CONGOLESE PLATFORM FOR SOCIAL PROTECTION/PCPS

INTERNATIONAL CONFERENCE ON SOCIAL PROTECTION FOR THOSE WORKING INFORMALLY; SOCIAL SECURITY AND INCOME FROM INFORMAL ECONOMY.

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I. Presentation of the D.R Congo

- The Democratic Republic of Congo covers an area of 2,344,885 km2. It occupies the vast central basin corresponding to the eponymous river (Congo) basin. It gives unity to the country by the extent of its basin (3,820,000 km2).
Presentation of the DR Congo

- Population 68 008 922 inhabitants (2008)
- Population density
- 30 inhabitants per km² (2008)
- Mortality rate
- 10.1 ‰ (2008)
- Child mortality rate
- 64.1 ‰ (2008)
- Population growth rate
- 3.36 % (2008)
- Life expectancy
- Men: 55.3 years (2008)
  Women: 59.9 years (2008)

II. HISTORY AND PRESENTATION OF THE CONGOLESE PLATFORM FOR SOCIAL PROTECTION/PCPS

- The Congolese Platform for Social Protection has its origins in the APSP from the conference that was held in Yaoundé, Cameroon in order to consolidate the African Platform for Social Protection in Central Africa, in collaboration with the Cameroon National Platform for Social Protection. The conference was held at the convention center from 12 to 13 July 2011 and was designed to discuss the procedure for the establishment of national platforms, the design and implementation of programs of Social Protection in Central Africa. Eight countries, out of the nine that were invited, participated in this initial conference, namely the DRC, Cameroon, Burundi, CAR (Central African Republic), the Republic of Congo, Equatorial Guinea and Chad. Sao Tome and Principe was the only country that did not take part.
III. Legal basis of social security in D.R. Congo

• The DRC has a monist legal system. As such, it applies both national and international legal instruments. The latter take precedence over domestic law.
• Indeed, Article 36 of the Constitution of the DRC states that work is a sacred right and duty for every Congolese. The State guarantees the right to work, protection against unemployment and just and satisfactory remuneration ensuring for the worker and his family an existence which conforms to human dignity, complemented by all other means of social protection, including the pension and life annuity.
• In its preamble, the Constitution of 18 February 2006 as amended by Law No. 011/022 of 20 January 2011 reaffirms adherence and attachment of the Democratic Republic of Congo (DRC) to the Universal Declaration of Human rights, the African Charter on Human and Peoples’ rights, the United Nations Conventions on the rights of the Child and the rights of women (...), the international instruments relating to the protection and promotion of human rights.

The Universal Declaration of Human Rights, in particular Articles 22 and 25 of the International Covenant on Economic, Social and Cultural Rights, especially Articles 9, 11 and 12 proclaim the right to social security as a right of the human person.

The African Charter on Human and Peoples’ Rights enshrines several fundamental social rights within the field of social security, namely the right to protection of health, the right to maternity protection, the right to family benefits, the right to retirement benefits (Articles 16-18).

The Declaration of Philadelphia (1944) recognizes the solemn obligation of the International Labour Organisation (ILO) to help achieve (...) the extension of social security measures to provide a basic income to all those who need such protection and comprehensive medical care.
All the national and international legal instruments are solid foundation for the recognition of the right to social security for all Congolese citizens.

Apart from the political actors (the President of the Republic, ministers, parliamentarians and members of their cabinets) and representatives of public services and state enterprises, judges, doctors and university professors who live in opulence, other public sector employees are poorly paid.

Therefore, many employees in the public and private service live in precarious conditions, despite being still in office. Their conditions become very mediocre during retirement and during times of painful illnesses such as HIV / AIDS, cancer and diabetes, while accelerating their death.

### IV. IMPLEMENTATION OF THE LAW ON PROTECTION OF SOCIAL SECURITY IN DRC

- Social Security refers to issues related to health, pension, family allowance...
  
  In the DRC, there are two ways to receive these benefits:  
  - Membership by choice in a health mutual insurance system 
  - Coverage by imputation of social security called INSS
  
  The latter body used to receive all the workers in the formal sector, but due to its organizational weaknesses, some people today prefer to join a health mutual insurance system.
  
