

**EVALUATION OF RETIREMENT SYSTEMS OF COUNTRIES
WITHIN THE SOUTHERN AFRICAN DEVELOPMENT
COMMUNITY**

Country Profile: Democratic Republic of the Congo (DRC)

OPM



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Abbreviations

AfDB	Africa Development Bank
DRC	Democratic Republic of the Congo
DSCR	Strategy Paper for Growth and Reduction of Poverty
EU	European Union
ILO	International Labour Organisation
IMF	International Monetary Fund
INSS	National Social Security Institute
LDCs	Least Developed Countries
MDGs	Millennium Development Goals
NGO	Non-Governmental Organisation
ODI	Overseas Development Institute
OECD	Organisation for Economic Co-operation and Development
OPM	Oxford Policy Management
PNPS	National Program for Social Protection Support
PREFED	Regional Programme of Development Training and Exchanges
PRGSP	Poverty Reduction and Growth Strategy Paper
SADC	Southern African Development Community
SNDS	National System for Developing Statistics
SONAS	National Insurance Society
SSPTW	Social Security Programs Throughout the World
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNICEF	United Nations Children's Fund
UNIKIN	University of Kinshasa
UPPE	Unité de Pilotage du Processus d'Elaboration
WB	World Bank

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WFP World Food Programme
WTO World Trade Organisation

1 Country and retirement system overview

Box 1.1 Country overview

Population 2007 - estimate:	64.0 million (IMF)
Population 2010 - estimate:	67.8 million (UN)
Proportion of population above 60 – 2010:	4.2% (UN)
Proportion of population above 60 – 2030:(no reliable estimate could be found) (UN)	
Proportion of population above 65 – 2010:	2.6% (UN)
Proportion of population rural 2004 (1-2-3 Survey 2004-2005, DSCR P):	69.24%
GDP per capita 2007 - estimate:	GCF 64,281million (IMF)
GDP Growth 2008 – estimate	6.2% (IMF)
GDP 2008 – estimate PPP	US\$ 995 bn (IMF, OECD)
GNI per capita 2004:	US\$ 120 (UNCTAD)
Proportion of population below poverty line 2005:	70.68% (DSCR P)
Labour force:	
Labour force participation rate (Including small family agricultural enterprises):63% (DSCR P)	
Agricultural Labour Force 2004 (% of Total Labour Force)	61% (UNCTAD)
Unemployment % (no reliable or estimated data available due to large percentage informal sector):	Not available
Employment in formal sector (% of total employment):	Not available
HIV/Aids prevalence (% of population) (WB, consultative Group page 16)	4.5%

Box 1.2 Retirement systems overview

Formal systems

Social assistance

The DRC has no formal social assistance scheme for the elderly, although the Poverty Reduction and Growth Strategy Paper and the National Social Protection Support Program (PNPS) include the elderly as one of four identified vulnerable groups.

National social insurance

The National Social Security Institute is governed by the Minister of Labour and Social Security. The system is mandatory for all formal sector workers (including household and casual workers, sailors, and public sector employees not covered by a social security programme). Voluntary coverage exists for non-employed persons who were previously insured for at least five years and who request to be covered in the six-month period after insured employment ceases. The self-employed are excluded. The scheme is earnings-related. The employed person contributes 3.5% of gross salary, which is matched by the employer. The age of eligibility is 65 for men and 60 for women. Pension benefit is equal to 1/60th of the insured's average monthly covered earnings in the three years prior to retirement multiplied by the number of months of contributions. The minimum pension is equal to 50% of the legal minimum wage.

Civil service occupational schemes

The civil servants scheme runs parallel to the national social insurance scheme.

Private occupational schemes and voluntary schemes

Individuals in the formal sector (such as in the mining sector) belong to provident funds or pension schemes, as most large firms run pension plans or provident funds (e.g. Goldfields Ashanti). The existence of a regularity authority could not be established. Therefore, it is uncertain whether any or all funds are registered and approved. Equally unclear are any taxation issues.

Informal retirement systems

Rotating Savings and Credit Associations do exist; however, no information on their penetration or effectiveness has been available. The study also failed to find information to provide a more systematic summary of other informal mechanisms.

