of transparency and accountability and, lack of social network in these offices delayed delivery of their document.

Table: Processing time – delays in days (%)

Processing Time: Delays in Days	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
Within 1	-	-	-	10	60
1-7	75	25	50	65	40
8-14	20	65	35	15	-
15-30	5	10	15	10	-
31-60	-	-	-	-	-
61-90	-	-	-	-	-
91-180	-	-	-	-	-
181-360	-	-	-	-	-
Above 360	-	-	-	-	-

No Demand Certificate (NDC):

Bribe:

The number of establishments a public employee worked through her service life determines the number of No Demand Certificates (NDCs) she has to submit along pension form. Therefore, those pensioners who were posted in a number of establishments and have to collect that many NDCs are likely to pay more bribes than the others.

A large proportion of 36% interviewees had to pay bribe worth Tk.500-1000 in processing NDC. Then 8% each had to spend immediately lesser amount (Tk.200-500) and immediately bigger amount (Tk.1000-1999) in bribe. Another 17% spent least in bribe: Tk.100 or less. The remaining 31% didn't have to pay bribe at all. Nearly all or 90% of Class-I (BCS) employees had to pay bribe of Tk.500-1000. On the contrary, majority 65% Class-I (Non-BCS) employees didn't have to pay bribe while 25% of the remaining paid similar amount of bribe. The Class-II interviewees are found to have paid bribe in various ranges. While 30% of them didn't have to pay bribe, the remaining had to. The ratios are as follows: Tk.1000-2000 by 25%, Tk.200-500 by 20%, Tk.500-1000 by 15% and within Tk.100 by 10%. Half of Class-III interviewees paid Tk.500-999 in bribe. Among the other half, 30% paid Tk.100 or less and 5% each paid Tk.200-500 and Tk.1000-2000 respectively. While 45% of the Class-IV employees didn't have to pay bribe another 45% had to pay bribe worth Tk.100 or less.

Table: Processing expenses – informal fees like bribe, tips etc. in Tk. (%)

Processing Expenses: (Informal fees: bribe, tips etc. in Taka)	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
0	5	65	30	10	45
Within 100	-	-	10	30	45
100-200	-	-	-	-	-
200-400	-	5	20	5	10
500-1000	90	25	15	50	0

1000-2000	5	5	25	5	0
2000-5000	-	-	-	-	-
5000-10,000	-	-	-	-	-
Above 10,000	-	-	-	-	-

Time:

Majority 37% interviewees could secure their NDCs within a day. Most of the remaining interviewees required considerable time in this purpose. It took 31-60 days for 24% followed by 15-30 days for 20% and 1-7 days for 14%. The durations have been 8-14 days and 61-90 days for another 3% and 2% respectively. Vast majority of 90% Class-I (BCS) employees needed 31-60 days for collecting their NDCs while another 15% needed 15-30 days. On the contrary, majority 65% of Class-I (Non-BCS) employees could get their NDCs in a single day with 15% of them needing 15-30 days and 10% needing 31-60 days. More than one-fourth or 30% of Class-II interviewees could collect their NDCs within a day. On the other hand, one-fourth or 25% each needed 15-30 days and 31-60 days respectively. It took 1-7 days and 8-14 days respectively for 10% each of the other 20%. While 45% of the Class-III employees required 15-30 days for their processing work, 35% could have it done in 1-7 days. It took single day and 31-60 days respectively for 10% each of the remaining. Three-fourth or 70% of the Class-IV employees could have their NDCs processed within a day and the remaining one-fourth or 25% needed 1-7 days.

Table: Processing time – delays in days (%)

Processing Time: Delays in Days	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
Within 1	5	65	30	10	75
1-7	-	-	10	35	25
8-14	-	5	10	-	-
15-30	15	15	25	45	-
31-60	75	10	25	10	-
61-90	5	5	-	-	-
91-180	-	-	-	-	-
181-360	-	-	-	-	-
Above 360	-	-	-	-	-

House Rent Payment Certificate (HRPC) – Last Three Years

As majority of 72% interviewees didn't use government accommodation in last three years preceding retirement, they didn't have to process House Rent Payment Certificate (HRPC). Therefore, there was no question of paying bribe or being delayed in this regard for them.

Bribe:

A total of 28% public employees surveyed have used government accommodation within last three years of retirement. Majority 11% of them are Class-II employees followed by 7% Class-I (BCS), 6% Class-I (Non-BCS) and 4% Class-III employees. No Class-IV employees were found to have availed government accommodation. Highest 17% of them had to pay bribe of Tk.200-500. Among the remaining, 6% and 3% had to pay Tk. 500-1000 and within Tk.100 respectively. Only 2% could secure the certificate without paying any bribe. The ratios of those who paid Tk.200-500 and Tk.500-1000 are 4% and 3% respectively among Class-I (BCS) employees. Similar amounts have been given by 3% each of the Class-I (Non-BCS) employees. While 6% of the Class-II employees had to give bribe of Tk.200-500, another 3% had to give less than Tk.100. The other 2% of them didn't have to pay bribe. All the Class-IV employees have paid bribe in the range of Tk.200-500.

Table: Processing expenses – informal fees like bribe, tips etc. in Tk. (%)

Processing Expenses: (Informal fees: bribe, tips etc. in Taka)	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
0	-	-	-	2	-
Within 100	-	-	3	-	-
100-200	-	-	-	-	-
200-400	4	3	6	4	-
500-1000	3	3	-	-	-
1000-2000	-	-	-	-	-
2000-5000	-	-	-	-	-
5000-10,000	-	-	-	-	-
Above 10,000	-	-	-	-	-
N/A	13	14	9	16	20

Time:

When it comes to time, 15% or above half of the interviewees received their HRPC within 7 days followed by 15-30 days for 9% and 8-14 days for 4%. Majority 4% Class-I (BCS) employees received their paper within a week. It was longer for the rest: 8-14 days for 2% and 15-30 days for 1%. The time required for the Class-I (Non-BCS) interviewees are 8-14 days and 15-30 days respectively for 4% and 2%. While 6% of the Class-II employees needed 1-7 days to get HRPR, it was 15-30 days for the other 5%. In case of the Class-III interviewees, only 1% could have the processing completed within 7 days. The remaining 3% required 15-30 in this purpose.

Table: Processing time – delays in days (%)

Processing Time: Delays in Days	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
Within 1	-	-	-	-	-
1-7	4	4	6	1	-
8-14	2	2	-	-	-
15-30	1	-	5	3	-
31-60	-	-	-	-	-
61-90	-	-	-	-	-
91-180	-	-	-	-	-
181-360	-	-	-	-	-
Above 360	-	-	-	-	-
N/A	13	14	9	16	20

Electricity Bill Payment Certificate (EBPC)

The Electricity Bill Payment Certificate (EBPC) is yet another document required in pension processing for those who used government accommodation alone. A total of 72% interviewees under the current study didn't need to submit EBPC as they didn't use government accommodation.

Bribe:

All the 28% interviewees who had to collect EBPC had to pay bribe of some amount. Majority 22% of them had to pay bribe of Tk.200-500 followed by 5% who paid less than Tk.100 and just 1% who paid between Tk.100-200. Among the Class-I (BCS) interviewees, 5% had to give bribe

of Tk.200-500 and 2% paid within Tk.100. All the 5% Class-I (Non-BCS) employees paid bribe in the range of Tk.200-500. While 9% of the Class-II employees gave bribe of Tk.200-500, the remaining 2% paid within Tk.100. The bigger group of 3% among Class-III employees paid Tk.200-500 bribe with the other 1% paying bribe less than Tk.100.

Table: Processing expenses – informal fees like bribe, tips etc. in Tk. (%)

Processing Expenses: (Informal fees: bribe, tips etc. in Taka)	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
0	-	-	-	-	-
Within 100	2	-	2	1	-
100-200	-	1	-	-	-
200-400	5	5	9	3	-
500-1000	-	-	-	-	-
1000-2000	-	-	-	-	-
2000-5000	-	-	-	-	-
5000-10,000	-	-	-	-	-
Above 10,000	-	-	-	-	-
N/A	13	14	9	16	20

Time:

The lowest 3% interviewees required highest 15-30 days to receive their EBPC. Among the rest, 15% received the document within a week and 10% received it in 8-14 days. It took 1-7 days for majority 5% of Class-I (BCS) employees. One percent (1%) each of the remaining 2% needed 8-14 days and 15-30 days respectively. Among the Class-I (Non-BCS) employees, 4% and 2% respectively needed 1-7 days and 8-14 days. Among the Class-II interviewees, 5% received their EBPC in 8-14 days followed by 1-7 days for 4% and 15-30 days for the remaining 2%. Two percent (2%) each from among Class-III interviewees required 1-7 days and 8-14 days respectively.

Table: Processing time – delays in days (%)

Processing Time: Delays in Days	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
Within 1	-	-	-	-	-
1-7	5	5	4	2	-
8-14	1	2	5	2	-
15-30	1	-	2	-	-
31-60	-	-	-	-	-
61-90	-	-	-	-	-
91-180	-	-	-	-	-
181-360	-	-	-	-	-
Above 360	-	-	-	-	-
N/A	13	14	9	16	20

The interviewees who used government accommodation didn't have to submit certificates of water and gas bill payment. Water was free of charge for residents of government housing blocks. Unlike house rent and electricity bill, gas bill was not deducted of monthly salary. Since it had to be paid on own arrangement, no certificate was required in this regard.

Gas Bill Payment Certificate (GBPC)

Submitting of the Gas Bill Payment Certificate (GBPC) is also relevant in pension processing only for those who used government accommodation. Even among those who used government accommodation, few enjoyed free gas. So, majority 75% interviewees under the current research didn't have to submit GBPC as they either didn't use government accommodation or enjoyed free gas.

Bribe:

Among the 25% interviewees under the research who had to submit GBPC, 17% had to pay bribe of Tk.200-500. They are followed by another 6% who have paid within Tk.100 in bribe. One percent (1%) of the remaining employees have paid bribe worth Tk.2000-5000 and Tk.100-200 respectively.

Table: Processing expenses – informal fees like bribe, tips etc. in Tk. (%)

Processing Expenses: (Informal fees: bribe, tips etc. in Taka)	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
0	-	-	-	-	-
Within 100	1	-	3	2	-
100-200	-	-	1	-	-
200-400	5	4	6	2	0
500-1000	1	-	-	-	-
1000-2000	-	-	-	-	-
2000-5000	-	-	-	-	-
5000-10,000	-	-	-	-	-
Above 10,000	-	-	-	-	-
N/A	13	16	10	16	20

Time:

Majority 16% employees received their GBPC in 1-7 days. It took 8-14 days for another 8%. The remaining 1% interviewees required 15-30 days.

Table: Processing time – delays in days (%)

Processing Time: Delays in Days	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
Within 1	-	-	1	-	-
1-7	7	4	3	2	-
8-14	-	-	7	1	-
15-30	-	-	-	1	-
31-60	-	-	-	-	-
61-90	-	-	-	-	-
91-180	-	-	-	-	-
181-360	-	-	-	-	-
Above 360	-	-	-	-	-
N/A	13	16	10	16	20

Processing Pension Application

Pension Form:

Bribe:

At this stage, the pension form has to be submitted with all the supporting documents discussed earlier. All the time and money spent earlier are actually preparatory processing of pension form. This is understood well by the pensioners as well as the pension delivery agents. It is evident from the fact that average rate of bribe paid by the pensioners considerably increases at this stage. More than one-third or 35% had to pay bribe of Tk.2000-5000. This is followed by lesser yet considerable amount paid by three other groups: Tk.1000-2000 by 22%, Tk.200-500 by 19% and Tk.500-1000 by 18%. A minor 2% had to pay Tk.100 or less while 1% had to pay over Tk.10,000. The remaining 3% are fortunate as they didn't have to pay any bribe.

Now let's see the bribe range among different classes of public employees. The three large ratios for the Class-I (BCS) employees are: Tk.500-1000 for 25%, Tk.1000-2000 for 30% and Tk.2000-5000 for 35%. Bulk or 85% of the Class-I (Non-BCS) employees had to pay Tk.2000-5000. The rates in case of the Class-II employees are respectively: Tk.2000-5000 for 50%, Tk.1000-2000 for 30% and Tk.500-1000 for 20%. When it comes to the Class-III pensioners, 20% each had to pay Tk.200-500 and Tk.2000-5000. While 5% didn't have to pay any bribe, single majority of 40% had to pay Tk.1000-2000. Majority 70% of Class-IV employees had to pay bribe of Tk.200-500 and 20% had to pay Tk.500-1000.

Table: Processing expenses – informal fees like bribe, tips etc. in Tk. (%)

Processing Expenses: (Informal fees: bribe, tips etc. in Taka)	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
0	10	-	-	5	-
Within 100	-	-	-	-	10
100-200	-	-	-	-	-
200-400	5	-	-	20	70
500-1000	35	-	20	15	20
1000-2000	30	10	30	40	-
2000-5000	20	85	50	20	-
5000-10,000	-	5	-	-	-
Above 10,000	-	-	-	-	-

Time:

Nearly half or 45% required 15-30 days for processing pension application. This is followed by 31-60 days for 19%, 8-14 days for 17% and 1-7 days for 15%. Relatively fewer number of 4% had to wait for 61-90 for their papers.

It took 15-30 days for the majority 40% Class-I (BCS) employees, 31-60 days for 25% and 1-7 days for 20%. Fifty percent (50%) each of the Class-I (Non-BCS) employees had to wait for 15-30 days and 31-60 days for getting pension order. A little over half or 55% of the Class-II pensioners needed 15-30 days for processing their pension form. Then 10% each required 1-7 days, 8-14 days and 61-90 days respectively. The duration is 31-60 days for the remaining 15%. Majority 70% of the Class-III employees needed 15-30 days for this processing work. The remaining 15%, 10% and 5% respectively had it done in 1-7 days, 8-14 days and 31-60 days. The ranges of days required by Class-IV employees are: 8-14 for 60%, 1-7 for 30% and 15-30 for 10%.