  To date, the INSS is the only institution which deals with pensions, disability, family allowance ...
  
  The majority of people working in the informal economy do not receive any form of formal social protection.
  
  The coverage of social risks offered by the institution that manages social security (INSS) is limited both in terms of material scope (risks covered) and the scope of persons under cover (beneficiaries).

  Indeed, for health risk coverage, only occupational diseases are taken into account and only a tiny minority of workers in the formal sector is beneficiary.
  
  Self-employed people and the different categories of workers in the informal economy, despite their dominance and expansion, are excluded from the coverage of social risks insured by the INSS.

- Given these challenges, it is urgent that the Congolese population is organized and take initiatives that would enable it to have a social security corresponding to its priority needs in health care.

- Article 204, paragraph 22 of the Congolese constitution stipulates that promotion of basic health is an exclusive prerogative of provinces. It is thus necessary to ask what strategy to put in place in order to ensure that the majority of the population in South Kivu can have access to health care and at affordable cost. To meet the real needs of the population of this province, the decree No. 001/2012 of 1 June 2012 organizing mutual health insurance systems was issued in the province of South Kivu by the Governor of the Province.
  
  The direct payment system of health services by users leads to inequalities in access to care and contribute to further impoverishing the population. These limitations suggest a collective approach to health risk coverage, that is to say, sharing the financial risk related to the cost of care between affiliates: this is health risk sharing. It can reconcile the need to improve financial access to health care and the need to mobilise internal resources to enhance the financial sustainability of health services.

- In sum, the social security system in force in the DRC is characterized by limitations related to categories of people that are protected, the types of risks that are covered and the level of coverage. With regard to the category of people who are protected, a report to the Government on the reform of social protection, established under the auspices of the International Labour Office (July 1999) noted that the Congolese social security covered only about 12 % of the population and if the demographic trends and the stagnation of the economy should continue the coverage of the population by social security would be reduced to 8% in 2002 and 5% in 2013, in case the legislation remains unchanged.
Here are some of the health mutual insurance organisations in some provinces:

1. Equateur
   Health mutual insurance of Bwamanda

2. Sud-Kivu
   Health mutual insurance of Idjwi Nord; Health mutual insurance of Idjwi Sud; Health mutual insurance of Kalehe;
   Health mutual insurance of Nyanzende;
   Health mutual insurance of Kadutu; Health mutual insurance of Criri;
   Health mutual insurance of Bagira;
   Health mutual insurance of Katana-Birava; Health mutual insurance of Mit-Murhesa; Health mutual insurance of Kabare;
   Health mutual insurance of Kamanyola;
   Health mutual insurance of students; Health mutual insurance of Ibanda

3. Nord-Kivu: Health mutual insurance of Butembo,

4. Kinshasa
   Health mutual insurance for teachers of Kinshasa catholic schools (MUSECKIN);

5. Bas-Congo
   Health mutual insurance of Maman Mwilu; Health mutual insurance of Kisantu (MUSAKIS)

6. Kasai-Occidental
   Health mutual insurance of Bulangi

Note Health mutual insurance organisations in D.R. Congo

- The mutual health insurance scheme is an emerging phenomenon in R.D. Congo. This phenomenon is not very known by Congolese. The first mutual experience in this field was that of the Zaire Christian Mutuality (MCZa). It was created in the early 50s with the collaboration of the National Alliance of Christian Mutual Societies of Belgium (ANMC).
- Other health mutual insurance organisations have been progressively created in some provinces. See the above non-exhaustive list.
• As can be seen, the Province of South Kivu has the largest number of mutual health insurance organisations. However, the penetration rate remains low compared to the general population of South Kivu: out of the 34 health districts that make up the Province of South - Kivu, only ten have health mutual insurance organisations, a coverage of 29.4%.

• **Strengths and weaknesses of health mutual insurance system with voluntary subscription**

  • The contribution of health mutual insurance system lies in terms of accessibility by the beneficiary population to health care, prevention against diseases and to some extent, improvement of the quality of care.
  
  • Despite the advantages associated with health mutual insurance organisations, the latter are in general confronted to a certain number of constraints namely adverse selection, escalation of costs and weak organisational and contributive capacity

  • Adverse selection is a phenomenon that occurs when people in whom there is a high probability of falling ill, or who are already ill subscribe to an insurance system in greater numbers than those with lower risk.