2 Country background

2.1 Demography

The most recent population census was conducted in 1984. Therefore, the best source is the Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, World Population Prospects: The 2008 Revision data. The DRC population data provided is an estimate based on 1984 census but adjusted for under-enumeration and subsequent country trends such as trends in fertility, mortality and international migration. For 2010, the population is estimated at 67,827 million, of whom 33,620 million were male (49.6%) and 34,208 million were female (50.4%). UN Population projections further indicate that the total will increase to from 67,827 in 2010 to 87,640 by 2020.

The UN has estimated that life expectancy at birth has fallen from 47.7 years in the 2000 to 2005 period to 47.5 years in the 2005-2010 period as a result of the impact of conflict, poverty and poor basic services and healthcare. Life expectancy is projected to increase to 50.3 by 2020. The Overseas Development Institute (2007 page 19 after Coghlan and Brennan 2006) indicate that 3.9 million people have died in DRC between 1998 and 2004 which presented and still presents a large humanitarian crisis. However, the first free and fair elections in 2006 brought about the Third Republic of the DRC and a new constitution which lead to some growth and development as well as relative peace.

According to the 1-2-3 Survey conducted in 2004 to 2005 quoted in the Government's Poverty Reduction and Growth Strategy (PRGSP page 23), the majority (69.2%) lived in rural areas in 2004. Of these, 75.7% experienced incidence of poverty and 34.9% experienced the depth of poverty as defined in the PRGSP.

2.2 Labour market

The last Labour Force Survey was conducted in 1993. Labour force statistics are sketchy for the DRC with no official sources found from DRC authorities or through the World Bank Development Indicators. The government also acknowledges in their 2001 to 2011 Government Program that they have no statistical estimate of the number of Congolese living abroad. Some indicators are quoted in the PRGSP based on the 2004-2005 1-2-3 Survey. The labour force participation rate is about 63% in 2004 (PRGSP) while the percentage of labour force involved in agriculture is estimated at about 61% in 2004 (UNSTAD). Anecdotal evidence suggests that the percentage of the labour force employed in the formal (private and public) sector is as low as 2% of the total population and 4% of the "working population (Bonyi; year unknown). Most formal occupations exist in the public sector. These statistics seem to be quoted also by the EU in their country sheet:

According to Paul Luwansangu, assistant at UNIKIN, the job crisis explains the current poverty. For example, in 2000, those having a formal job represented only 2% of the total DRC population, 4% of the active population and 8% of the active male population against respectively 8%, 18% and 35% in 1958.¹

¹ Paul Luwansangu , assistant à l'UNIKIN, *La lutte contre la pauvreté par l'emploi ou la quadrature du cercle*, Le Potentiel, http://www.lepotentiel.com/afficher_article.php?id_edition=&id_article=17355, Vol 3574, 8th November 2005.

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From the 1-2-3 Survey of 2004-2005 ((joint analysis by World Bank-Afristat-UPPE), quoted in the PRGSP estimates are that about 67.35% of the labour force is self-employed (predominantly informal) and 11.54% are family workers. Of the remaining 21.77%, 6.35% are said to be skilled workers and employees and 2.86% are “collaborative personnel”.

EU Country Sheet, June 2009 (page 38-39):

According to Mr Mavinga, deputy director of the national system for developing statistics (SNDS), based on the poverty indicators from a survey for the city of Kinshasa, the activity rate is 47.7%, the unemployment rate of the population is 14.9% the unemployment rate of the broader population is 23.8% and the informality rate is 72.5 %.⁸⁰

Today, only 4% of Congolese get a structured, paid and long-lasting job. These 4% represent 1 million persons in age working age. For the vice-minister of labour and social welfare, Marie Ange Lukiana, “80% of the Congolese live in the insecurity of informal work or are unemployed”⁸¹. Which sectors are most affected by informal work? “hairdressers, cobblers, quados, car washers, street sellers, tailors, metal workers, sellers of petroleum products, polishers, shopkeepers, those selling traditional medicine, carters, diggers.”⁸²

“In this country, women mainly do trade and specialize in food or clothes. They are also very present in the parallel market of exchange and they have established a kind of informal banking system. Female entrepreneurship exists in sewing, hair-dressing, catering, salting fish, production and selling of coal or soap, etc. In a way, women make and/or distribute the everyday products while men find themselves mostly in manufacturing and/or repairing of tools, utensils, in mechanics, etc. Except in some rare cases, those involved in formal and informal economy remain poor and many are only at a stage of survival. Today more than ever, this fight is common and requires family solidarity in a nuclear family as well as in a large family. The proliferation of associations, cooperatives shows how important it is to create bonds and find allies on an ethnical, regional or religious base. For example, women create tontines or likelembas where they pay contributions regularly so that the members of the association can get money if needed (start a business, pay school fees, get treatment for a family member, pay for the funeral of a family member, etc.) The one who lent the money must reimburse the money later.”⁸³

