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# **MIGRATION AND SOCIAL SECURITY**

## **THE ISSUE OF SOCIAL SECURITY FOR MIGRANTS IN THE DEMOCRATIC REPUBLIC OF CONGO**

**By**

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## THE SOCIAL SECURITY IN DRC

**IN DRC, The National Institute for Social Security holds a state monopoly in the field of social security provision.**

**INSS faces serious problems in the following areas :**

- informal sector management,**
- the organization of the various branches of social security in accordance with the rules prescribed by the International Labour Office,**
- the implementation of social security portability for return migrants.**

# FOUR CHAPTER STRUCTURE

1. **Social security in the Democratic Republic of Congo, essentially the presentation of the organisation which operates as the state monopoly provider in the field of social security (INSS), with reference to its origins, creation, objectives and scope. We will also have a brief look at other types of social solidarity.**
2. **Informal sector and its significance for social security provision in the Democratic Republic of Congo. It will highlight the weight of the informal sector in DRC, its mode of operation, the attempts to formalize the informal sector and the impact of not taking into account the informal sector in measuring social security effectiveness.**
3. **Congolese migrants' profiles in Africa, especially in neighbouring countries, in Europe, and in other parts of the world.**
4. **Portability of social security by presenting the issue, the opportunities granted through the Inter African Conference on Social Welfare (CIPRES) and those arising within the Economic Community of Great Lakes Countries (CEPGL)**

## FIRST CHAPTER : SOCIAL SECURITY IN DRC

- **Framework for the implementation of social security in DRC: INSS**
- **INSS resulted from the merger of these three funds:**
  1. **Colonial Fund for Disabled Persons**
  2. **Pension Fund for Workers of the Belgian Congo and Ruanda Urundi**
  - 3 **Central Compensation Fund of Family Allowances**



# FIRST CHAPTER : SOCIAL SECURITY IN DRC

**INSS is tasked with managing the general insurance plan, which covers 6 eventualities, as Convention 102 of the International Labour Organization (minimum standard) requires covering a minimum of three branches out of the following nine:**

- 1. Medical care**
- 2. Sickness benefit**
- 3. Unemployment benefit**
- 4. Old age benefit**
- 5. Employment injury benefit**
- 6. Family benefit**
- 7. Maternity benefit**
- 8. Invalidity benefit**
- 9. Survivor's benefit**

**In the DRC, the National Institute of Social Security covers only the following risks:**

**Branches of professional risk (5, 1)**

**Branches of pensions (8,9, 4)**

**Branches of family allowances (7)**

## FIRST CHAPTER : SOCIAL SECURITY IN DRC

**The prominence of the informal sector in DRC (80% of activities) minimizes the importance of social protection which only relates to the formal sector (20%)**

**The formal sector is not completely covered by social security; only employees working in the private sector are taken into account whilst civil servants and other state employees are usually excluded, even though the state is the biggest employer in DRC.**



## FIRST CHAPTER : SOCIAL SECURITY IN DRC

### **Assessment of the shortcomings of the general insurance programme of social security in DRC :**

- **Narrow field of implementation in material and personal terms**
- **Weak collection rate**
- **Irregular payment of social benefits**
- **High administrative costs**
- **Low technical costs**
- **No national register of employers and workers**
- **No computerized system**



# FIRST CHAPTER : SOCIAL SECURITY IN DRC

## Other social security systems

**Faced with so many difficulties in accessing social security, the Congolese have developed informal mechanisms which bear links with the principles of micro finance:**





**1. LIKELEMBA, discount between community members**

**2. KOBWAKA CARTE (throw a card), or deposit of some money to a reliable person with a 10% deduction**

**3. TIA MUTU BAKATA (give the head to be cut), which consists in pawning a valuable object for a small share of the total value of the object.**

## Slide 9

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### PKS1

agreement between migrants and some medical establishments which enables the treatment of migrant' family members who've stayed home, thanks to payments made by the migrant from abroad

Prof KAWAYA SEFU, 26/10/2008

**4. MIGRANT / MEDICAL ESTABLISHMENT CONVENTION, agreement between migrants and some medical establishments which enables the treatment of migrants' family members who've stayed home, thanks to payments made by the migrant from abroad.**

**Slide 10**

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**PKS2**

agreement between migrants and some medical establishments which enables the treatment of migrant' family members who've stayed home, thanks to payments made by the migrant from abroad

Prof KAWAYA SEFU, 26/10/2008

**SECOND CHAPTER :**  
**INFORMAL SECTOR AND ITS IMPACT IN THE**  
**ORGANIZATION OF SOCIAL SECURITY**  
**WEIGHT, OPERATIONALIZATION METHODS, STRUCTURATION**  
**ATTEMPS**

**Weight of the informal sector in DRC**

**The informal sector significantly grew in importance in the DRC following the lootings which took place in 1991 and 1993. The looting dismantled the entire national economy, impoverished the population and brought about an unprecedented social crisis. It is this situation which explains the lesser importance of the formal sector (only 20% of activities), according to an ILO study and various national surveys.**



## Operationalization modes of the informal sector

The main operationalization methods of the informal sector in DRC are:

- Informal structures
- Breaking down of formal structures leading to deficiencies in data and a weak fiscal system.