Table: Processing time – delays in days (%)

Processing Time: Delays in Days	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV

Within 1	-	-	-	-	-
1-7	20	-	10	15	30
8-14	5	-	10	10	60
15-30	40	50	55	70	10
31-60	25	50	15	5	-
61-90	10	-	10	-	-
91-180	-	-	-	-	-
181-360	-	-	-	-	-
Above 360	-	-	-	-	-

Processing Pension Order

Pension Payment Order (PPO)

Bribe:

This is the penultimate stage of long pension process. After this last piece of processing is successful, a pensioner receives her pension check. At the same time, corruption involving the pension processing most intensifies at this point. It is therefore seen that pensioners are now paying highest bribe on average compared to the previous stages. A majority of 41% pensioners had to pay Tk.2000-4999 to clear pension order. Another 36% paid higher in bribe: Tk.5000-9999. But the highest bribe worth Tk.10,000 or more is paid by one-tenth of the interviewees. Among those who could pay lesser bribe include 12% who had to pay Tk.1000-1999 and 1% who paid Tk.500-999.

Fifty-five percent (55%) each from Class-I (BCS) and Class-III interviewees paid bribe in the range of Tk.2000-5000. Among the remaining interviewees of the earlier group, 30% paid Tk.5,000-10000, 15% paid Tk.1,000-2000 and Tk.10,000 or above were paid by 5%. In case of the remaining Class-III employees, 25% paid Tk.5000-10000, 15% paid Tk.1000-2000 and 5% paid Tk.500-1000. Majority 60% of the Class-I (Non-BCS) employees had to pay bribe between Tk.1000-2000 followed by 30% who paid Tk.10,000 or more and 10% paying Tk.2000-5000. A little short of half or 45% of the Class-II interviewees have paid bribe of Tk.2000-5000 while a little over one-fourth or 30% of them paid Tk.5000-10000 in bribe. Fifteen percent (15%) of the remaining 25% had to pay Tk.10,000 or more and 10% had to pay Tk.1000-2000. The number of Class-IV employees who paid Tk.2000-5000 and those who paid Tk.500-1000 are same: 40%. The remaining 20% paid lesser: Tk.1000-2000.

Table: Processing expenses – informal fees like bribe, tips etc. in Tk. (%)

Processing Expenses: (Informal fees: bribe, tips etc. in Taka)	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
0	-	-	-	-	-
Within 100	-	-	-	-	-
100-200	-	-	-	-	-
200-400	-	-	-	-	-
500-1000	-	-	-	5	-
1000-2000	15	-	10	15	20
2000-5000	55	10	45	5	40
5000-10,000	25	60	30	25	40
Above 10,000	5	30	15	-	-

Time:

The three ranges of days that most of the interviewees required in processing their pension orders are 31-60 days for 39%, 15-30 days for 26% and 61-90 days for 18%. Six percent each needed 1-7 days and 8-14 days respectively in this regard. Among the remaining 5%, it took 91-180 days for 4% and 181-360 days for just 1%.

Various durations of processing work are found among Class-I (BCS) employees compared to other classes of interviewees. A slight majority of 30% interviewees needed 15-30 days followed by 25% who required 31-60 days. Then it took 1-7 days and 91-180 days for 15% each. Another 10% and 5% interviewees required 8-14 days and 61-90 days respectively. However, the Class-I (Non-BCS) employees also do not lag behind in variety of durations. Forty percent (40%) of them required 61-90 days followed by 25% with 31-60 days and 20% with 8-14 days. The duration is 15-30 days and 91-180 days for the remaining 10% and 5% respectively. It took 15-30 days and 31-60 days for 45% Class-II pensioners each. Then 61-90 days and 181-360 days were needed for 5% each of the remaining pensioners. Majority 45% of the Class-III interviewees required 31-60 days for processing pension payment order followed by 25% (15-30 days), 20% (61-90 days) and 10% (1-7 days) respectively. Above half or 55% of Class-IV interviewees needed 31-60 days for getting their processing work completed. Then 20% each required 15-30 days and 61-90 days. It took 1-7 days for the 5% left.

Table: Processing time – delays in days (%)

Processing Time: Delays in Days	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
Within 1	-	-	-	-	-
1-7	15	-	-	10	5
8-14	10	20	-	-	-
15-30	30	10	45	25	20
31-60	30	25	45	45	55
61-90	5	40	5	20	20
91-180	15	5	-	-	-
181-360	-	-	5	-	-
Above 360	-	-	-	-	-

SECTION VII

Causes of Corruption

The underlying causes of corruption in public pension delivery can be understood on the basis of their origins. We can classify into the following types: systemic causes, causes at pension functionaries' end and causes at pension seekers' end. Let us take on them one after another in the light of survey, interviews and case studies.

Systemic Causes

The causes of pension related corruption that is rooted in design and functioning of existing pension delivery system can be termed as 'Systemic Causes'. Systemic loopholes and malfunctioning in pension delivery create scope for much of monetary and procedural corruptions. Both quantitative and qualitative findings of the research indicate as such.

Numerous Paper-works

Requirement of numerous paper-works is a crucial systemic cause of corruption in pension delivery. Although an individual pension has to be sought through a single pension form, numerous supporting documents are required at each step of pension processing. These paper-works deal with information on different aspects of a public employee's professional life.

In case of a general retiring or superannuation pension, pension application package of a gazetted or non-gazetted employee may include upto 11-13 types of supporting documents besides the pension application. The pension application package of a family pension case, on the other hand, may include upto 16-18 types of supporting documents. The exact number of documents depends on whether the retiring public employee lived in government accommodation at any point of service life and whether he became a gazetted employee from non-gazetted employee. There is further paper-work required in order to secure each supporting document.

For collecting so many supporting documents, pension seekers have to resort to different processing offices and deal with various functionaries. With low level of transparency and accountability, the application files do not move automatically without continuous persuasion. So they have to invest considerable time and energy that exhaust them both physically and psychologically. It is more difficult for majority of the pension seekers who are in old age and/or have travelled long way from home. Their expenditure also multiplies accordingly in terms of travel, food and accommodation. In this circumstance, they become more vulnerable to demands of informal payment that they often make ultimately to avoid delay and harassment. Moreover, risks of mistake in pension document preparation and subsequent difficulties also rise with increasing paper-work.

The causal relationship between pension related corruption and numerous paper-work in pension processing is portrayed in the case of Humayra Khanom. While retiring from a Class-I (Non-BCS) position in DMCH, a directorate of the Department of Health under Ministry of Health and Family Welfare, she had to provide 12 types of supporting documents with her pension application. Application for LPR and lump grant was one initial document. To secure LPR and lump grant, she had to submit 5 supporting documents with the application. Right from processing the pre-requisites to completely securing LPR, it took three months for pursuing paper-work. She also had to make informal payments worth about 2000 taka in 4 points. She suffered more in terms of time and money as she was initially issued LPR in wrong date and she had to get a revised order issued.

Among the aforementioned 5 supporting documents, matriculation certificate and bio-data were in her possession. The No Demand Certificate (NDC) and Departmental Proceedings related Certificate (DPC) had to be collected from her parent office. To collect the Leave Admissibility Certificate (LAC), she had to submit application to Chief Accounts Officer of the concerned

ministry with a form for leave balance. Upon securing the LAC, she submitted LPR-lump grant application attaching all the aforementioned documents. The application set was addressed to the Secretary of the Ministry and submitted through the Department. The later forwarded the application to the ministry with a supporting letter. Then LPR order was issued but it was found to be in wrong date. Humayra again had to submit application to the Secretary seeking revision of the order through the Department attaching 3 supporting documents.

Mohidul's case can also be referred. Benevolent fund and group insurance were just two benefits of the family pension package of Mohidul's father. For seeking each of those two benefits, about 15 sets of supporting documents had to be submitted along respective applications. It was quite difficult to secure all those documents in the existing corruption laden system. Moreover, it was time-consuming and involves numerous running around.

Multiplicity of Processing Offices

Scope of pension related corruption is created and exacerbated by multiplicity of processing offices. In each step of pension processing, pension seekers usually have to go to different offices. Sometimes, even processing of a single document involves more than one office. In the backdrop of a pension delivery system that is already complex for various reasons, more processing offices mean more corruption.

The number of processing formalities and functionaries increases along number of processing offices. This is a critical situation for pension seekers. They might have many documents at hand to be processed from various processing offices. Delays in processing of some documents ultimately delay receiving of pension. Pension functionaries often manipulate this vulnerability and mount pressure on them for bribe. And pension seekers often also succumb to such pressure. Processing offices are generally located at distance from each other. Sometimes they are situated at separate towns or districts. This lead to increased incidental costs that exacerbate financial loss in securing pension by adding up with informal payments.

How multiplicity of processing offices induce monetary and procedural corruption is seen through pension processing experience of Azizul Islam, who retired as Headmaster of government primary school, a non-gazetted (Class-III) position under Department of Primary Education, Ministry of Education. In the process of securing General Provident Fund (GPF) check, a component of pension package, he first collected GPF balance from Upazilla Accounts Officer's (UAO) Office through an application and attached GPF balance sheet form. Then he submitted a hand written application accompanied by an application in prescribed form and the GPF balance sheet to the District Primary Education Officer (DPEO) through the Upazilla Education Officer (UEO). The DPEO forwarded the application set to the UAO, received a GPF balance in return and sent the document to the UEO. Based on this document, the UEO prepared and passed his GPF bill and sent it to UAO. Then the later issued the check and sent it to UEO from whom Aziz collected it.

It is seen that in order to secure just a part of pension package, three separate offices were involved. Accordingly, level of paper-work intensified and more processing time was required. He had to visit all these offices and pursue file processing in respective end. Simultaneously, he had to negotiate and make informal points in multiple points. He also had to incur more in incidental costs like travel and food expenses and suffer greater stress.

In Mohidul's case, number of processing offices had to be used for processing each of benevolent fund and group insurance benefits. The two processing offices mostly used are the concerned parent office at Manikganj and the Board of Trustees (now Employees' Benevolence Board) in Dhaka that supervise benevolent fund and group insurance. He also reported of using Civil Surgeon's Office, Manikganj and Upazilla Birth and Death Registration Office, Manikganj *Sadar*. However, the list of supporting documents presented earlier suggests that more offices have been used for processing.

Procedural Complexity

Complexity of procedures regarding pension processing is a key systemic cause of corruption. Scrutiny mechanism for pension applications of all kinds constitute of multiple formalities and file-works. Processing works generally do not go smoothly in horizontal manner. Rather it often takes a circular path. A file is put through several rounds of scrutiny that leads to duplication and overlapping of processing work. It often takes several functionaries to verify one piece of information. Instead of dual or multiple utilization of a single document, different supporting documents are sought to verify different aspects of a pension case. Such procedural complexities lead to higher incidence of monetary and procedural corruption.

Salary drawing is a regular financial transaction between government and public employees. Salary record, therefore, is a critical component of a public employee's service record. Due to its continuous change over whole service period, salary record has to be regularly updated. But that doesn't happen with many public employees due to complexities in related procedures. Ultimately, their pensions get held up for incomplete service record. Primary school teachers are one large group among many others who suffer with their pension in this way.

Salary increment of government primary teachers is tied to their crossing of 'Efficiency Bar (EB)' that depends on their years of service. With each passing year since joining in government service, they graduate into an EB and gain stipulated salary increment. But this will not happen automatically. As his time comes, a government primary teacher will apply to the concerned District Primary Education Officer (DPEO) through the concerned UEO/TEO with counter-signature of Headmaster of his school. When DPEO sanctions the order, the government primary teacher will receive it through the UEO/TEO. Now, he can approach the UEO/TEO for recording the increment in service book. Because of such cumbersome process and other allied reasons, bulk of the primary teachers cannot cross EB in due time. In this context, concerned Accounts Officers (AOs) often overlook absence of order and grant salary bill with increment. But the increment cannot be recorded in service book due to absence of the order. This discrepancy becomes subject of audit objection during pension seeking.

Another manifestation of procedural complexity is provision of securing a No Demand Certificate (NDC) from concerned housing, water, gas and electricity authorities. It is also known as House Rent Payment Certificate (HRPC). This is relevant to those retiring public employees who lived in government residential facility. Directorate of Accommodation is the government agency that is responsible for general government accommodations. The retiring public employee who resided in a government accommodation has to collect the HRPC from this department. It is part of the Ministry of Housing and Public Works and situated inside secretariat.

But strangely, the Directorate does not maintain any record about payment of house rent. It is rather maintained either by the concerned pensioner's parent office (in case of non-gazetted employees) or the concerned accounts office (in case of gazetted employees). When salary bill of a gazetted public employee who resides in a government accommodation was issued in each month, 7½% was deducted as house rent and it was duly mentioned in the bill's schedule. So, the house rent payment record has to be first collected from parent office or concerned accounts office and then submit it to the accommodation department. Subsequently, based on the record received, the later issue NDC. Although, this record could be drawn from service record/book or collected from accounts/parent office. The corrupt functionaries in accommodation department manipulate this procedural complexity and subject pensioners to bribe and harassment. It becomes all the more difficult due to restricted access to the department for its location within Secretariat.

Lack of Transparency and Accountability

Lack of transparency and accountability of pension functionaries is a major systemic cause of pension related corruption. Existing laws, rules and regulations that guide public pension have not sufficiently covered the issues of transparency and accountability of pension delivery functionaries. It is evident from the fact that there is no specific mechanism of lodging complaint and getting remedies for pension seekers when they face corruption. As a result, the rent seeking pension functionaries can continue their activities unabated. Pension seekers also have no other option but succumbing to bribe and harassment.

Pension processing is not an independent function. It is generally tied to developments in service history as much as to retirement and pension seeking proceedings. Regular maintenance and updating of certain service related documents have bearing on pension delivery. The other required documents have to be processed prior and during retirement. But in most cases, pension documents and supporting documents cannot be secured in short time. Again, when the documents are delivered, they are often found incomplete or with mistakes that necessitates re-processing. Because, the existing pension delivery service is not based on reward and punishment. It does not stipulate time-bound performance and target-oriented disposal of assignments from pension delivery functionaries. There is no fixed date for file put-up and disposal. There is no monitoring and evaluation of pension service delivery.