Footnotes

⁸⁰ Interview by PREFED with Mr Mavinga, deputy director of the national system of statistic development⁸¹ Marie Ange Lukiana s’engage à revaloriser le travail des Congolais, la Prosperité no.1041, 23 April 2007, page 6, <http://fr.redtram.com/go/55854725/>,

⁸² Lomami Shomba, op.cit.

⁸³ Rosalie Malu Muswamba, op.cit

Labour participation drops considerably around age 65 in countries with mandatory retirement and high pension coverage. According to the World Economic and Social Survey 2007 (page 86) The DRC is one of the countries with a high percentage of labour force participation above the age of 65. Most are employed in agriculture in small family enterprises. ILO (2008) states that 97% of farms in the DRC are less than 2 hectares in size and also notes that the: “average landholdings fell from 1.5 hectares in 1970 to 0.5 hectares in 1990 and almost two-thirds of households operated holdings of less than 0.5 hectares. The number of farms more than doubled during the period. This suggests that small-scale agriculture has come to play the role of safety net, providing a degree of food security, but forming only one part of family livelihood strategies which count increasingly on diversification of income sources to ensure well-being.”

The 2007 ILO Survey: Key Indicators of the Labour Market, fifth edition, Geneva (2007) as quoted in ILO (2008 Appendix II) gave the DRC the lowest ranking out of all countries for the Value added per person employed in agriculture, forestry and fisheries (constant at 1997 US\$), namely \$69. By means of comparison, the next lowest SADC country value was that of Tanzania at \$239 while South Africa scored the highest out of all SADC countries at \$3,594.

2.3 Socio-economic

More than half of all DRC households (62.05%) live in households consisting of five members or more. More than one in ten household heads are female (13.81%) and 6.36% of household heads are 65 years and older (PRGSP).

The incidence of poverty is greater in rural areas (75.7 %) than in urban areas (61.5 %). The same phenomenon occurs in respect of the depth and severity of poverty. This leads to high rates of urbanisation. Also according to the PRGSP page 33 nearly 80% of those in rural areas are principally engaged in agriculture, fishing, and stock farming. However, most farming activities have great potential for eradicating poverty through proper planning and support as indicated in the PRGSP.

The PRGSP page 10: The results of the 1-2-3 survey show extremely high rates of monetary poverty (71.34 percent of the poor) and inequality (Gini index of 40 percent) which vary sharply by area of residence (61.49 percent of the urban poor have a Gini index of 40 percent, while 75.72 percent of the rural poor have a Gini index of 36 percent), by province (the poorest provinces are in the eastern part of the country), by employment status (with greater poverty in the informal sectors), and by demographic variable (greater poverty among young couples and the elderly).

Access to basic services and infrastructure remains a challenge. According to the OECD (2007) assessment, "Social indicators are so low that it will be virtually impossible for the country to reach even one of the Millennium Development Goals (MDGs). Only 22 per cent of the population have access to drinking water and only 9 per cent to sanitation, with wide regional and urban-rural disparities. According to the PRGSP in 2004, only 17% of the population has access to safe drinking water and 1% to electricity. Less than two-thirds (64%) live in informal structures or rammed earth houses and 70% of the roads and pathways to agricultural areas are largely inaccessible.

Poverty is especially rife in provinces that still experience conflict. However, humanitarian food aid and cash transfers are often provided by organisations such UN aligned UNICEF and WFP or NGOs such as CARE.

The Human Development Index 2009 (based on data for the reference year 2007) is 0.389 and results in a ranking of 176 out of 182 countries. The index shows a steady increase on nearly 1.41% a year from 0.353 in 2000. The index is based on life expectancy at birth of 47.6 years, adult literacy of 67.2%, combined gross enrolment rate of 48.2% and GDP per capita of PPP US\$298 (giving a 181st ranking). The Human Poverty Index is 38.0%, with DRC ranked 120 out of 135 countries. The Index is calculated from the probability of not surviving to age 40 (37.3%), the adult illiteracy rate (32.8%), people not using an improved water source (54%) and children aged under 5 who are underweight (31%). The emigration rate is 1.5% and a ranking of 152 two more than South Africa suggesting the considerable prevalence of a "brain drain" as acknowledged in the 2007 to 2011 Government Plan. The immigration rate is 0.8%.