• Advantages include good coverage of health facilities in the province: 76% in Main Provincial Hospitals and 80% in health centres, positive and long-time experiences of affiliation of the population to a mutual health insurance organisation in some health districts, commitments of the provincial government and development partners to promoting subscription to mutual health insurance schemes, the pre-disposition of the population to join associative movements in order to share certain risks or confront certain events and the existence of a functional coordination of mutual health insurance organisations within the Provincial health Division.

• Weaknesses include the low-income of the population, mostly peasant. This does not facilitate subscribing to a health mutual insurance organisation, ranking of needs for modern health care at the fourth position in the hierarchy of household expenses after schooling expenses, food and social spending in case of some family events, the long-term humanitarian and emergency assistance that has reduced the population's ability to take responsibility for the financial management of their health needs, the inexistence of provincial budgetary allocation to accompany the political willingness to support mutual health insurance organisations and insufficient public funding to support the Provincial health Division and Coordination to carry out their role of coordination, management and technical support of health mutual insurance organisations.
V. ECONOMIC ASPECTS

For several decades, Congolese companies have experienced a real governance problem due to impunity and management crisis.

In olden days, the DRC was large exporter of agricultural products and mining. The national income was comparable to that of Korea, South Africa, Canada. Currently the country is ranked among the poorest countries in the world. Its annual budget is estimated at 7 billion U.S. dollars (internal and external resources).

Due to bad governance and the deterioration of the business climate, much of industries has fallen into bankruptcy and those industries that still function do so timidly with very limited human and financial resources.

In short, the economic fabric of the country is dilapidated and therefore few businesses in the formal sector are viable.

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Formal Sectors

- Two structures are functional in the DRC, namely the public and private sector.
  
  **Public sector**
  
  The state supports many social and economic services. These services use agents and civil servants, some of which are well paid and others live in the most terrible poverty.
  
  The salary paid to agents or civil servants varies between $ 40 and $ 80, even lower than Interpersonal Guaranteed Minimum Wage (minimum wage) that the Government set through the Ministry of Labour and Social Welfare.
  
  The Congolese Government has no employment policy. The public sector hardly creates employment and hires a small number of people without reference to objective recruitment criteria. At the end of their careers, many civil servants do not receive the retirement package or social benefits.

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Private Sector

- The sector employs a significant number of people working in the trade sector, the manufacturing sector, education, transportation, and mining. In 2012, reports produced by the General Directorate of Taxation document weak participation of enterprises to state revenue. Enterprises who are legally registered as tax payers are officially estimated at roughly 25,000. Of these, 9600 are subject to effective tax regimes (with a turnover of more than $ 80,000 and 5,600 business taxpayers are subject to Value Added tax).
  
  This poor tax collection is one of the reasons why the DRC has a budget of only 7 billion U.S. dollars in spite of its huge potentialities.
  
  This means that a large number or a substantial part of the population is not taxable and operates within the underground or informal economy.
  
  These registered and taxable companies are those recognized by other state services, including the National Institute of Social Security (INSS) dealing with social security of employees.
  
  In short, apart from the public service administration, 25,000 companies operate in the formal sector in the DRC. Their employees are subject to tax and social security contributions to the INSS.
INFORMAL SECTOR
ITS IMPACT ON THE ECONOMY

• People working in the informal sector reach more than 75% of all potential economic operators. This is abnormal for a country that wants to develop.

• People working in the informal sector operate in mining, education, trade, transport, handicrafts, agriculture, law firm, art,... some of which are exposed to high risk of disease and accidents due to poor working conditions, obsolescence of work equipment...

• Raw materials are extracted by civilians, military and foreign armed groups. Trade conducted by the latter constitutes a source of income for procurement of arms and ammunition.

• Overall, a small portion of raw materials is declared to the state custom offices and is officially commercialized while the big portion is smuggled into neighbouring countries such as Rwanda, Burundi, Uganda ... It is surprising that these countries have become major exporters of minerals, of which they are not producers.

• By contrast, the amount of raw materials exported by the DRC is low. Traders import goods from Dubai, China, Europe ... but do not display or show them to evade taxation.