The service books of non-gazetted employees are maintained and updated by parent office. Each entry into the service book will be verified by signature-seal of controlling officer under whose direct supervision the employee is working. The verified information will have to be authenticated from concerned Accounts Office. All these tasks, maintaining, updating, verifying and get authenticated are responsibilities of the concerned functionaries of parent office. But these responsibilities are not regularly discharged by them. Rather, they often keep the service books unattended and complete the formalities once in a couple of years. Unlike the non-gazetted employees, service particulars of gazetted employees known as service record, is maintained by concerned Accounts Offices. Those establishments also have low transparency and accountability standards. So, gazetted employees also suffer from underperformance and backlog as their non-gazetted counter-parts.

In this way, many retiring employees get audit objections or have their pension process slowed because of incomplete service book/record. The problem is more acute for those employees who have become gazetted from non-gazetted. Once he becomes gazetted from non-gazetted, the service book is no more in use. His office no more keeps note of it, so does the pensioner (for lack of awareness or lack of scope). But that initial service book is called upon or required by audit during retirement, pension seeking.

Now question may arise, how salary bills are prepared and sanctioned without service book/record being updated? They are done through persuasion of Accounts Office functionaries by public employees. While the non-gazetted employees may persuade directly, the gazetted employees may persuade through *cash peons*. This creates opportunity for many Accounts Office functionaries to collect bribe. The employees on the other hand do not bother since their salary payment is uninterrupted. But they get into trouble during retirement as they duly face audit objection.

Shortfalls regarding Pension Laws, Rules and Regulations

There are shortfalls with pension related laws, rules and regulations that induce corruption. Loopholes in rules and regulations that govern pension often create scopes of rent-seeking and harassment. Again, existing regulations are not always properly implemented. Furthermore, extra-legal development in one's service history, that he didn't have any control over, affects his pension prospect.

When a pensioner dies, his pension has to be transformed in his spouse's name. The pension form has to be counter-signed by his/her controlling officer from his parent office during retirement. Now, this might be ten, twenty, thirty years of retirement. Almost none of the public offices keep any record of its previous employees. Pension books also often do not include information on the pensioner's designation and parent office during retirement. In this circumstance, the concerned office do not want to provide the counter-sign as any proof of that person's working in this office cease to exist.

The employees of foreign ministry, whether gazetted or non-gazetted are guided by same set of laws, rules, regulations and procedures as other public employees. But gazetted (Class I/BCS) employees and sometimes other employees (when applicable) of foreign ministry have fundamental difference with other public employees in terms of job locations. Diplomats are generally posted abroad during most of their service life.

Due to this reason, apart from the general rules-regulations, there are some others that apply to the diplomatic community alone. This has bearing on their pension process. Baggage rules can be cited as an example in this regard. This was formulated in the 19th century under British colonial regime. It was a time when people have had to use ships to go from one country to another. And inside the country, horses and horse-drawn carriages were general transports. These rules are still applicable for public employees during foreign travel. Diplomats are a group of public employees who most frequently comes under this regulation. They have to travel in about every three years from one station to another with whole family and relatively large sum of luggage. During these trips, they often cannot operate within baggage rules as it is mostly outdated. But during retirement, they are harassed by pension delivery functionaries over non-confirmation with baggage rules.

Both gazetted and non-gazetted employees who work in transferable position, who haven't worked in single station but in different stations, face more difficulty in pension processing due to non-implementation of regulation. Because, as an employee is transferred from one station to another, his service record/book, Last Pay Certificate (LPC), leave account etc. are not often simultaneously sent. Although that is provided by existing regulation, it is not honoured in most cases.

The original service book of an employee is opened in the station where he joined service. As he is transferred, pages from his service record will be copied and sent to the new station while the original will stay in that station. But this is sometimes lapsed. May be only LPC is sent but not service record/book and other documents. The urgency of sending LPC is more both on the parts of employee and concerned Accounts Office or parent office as it is immediately required for getting salary. Those that are required in the long run, as in pension processing, service record/book etc. are not often sent timely or sent at all.

Through a memorandum of Finance Division, Government of Bangladesh dated 1 June 1994 and then another memorandum by the same replacing it dated 8 October 2001, public pension delivery has been further simplified. The 2001 memorandum has incorporated reforms in some key aspects of pension delivery where pension seekers often suffer difficulties and harassment. But information received from pension seekers and pension functionaries under this research shows that most provisions of this memorandum are unimplemented or partially implemented.

It is despite the following directives incorporated in the memorandum about its implementation: the provisions of the memorandum will be immediately implemented, the concerned parts of existing pension related regulation/procedure and order/memorandum will be regarded as amended through this memorandum and for the subjects that has not been covered in the memorandum, existing regulations/procedures/orders will continue to apply until further revision/extension/amendment.

The memorandum sanctions appointment of a Welfare Officer in each Ministry/Division/Department/Directorate/Office from among the staff who are directly involved in

pension processing. He will look after pension processing that will include taking care of audit objections. But no government establishment of any denomination has so far appointed anyone in that position.

Each government establishment will properly maintain and regularly update two copies of service books for non-gazetted employees. One copy will be with the non-gazetted employees and the other copy will be with parent office authority. The service books will be updated within February of each year. If they are not updated within that time, concerned administrative authority will take punitive measures against the responsible personnel. Backlog in updating service books is still rampant and no responsible person has so far been hard of getting punishment.

Each administrative ministry/division will maintain record of all service related information of the gazetted employees through central identification number. But ministries/divisions haven't yet initiated such systemic maintenance of service records.

Each government establishment will prepare list of subordinate public employees who will retire in next calendar year that will be updated in quarterly basis. The list will be distributed among concerned controlling officers, accounts officers and Directorate of Accommodation (in case of the residents of government accommodation) at least a year prior to beginning of LPR. This practice is still not regular among government establishments.

Eleven months prior to a public employee's LPR, the concerned Accounts Office/Drawing and Disbursing Officer (DDO) will issue ELPC mentioning his last receivable/determinable expected salary on the immediate past date of LPR and on the immediate past date of retirement. It will also include full information about leave balance and GPF balance. Pension seekers still have to struggle in getting that information timely and in due process. They do not get them simultaneously and automatically as instructed in the 2001 memorandum. The ELPC is also not issued so early. It has to be collected through application after granting of LPR, not so much before LPR as stipulated by regulation.

Within a month of receiving ELPC (according to timeframe discussed above), a retiring public employee will submit applications for LPR and Pension Order in prescribed forms. Within 5 months of receiving pension application, concerned administrative ministry/pension sanctioning authority will grant pension order and forward the pension application to the concerned Accounts Office for granting PPO. The pension order will be based on ELPC and last 3 years' service record. But pension seekers still cannot process LPR and pension application together. They have to secure LPR Order first and then they can submit pension application after securing ELPC. The whole process do not necessarily complete within 5 months. Moreover, pension functionaries often demand service record of more than last 3 years.

Three months prior to beginning of LPR, order for disbursing leave encashment and GPF balance will be issued together. The post-dated checks of leave encashment and GPF will be issued by concerned accounts office three months before LPR. The checks will be handed over to the retiring employee by his controlling officer 1 month before LPR. Concerned accounts office will grant PPO within 1 month of receiving Pension Order. Then PPO and post-dated check of gratuity will be sent to the concerned controlling officer 3 months before pension and he will hand over them to the retiring employee 1 month prior to retirement. But there is hardly any instance of paying leave encashment, GPF balance and gratuity through post-dated check.

Pension cannot be withheld for disputed service period and Annual Confidential Report (ACR) should not be taken into consideration for pension processing. But none of these provisions are taken into cognizance by pension functionaries. For example, many of the primary school teachers, who are working since before 1 July 1973, the day of nationalisation of primary education system, often have their pension held up for 'disputed service'. As their service record of pre-nationalisation period is generally not well-maintained, that part of service is identified as disputed.

There is another example where some employees are given promotion by their parent offices while they are in deputation to a project. But such actions are generally extra-legal since promotions have to take place under revenue budget and the projects are under development budget. When a public employee is given such promotion by his office and then paid increased salary accordingly, accounts offices do not raise objections right away. They keep on footing the bill of increased salary without questioning its legal basis. But during pension delivery, they get hold of the retiring public employee and accuse him of unduly taking more money from government. And, ACR is still considered in dispensing pension case.

The 2001 memorandum prescribes a short list of required paper-works for processing PPO. The list constitute of service book/record, LPR Order, ELPC/LPC, pension form, attested photograph, declaration on legal heir of pension, specimen signature and finger print, no demand certificate and Pension Order for general pension cases. In case of family pension where the concerned employee has died before entering pension, following documents will be required in instead/addition: certificate of heir and non-marriage certificate, certificate of guardianship and power of attorney and, death certificate by doctor/UP chairman/ward commissioner. In order to transfer general pension into family pension, in the event of a pensioner's death, copies of PPO and D-half will have to be submitted along the aforementioned documents. The forms of general pension and family pension will be separate in content and colour. The memorandum categorically asserts that Accounts Office cannot ask for any other form/document outside the prescribed list from pension seeker. However, in practice, pension seekers are asked to submit many other documents besides the prescribed ones.

Many primary school teachers cannot secure their pension due to their inability to produce appointment letter. Many of them, who joined service before nationalisation of primary education system, didn't have any formal appointment letter. Many other primary teachers were given appointment letter hand-written in light papers like those we see inside cigarette boxes. By the time of retirement, a good number of them lost their appointment letters. As they were not in quality paper, they easily eroded over the years.

In another case, a Class-I gazetted employee is not receiving her pension even long 9 years after retirement over complication of her appointment. She joined public service at her 30 years when the maximum age to join public service at her 30 years when the maximum age to join public service was 27 years. The exception was made through a condonation order of government under a provision of Service Rules. But as she couldn't produce any copy of the condonation order, she has been denied of pension.

Poor Record Management

Pension seekers acutely suffer from poor record management in government establishments. This is commonplace from macro level of ministry/division/department/directorate to micro level of individual subordinate offices. Some of the key pension related documents that include, most importantly, service record/book are maintained by the pensioners' parent offices or concerned accounts offices. But these documents are not regularly maintained and updated. In Pakistan period, government regularly maintained an annual publication called 'History of Service'. This book used to be published cadre-wise or ministry-wise and included service particulars of every gazetted officer under the cadre or ministry concerned during the respective year. This book is no more published ever since Bangladesh period.

Consequently, during retirement, pension processing of many public employees get obstructed over incomplete or mistake-laden service record/book. This also creates risk of loss in pension payments over mistakes in service period, salary increment, leave balance etc. Family pension seekers are more vulnerable to poor record management than other groups of pension seekers. After death of a public pensioner, his pension has to be transferred to family pension. This needs inputs from the late public employee's last parent office into the family pension form and other

supporting documents. But no government establishment has any record of its previous employees. If it is considerable time after retirement, no contemporary of the late public employee may also be available in that office. In this circumstance, existing authorities of the parent office do not cooperate in providing necessary inputs.

Poor Salary

As discussed earlier, public sector is the largest single employer in Bangladesh and public service has considerable appeal as a secured, consistent and dependable employment opportunity. But image of public service as well-paid job is declining day by day for obvious reasons.

This has been manifested in a recent study on public administration by Institute of Governance Studies (IGS), BRAC University¹⁰. It included a survey of three groups of people---prospective BCS candidates, entry-level civil servants and mid-level civil servants, about their perception of Bangladesh Civil Service. None from the aforementioned three groups identified 'salary benefit' as a motivating factor. On the contrary, 41% have mentioned 'job security' and 27% have mentioned 'status/power' as motivating factors. Only 12% respondents have identified 'serving the nation' as a motivating factor that include 35% of entry-level civil servants but none of the mid-level ones. Among the entry-level civil servants, highest 55% has identified 'status/power' as their motivation while it was 'desire/suggestion of family members' for majority 40% of mid-level civil servants. So, it is no surprise when majority 56% of the survey interviewees identified 'inadequate salary' as de-motivating factor in seeking civil service job. Interestingly, 80% of both entry-level civil servants and mid-level civil servants have expressed this opinion. This is double the percentage of prospective BCS examination candidates giving same response.

BCS entrants are at the highest ladder of public service who receives most in terms of salary and benefits among public employees. But salary benefit is not a motivation rather a de-motivating factor for them to join public service. Instead their motivation lies in job security and status power. On the other hand, serving the nation is at the bottom or no where in the motivating factors' list. The findings not only validate the fact of poor salary as a systemic cause of corruption but also partially explain some other causes like lack of transparency and accountability and, rent seeking (discussed below).

If top public employees can be so demoralised by salary structure despite receiving the highest salary benefits, situation of their junior counterparts down the ladder is easily understandable. Taking a look at the last three National Pay Scale can give further insights into the problem of poor salary. It should be mentioned that national pay scale have 20 grades. Scales 1-9 are for Class I employees, both BCS and Non BCS. The 10th scale is for Class II employees. All Class III employees belong to scales 11-17. The remaining three scales (18-20) are for Class IV employees. Here, we will discuss on the basis of the latest national pay scale of 2005.

Table: National Pay Scale – 1991, 1997 and 2005 (Basic Pay in Taka)

Scale No.	1991	1997	2005
1	10,000	15,000	23,000
2	8600	12,900	19,300
3	7800	11,700	16,800
4	7100	10,700	15,000
5	6300	9500	13,750
6	4800	7200	11,000
7	4100	6150	9000

¹⁰ Jahan F., 2006, 'Public Administration in Bangladesh', *State of Governance Working Paper*, Dhaka: Centre for Governance Studies, BRAC University and BRAC Research and Evaluation Division, Bangladesh

8	3200	4800	7400
9	2850	4300	6800
10	2300	3400	5100
11	1725	2550	4100
12	1550	2375	3700
13	1475	2250	3500
14	1375	2100	3300
15	1300	1975	3100
16	1200	1875	3000
17	1125	1750	2850
18	1050	1625	2600
19	975	1560	2500
20	900	1500	2400

Now let us zero in on the pay scale of 2005 and see the difference between salary of 9th scale, the bottom grade of Class I with the top two grades of Class III, grade nos. 11 and 12. The differences are respectively Tk.2700 (6800-4100) and Tk.3100 (6800-3700). For the bottom two grades of Class III, grade nos. 16 and 17, the differences are even greater: Tk.3800 (6800-3000) and Tk.3950 (6800-2850). In this circumstance, while the Class I employees find their pay 'inadequate', how can those receiving 2700-3950 taka less than even the lowest Class I employee can be content with their pay. Salary difference is actually even greater when the additional cash and kind benefits are also taken into account. As the cash benefits are pegged to salary, bigger the salary higher the benefits. The non-financial benefits are scant or non-existent for public employees below Class I.