2.4 Economy and finance

In the 1970's the DRC used to be Africa's most industrialised country. However, dictatorships, political instability, civil war, corruption and poor governance led to decades of political, social and economic weakness. After years of strife, the democratic elections in 2006 brought about relative political and social stability. Unfortunately, the sixth review by the International Monetary Fund (IMF) in early 2006 saw a suspension of budgetary support resulting in a \$40 million loss of IMF funding. The IMF signed a the Government's Poverty Reduction and Growth Strategy (PRGSP) in about 2007 and the government further adopted the Government Plan for 2007 to 2011 in an effort to foster macro-economic growth and reduce poverty. (OECD, 2007)

2007 AfDB/OECD African Economic Outlook: DRC (page212)

However, potential for growth and economic development is immense. The country is literally brimming over with water, mineral, forest and oil resources. The domestic market serves more than 60 million people. The international community as a whole, with both foreign-aid donors and private investors, is watching the post-election period closely, as it will be decisive for reviving projects and programmes. If political stability and democracy manage to take root, with restoration of state authority, good governance and a fight against corruption, the DRC could well be posting excellent economic results in a few years time.

Reliable formal economic statistics remain unattainable however, the IMF have compiled an economic report based on statistics available in 2009. The Report indicates a marked and constant expansion of the economy between 2003 and 2008. GDP as well as GDP by sector showed year-on-year increases for all sectors especially in the primary sector of agriculture, fishing and forestry and mining, yielding the DRC's main economic export products.

Table 2.1 Real GDP Growth and Per Capita PPP

**Figure 1 – Real GDP Growth and Per capita PPP
GDP at current prices**

Indicators	2000	2001	2002	2003	2004	2005	2006(e)	2007(p)	2008(p)
Congo Dem. Rep. - Real GDP Growth (%)	-6.9	-2.1	3.5	5.8	6.6	6.5	6.5	6.2	6.0
Congo Dem. Rep. - GDP Per Capita (PPP in US \$)	682	666	683	715	761	808	856	926	995
Central Africa - GDP Per Capita (PPP in US \$)	1 115	1 168	1 212	1 269	1 385	1 433	1 563	1 593	1 699
Africa - GDP Per Capita (PPP in US \$)	2 189	2 280	2 348	2 448	2 580	2 712	2 844	2 950	3 056

Source:(OECD 2007)

According to the OECD (2007), agriculture (mainly food crops) employed more than 70% of the population and provided 46.7% of GDP in 2005. While the agricultural sector grew by 3% which is almost the same rate as the growth rate for the population in 2006, more growth should be expected because only 10 per cent of arable land is cultivated or used for livestock. Growth has been sluggish because of the lack of road infrastructure both major and paths to service agricultural areas.

Mining accounted for only 8.8% of GDP in 2005 despite the country's massive mineral potential given its enormous copper, uranium, cobalt, zinc, silver, diamonds, gold and oil reserves. The OECD attributes the poor performance to bad management of resources, fraud and slow structural reform.

In 2005, the industrial sector contributed 13.7% to GDP in 2005 (growth of 9.3%). The main contributors in this industry were construction and alcoholic beverages. The tertiary sector contributed 27.9%, mainly due to an average 7.8% average growth by the transport, telecommunications and financial sectors. Household demand and public consumption followed these sector increases the latter increasing by 22.5%. Foreign Direct Investment is growing especially from countries such as China and South Africa. The banking sector is growing and they cover 100% of the financial systems assets (OECD 2007; IMF 2007).

Monetary policy has suffered at the hands of financial system inefficiencies, and overspending. The OECD also describes the increasing government deficit due to extended government spending and currency depreciation. According to Government data (Government Plan 2007 to 2011) the rate of inflation peaked at 511% in 2000, followed by a rate of 135% in 2001, 16% in 2002, 4.4% in 2003, 9.2% in 2004, 21.3% in 2005 and 18.2% in 2006. Furthermore, the country's trade deficit grew for most of the decade.