VI. SOCIAL ASPECT

• The advantage of the informal sector is to hire a significant number of employees not covered by the Congolese state. Unfortunately, these people do not have neither a guarantee of employment nor social security because they can be fired at any time and do not really have any commitment vis-à-vis their employer.

• Some workers have the privilege of signing employment contract with their employers, while others do not sign it throughout their careers.

• In case of sickness, maternity, old age, disability, workers are abandoned by their employers. Therefore, they sell their valuables leaving orphans and widows in debt beyond their capacity to repay it. Hence the need to join the INSS or health mutual insurance organisations.
• VII. STRATEGIES ADOPTED AND LESSONS LEARNED

7.1.1 STRATEGIES FOR SOCIAL PROTECTION
Voluntary membership to a health mutual insurance scheme which covers up to 80% of hospital bills regardless of the type of the disease (professional or non-professional).
Membership in a microcredit cooperative in order to secure funds which are needed for affiliation to health mutual insurance scheme and organize economic subsistence in the household.
Compulsory membership for each employee in the National Institute of Social.

7.1.2 STRATEGIES FOR THE PROMOTION OF NATIONAL ECONOMY
Create mining cooperatives to ensure traceability of minerals and promote savings,
Bring members of the informal sector to work in a team and / or corporation,
Form a union in each working group
Educate the population on civic values in order to combat fraud as the most effective way to promote optimal tax collection
Work in collaboration among all state services to locate people working in the informal sector, provide statistics of their transactions and promote their integration into the formal sector.

• 7.2. LESSONS LEARNED
The DRC has a strong legal system which enshrines the rights to social security, but its applicability is problematic
In reality, the social security system in force protects the most privileged categories of Congolese society, namely people who are employed in the public and private sectors. It leaves out the vast majority of the workforce in the informal sector which accounts for more than 90 to 95% of the working population, including the unemployed, domestic workers, farmers, prostitutes, teachers, small traders. ... Yet this population in its majority lives below the poverty line.
The informal sector absorbs unemployment. It contributes to the development of the country to a small degree, but income from informal sector escapes the control of the state through the banking system, the treasury, the economy because of fraud.
• VIII. RECOMMENDATIONS

Promote and create health mutual insurance organizations in each municipality,
Effectively coach people working in the informal sector and helping them to form corporations or cooperatives,
Define an appropriate policy for community health so that everyone has access to health care,
Insert in the budget of provinces allocations to Health mutual insurance organisations,
Vote tax, commercial and social laws adapted to the environment,
Conduct advocacy and lobbying to get the National Government consider health as a priority policy area,
Provide the PCPS structure with necessary resources to enable it to perform certain activities.

IX. CONCLUSION

• At the end of this presentation, we sincerely thank the organizations Southern African Social Protection Experts Network (SASPEN) and Friedrich Ebert Stiftung Zambia for convening and organizing this beneficial conference.

The subjects discussed here are of paramount importance. We believe that with the will of the governors and the governed, social security for all will become the goal of our actions.
In this context, the membership will be voluntary or mandatory.
Thus, it is imperative to encourage health mutual insurance schemes.
Advocacy work should be conducted to make sure that the INSS covers all risks and manages properly the subscriptions of its members, because my experience has taught me that pensioners (retired employees) receive a very small payment. Retired employees whose company went into bankruptcy before they go to retirement, do not enjoy any benefits. Yet, they have right to their savings.
For the DRC, where the population has no tax culture, it is desirable to discourage the informal sector so that traders operate rather in the formal sector because the country cannot develop without the people's participation to the fiscal system.

We would like to assure you that on our return back to the country, we will share the lessons learned in this forum with the decision makers and the broader citizenry so that social protection becomes a reality.
Thank you for your kind attention

By

- Jean Bosco WASSO KAZAMWALI
- Member of the Coordination board of civil society of South Kivu in D.R. Congo;
- National Vice President of the Congolese Plateform for Social Protection in D.R. Congo and Coordinator of INECOM asbl

Téléphone : +243822383774, +243997759112, +243853540842
E-mail : jbwasso@yahoo.fr/inecomasbl@yahoo.fr