Government has thrice adjusted salary of public employees since 1990s. But they have not been useful enough in easing their living conditions and making a dent in corruption. The pay scales have always fallen behind living expenses that has been skyrocketing continuously defying all grammars of economics. Moreover, a review of salary increase between the last three pay scales show that although there is scant difference between the four classes of employees in terms of percentage, the difference is much wider in actual money terms.

Table: Ratio of Salary Increase in Last Three National Pay Scales (%)

Scale No.	Increase between Scales of 1991 and 1997 In Taka and (%)	Increase between Scales of 1997 and 2005 In Taka and (%)
1	5000 (50%)	8000 (53%)
2	4300 (50%)	6400 (50%)
3	3900 (50%)	5100 (44%)
4	3600 (51%)	4300 (40%)
5	3200 (51%)	4250 (45%)
6	2400 (50%)	3800 (53%)
7	2050 (50%)	2850 (46%)
8	1600 (50%)	2600 (54%)
9	1450 (51%)	2500 (58%)
10	1100 (48%)	1700 (50%)
11	825 (48%)	1550 (61%)
12	825 (53%)	1325 (56%)
13	775 (53%)	1250 (56%)
14	725 (53%)	1200 (57%)
15	675 (52%)	1125 (57%)
16	675 (56%)	1125 (60%)
17	625 (56%)	1100 (63%)
18	575 (55%)	975 (60%)

19	585 (60%)	940 (60%)
20	600 (67%)	900 (60%)

Let us discuss the salary increase between 1997 and 2005 for instance. With comparison to 1997 pay scale, average salary of Class I and II employees increased 49% and 50% respectively while average salary of Class III and IV respectively increased 59% and 60% in 1997 scale. The Class I employees had a salary hike of Tk.3056 on average trailed by Tk.1100 of Class II, Tk.732 of Class III and Tk.587 of Class IV employees at the bottom. Difference between average salary increase of Class I employees with the other groups is therefore Tk.1956, Tk.2324 and Tk.2469 respectively.

Causes at Pension Functionaries' End

Pension related corruption is also rooted in behaviour of pension delivery functionaries. Individual interests and aspirations of a section of them often condition monetary and procedural corruptions.

Rent-seeking of Pension Delivery Functionaries

Rent-seeking has become a critical cause of corruption at pension functionaries' end. Like many other services offered by government, pension is also a free-of-charge service for people. But it has declined as a public goods due to rent-seeking of corrupt pension delivery functionaries. Consequently, pension benefits, partly or fully, have to be purchased in exchange of informal payments. Pension mechanism often seems like a marketplace where buyers and sellers are determining price of goods through intense bargaining. Taking full advantage of systemic and other deficiencies in pension delivery, corrupt functionaries charge pension seekers informal fees and make them pay that through harassment.

Reflecting on rent-seeking of pension delivery functionaries, a former Comptroller and Auditor General (CAG) recalled case of a retiring doctor whose pension file was lost from Health Ministry. It was later discovered that a Deputy Secretary (DS) of the ministry hidden the file in his cabinet. Presumably, the motive was forcing the pensioner to pay large sum of bribe. A Deputy Director from one audit department informed about rent-seeking nexus developed among various pension functionaries of different processing offices, from controlling or parent office side to accounts office end. In case of gazetted employees, initial processing of pension with Accounts Office (AO), i.e. ACR, GPF, service record etc. are facilitated by relevant parent office personnel like Class III employees of administration/finance section(s). If AO personnel discover that supporting documents are not up-to-date, they discuss about the deficiencies with the parent office personnel. Then they together fix a plan to extract bribe. The AO personnel hold up the pension case by giving audit objections. Then the parent office personnel solicit the bribe with the retiring employee.

The rent-seeking scenario has been well evident in Mohidul's case. In the process of securing his father's benevolent fund and group insurance benefits, he has suffered from rent-seeking of cross-section of pension delivery functionaries. It has been same situation all the way from his father's parent office, a government establishment at *upazilla* level to the Dhaka offices of benevolent fund and group insurance. From beginning to end of the process, Mohidul had to make informal payments in about 15 points. The following table will present a step-by-step scenario of this rent-seeking process:

Sl. No.	Stage of Processing Work	Amount of Bribe Demanded (in	Amount of Bribe Paid (in Taka)	Concerned Office/Section	Recipient of Bribe
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		Taka)			
1	Application by the controlling or executive office (parent office) of the late public employee to the Employees' Welfare Fund	2,000.00	2,000.00	Manikganj Upazilla Health and Family Planning Office	Class II and III employees
2	Receiving of application by the Benevolent Fund Section	500.00	500.00	Receiving desk of benevolent fund section	Class III employee of receiving desk
3	Receiving of application by the Group Insurance Section	200.00	200.00	Receiving desk of group insurance section	Class III employee of receiving desk
4	Sending of absent supporting documents	2,000.00	2,000.00	Manikganj Upazilla Health and Family Planning Office	Class II and III employees
5	Endorsement of supporting documents	200.00	200.00	Manikganj District Civil Surgeon Office	Class III employee
6	Channelling application for further scrutiny from receiving desk.	2,000.00	100.00+200.00	Receiving desk of group insurance section	Class III employee of receiving desk
7	Issuing of welfare card	100.00	100.00	Welfare card issuing desk	Typist
8	Scrutinisation of group insurance application	50.00-100.00	50.00-100.00	Scrutinisation desks	Class II and III employees
9	Do	50.00-100.00	50.00-100.00	Do	Do
10	Do	50.00-100.00	50.00-100.00	Do	Do
11	Do	50.00-100.00	50.00-100.00	Do	Do
12	Do	50.00-100.00	50.00-100.00	Do	Do
13	Submission of group insurance application for finalisation		100.00	Accounts Officer's Desk	Class III employee
14	Issuing of group insurance check	400.00	400.00	Check issuing desk	Class III employees

Lack of Cooperative Attitude

Consistent with organisational culture that has enveloped our public sector, many pension delivery functionaries are not sufficiently cooperative to pension seekers. Procedural corruption, if not perpetrated by motive of seeking bribe, is rooted in lack of cooperative attitude. Partly due to colonial lineage of the bureaucracy and partly due to some systemic deficiencies discussed

above, pension functionaries do not feel that pension seekers have right to their service. Rather they respond as if they are doing some kind of favour to the pension seekers.

One problem that arises over GPF seeking regarding family pension is identity of nominee. When a person joined service, he was supposedly single and therefore nominees were his parents. And, when he married, he didn't change nominee of GPF accordingly. Now, while seeking pension, his wife and/or children are in trouble as they are not identified as nominee. But this needs not to arise if pension delivery functionaries respond positively. According to GPF rules, wife automatically becomes nominee of a public employee's GPF at the event of his death.

Causes at Pension Seekers' End

Pension related corruptions are also caused by actions and inactions of pension seekers. Pension processing is a complex function that involves procedures that public employees or their relatives have no idea about. Consequently, they lack necessary preparation for processing works.

Low Level of Awareness

Low awareness level about pension rules and procedures is a key cause of corruption at pension seekers' end. Bulk of the pension seekers, whether pensioners themselves or their relatives, do not have sufficient information about pension processing.

It is revealed in the survey that majority of retiring public employees didn't have sufficient prior knowledge about pension processing. Among the interviewees under this research, 56% had partial knowledge against 25% who had full knowledge. The remaining 19% had no prior knowledge in this regard. So, about one-fifth public employees interviewed didn't know how they would pursue their pension. And, the number of people who had little knowledge is more than double the number who had full knowledge. The Class I (BCS), Class I (Non BCS) and Class II employees have advance level of education and they are expected to have greater awareness. But 70% of Class I (BCS) interviewees and 60% each of the other two groups had little earlier knowledge about pension. The ratios are not much better than their junior counterparts.

Table: Prior knowledge about pension process (%)

Level of Knowledge	Class I (BCS)	Class I (Non BCS)	Class II	Class III	Class IV
Full	30	25	25	25	20
Partial	70	60	60	35	55
No	-	15	15	40	25

The situation gets worse in case of family pension. While the pensioner is absent due to death, his family members often do not possess necessary information related to pension. Then it becomes difficult for them to advance with pension application. They have least idea about offices that will provide the supporting documents and process different parts of the application. A group of pension functionaries draw undue monetary benefits in exchange of helping them in this regard. In various stages of processing pension application and supporting documents, pension seekers are asked different information about the pensioner's service history. Sometimes if they cannot provide them, the processing work gets stuck. Bribe is the shortest and fastest way out of this trouble.

How lack of information stimulates corruption in processing family pension has been considerably manifested in Mohidul's case. When his father suddenly died in the middle of service, none of his family members including him had any information with regard to processing pension. In this circumstance, instead of sending benevolent fund and group insurance applications separately, his father's office of employment mistakenly sent them together. As a result, processing of the applications was delayed and Mohidul had to pay bribe to have them received by the concerned

offices. If they had information about the procedure, they could detect while the mistake was made and act to prevent it.

Initial Delay

Delay in initiating pension processing is another cause of corruption at the pension seekers' end. It is often linked to lack of information about pension processing as mentioned earlier. It can also be for health and family reasons. With every passing day, pension processing becomes more difficult. Procedure of securing each pension related document is complicated and time consuming. Therefore, late initiation of processing work further pushes back its completion. In the existing organisational culture, a person is often not treated properly by his office after retirement. It becomes worse with passing of time. So, in case of delay in initiating pension process, a person may become more vulnerable in receiving necessary cooperation from his office. As record keeping is not satisfactory in government offices, absence of a public employee exacerbates possibility of displacement of his papers. If a person is late in seeking necessary documents from concerned offices after retirement, chances of not getting them properly increases. Social network is crucial in getting work done in government offices. In case of gap between retirement and processing pension application, a pension seeker's acquaintances in concerned offices may no longer be there due to transfer or retirement.

Problems due to delay in initiating pension process is partly manifested in Mohidul's case. His father's PPO was received in eight months of his death while its process was initiated one month after he died. On the other hand, while the process of securing benevolent fund and group insurance benefits were initiated after a year of the pensioner's death, it took over seven years each for the whole process to be completed. Bulk of this time was required for sending of the applications from the pensioner's office of employment to the concerned offices in Dhaka. This enormous delay can be partially traced to the pension seeker's delay in initiating application processing. By the time Mohidul's relatives pursued his father's office of employment for sending the applications to the Dhaka office, some of the functionaries close to his father were no more there. This is quite likely to be one of the reasons that they didn't receive sufficient cooperation from that office.

Poor Personal Documentation

Lack of personal documentation is also cause of corruption at the pension seekers' end. Pensioners usually do not maintain copies of service related papers, documents, records etc. that might be required in processing pension. A good portion of the retiring public employees have been in transferable jobs. During transfer from one station to another, they sometimes get some documents displaced. In case of some other documents, they are to go back to previous station and collect them. But after joining the new station, they are often unable to do this task. Pensioners are not supposed to submit all sorts of documents related to their service along pension application. But in case of audit objections, any document that would not have been of any use under normal circumstance may become crucial.

SECTION VIII Costs of Corruption

One of the major costs incurred by the pensioners due to corruption in pension delivery is economic cost. It mainly constitutes of financial loss due to informal payments like bribe in one hand and excess incidental expenditure for conveyance, food and lodging due to delay in pension delivery on the other hand.

The nature and extent of incidental economic expenditures related to pension are mainly determined by number of processing works, geo-administrative location of processing institutions, number of visits in processing institutions, time of the visits, duration of the visits, distances covered for processing work, mode of transport for visiting processing institution etc. Now let us have a look at incidental economic cost resulted by corruption at each stage of pension delivery.

Leave Admissibility Report (LAR)

Majority 57% interviewees have reported about incurring within Tk.100 as incidental costs during processing leave admissibility report. On the contrary, a sizable 33% didn't incur any such cost. Among the remaining interviewees, 2% each had to spend Tk.101-200 and Tk.501-1000. The cost was in the range of Tk.200-500 for the remaining 7%. In terms of position of the pensioners interviewed, majority of 90%, 80% and 70% respectively of Class-I (BCS), Class-I (Non-BCS) and Class-II employees had expenses within Tk.100. While 45% of the Class-III employees also spent within Tk.100 as incidental expense, another 45% didn't have to spend a dime in this regard. None of the Class-IV employees incurred any incidental cost at this stage.

Table: Economic costs – additional (%)

Additional Economic Costs (in Tk.)	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
0	-	-	15	45	100
Within 100	90	80	70	45	-
100-200	5	5	-	-	-
200-400	5	10	10	10	-
500-1000	-	5	5	-	-
1000-2000	-	-	-	-	-
2000-5000	-	-	-	-	-
5000-10,000	-	-	-	-	-
Above 10,000	-	-	-	-	-

Leave Preparatory to Retirement (LPR)

In terms of incidental economic costs in processing leave admissibility report, the pensioners can be classified into three expenditure ranges. Highest 41% incurred between Tk.100. They are followed by much smaller groups of 11% and 8% who had to spend Tk.101-200 and Tk.200-500 respectively. The ratio of pensioners whose processing didn't involve any incidental cost further increases to 37%. Majority of Class I (BCS) and Class-II employees, 60% and 65% respectively, had spent within Tk.100. Above one-third or 7 of Class-I (Non-BCS) employees incurred similar amount of money. It cost higher for the remaining of this group: Tk.101-200 and Tk.200-500 for 30% each. In case of the Class-III employees, while no incidental cost occurred to the bigger portion of 45%, nearly equal number of 40% had to spare Tk.100 or less as incidentals. Again, nearly all the Class-IV employees had no such expenditure.

Table: Economic costs – additional (%)

Additional Economic Costs (in Tk.)	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
0	30	-	15	45	95
Within 100	60	35	65	40	5
100-200	10	30	-	15	-
200-400	-	30	10	-	-
500-1000	-	5	-	-	-
1000-2000	-	-	10	-	-
2000-5000	-	-	-	-	-
5000-10,000	-	-	-	-	-
Above 10,000	-	-	-	-	-

Provident Fund Check

A huge 81% or above four-fifth of total interviewees had incurred Tk.100 or less as incidentals in the process of collecting provident fund check. It is interesting indeed that at this stage, bulk of pensioners from all positions have incurred cost in that range. The class wise ratios are as follows: - Class-I (BCS): 85%, Class-I (Non-BCS): 80%, Class-II: 60%, Class-III: 90% and Class-IV: 90%. So, unlike the previous stages there is no sizable number of people without any incidental cost.