Table 12 in the IMF report (2009) indicates that total revenue for 2008 excluding grants and other revenue was 1,205,289 million Congolese Francs of which 21% is tax from income and profits; International trade tax is the largest tax revenue generator at 28.4% of the total.

The UN has classified the DRC as one of fifty countries that are "least developed countries" (LDCs). Other SADC countries include Angola, Lesotho, Madagascar, Malawi, Mozambique, Tanzania and Zambia UN and IMF involvement and funding is high. Many Congolese are dependent on humanitarian food aid and cash transfers. (UNCTAD 2008)

2.5 Social protection

Social expenditure was in 1992 less than 1% (Barbone & Sanchez; 1999). The 2006 Poverty Reduction and Growth Strategy Paper (PRGSP) by the Government with the assistance of the IMF recognise the need for improved social protection of vulnerable groups including the elderly as one of four targeted vulnerable groups; however, no mention was made regarding the need for a specific formal social pension system (2006 PRGSP page 42, 87).

According to this Paper (page87), the Government has had a National Social Protection Support Program (PNPS) created by presidential decree in October 2005. The objectives of this program are to:

- Improve the social status of vulnerable persons;
- Facilitate access by the poor to social services, infrastructure, and basic equipment;
- Implement programs for wealth creation focusing on target groups, in particular through microfinance efforts; and
- Promote development at the grassroots.

To this end, the following strategic axes have been defined:

- Enhancing the capacities of the social protection structures and stakeholders;
- The social, economic, and professional reintegration of vulnerable individuals on the basis of programs and projects targeting each category thereof;
- Improving the access of vulnerable groups to basic social services; and

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- Community assumption of efforts to assist vulnerable groups.”

According to Professor Mukadi Bonyi (year unknown) at the University of Kinshasa, the outcomes of this Program should be:

- To extend social protection to not yet covered categories;
- To improve quality of the social security benefits;
- To set up and to manage a system of universal health care;
- To contribute to work of reform of the social security and,
- To make effective social protection for all.

He further states that “within this framework, the Program is charged to set up: (a) the compulsory health insurance; (b) the mutual funds for the employees and, (c) the mutual funds for the self-employed workers.”

2.6 The elderly

The elderly make out nearly 3% (65+) while those who are 60 years and older represent 4.2% of the population (UN). Of these, most are females who live in rural areas surviving on produce and income from small scale agricultural food production activities. Here, land ownership is a dwindling asset for older farmers, due to low food prices. Often ailments due to old age impedes on their own capacity to farm.

As with other developing nations including nations in conflict areas, the numbers of the elderly will increase in the next 30 years (UN 2007). The According to the 1-2-3 Survey of 2004-2005, 6.36% of households heads are 65 years and older (PRGSP).

The PRGSP specifies that the elderly is recognised as one of four particularly vulnerable groupings aside from vulnerable women and children, the disabled and displaced persons and refugees. According to Helpage, the elderly are often from all four groupings. They further estimate that 65% of older people have to care for children, orphans and other dependants. Also, the elderly are often left behind when families flee conflict making them more at risk. Indeed, many still remain in adverse poverty in areas of ongoing conflict often not able to farm. Some are assisted through aid organisations such Helpage and the UN. Some also survive on remittances from family that were given refugee status in other countries such as South Africa.

Further anecdotal evidence from Helpage indicates that:

- Less mobile older people may be left behind when families and communities flee, placing them at risk of further violence.
- Those who do make it to the camps are not usually considered a vulnerable group by humanitarian agencies and are frequently excluded from relief efforts.
- Older people who are frail and not registered by humanitarian agencies may also find it difficult to get access to aid.

- Emergency health, food and nutrition programmes are rarely adjusted to meet their needs.

The PRGSP indicates that the following actions are contemplated to redress the vulnerability of the elderly:

- Improvement in the care system for the elderly;
- Promotion of vocational retraining for retirees; and
- Offers of guaranteed physical and spiritual growth of the elderly.

3 Formal retirement systems – Social Assistance

3.1 Government programmes

3.1.1 Public Assistance Programme

The Democratic Republic of the Congo has no formal Social Assistance Scheme. The PRGSP and the National Social Protection Support Program (PNPS) described in the previous sections provide for system reform and some sort of minimum income safety net.