- **If the first category (informal structure) is the subject of most comments as a result of its weight (80% of all activities), the second category (breaking down of formal structures) is growing in importance.**
- **During the round table which took place in Kinshasa from september 8 to 10th, 2008, the government of the DRC has recently given a severe diagnostic which makes the breakdown of formal structures one of the major challenges to be taken up under the next economic rescue plan.**



## Stucturation Attempts

Amongst the various attempts to structure the informal sector, only two are of interest to us:

- *the fiscal policy of the informal sector and*
- *the initiative of the National Union of Congolese Workers which in 2002 at the 5th special congress on the informal economy, set up a structure called “National Federation of Workers in Commerce, Hotels, Restaurants, Cafes, Various Trades and Informal Economy” (FNCHIDI-UNTC)*



**The objective of this structure (FNCHIDI-UNTC) is to organize the informal sector by, among other objectives:**

- Monitoring foreign traders who tend to not respect laws of the DRC**
- Enforcing social legislation amongst economic agents**



## The impact of not taking it into account

- **With these formalization efforts still at a rather embryonic stage, it is clear that we can observe the narrow application of social security in DRC.**
- **The immediate drawback is that the mobilization of INSS resources is not effective and leads to high administrative costs to the detriment of other technical funds (various allowances)**
- **This also means that for the high proportion of Congolese working in the informal sector social security is still precarious or virtually nonexistent.**

## THIRD CHAPTER : PROFILES OF CONGOLESE MIGRANTS

### In Africa

In terms of geopolitical considerations, the DRC occupies a central place in Africa, with 9 neighbours: *Congo (Brazzaville), Angola, Central African Republic, Sudan, Zambia, Rwanda, Burundi, Tanzania and Uganda*. With all these countries, there has been/is a high share of labour migration or other population movements as a result of wars or even simple cross-border for both traffick and trading.

From other African countries, there is a strong presence of Western African people in DRC; almost all of them are working in the informal sector and therefore may raise the issue of portability of social security when they return.

### In Europe

There are a lot of Congolese people working in Europe, especially in the European Union area and Switzerland, and all of them complain about the lack of transfer of social security benefits (including pensions) when they return upon retirement or for other motivations. The portability of social security is today an important issue which states should look into and find appropriate solutions to.

## FOURTH CHAPTER : THE PORTABILITY OF THE SOCIAL SECURITY

### The issue

**The portability of social security implies that social benefits to which people are usually entitled to through their salaried professional activities should be operational in other countries.**

**What should be done for social security portability to be operational in Africa and in DRC in particular?**

**This can only be achieved if bilateral agreements are concluded between countries, in order to facilitate the portability of social security.**



## The opportunities

It is true that the Congolese government, through the Ministry of Employment, Labour and Social Welfare seems to take care of this problem by authorizing the technically appropriate structure in the field of social security (INSS) to regularly take part in international or inter-African meetings, and to analyze the necessary technical feedback within bilateral and multilateral negotiations.

### **Two opportunities should be highlighted in DRC:**

- **Connexion to the Inter African Conference on Social Welfare (CIPRES)**
- **Revitalization of the Economic Community of the Great Lakes (CEPGL)**



## Connection to CIPRES

CIPRES is the result of the initiative of 14 African countries of the French area taken in Ouagadougou in 1991, in order to think about the creation of an organisation to monitor and provide technical support to African Social Security Funds.

This decision was taken as a result of negative findings regarding financial problems and management failings in the administrative, technical as well as financial spheres of the social security structures. These failures define the 4 objectives of CIPRES:

- Set common management rules
- Establish body/system to monitor the member social security organizations
- Conduct studies and develop proposals for the harmonization of laws and regulation to be applied by the member social security organizations
- Facilitate the implementation through specific actions at the regional level, of an initial and permanent training policy for managers of CIPRES member organisations.

**With regard to CIPRES operations and management, 3 bodies are/were planned:**

- **The Council of Ministers which is the decision-making body and guarantor of the realization of CIPRES objectives.**
- **The Social Welfare Monitoring Commission which is in charge of The realization of objectives whilst overseeing:**
  - *Good management of social welfare organizations*
  - *Regulation of social welfare in the member states*
- ***The Permanent Secretariat or Regional Inspectorate of Social Welfare* which is in charge of the daily management of CIPRES.**



## Achievements of CIPRES

Since 1997 (the year of its effective inception), CIPRES has achieved the following objectives:

- **Determining common management rules and a reference chart of accounts appended to the treaty in force since January 1st 1998, and the audit reports which have permitted the drafting and adoption of 4 technical data sheets on the management of reserves, economic ratios, computerization policy, policy planning and training plan.**
- **Establishing a management audit of welfare Organizations**
- **Completing studies and drafting proposals for the harmonization of legislative and regulatory arrangements.**
- **3 (three) seminars on charts of accounts, 2 seminars on the management of recovery and social benefits, 2 seminars on internal audits and monitoring, 1 seminar on the positions of 'administrator' and 'managing director', 1 seminar on financial management.**