Table: Economic costs – additional (%)

Additional Economic Costs (in Tk.)	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
0	10	-	15	5	-
Within 100	85	80	60	90	90
100-200	-	15	10	5	-
200-400	-	-	15	-	-
500-1000	5	-	-	-	5
1000-2000	-	5	-	-	5
2000-5000	-	-	-	-	-
5000-10,000	-	-	-	-	-
Above 10,000	-	-	-	-	-

Service Record/Book

Fifty-four percent pensioners in the survey have reported incidental expenditure within Tk.100 in connection with processing service record/book. It is therefore obvious that majority of the four classes of pensioners: Class-I (BCS) to Class-III Another 10% and 8% had to spend bigger amount: Tk.101-200 and Tk.200-500 respectively. Majority 30% of those bore Tk.101-200 expenditure are Class-I (Non-BCS) employees. And, 30% of those who had expenditure of Tk.200-500 are Class-II employees. Twenty-eight percent (28%) pensioners' processing of service record/book didn't involve any incidental cost. As have been the trend so far, all the Class-IV pensioners belong to this group.

Table: Economic costs – additional (%)

Additional Economic Costs (in Tk.)	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
0	5	-	15	20	100
Within 100	85	60	55	70	-
100-200	10	30	30	10	-

200-400	-	10	-	-	-
500-1000	-	-	-	-	-
1000-2000	-	-	-	-	-
2000-5000	-	-	-	-	-
5000-10,000	-	-	-	-	-
Above 10,000	-	-	-	-	-

Expected Last Pay Certificate (ELPC)

About three-fourth or 73% of total interviewees had incidental cost within Tk.100 at this stage of processing pension. The cost was higher for a minor 2%, Tk.200-500. The remaining one-fourth incurred no such cost. Like in previous case, almost all from Classes I (BCS), I (Non-BCS), II and III positions had to spend Tk.100 or lesser for incidentals. It is stark opposite for the Class-IV interviewees, as their processing work didn't involve any incidental cost.

Table: Economic costs – additional (%)

Additional Economic Costs (in Tk.)	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
0	10	-	5	10	100
Within 100	90	95	90	90	-
100-200	-	5	5	-	-
200-400	-	-	-	-	-
500-1000	-	-	-	-	-
1000-2000	-	-	-	-	-
2000-5000	-	-	-	-	-
5000-10,000	-	-	-	-	-
Above 10,000	-	-	-	-	-

No Demand Certificate

In case of processing no demand certificate, a sudden hike of incidental expenses is generally visible. Although a single majority of 42% interviewees had minimal expenses of Tk.100 or below, a combined majority of 48% had large incidental expenses between ranges of Tk.1000-2000 and over Tk.10,000. Among them the largest group of 22% had to spend Tk.5000-10000. They are followed by 10% who had to spend Tk.2000-5000, 8% who had to spend Tk.1000-2000 and 6% who had to spend over Tk.10,000. All (100%) the Class-IV employees and majority 65% Class-I (Non-BCS) employees had expenditure in lowest range: Tk.100 or less. The Class-I (BCS) had relatively much higher incidental cost on average. The three sections of them with high expenses are: 20% with Tk.2000-5000, 35% with Tk.5000-10000 and 30% with above Tk.10,000.

Table: Economic costs – additional (%)

Additional Economic Costs (in Tk.)	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
0	5	65	25	15	100
Within 100	-	-	10	30	-
100-200	-	5	-	-	-
200-400	-	-	-	-	-
500-1000	-	5	-	5	-
1000-2000	10	-	15	15	-
2000-5000	20	10	-	20	-
5000-10,000	35	15	45	15	-
Above 10,000	30	-	-	-	-

Pension Application

A single majority of 32% retiring public employees didn't have any incidental cost in getting their pension application passed. But for the combined majority of 68%, processing of pension application involved incidental costs of various range. The three large ratios are: Tk.101-200 for 25%, Tk.100 or less for 19% and Tk.200-500 for 17%. While one-fourth (25%) of Class-I (BCS) employees didn't have any incidental expenditure, 40% and 30% of them had to spend Tk.5000-10000 and within Tk.100 respectively. Among the Class-I (Non-BCS) employees, 35% had to spend Tk.101-200 and 40% had to spend Tk.200-500 with the remaining spending lesser or more. In the group of Class-II employees, one-fifth (20%) each spent within Tk.100 and Tk.200-500 while one-fourth (25%) had to spend Tk.101-200. One-fifth (20%) of Class-III employees had no incidental expenditure while another one-fifth (20%) had spent Tk.200-500. The rest had lesser expenses: Tk.101-199 for 25% and Tk.100 or less for 35%.

Table: Economic costs – additional (%)

Additional Economic Costs (in Tk.)	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
0	25	-	15	20	100
Within 100	30	10	20	35	-
100-200	40	35	25	25	-
200-400	5	40	20	20	-
500-1000	-	15	10	-	-
1000-2000	-	-	10	-	-
2000-5000	-	-	-	-	-
5000-10,000	-	-	-	-	-
Above 10,000	-	-	-	-	-

Pension Payment Order

Unlike that in the previous stages, no pensioner was now found who didn't have any incidental expenditure. Highest 40% pensioners had to spend Tk.200-500. They are followed by 21% spending lesser amount of Tk.100 or less and 17% who had to spend more: Tk.500-1000. The expenses had been Tk.101-200 for another 16% and Tk.1000-2000 for the remaining 6%.

Table: Economic costs – additional (%)

Additional Economic Costs (in Tk.)	Class I (BCS)	Class I (Non-BCS)	Class II	Class III	Class IV
0	-	-	-	-	-
Within 100	15	-	10	30	50
100-200	35	-	10	25	10
200-400	40	40	45	35	40
500-1000	5	40	30	10	-
1000-2000	5	20	5	-	-
2000-5000	-	-	-	-	-
5000-10,000	-	-	-	-	-
Above 10,000	-	-	-	-	-

SECTION IX Case Studies

Case Study I Processing Leave Preparatory to Retirement (LPR)

Ms. Humayra Khanom (pseudonym) was a Councillor/Medical Social Worker, a Class I (Non-BCS) gazetted public position in Family Planning Model Clinic (FPMC) in Dhaka Medical College Hospital (DMCH). It is the biggest and most renowned public medical facility and medical education institution that has the status of a Directorate under Department of Health, Ministry of Health and Family Welfare.

According to existing law regarding retirement, under normal circumstances, a public employee will retire on his completing 57 years of age. As Humayra was to complete her 57 years on 31 December 2000, she initiated processing her Leave Preparatory to Retirement (LPR) from October 2000. As Class-I (Non-BCS) employee, she required following supporting documents to be submitted along application for LPR: Leave Admissibility Certificate (LAC), attested copy of Matriculation (predecessor of SSC) certificate, Bio-data, No-Demand Certificate (NDC) and Departmental Proceedings related Certificate (DPC).

She submitted application for LAC to the Chief Accounts Officer and dispatched it in first week of October 2000 by the office support staff, popularly known as 'cash peon' who handle salary and pension related correspondence with the Accounts Office. He was told to contact after 3-4 days by the Class-III functionaries of the section that look after DMCH. When he did so, he was asked to come again after a week. As Humayra enquired why is it taking so long, the support staff replied, "*Mone hoi paisa chae apa, era to kisu na paile ghar o ghurayna*" (Apa, may be they want money, they don't even move their head without some gain). In the meantime, she also contacted the superintendent of the concerned section over phone. He told her to send the support staff and he will see what he can do. When the support staff was sent again, the superintendent told him, "You see, we are so much busy over some audit that we have no time to do such minor things. But if you can arrange 500 taka, I can get someone do it." As the support staff tried to negotiate, he replied "No, nothing less will do. Why don't you understand, it will be distributed in 2-3 ways." It was almost the middle of October 2000. If Humayra has to get LPR order issued before the 30th December, she has to apply at least a month before. And it is likely to take further time after application submission. So, Humayra compromised with her conscience and paid the bribe as demanded. She received the LAC on 20 October 2000. Then, as per requirement, she collected counter-signature of controlling officer(s) from the Head of her clinic, DMCH and Director, DMCH in 29 October 2000.

In 1 November 2000, Humayra submitted her LPR and lump grant application to Secretary, Ministry of Health and Family Welfare (henceforth also the Ministry) through the Department of Health (henceforth also the Department) attaching all the required supporting documents. Following established procedure, the application set (the application and attachments) had to be sent to the Department of Health first. From there it was sent to the Secretary of the Ministry, to whom the application is originally addressed, with a letter from Director (Administration), on behalf of Director General of the Department on 18 December 2000. So, it took about two months from application submission. In the meantime, she had to spend 500-600 taka in two points in the Department to ensure smooth journey of her application. Besides, the number of times she had to pursue over phone or by paying visit is hard to count. But was that the end of her story? No, not yet.

Upon receiving LPR order, Humayra found that she was wrongly granted LPR earlier than actual date and therefore she is likely to be affected in monetary terms. With her date of birth as 1 January 1944, her 57 years was completed on 30 December 2000. Thus, on that date, she went to LPR by handing over charge. But she was instead wrongly granted LPR from 26 December 2000. Although it was Saturday on the 30th, the day was not a holiday in DMCH. Earlier on 1

February 2008, a government order was issued declared only Friday as the weekly holiday in all government medical facilities including medical colleges. Now, Humayra had to submit application to the Secretary of the Ministry through the Department seeking granting of a revised LPR order replacing the current one. Like before, the application was counter-signed by her controlling officer(s) and accompanied by copy of LPR circular, copy of the aforementioned government order of 1 February 2000 regarding weekly holiday of medical facilities and copy of charge hand-over note as attachments. It took her about another one month to secure the revised LPR order. This time again, she had to spend couple of hundred taka, numerous phone calls and several visits of the concerned functionaries in the Department.

Case Study II

Audit Objections and Pension Processing

Dr. Abu Kayes (pseudonym), a physician, was a Class-I (BCS) gazetted employee from Health cadre. He joined public service in 1975 and retired in 1999. His pension is all cleared but 2,20,176 taka that has been held up for two outstanding audit objections worth similar amount. Even after nearly 10 years of retirement, Kayes is yet to receive his dues from government.

The audit objection dates back to 1996-97 financial year when Kayes was Civil Surgeon (CS) of Faridpur district. It is a key position in district administration that supervises all public health facilities and leads health programmes of government in the district. It is both medical and administrative post.

In one audit objection, Kayes is accused of costing loss of government funds worth 141,000 taka through purchasing medicine in above wholesale price. The Civil Surgeon Office (CSO), Faridpur; Department of Health (henceforth the Department) and Ministry of Health and Family Welfare (henceforth the Ministry) --- all have responded to the objections convincingly enough. Based on responses of CSO-Faridpur and documentary evidence, the ministry argued that since medicine manufacturers didn't participate in bidding, medicine required had to be purchased from suppliers in Maximum Retail Price (MRP) rate. It further observed that as per medicine MRP list of the medicine manufacturer, except one item, Dextrose Aqua Injection (BEXIMCO Pharmaceuticals), all other items were purchased in MRP or below MRP rate. Those injections were bought in 49.50 taka (per piece), 1.50 taka more than MRP rate of 48.00 taka (per piece). So, actual amount of loss of government is $(5000 \times 1.50) = 7500$ taka that can be secured from the person responsible. Then the ministry asked CSO-Faridpur and the Department to secure the 7500 taka from the responsible person (In this case, Kayes) and deposit that with government treasury. Simultaneously, the concerned audit department was also requested to settle the objection on the basis of above action.

In the other audit objection, Kayes was accused of causing government a loss of 79,176 taka by purchasing Medical Supplies and Requisitions (MSR) in higher price than standard rate. The response to this objection by CSO-Faridpur and the department that was also validated by the ministry was that the MSR goods were purchased in the rate approved by the department. The ministry therefore requested the concerned audit department to settle the objection.

It is evident from the audit responses, government do not owe more than 7500 taka to Kayes. That amount is also wrongly acknowledged by the ministry, said Kayes. He revealed that two types of the medicine under question were available in market then: Dextrose Aqua 5% and Dextrose Aqua 10%. He bought the later as there was need for a more powerful one. The medicine he bought had MRP of 49.50 taka and the one he didn't buy had MRP of 48.00 taka. But the Ministry had mistakenly taken the MRP of Dextrose Aqua 5% as the MRP of Dextrose Aqua 10% and conceded that Kayes overspent 7500 taka.

About the other audit objection, Kayes informs that since MSRs were not available in standard rate, he wrote to the Director General (DG) of the Department seeking possible alternative. The

DG approved him in writing to buy the medical supplies and requisitions in at best 15% more price than standard rate. He acted accordingly.

The audit response discussed above was dated 19 December 2004 and it was one among a series of responses. Already 5 years had passed since Kayes retired. Being desperate for his remaining pension, he decided to concede the 7500 taka discussed above as a pay off for the rest, 212676 taka. But even until now, Abu Kayes has not received the money. The concerned audit office has kept on insisting that government owe to him the full 2,20,176 taka. How could they sidestep the well-founded audit response of the Ministry and paying up of the 7500 taka. They are doing this to cover up their own mistakes, said Kayes.

He has come to know from his own sources in Local and Revenue Audit Department that despite the response and subsequent payment, some overenthusiastic audit functionaries had his file sent to Public Accounts Committee of *Jatiyo Sangsad*, the national parliament. With term of old parliament completed and new parliament yet to be formed through election, Kayes is stuck indefinitely. Now, the audit people are dilly-dallying to cover this up.

During 1996-97 financial year, there was a big corruption in health sector involving the Ministry and some CSOs. In usual case, monetary sanction from the Ministry has to reach CSO through the Department. It is alleged that some high-ups in the then Ministry, in connivance with some civil surgeons and medical suppliers, sanctioned huge funds to some CSOs bypassing the Department. Post-facto approval was secured from the Department later. While 70-75 lakh taka was sufficient to meet supply requirements for health facilities of a district, 1-8 crore taka was given to several CSOs under the scheme. The perpetrators and their associates siphoned off the money through over invoicing and other means. This also became a major source of trouble for Kayes with his pension audit. Although Kayes didn't accept those funds despite an offer, some CSOs in the neighbouring districts did. He was also cast in doubt by the auditors. Consequently, when they were sending the files of the alleged CSOs to parliament, they also tagged his file along.