The 2007 to 2011 Government plan indicates that Government will, during this period, engage in:

- Drafting a new Social Security Code or Act;
- Restructuring the INSS and improving its performance in favour of pensioners and retired people in a framework of “tripartite management of social security”;
- Promoting of complementary contributory mechanisms for example pension planning schemes

However, no progress is evident as the 2009 IMF economic report and other sources do not specify the percentage of GDP spent of social security or protection let alone indicate an increase in such expenditure. Also no new policy document could be sourced.

3.1.2 Care for the elderly in institutions

There are seven state owned old age homes in Kinshasa. The number of occupants range from 11 to 40 per home. The living conditions are described as “harsh” in most of these. Some of the best run homes are managed by Catholic nuns. (EU 2009)

4 Formal retirement systems – National Social Insurance

4.1 Legal and institutional

The first law was established in 1956. The 6/29/1961 statutory order establishes the Congolese social security system. The National Social Security Institute (INSS) is entitled to administrate and manage the system. Under the statutory order from the combination of Katanga and Lower Congo social security funds. The statute covers only three sections namely 1) old age pension or benefits, 2) disability pension and 3) family allowances or survivor pension or benefits) instead of the nine sections explained in the Convention 102 from the WTO.

4.2 Eligibility, access and coverage

The system is mandatory for all formal sector workers (including household and casual workers, sailors, and public-sector employees not covered by a social security programme).

Voluntary coverage exists for non-employed persons who were previously insured for at least 5 years and who request to be covered in the 6-month period after insured employment ceases. Self-employed are excluded. (SSPTW: Africa, 2009; page 67)

For old-age pension and settlement, men aged 65 and women aged 60 qualify. The exception is that those aged 55 (prematurely aged men and women) qualify if they have achieved at least 60 months of coverage in the last 10 years. These persons qualify only if they retire from paid formal or casual employment as defined in the legislation. The pension is payable abroad only under reciprocal agreement. Old-age settlement is applicable if the individual are either 65 (men) or age 60 (women) and if the insured does not meet the qualifying conditions for an old-age pension. (SSPTW: Africa, 2009)

Disability pension becomes applicable when the insured has been assessed “with a loss of earning capacity of at least 66.7% and have at least 36 months of coverage in the last 5 years. There is no minimum qualifying period if the disability is the result of a non-occupational accident.” The reassessment takes place periodically by an INSS approved physician. Such benefits could also include a constant-attendance allowance which is paid if the insured requires constant attention to execute daily basic activities. (SSPTW: Africa, 2009)

Survivor pension are paid when the deceased qualified for a pension under the scheme or was a pensioner at the time of death. When these qualifying conditions are not met then survivors are entitled to survivor benefits. (SSPTW: Africa, 2009)

Certain eligibility criteria exist for survivors. They should be:

- Unemployed
- A widow aged 50 or older (no age limit if disabled),
- A dependent widower with a disability,

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- Married to deceased for more than 6 months or prior to date of accident if that was the cause of eventual death.
- Orphans younger than age 18 (age 25 if a student, no limit if disabled).

The benefit is suspended if work is assumed or surviving spouse remarries.

4.3 Financing

Registration with the National Institute for Social Security is required by all employers in terms of Article 4 of the Ministerial Decree no. 2/61 (dated August 16, 1961). The scheme is earnings related. The employed person contributes 3.5% of gross salary which is matched by employer. The State provides a subsidy up to a maximum amount. (SSPTW: Africa, 2009;67) The size of the subsidy is unknown but seems to be funded from general government tax revenue. In 1992, total expenditure was equal to 0.9% of GDP.

4.4 Contingencies covered

This scheme only pays an old-age pension or old age benefits; disability pension and survivor pension or benefits. Therefore the statute covers only three sections instead of the nine sections explained in the Convention 102 from the WTO.

There are also some work injury provisions as well as further temporary and permanent disability benefits, as well as family allowance benefits (see SSPTW: Africa, 2009;69-70). In 1992 the Scheme covered 5.8% of labour force (Barbone & Sanchez; 1999 & IMF 2007).