## Relations between CIPRES and DRC

**The Democratic Republic of Congo which maintains good relations with the International Labour Office (ILO) and the International Social Security Association (ISSA) has understood the potential positive contributions of CIPRES.**

**Thus for the past few years, the DRC (not yet a member of CIPRES) has been sending representatives to meetings as observers and has asked to INSS to prepare the technical dossier in view of future membership.**



## **B. Activation of CEPGL mechanisms**

- **The Democratic Republic of Congo has been granted another important opportunity in the field: to take part in the social security mechanisms established under the Economic Community of the Great Lakes Countries (CEPGL).**
- **Indeed, the important thing to keep in mind is that the backbone to the provision of social security at the regional level is the free movement of goods and people, an outcome of the Integration Treaties which have had an obvious incidence on the lives of those who work outside their country of origin, with regard to social security portability.**



- **Considering that CIPRES emanated from UEMOA (Economic and Monetary Union of Western Africa), the CEPGL (Communauté Economique des Pays des Grands Lacs/Economic Community of Great Lakes Countries) has given birth to a historically significant agreement – “La Convention Générale de Sécurité Sociale” (General Convention on Social Security concluded to secure the future of migrant workers and which came into force on 1st January 1980)**
- **Social security issues have always been considered as very important because of the presence of migrant workers from the two other countries in each of the three countries at stake (Burundi, Democratic Republic of Congo, and Rwanda, ).**
- **When the CEPGL was operational these issues were at the heart of several meetings of the representatives of national social security organisations - meeting devoted to identifying appropriate solutions.**



**Here are some of the issues tackled in those meetings:**

- **Counting numbers of requests for social security benefits under the framework of the general convention of social security.**
- **Examination of the practical procedure of processing an application for social security benefits within the framework of the CEPGL (cases presented by each national delegation)**
- **Calculation of cost of benefits (cases presented by each national delegation)**
- **Individual provision procedures planned by each CEPGL member state.**
- **Totalling of insurance periods and calculating benefits on a pro-rata basis under the framework of the CEPGL general convention of social security.**
- **Creation of a Training Centre for Social Security Institution Staff in Kinshasa, DRC & Exchange of information between National Institutes of Social Security.**

Things worked really well until 6th June 1987, when movements of personal files between DRC, Rwanda and Burundi were significant as shown in the table below :

	TRANSMITTED	RECEIVED	NOT RECEIVED	ACCEPTED	REFUSED	IN SUSPENS
<b>CSR TO INSS</b>	1379	1196	183	170	632	114
<b>CSR TO INSSB</b>	64	52	12	25	23	4
<b>INSSB TO INSS</b>	113	91	22	29	59	3
<b>INSSB TO CSR</b>	52	48	4	—	—	—
<b>INSS TO INSSB</b>	5	5	—	5	—	—
<b>INSS TO CSR</b>	2	2	—	1	—	1

## Comments on Table 1: movements of personal files

- In all movements of files from Rwanda and Burundi (line 1 to 4), there was always a difference between the number of files transmitted and those received (not received files), which required a secure sending mode. All the files from DRC were received (line 5 to 6)
- A large number of received files were rejected or never processed (54%) for various reasons :*Lack of registration details, , absence of insurance period, double employment, personal file introduced before legal age, obsole laws*

## Comments on Table 1: movements of personal files

- **There were nonetheless some problems relating to the practical procedure for processing applications, calculating the cost of benefits, entitlements according to differing national legislations, totalling of insurance periods and calculating the pro-rata basis of social benefits.**
- **All those problems stemmed in reality from the lack of harmonization of laws as seen in Table 2 which indicates for each point analyzed the difficulties identified and the measures taken to address these:**

## Table 2: Analyzed issues and identified difficulties

ISSUES	IDENTIFIED DIFFICULTIES	MEASURES TAKEN
Examination of the practical procedure of file instruction request	Delay noticed because of ad hoc formulas (SS16 and SS22) didn't move as wished within the 3 social security Institutes	Respect of the convention and its application texts
Calculation of amount of prestations	Calculation mode is different from one country to another	To refer to indications of Rwanda and Burundi institutions which had followed specific training by the BIT (International Labour Office)
Problem of prescription planned by national legislations of social security	Many files prescribed	Reexamination of the prescribed files and harmonization proposal



## CONCLUSION

- **The Democratic Republic of Congo has great challenges lying ahead, both internally and externally.**
- **Internally, it is recommended that the capacity of the social security organizations which has the monopoly in terms of provision, according to the 1961 law and its complementary texts, be strengthened.**
- **This great capacity building work can be undertaken with the assistance of the International Labour Office (ILO) and other institutions like ISSA (International Social Security Association) and CIPRES.**

- **Externally, we would like to suggest that the African countries in general and the DRC in particular initiate bilateral and multilateral negotiations in order to address the problem of portability of social security by signing new related agreements or revive the old agreements currently on hold because of armed conflicts or other events.**
- **The case of the CEPGL (Economic Community of Great Lakes Countries) which had produced some encouraging results should be highlighted.**