Case Study III **Pension Processing of High-ranking Gazetted (Class I/BCS) Employees of the Ministry of Foreign Affairs**

Gazetted (Class I/BCS) employees of the Ministry of Foreign Affairs (MOFA) generally constitute diplomatic corp of the country. Both within and outside public service, Foreign Service officials are hailed among the most privileged and the most elite. Even they are not immune to monetary and procedural corruption in securing their pensions. Pension experiences of a number of high-ranking diplomats, who concluded service as secretaries or additional secretaries or joint secretaries, are indicative of his phenomenon.

Apart from the general causes of pension related corruption that largely applies to pensioners from all ministries, some specific causes are found in case of gazetted (Class I/BCS) pensioners of foreign ministry.

The employees of foreign ministry, whether gazetted or non-gazetted are guided by same set of laws, rules, regulations and procedures as other public employees. But gazetted (Class I/BCS) employees and sometimes other employees (when applicable) of foreign ministry have fundamental difference with other public employees in terms of job locations. Diplomats are generally posted abroad during most of their service life.

Due to this reason, apart from the general rules-regulations, there are some others that apply to the diplomatic community alone. This has bearing on their pension process. Baggage rules can be cited as an example in this regard. This was formulated in the 19th century under British colonial regime. It was a time when people have had to use ships to go from one country to another. And inside the country, horses and horse-drawn carriages were general transports.

These rules are still applicable for public officials during foreign travel. Diplomats are a group of public officials who most frequently comes under this regulation. They have to travel in about every three years from one station to another with whole family and relatively large sum of luggage. During these trips, they often cannot operate within baggage rules as it is mostly outdated. But during retirement, they are harassed by pension delivery functionaries over non-confirmation with baggage rules.

The accounting and auditing procedures regarding pension are also somewhat different for the diplomatic corp members. Besides, the usual accounting and auditing mechanisms, their pension files are scrutinized also by another audit outfit of government: Missions and United Nations Audit (MUNA). Addition of another office in pension delivery has accordingly increased the time consumed in this purpose. Moreover, MUNA is alleged to perpetrate unnecessary delays and other harassments in scrutinizing pension applications.

It has been evident throughout this study that social network is crucial in securing pension. The existing pension delivery mechanism involves a time consuming and complex process. Personal linkage with pension delivery functionaries can lead to faster disposal of pension cases. These social networks develop over many years of professional interaction. This is further facilitated by being part of certain services who generally man the pension delivery institutions, i.e. Audit and Accounts, Administration etc. Members of Foreign Service do not get opportunity to develop such connection. It is because of the location of their duty stations that keep them abroad for most part of their career. Besides, there is considerable professional jealousy between members foreign and other services. While majority of public servants cannot make a single foreign tour in their lifetime, Foreign Service personnel spend most of their working life abroad. Then, since most pension delivery functionaries belong to other services, Foreign Service personnel do not get the benefit of service affinity.

Case Study IV

Processing Welfare Fund and Group Insurance under Family Pension

Mohidul Haque's father was a Health Assistant at the *Upazilla* Health Complex in Manikganj *Sadar Upazilla*. It was a Class-III position. He died in May 1998 while in service for over 19 years. When a public employee dies in the middle of service life, he is assumed to have retired on the very day. Therefore, his pension is assumed to have begun from the day of his death and his family members are entitled to it now in his absence. After getting over the loss of their loved one, the family members initiated process of securing the pension after more than a month of the incident. Then Mohidul was in Dhaka for his studies. His brothers who were staying at home and few other relatives completed all necessary formalities. But his elder brother who is a small businessman and elder brother-in-law who works in a private firm played key roles. They were unable to get the pension through despite processing all necessary documents. Finally, they had to strike a deal with one pension delivery functionary for paying 5,000 taka in exchange of clearing the pension.

After eight months of his father's death, Pension Payment Order (PPO) was issued in the name of Mohidul's mother who was now lawfully entitled to it. What she received as one time payments are: about 200,000 taka in gratuity, salaries of LPR period worth nearly 40,000 taka, roughly equal amount of money as leave encashment and pension of last eight months. Leave encashment is salaries for the months of leave left to be enjoyed by the pensioner. Although there is no question for a person to enjoy LPR if he dies while in service, but he is granted the salaries of full 12 months of LPR. Apart from the one-time payments, his mother is receiving monthly pension of 825 taka that is equivalent to 40% of her spouse's last basic pay.

All the processing work for pension until then was carried out in *upazilla* and district level. But two important processing works were still left that had to be cleared from Dhaka. They are: group insurance and welfare fund. These are not part of pension package in general. Public employees whose service life is cut short by death or by being physically or mentally handicapped are

entitled to these facilities. This case study focuses on Mohidul Haque's experience of processing group insurance and welfare fund.

Although group insurance and welfare fund will be granted from Dhaka, its processing work would begin at Manikganj where the office that the pensioner retired from is located. The processing kicks off with application sent to the Employees' Welfare Fund under Ministry of Establishment from executive or controlling office of the retiring public employee. As in this case, application by *Upazilla* Health and Family Planning Officer would be sent to Employees' Welfare Fund. Again, elder brother and elder brother-in-law of Mohidul pursued concerned functionaries in the Upazilla Health and Family Planning Office to have the application sent. However, it proved to be harder than clearing pension previously. While they started processing work in the second half of 1999, the application was finally issued in 27 December 2003. This long delay of nearly four and half years occurred despite countless visits to the concerned functionaries and agreeing to pay 2,000 taka in bribe. The underlying reasons included lack of cooperation from the concerned functionaries and their limited knowledge regarding paper processing for group insurance and welfare fund.

Now, as the application for his father's group insurance and welfare fund was despatched from Upazilla Health and Family Planning Office to the Employees' Welfare Board, he followed up the matter with the later. He didn't know that a surprise is awaiting him. The board functionaries responsible for receiving the application refused to do so. They argued that there has to be two separate applications for group insurance and welfare fund respectively. But in this case, single application has addressed both the things. Since there are separate sections for them, in which section the application will be sent. So, they will return the application to its source and ask them to resend it as two applications for the two sections.

Mohidul could foresee its consequences. It was the beginning of 2004. If the application is returned to be resent, it might take another four plus years. That would mean they might never be able to secure the benefits. So, he eagerly pursued with the interfacing functionaries of the board to devise an alternative. Then one Mr. S of the welfare fund section provided the solution in exchange of 500 taka. He suggested Mohidul to make two photocopies of the whole application set (the application and supporting documents). Then he tick-marked respectively on 'welfare fund' and 'group insurance' in the two photocopies. Thus two application sets were instantly born out of one application set.

Now Mohidul submitted one application in the welfare fund section and went ahead to submit the other in group insurance section. Again there was trouble. The group insurance section rejected the application on the grounds that it was being hand delivered personally. They can only receive official application sent by post. Mohidul tried to convince them saying that the application arrived on same envelop in welfare fund section. They said, in that case, it has to be entered in Receiving Registrar of that section and sent to them with a note that it arrived with another application in same envelop. Mohidul returned to the welfare fund section and sought advice of Mr. S who bailed him out the previous time. He led him to the person who receive mails and enter them in registrar. After some bargaining and payment of 200 taka he entered the application in registrar and provided the note as demanded. Then the group insurance section received the application.

After he could have the welfare fund and group insurance applications received, regularly following-up progress in their processing was the next important task for Mohidul. In the following months he visited the concerned functionaries in welfare fund and group insurance sections about 5-7 times. Then the welfare fund section issued a letter on 27 July 2004 to the Upazilla Health and Family Planning Office asking some required supporting documents that were absent with the application of Mohidul's father. The documents absent were Expected Last Pay Certificate (ELPC) of the late public employee, attested copy of the third page of the service record of the late public employee that records his date of birth and endorsement of the application by concerned civil surgeon. Upon receiving this information, Mohidul's brother and

brother-in-law started following up the matter in Upazilla Health and Family Planning Office of Manikganj. Drawing upon past experiences, they reached a deal with concerned functionaries of the office for paying 2,000 taka in return of furnishing the necessary documents. Then after continuous persuasion through numerous visits in the next three months, letters were issued providing the documents demanded on 17 November 2004. In order to get the application endorsed by civil surgeon, 200 taka had to be paid to the clerk of his office. According to Mohidul's suggestion, his relatives had two separate letters along two separate sets of documents sent for the two sections: welfare fund and group insurance. Mohidul sensed that since content of the applications to the two sections are same, their limitations will be same as well. So, he thought of keeping the documents asked by the welfare fund section ready for the group insurance section as well.

Before this second round of correspondence, the entry clerk of the group insurance section offered Mohidul to pay him 2,000 taka to get the money cleared shortly. But he neither accepted nor rejected the offer clearly. Rather, he gave him 100 taka for beginning the work and convinced him of paying the rest as work progresses. In the meantime, he recognised that actually the entry clerk is not in a position to help him much. But the person was not sending the file upwards hoping for receiving more money from him. On the other hand, Mohidul was not interested to pay as the money would be wasted. With arrival of the next round of letters from Upazilla Health and Family Planning Office in their respective destinations in Employees' Welfare Board, Mohidul paid a visit to the entry clerk of the group insurance section. He paid him 200 taka to put the second letter and accompanying documents in same file with the initial letter and documents. Shortly afterwards, he released the file for further scrutiny. Mohidul didn't have to pay anything in the welfare fund section this time as he had already developed good terms with Mr. S, an influential clerk of the section.

The progress of work became much slower in the next stage where the applications were being scrutinised. Mohidul had to visit concerned functionaries in each section about 10-12 times. Despite the delay, he had lesser trouble in the welfare fund section. Ultimately, he received the Welfare Card that is issued for monthly withdrawal of welfare fund money in July 2006. He had to give 100 taka to the person who typed the card.

But processing of the group insurance was much more painstaking. Mohidul felt that once the file is cleared from the hands of clerical staff and reach the hands of officers, pace of work would be much faster. Being impatient with the application being stuck in one section for so long, he directly sought assistance of an accounts officer. The person became sympathetic listening to his case and referred him to another officer with a note. This move by him made the clerks very disappointed. They told him that the officers will not be able to help him much rather they will be ones who will do everything. However, pace of the work actually improved after the officers' intervention.

Despite improved pace, running around and informal payment didn't stop. Although the accounts officer helped him voluntarily, his clerk demanded 1,000 taka. Again, he neither accepted nor rejected. Simultaneously, he kept direct contacts with the officer. Each file move through a number of tables. About three to four or more Class II and III employees are involved in processing each file. He had to pay 50-100 taka to each of them. Then one day he came to know that scrutiny of the file was complete and it was sent to the accounts officer. But the officer didn't find the file while the concerned section maintained that the file was already sent. Even he let Mohidul to search for himself. He couldn't find it as well. The file could not be found after several rounds of searching. Mohidul paid 100 taka to the accounts officer's clerk to search the file. After a while the file was found. Then the officer told him that he will take care of the remaining work and asked him to come again after three months. When he went again after three months, the file had been cleared and sent for issuing check. He was told to contact the concerned section after two weeks. When he did so, the check was ready by that time. He had to pay 200 taka to the two persons who were giving the checks. It was January 2007. But Mohidul thinks that his case was solved earlier than expected.

SECTION X

Conclusion and Recommendations

The current study 'Pains of Pension: An Exploration into Corruption in Delivery of Public Pension' has been a minor attempt to take on the corruption taking place in delivery of public pension. It is seen that public pension is the prime social security mechanism of Bangladesh and a major area of public spending. With pensioners and their dependents together, large segments of the country's population are beneficiaries of pension. Therefore, malgovernance and corruption in pension delivery is affecting all of them.

It is seen in the research that public pension is in fact a package of benefits offered by government to all or parts of retired public employees. These benefits draw their legal basis from different laws, rules and regulations. The pension benefits and the relevant legal framework have developed over many years beginning way back before emergence of Bangladesh. The study findings also show that corrupt practices like bribe and harassment have become almost inseparable part of pension drawing experience. Pension seekers have been found to be victimised at almost every stage of pension processing. A number of points of corruption have been identified in the research. Corruption in pension delivery is taking heavy economic toll on pension seekers not only in terms of informal payments like bribe and tips but also in excess additional costs for conveyance, food and lodging due to delays resulted by corruption. Delay in pension processing is one of the key non-economic costs of the corruption. Causes of corruption in pension delivery emanate from diverse sources: pensioners' end, pension functionaries' end and systemic end.

Recommendations

It is largely clear from the research that much like corruption in other areas of public life, corruption in delivery of public pension is also a complex and deep-rooted phenomenon. Taking the multi-faceted determinants of the corruption into mind, the strategies, policies, tools and actions for curbing this corruption should also be multi-pronged. Following are some of the recommendations for curbing corruption in delivery of public pension that has generated from this research.

Reduction of Paperwork

The numerous paperwork in processing pension should be considerably reduced. The number of forms and supporting documents required for processing each of pension benefits should be brought down to an optimum level. Efforts should be given to incorporate processing the whole pension package through a single multiple-use format.

In consultation with pension seekers, pension delivery functionaries and external public sector experts, a comprehensive single pension form should be developed for two major categories of pension seekers: individual pension seekers and family pension seekers. There already exists two forms, separate both in content and colour, for the two groups. But they are not comprehensive in the sense that they only cover post-LPR and post-Pension Order processing. The pre-LPR processing should also be added with pension form. The proposed pension form will be several pages longer than current pension form and will be divided into three parts that will deal respectively with LPR, Pension Order and PPO. So, there will be no need for seeking LPR through separate application and issuing of an individual LPR Order.

The provision of supporting documents will be integrated with pension form under the proposed system. For example, LPC/ELPC will not have to be separately collected and attached with LPR application. The part of the proposed pension form (Part I) that will deal with pre-LPR processing will include format for LPC/ELPC. Through filling-up, signing and sealing the specific format within the form, LPC/ELPC will be issued instead of any separate paperwork.