4.5 Benefit type and levels

For Old-age pension, the “annual benefit is equal to 1/60 of the insured’s average monthly covered earnings in the 3 years before retirement multiplied by the number of months of contributions. The minimum pension is equal to 50% of the legal minimum wage. Benefits are paid monthly or quarterly. Benefit adjustment: Benefits are adjusted by presidential decree. (SSPTW: Africa, 2009;68)

For old-age settlement, a “lump sum is paid based on 10 times the annual old-age pension that the insured would have received if qualified, calculated based on the number of complete years of coverage.” (SSPTW: Africa, 2009;68)

For permanent disability pension, the “annual benefit is equal to 1/60 of the insured’s average monthly covered earnings in the 3 years before the disability began multiplied by the number of months of contributions. The insured is credited with contributions for each month after the disability began until the normal retirement age. At the normal retirement age, the disability pension is replaced by an old-age pension of the same amount. The minimum pension is equal to 50% of the legal minimum wage. [The] Constant-attendance allowance: 50% of the disability pension is paid. Benefits are paid monthly or quarterly. Benefit adjustment: Benefits are adjusted by presidential decree” (SSPTW: Africa, 2009;68)

For survivor pension, “40% of the insured’s pension is paid to an eligible widow(er). Remarriage settlement: A lump sum of 12 months of pension is paid. Benefits are paid monthly or quarterly. Orphan’s benefit: Each orphan receives a lump sum of 25% of the pension paid to the widow(er). All orphans’ pensions combined must not exceed 100% of the pension paid to a widow(er). Benefit adjustment: Benefits are adjusted by presidential

decree. Survivor benefit: A lump sum of 12 months of pension is paid to survivors.” (SSPTW: Africa, 2009;69)

4.6 Administrative cost

The National Social Security Institute (INSS) administers contributions and benefits through 10 central directorates, 5 urban directorates in Kinshasa, 13 provincial directorates, 18 district bureaus, and 13 local offices. Information on administration of the scheme is not available. However, according to the EU Country Fact Sheet (June 2009) the schemes “mismanagement is characterized by:

- State interference in management
- Insolvency of different INSS customers

4.7 Financial and social sustainability

The Government provides only a subsidy of unknown value. The employer and employee’s combined contribution is 7%. Reforms are planned but the feasibility of the existing scheme as well as any future scheme is unknown.

4.8 Reform initiatives

The reform initiatives highlighted in the 2007 PRGSP. One of the Actions and reforms targeting public administration reform in the PRGSP is step five, the “Adoption of the retirement program” in 2005. This program is aimed at paying the end-of-service allowances of about 100,000 civil servants and at revitalizing the administration and lowering the average staff age. However, part of the reform is to complete a census of all civil servants and the army and then to finalise the retirement program.

The PRGSP also states:

“Administration: The image of Congolese public administration among users is extremely negative. The provision of basic public services not only fails to meet the quality standards and timeliness required, but has also become a source of corruption. Access to these services is not guaranteed everywhere throughout national territory. An elementary right, such as the issuance of birth or death certificates, is also not guaranteed, particularly for people living in remote areas or those who lack sufficient resources to access that right.

Civil servants and State employees have been neglected for several decades, which is at the root of the current state of public administration. The wages paid are paltry, career management is characterized by clientism, physical working conditions are depressing, and job descriptions and duties are poorly defined.

Despite the growing number of labour organizations, they have little capacity to bringing about positive change in their situation, much less that of the public administration. In fact, these organizations are often subservient to the public authorities, who often have a means of selecting leaders in a non-transparent manner. The Congolese State, while cognizant of the inefficiency of public administration, has still not rectified the situation despite reforms intended to manage staffing levels, redefine jobs, and improve the status of civil servants, the management of careers, and compensation matters.”

5 Formal retirement systems – Civil Service Occupational Schemes

The existence of a fund could not be established.

5.1 Other Occupational Schemes

Gratuities in terms of the Employment Act

The DRC's Code du Travail and tax code specify that local employees must be paid a housing allowance to form 30% of their basic salary. Membership of a pension or provident fund, life insurance and disability cover are also part of employees' packages (Anglogold Ashanti 2007).

“There are no unemployment benefits in DRC or private insurance in case of unemployment...In case of sickness, the work regulations impose on the employer to provide medical care for his/her workers' and the persons they must support. The regulations state that the employer must pay 2/3 of the wages and family allowances in case of sickness. However no statutory benefits should be paid. These allowances are only available for workers who signed a work contract, in the formal sector. Medical care is available for the retired workers and for workers with disabilities and the persons they must support. These cares are provided in state hospitals, in community clinics and in National Social Security Institute medical services. .. The Work Regulation imposes on the employer to pay 14 weeks salary as a maternity leave. Moreover, regarding the recognition of the rights related to maternity, female civil workers do not have the right to take annual leave if they already have taken their maternity leave in the same year.” (EU 2009;48-50).

6 Formal retirement systems – Private Occupational Schemes and Voluntary Schemes

The EU country sheet (page 47) quotes a paragraph from a PREFED interview with Edmond Armstrong, country manager de Scaficongo. Scaficongo is a company incorporated in Congo (DR) specialized in risk management, financial investments and in pension and contingency funds. Interview done on February 9th, 2007:

"In view of [the lack of private sector control of social security for their members], some Congolese groups united on professional, regional or customs and tradition grounds in order to assure a social protection to their members. There are also private insurance policies. There are several groups of this type in Congo (about 200). In this context, protection is only based on member contributions in order to assure mutual financial support in case of death or any other circumstance defined by mutual group status."

In addition, the sheet states that "The national insurance company SONAS, has just launched a new subscription on the market: health insurance. An extension and awareness campaign has been organized in the capital and has also reached the provinces.

According to the fire, accident and other risks service Director, this insurance covers the beneficiary with medical consultation, medicine, lab exams, radiology and scanner and the purchase of wheel-chairs and glasses. This new product from SONAS guarantees many advantages such as providing care in a centre even if the subscriber has no money or allowing him to choose a health centre from a SONAS list.

He adds the health insurance completes the already existing social insurance. Those aged from 6 to 65 can subscribe. However, this insurance does not cover the confirmed incurable diseases such as blindness or diseases following accidents or coma. It does not either cover diseases caused by interruption of pregnancy.

In order to subscribe one must first complete a document entitled "insurance proposition" where SONAS informs the identification and the number of persons the beneficiary wants to insure. The same document includes the medical consultation, the pharmacy fees, the medical exams, the diseases to report, and the transfer to another health centre or to another country. It is according to these items that SONAS will fix the price to pay." (La conscience: la Sonas lance l'assurance santé Tuesday 16 September 2008, http://www.laconscience.com/breve.php?id_breve=1606, information from 16 September 2008 accessed on the web on 17 June 2009)

7 Informal retirement systems

7.1 Long-term savings vehicles

Some informal assistance and support systems do exist. These include Rotating Savings and Credit Association or tontines, mutual aid groups, etc. However, the PRGSP page 45 states: "The low productivity of community-driven activities is associated with the poor organization of supplying inputs and productive equipment, the poor dissemination of improved techniques, formulas, and modern production standards, the lack of participatory action/research and dissemination of local know-how, the poor access to the savings and loan system; the inadequate training of leaders in project management, the limited income and purchasing power levels, and the lack of investment in basic infrastructure and services."

In terms of the IMF's 2007 working paper on Building Supervisory Structures in Sub-Saharan Africa – An Analytical Framework, the DRC banks are said to cover 100% of financial assets; The IMF 2009 Statistical report on the DRC also provides a breakdown of all the banks but no other savings information is available.

7.2 Other informal support mechanisms

7.2.1 Livestock and other rural livelihoods

Wildlife poaching: bushmeat and other wild foods play a vital part in the diets, livelihoods and food security of poor rural households. There are marked seasonal changes in wild food use, with major increases in the hungry season. These facts need to be taken into account in planning conservation strategies: "Development interest focuses on those households living in extreme poverty (income below US\$1 per capita/per day). Such households are often found to be heavily dependent on wild foods. Humanitarian agencies often use household reliance on wild foods as a primary indicator of impending famine." (ODI 2003).

Remittances:

Reference	Comment
PRGSP 2006	High level of intra-regional migration. See table 6 for estimates of DRC migrants and refugees in 2005
UNCTAD 2005	Determines amount of remittances per annum
Maimbo & Ratha 2005	High level of intra-regional migration. See table 6 for estimates of DRC migrants and refugees in 2005
Sumata, C. 2002	For the DRC, it draws on a study of the relationships between remittances and poverty alleviation strategies at macro and household levels.
Sander, C 2003 & Sumata, C. 2002	Remittance figures
Helpage 2009	Many live on relief aid by agencies like the UN

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