Reduction of Processing Stages

The multiple stages of processing pension based on multiple processing offices should be largely reduced. This should happen for all kinds of pension and all the elements of pension package.

The pension processing service should be taken to as near of pension seeker as possible through decentralisation of pension delivery mechanism. Pension processing of all groups of public employees, irrespective of gazetted or non-gazetted, shouldn't transcend different establishments (Office/Directorate/Department/Ministry) and different geo-administrative units (Thana/Upazilla/District/Capital). It should be limited to the parent office (not lower than upazilla/thana level) of the pension seeker and the concerned Upazilla/Thana Accounts Office.

Through extensive revision in 'Delegation of Powers Rules', all heads of parent offices at Thana/Upazilla/District/Capital levels will be empowered to authorise all administrative processing of pension application of their subordinate public employees. It will enable them to authorise on behalf of President and/or Secretary where necessary. Simultaneously, concerned UAOs/TAOs will execute all financial processing and they will be enabled, by the aforementioned revised delegation of powers, to authorise on behalf of Chief Accounts Officer(s). Administrative processing of pension applications of the heads of parent offices will be authorised by the heads of immediate superior offices but the financial processing will be similarly executed by the UAOs/TAOs.

Easing of Procedures

Procedures of pension processing, in its totality, should be eased to the highest possible level. The existing multiplicity of formalities and file-works in scrutinisation mechanism should be decreased to its minimum. Rounds of scrutiny should also be lessened. The processing works should take after a horizontal instead of a circular path. Moreover, administrative procedures relevant to service record that have a bearing in pension processing should also be updated and reformed.

There should be a common system of service record for all public employees, gazetted and non-gazetted alike, that will be readily updated with every development and always accessible. In the proposed system, administration and/or finance section of parent offices not lower than thana/upazilla will be custodian for service records of both gazetted and non-gazetted employees. But maintaining and updating of service record will not be duties of parent office personnel alone rather a joint responsibility of them and the public employees concerned.

With joining in service, two copies of service book will be assigned against each public employee. One copy will be in possession of the public employee and the other copy in possession of the employee's parent office. The service book copies will contain as many pages as required to record whole service period from joining to retirement. Each service related development like salary scale, salary increment, EB, bonus, leave etc. will be recorded in both copies of service book. The public employee and parent office personnel will update respective copies within 3 days of a development. Each party will undersign every new entry in respective copy and countersign the entry in other copy. The head of concerned parent office and the concerned UAO/TAO will countersign both the copies on a monthly basis within first 10 days of a new month.

When a public employee is transferred from one station to another, the up-to-date parent office copy of the service record will be handed over to him as an attachment of transfer order. Another attachment will be No Demand Certificate (NDC). One cannot be transferred without these documents. The outgoing parent office will retain photocopy of service record for the service period spent there, attested by head of parent office. The photocopy parts of service record will be in documented in administration and/or finance section of the parent office. The aforementioned documents will have to be submitted as attachment with joining letter in the

incoming parent office. One cannot be transferred nor one cannot join in new posting without service record and NDC.

Ensuring Transparency

There should be open exchange of information between pension seekers and pension delivery functionaries. All necessary information about pension process should be available in both popular and institutional channels of information. Finance Division under Ministry of Finance that supervise all public resources including public pension should set up an Information Education and Communication (IEC) mechanism about pension delivery in partnership with Information and Establishment ministries and based on consultation with relevant stakeholders: pension seekers, pension delivery functionaries, retired public employees' associations, researchers, academics and NGOs. Under the IEC mechanism following steps would be taken that will maximize transparency in pension delivery.

Pension Delivery Handbook: A pension delivery Handbook will be published in every financial year in number of copies equal to estimated number of public employees schedule to retire that year. The handbook will contain up to date pension rules and regulations, latest pension related circulars, description of pension process, guidelines of pension seeking, contacts of welfare officers in government establishments, grievance and complaint procedures, contacts of concerned persons responsible for grievances and complaint, and all others basic information about pension processing. A copy of the handbook would be handed over to each retiring public employee or his spouse/children (when appropriate, i.e. in case of family pension) at least a month prior to initiation of LPR/pension through concerned Welfare Officer and/or administration/finance personnel of respective parent offices.

Monthly Briefing: Each parent office will organize monthly briefing for pension seekers who are going to initiate pensions processing in the following month. It will be conducted by concerned Welfare Officer or administration/finance personnel and co-facilitated by a representative of relevant accounts office. The facilitators will introduce them to rules and procedures of pension processing and address their queries.

Citizen Charter: In each pension related establishments, citizen charters should be openly displayed at the entrance. They should manifest the types of available services, details of persons and sections responsible for the services, time limit of service delivery and details about grievance and complaint. Each establishment will assign a receptionist who will welcome pension seekers and help them with seeking service. There should also be a display about state of service delivery to be updated on a weekly basis. It will show how many pension seekers have sought each type of service, duration of service disposal and explanation in case of delayed service delivery.

Annual Review: There should be annual review meeting about pensions delivery at upazilla or parent office (in case of metropolitan areas) levels. A representative group of pension seekers, representatives of retired public employers' associations, journalists and NGO personnel will be invited to jointly review state of pension delivery with relevant functionaries. The meeting will discuss problems faced in pension delivery over last one year and their possible solutions. The proceedings of the meeting will be maintained and actions will be taken to implement the recommendations of the meeting within the next one month. Following implementation of the recommendations, a broadsheet presenting meeting discussions, recommendations and actions taken will be sent to the Finance Division of Finance Ministry with copies to Establishment and Information ministries as well as meeting participants. The broadsheet will also be displayed in boards of concerned UNO/UAO/parent offices.

Ensuring Accountability

Developing and setting up of a precise and useful mechanism to ensure accountability of pension delivery functionaries can be the punchline in curbing pension related corruption. There should be an institutional mechanism to ensure accountability of pension delivery functionaries. In the line with others changes and innovations in pension governance proposed earlier, the accountability mechanism should also be functional at all levels, bottom up. There should be specific grievance redressal mechanism under a comprehensive. It should provide sufficient designated persons stationed in specific office holding relevant responsibilities. Procedures relating to lodging of complaints and delivery of remedies should be easily accessible. Moreover, the whole process should be time-bound and result-driven.

Specifically Designated Functionaries: In the controlling offices (Office/ Directorate/ Department/ Division/ Ministry) at Upazilla/Thana/District/Capital levels, these should be person/persons (according to the size of the establishment) assigned specially for pension delivery facilitation. They will be part of the administrative and/or finance section. Similarly in the concerned office (UAO/TAO), one section should be dedicated to facilitating pension delivery under supervision of a Class I employee (Non BCS). Whereas it will not be possible to appoint an employee of such level for the task, a Class II employee will be assigned who will function in consultation with UAO/TAO.

Specific Rules for Functionaries: The functions and responsibilities of those pension delivery functionaries will be clearly laid out through a rules issued under pension related laws. The rules will also include, among others, how they will carry out each function and responsibility, duration that can be taken by a functionary for each processing service and how their service disposal will be reported and monitored.

Monthly and Quarterly Reports: The pension delivery functionaries to each controlling office and accounts office would report about their work on a monthly basis to respective heads of offices. The reports will be formatted and submitted in broadsheet. It will mention how many pensioners have sought what type of service for what type of pension in the reported month, how the pension seekers were served and the duration of each service disposal, explanation in case of inability in timely service disposal and follow up actions taken to address that. In every 3 months, the controlling offices and accounts offices will submit a quarterly report or pension delivery to the respective district level superior offices. The format will be same as the monthly reports but it will cover the same issues over 3 months' period.

Monthly Monitoring: Based on the monthly reports, the heads of controlling and accounts offices will monitor how pension sanctioning and pension disbursement have taken place over a month. No delay over 3 days will be tolerated in case of each service disposal. If and when there are instances of delay over 3 days, the respective office heads will individually clarify with the concerned pension functionary and intervene to settle the case. Departmental actions will be taken against the pension functionary if the delay is due to neglect in disposal of responsibilities and intentional harassment of pension seeker.

Quarterly Coordination Meeting: The reports will be basis for a quarterly coordination meeting on pension delivery at district level. Presided over jointly by Deputy Commissioner (DC) and DAO, the situation of pension delivery in the upazillas/thanas will be reviewed in the meeting. Two pension functionaries each, one from a controlling office and another from accounts office will participate in the meeting from every upazilla/thana. Representatives of retired public employees' associations, NGOs, academics and journalists will be allowed to participate in the meeting as observers. If a district has more than 15 upazillas/thana it will have two quarterly meetings for two groups of upazilla/thanas.

Complaint and Grievance Mechanism: There should be a set up for complaint submission and grievances redressal at upazilla/thana to address harassment of pension seekers. It can be named Pension Complaint Settlement Committee (PCSC). The committee will be headed by a judicial magistrate and consist of 5 members in total. Each of the complainant and the defendant

will appoint two members on their behalf. The committee will hear both sides and take punitive measures in the form of departmental action and monetary fine. There will also be provision and process for submitting complaint to the concerned controlling officer or accounts officer if a processing remains unsettled after 7 days of the due date of disposal. If no due action is taken within two weeks of lodging the complaint, a pension seeker will be entitled to report to the PCSC. Depending on nature of the case, PCSC may take 7 days to 1 month for its settlement. No case can remain unsettled above the threshold of one month.

Reforms and Proper Implementation of Laws, Rules and Regulations

Government should form a Taskforce on Pension Delivery (TPD) for investigating current state of pension delivery system and initiating required changes in it to prevent corruption and ensure good governance, mentioned earlier. The TPD can be formed under the auspices of Regulatory Reforms Commission and should be headed by an eminent person well-acquainted with pension delivery system. It will constitute members drawn from pension delivery functionaries, public sector, experts, lawyers and journalists. The taskforce should be appointed for one year that may be extended twice upto a total of 3 years. The taskforce should have three broad mandates: setting unresolved pension cases, reviewing current state of pension delivery particularly implementation of the *Pension Shaajikoron Bidhi 2001* and suggesting necessary reforms in pension delivery system through extensive review of laws, rules, regulations and processes related to pension.

Database:

The task of setting unresolved pension cases will take off through forming a data base of such cases. It will be drawn upon multiple sources of information. Primarily, list of all unresolved pension cases would be collected from all ministries, divisions, departments, directorates and offices of government. Then separate lists would be gathered from CAO/DAO/UAO/TAO offices on unresolved pension cases under respective jurisdictions. Further information would be collected through newspaper screening particularly from news reports and letters to editor. Lastly, petition about unresolved pension cases would be sought by media advertisements in radio, television, national dailies and local dailies as well as notices to Union Parishads (UPs) and upazilla administration.

Settling Unresolved Cases:

Then Pension Case Settlement Sub-committees (PCSS) would be formed under the TPD at upazilla and department/directorate (in case of metropolitan cities) levels to settle unresolved pension cases. The committees would be headed by an eminent citizen at upazilla/metropolitan level well-acquainted with pension delivery system. The other members will be a lawyer, a civil society representative, representative of concerned accounts office and representative of concerned parent office.

In each upazilla/department/directorate, an arrangement would be made with all parent offices and accounts offices concerned that each of them earmarks a staff for respective representation in the PCSS. The selected staff would not be transferred or given any other responsibility as long as the sub-committee continues to function. Moreover, such a staff would be selected who should have more than 5 years of service life left.

There should be district level (for upazillas) and ministry level (for departments/directorates) coordination committee for the sub-committees. These committees should also be headed by an eminent citizen at district or national level well-acquainted with pension delivery system and include a lawyer, a civil society representative, a representative of District Collectorate (DC Office) or ministry concerned and a representative of DAO/CAO Office concerned. The regulation/order setting up TPB will also include provisions regarding PCSS and logistical, financial and administrative aspects of TPB and PCSS. Depending on nature of the unresolved case, PCSS may take one week to 1 month in case disposal. No settlement can take more than 1 month under any circumstances.

Reviewing Implementation of the 2001 Order:

In reviewing the current state of pension delivery, the 2001 order would be the opening point of the reference. TPB would develop a questionnaire in consultation with pension seekers, pension delivery functionaries and public sector experts to assess implementation of the 2001 order. The questionnaires would be sent to all ministries/divisions/departments/directorates/offices and all CAO/DAO/UAO/TAO Offices. The documents will be addressed to the heads of establishment and seek a departmental response. The questionnaire will solicit whether and to what extents provisions of the 2001 order are being implemented, explanation of unimplementation, advantages/disadvantages of the provisions and suggestions for maximizing opportunities and minimizing challenges presented by the provisions.

Based on the findings of the questionnaire, separate consultation will be organized with pension seekers and pension delivery functionaries. A report will be prepared on survey and consultation findings that will form the basis for detail review of pension delivery system.

Reforming Pension Delivery:

A detail review of existing laws, rules and regulations relating to the whole of pension delivery system should be thoroughly reviewed with equitable participation of all the stakeholders: pension seekers, pension delivery functionaries, bank officials, experts on pension delivery, public representatives, associations of retired public employees of different class/office/location, researchers, lawyers, NGOs and relevant GOs.

The review coupled with other inputs should lead to necessary revision of existing laws, rules and regulations regarding pension in general and specific pension benefits in particular. There can be an umbrella legal framework that covers the whole of pension package instead of numerous legal documents for different segments of pension. Unlike the existing legal framework, it should broadly cover the delivery mechanism of public pension. The legal reform should also deal with the matter of conflict between different laws regarding pension. It should also take into account of application of different laws for different groups of pensioners.

Installation of Standard Record Management

A record management system of international standard should be established in both macro and micro levels of government establishments. Each ministry, division, department, directorate and office should include a record management section that will permanently maintain all necessary documents through standard procedure. There should be one or more personnel (as appropriate) in each establishment who will be specifically responsible for record management. That person or persons should be given a one-week foundation training before being assigned to this task if he didn't receive any training in record management beforehand. And if he is already trained accordingly, he should receive a three days' refreshers' training. All the public employees of Class I (BCS and Non BCS) to Class III positions should be given proper training in record management during their joining in service.

There should be an Essential Records List (ERL) for each government establishment that will include relevant pension related documents. The ERL should constitute such records that the respective establishment should maintain over a long period of time. The complete pension related inputs in ERL should be determined through consultation with a group of expert pension delivery functionaries from Establishment and Finance ministries and CAG Office as well as retired public employees' associations and civil society at large. Obviously, service record/book will be an essential component of ERL.

Reforming Salary and Benefits

A new salary and benefits reform package should be introduced that transcend mere readjustment of pay scale. Public service salary has been perennially unable to stay ahead of

living expenses in this country. So, the emphasis of the proposed reform should be more on introducing some support packages that will be useful in easing pressure of living expenses but will not necessarily have financial implication.

Food, housing and education of children are at large major expenses of middle income and lower-middle income population of the country whom include bulk of the public employees. There should be a system of food voucher that will allow public employees with relatively lower income, those belonging to Class II-IV positions, to buy food essentials from BDR Enterprise and TCB outlets in concessionary price. In order to check abuse of the system, the food vouchers would be issued according to family size of a public employee with counter-signature of the head of respective parent office.

In order to ease housing expenses, the lower a public employee would receive in salary, the higher percentage of house rent he would receive. For example, if a Class I employee receive house rent amounting to 20% of salary, it will be 30% for Class II employees, 40% for Class III and 50% for Class IV. With considering lower salary than Class I employees, house rent of Class II-IV employees become quite insignificant if that is paid in same ratio of salary as Class I employees. In some selected public educational institutions at upazilla, district and metropolitan levels, there should be quota for free admission for children of public employees. However, the top public schools/colleges should be excluded from this facility to check its abuse.

Awareness and De-briefing

Awareness campaigns should be conducted among pension delivery functionaries to convince them of the public service nature of their jobs. Their conscience should be touched about how corrupt practices are affecting pension seekers. Pension functionaries have generally been groomed in a negative administrative culture over a long period of time. Change of heart is relatively difficult to bring about in such case. A series of de-briefing sessions should be organised for the whole range of pension delivery functionaries to transfer knowledge of transparent and accountable pension delivery that is responsive rather than oppressive.

Training and Briefing of Pension Seekers

Awareness of pensioners and their immediate family members should be raised about issues of pension delivery like available pension benefits, securing of pension benefits, papers and documents required, procedures, concerned offices and functionaries etc. While pensioners should be trained about securing pension while in service, they should be given an orientation before going to LPR. Similar orientation should also be given to immediate family members of retiring public employees so that they can use the information if they have to pursue family pension. There should be information centres/corners on public pension in all concerned public offices.

Annex I Survey Questionnaire

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-:Rwi c ckgvj v:-

1 mvavi Y Z_ "

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2tčbkbvi Ges Zvi cwi evi

2.1 e`w³MZ Z_ "

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eqm		
wk 9lv		

2.2 cwi evti i aib (Lvbr)

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2.3 cwi evti i m`m` mSL`v

	eZgvtb	tčbkb cvevi cte®
tgvU m`m` mSL`v		
AvqKvi x m`m` mSL`v		
wbfPkxj m`m` mSL`v		

2.4 cwi evti i Avq

eZgvtb	tčbkb cvevi cte®

2.5 cwi evti i Avtqi Drm:

	eZgvtb	tčbkb cvevi cte®
tčbkb		
teZb		
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evorfvor		
mAtqi mÿ		
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Ab`vb`:		

2.6 eZg@vb tckv (hw` _v#K):

c` ex	c@Z@vb	thvM` v#bi Zwi L	thvM` v#bi m#	tgU teZb

3 Aemi M#b msµvš-mvavi Y Z_

Aemi M#bKvj xb c`	
Aemi M#bKvj xb ct` i #kYx	
Aemi M#bKvj xb Kv#q, Awa` Bi/cwi` Bi l gšYvj q	
Aemi M#bKvj xb tgU teZb	
Aemi M#bKvj xb gj teZb	
Aem#i aib	
Aemi M#bZwi L	

4 #cbkb msK#š-mvavi Y Z_

#cbk#bi aib	
#cbkb Avte` b `vL#j i Zwi L	
#cbkb Av#` k c@Bi Zwi L	
wnmveKZ #cbkb	
c@B #cbkb	
tgU N#l i cwi gvb	
tgU Ab`vb` LiP	

5. Avci#b #K h_y mg#q #cbk#bi Avte` b Ki#Z #cti#Q#j b ? bv Ki#Z cvi#j #Kb ?

7 tɕbkb cɔ̃ɰqvKiY AɪfÁZv

7.1 Qɔ̃U cɔ̃c̃Zvi mb̃`

cɔ̃ɰvRbɪq KvMRcĪ	msɪkɛ- cɪZôvbmɔ̃	msɪkɛ-KgRZv [Ⓢ] KgPvi x	ɰgvU mgq (w̃ b)	Nɰli cwi gvb (UvKv)	Ab̃vb̃` Li P (UvKv)	
Qɔ̃U cɔ̃c̃Zvi mb̃`						
Z`wei cɔ̃ɰqv Z`wei Kvix ɰhvMvɰhvM gva`g mgm̃vi aiY mgm̃vi mgvavb `b̃ɪZi aiY `b̃ɪZi cɔ̃ɰqv `b̃ɪZi Kvix Z`weɰi mɪvqZv cɔ̃ZKvi						

7.2 Gj . ɪc. Avi .

cɔ̃ɰvRbɪq KvMRcĪ	msɪkɛ- cɪZôvbmɔ̃	msɪkɛ-KgRZv [Ⓢ] KgPvi x	ɰgvU mgq (w̃ b)	Nɰli cwi gvb (UvKv)	Ab̃vb̃` Li P (UvKv)	
Gj . ɪc. Avi .						
Z`wei cɔ̃ɰqv Z`wei Kvix ɰhvMvɰhvM gva`g mgm̃vi aiY mgm̃vi mgvavb `b̃ɪZi aiY `b̃ɪZi cɔ̃ɰqv `b̃ɪZi Kvix Z`weɰi mɪvqZv cɔ̃ZKvi						

7.3 fɪel'' Znɛj tPK

cɔ̃qRbɪq KvMRcĪ	msɪkɛ- cɪZōvbmɔn	msɪkɛ-KgRZv [⊗] KgPvix	ɟvU mgq (w̃ b)	Nɟli cwi gvb (UvKv)	Ab'vb'' LiP (UvKv)	
fɪel'' Znɛj tPK						
Z`wei cɪμqv Z`wei Kvix ɟhvMvɟhvM gva'g mgm'vi aiY mgm'vi mgvavb `bɪZi aiY `bɪZi cɪμqv `bɪZi Kvix Z`weɟi mnvqZv cɪZKvi						

7.4 PɪKix weeiY/ ein

cɔ̃qRbɪq KvMRcĪ	msɪkɛ- cɪZōvbmɔn	msɪkɛ-KgRZv [⊗] KgPvix	ɟvU mgq (w̃ b)	Nɟli cwi gvb (UvKv)	Ab'vb'' LiP (UvKv)	
PɪKix weeiY/ ein						
Z`wei cɪμqv Z`wei Kvix ɟhvMvɟhvM gva'g mgm'vi aiY mgm'vi mgvavb `bɪZi aiY `bɪZi cɪμqv `bɪZi Kvix Z`weɟi mnvqZv cɪZKvi						

7.7 evox frov KZɸbi weeiY (ɸkl wZb eQi)

cɸqvRbxq KwMRcĪ	msɸkɛ- cɸZōvbmgn	msɸkɛ-KgRZv [Ⓢ] KgPvi x	ɸgvU mgq (w̄ b)	Nɸli cwi gvb (UvKv)	Ab'vb' Li P (UvKv)	
evox frov KZɸbi weeiY (ɸkl wZb eQi)						
Z`wei cɸμqv Z`wei Kvi x ɸhvMvɸhvM gva`g mgm`vi aiY mgm`vi mgvavb `bɸZi aiY `bɸZi cɸμqv `bɸZi Kvi Y Z`weɸi mnvqZv cɸZKvi						

7.8 we`ɸ wej cwi ɸkvɸtai mb`

cɸqvRbxq KwMRcĪ	msɸkɛ- cɸZōvbmgn	msɸkɛ-KgRZv [Ⓢ] KgPvi x	ɸgvU mgq (w̄ b)	Nɸli cwi gvb (UvKv)	Ab'vb' Li P (UvKv)	
we`ɸ wej cwi ɸkvɸtai mb`						
Z`wei cɸμqv Z`wei Kvi x ɸhvMvɸhvM gva`g mgm`vi aiY mgm`vi mgvavb `bɸZi aiY `bɸZi cɸμqv `bɸZi Kvi Y Z`weɸi mnvqZv cɸZKvi						

7.9 cwb wej cwitkvtai mb`

c̣iqvRbxq KvMRcĪ	msiké- cĭZövbmgñ	msiké-KgRZv [®] KgPvi x	ṭgvU mgq (w̄ b)	Nṭli cwi gvb (UvKv)	Ab'vb' Li P (UvKv)	
cwb wej cwitkvtai mb`						
Z`wei cĭp̣uqv Z`wei Kvi x ṭhvMṭhvM gva`g mgm`vi aiY mgm`vi mgvavb `ḅZi aiY `ḅZi cĭp̣uqv `ḅZi Kvi Y Z`weṭi mnvqZv cĭZKvi						

7.10 M`vm wej cwitkvtai mb`

c̣iqvRbxq KvMRcĪ	msiké- cĭZövbmgñ	msiké-KgRZv [®] KgPvi x	ṭgvU mgq (w̄ b)	Nṭli cwi gvb (UvKv)	Ab'vb' Li P (UvKv)	
M`vm wej cwitkvtai mb`						
Z`wei cĭp̣uqv Z`wei Kvi x ṭhvMṭhvM gva`g mgm`vi aiY mgm`vi mgvavb `ḅZi aiY `ḅZi cĭp̣uqv `ḅZi Kvi Y Z`weṭi mnvqZv cĭZKvi						

7.11 UvKv Rgv t` qvi Pvj vɸbi Kɪc/ Aɪdɸmi mb` (ɯj f tmj vi x/ɸc:K:)

cɸqvRbɪq KɪMRcɪ	msɪkɛ- cɪZɔvbmɸn	msɪkɛ-KgRZv [Ⓢ] KgPvi x	ɸgvU mgq (w` b)	Nɸli cwi gvb (UvKv)	Ab`vb` Li P (UvKv)	
UvKv Rgv t` qvi Pvj vɸbi Kɪc/ Aɪdɸmi mb` (ɯj f tmj vi x/ɸc:K:)						
Z`wei cɸuqv Z`wei Kvi x ɸhvMvɸhvM gva`g mgm`vi aiY mgm`vi mgvavb `bɪZi aiY `bɪZi cɸuqv `bɪZi Kvi Y Z`wei mɪvqZv cɸZKvi						

7.12 tɸbkb Avɸe` b

cɸqvRbɪq KɪMRcɪ	msɪkɛ- cɪZɔvbmɸn	msɪkɛ-KgRZv [Ⓢ] KgPvi x	ɸgvU mgq (w` b)	Nɸli cwi gvb (UvKv)	Ab`vb` Li P (UvKv)	
tɸbkb Avɸe` b						
Z`wei cɸuqv Z`wei Kvi x ɸhvMvɸhvM gva`g mgm`vi aiY mgm`vi mgvavb `bɪZi aiY `bɪZi cɸuqv `bɪZi Kvi Y Z`wei mɪvqZv cɸZKvi						

7.13 tɕbkb gbRj x

c̣iɣvRbɣq KvMRcĪ	msɪkɛ- c̣iZōvbmgn	msɪkɛ-KgRZv [Ⓢ] KgPvi x	ɣvU mgq (w̄ b)	Nɣli cwi gvb (UvKv)	Ab'vb' Li P (UvKv)	
tɕbkb gbRj x						
Z`wei c̣iɣvq Z`wei Kvi x ɰhvMvɰhvM gva`g mgm`vi aiY mgm`vi mgvavb `ḅiZi aiY `ḅiZi c̣iɣvq `ḅiZi Kvi Y Z`weɰi mnvqZv c̣iZKvi						

7.14 tɕbkb cwi ɰkva Avɰ`k

c̣iɣvRbɣq KvMRcĪ	msɪkɛ- c̣iZōvbmgn	msɪkɛ-KgRZv [Ⓢ] KgPvi x	ɣvU mgq (w̄ b)	Nɣli cwi gvb (UvKv)	Ab'vb' Li P (UvKv)	
tɕbkb cwi ɰkva Avɰ`k						
Z`wei c̣iɣvq Z`wei Kvi x ɰhvMvɰhvM gva`g mgm`vi aiY mgm`vi mgvavb `ḅiZi aiY `ḅiZi c̣iɣvq `ḅiZi Kvi Y Z`weɰi mnvqZv c̣iZKvi						

8.1 tcbkb cōμqvKi †Y wewfbaē cōZōv†b wewfbaēKgRZ®KgPvi xi Kv†Q ai Yv w` †Z wMtq Avcbvi wK wK ai†Yi `†`MZ mgm`v ntqtQ (†hgb: kvi xwi K, gvbimK c†FwZ)?

8.2 tcbkb cōμqvKi †Y AbvKvsmLZ `xN†Zwi Zv, Nj c†FwZi Kv†Y Avcbvi wK wK ai†Yi A_‰wZK mgm`v ntqtQ?

8.3 tcbkb cōμqvKi †Y AbvKvsmLZ `xN†Zwi Zv, Nj c†FwZi Kv†Y Avcbvi wK wK ai†Yi mvgwRK mgm`v ntqtQ?

9 tcbkb cōμqvKi †Y AbvKvsmLZ `xN†Zwi Zv, Nj c†FwZi Kv†Y wK wK etj Avcbv g†b K†i b ?

10 tcbkb cūuqvKi tY AbvKvswLZ `xNfZwi Zv, Nj cūFwZ `ixKi tY wK wK c` tŋc tbqv `i Kvi etj
Avcwb gtb Ktib?

11.1 tcbkb cwi tkva Avt` k nvfZ cvevi ci wbcwgZ tcbkb tctZ wK tKvb mgm`v ntqtQ ?

11.2 Dctiv³ mgm`v wKfvte tgvKvtej v KtibQb ? tK ev Kvi v AvcwtK mnvqZv KtibQ ?

12 Avcwb `bWZ ej tZ wK tevSb ?

AvcwtK AmsL" ab`ev` |

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