

Governance and performance of social security organizations: the case of Burundian organizations of a public nature

Gouvernance et performance des organismes de sécurité sociale : cas des organismes burundais à caractère public

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Abstract

Burundi is a country in sub-Saharan Africa and registered among the poorest on the planet. In this country, poverty and economic and social vulnerabilities are the watchwords of the majority of the population. The national social protection system should be designed to curb these evils or at least reverse the trends. In Burundi, the major social security bodies are of a public nature: the Mutual of the Public Service for State employees and similar, the National Institute of Social Security for State employees under status and agents of the structured private sector and the National Office for Pensions and Occupational Risks for contracted state officials, magistrates and law enforcement officials. They are three of the personalized administrations of a public nature. The governance, performance and sustainability of these organizations is therefore everyone's business, all the more so with their current or potential affiliates. It is with this in mind that this article is based on drawing inspiration from them. Concretely, to obtain essential information, this empirical study was made up of a sample of 105 university-level people working in the public and structured private sector.

Keywords: governance; performance; social security organizations; public nature; Burundi

Résumé

Le Burundi est l'un des pays de l'Afrique subsaharienne, répertorié parmi les plus pauvres de la planète. Dans ce pays, la pauvreté et les vulnérabilités économiques et sociales sont les mots d'ordre pour la majorité de la population. Le système national de protection sociale devrait être pensé pour juguler ces maux ou tout au moins inverser les tendances. Au Burundi, les organismes de sécurité sociale (les plus importants et les plus connus) sont des établissements publics à caractère administratif, dotés de personnalité juridique et d'autonomie organique et financière. Il s'agit de : (1) Mutuelle de la Fonction Publique pour les agents de l'État et assimilés, (2) Institut National de la Sécurité Sociale pour les agents de l'État sous-statut et les agents du secteur privé structuré et (3) Office National des Pensions et des Risques Professionnels pour les agents de l'État sous contrat, les magistrats et les agents de l'ordre judiciaire. La gouvernance, les performances et la pérennité de ces organismes sont des sujets qui intéressent essentiellement ses affiliés. Dans cette logique, cet article s'est ressourcé auprès d'eux. Précisément, les informations indispensables à cette étude empirique, ont été récoltées à partir d'un échantillon de 105 affiliés.

Mots-clés : gouvernance ; performance ; organismes de sécurité sociale ; caractère public ; Burundi

Introduction

East African country, Burundi was on the first step of the poverty podium in 2015. It returned to 3rd place in 2018 with a Gross Domestic Product (GDP) per capita of \$ 377 and a population of 10.12 million inhabitants. According to UNESCO, Burundi's population growth rate is 2.4%. It remains one of the highest in the world according to figures and rankings from the World Bank.

According to the ILO (2010, p. vii): *“Social security is a fundamental human right enshrined in many international instruments, notably the Declaration of Philadelphia (1944), which is an integral part of the Constitution of the International Labor Organization. The Universal Declaration of Human Rights (1948) was adopted by the United Nations General Assembly or the International Labor Organization (ILO) Declaration on Social Justice for a Fair Globalization (2008) adopted by the International Labor Conference In Africa, however, the exercise of the right to security and social protection is still denied to many citizens, who do not have access to existing programs in most countries of the continent”*. Burundi is no exception to this constant of the ILO. According to the Burundi social protection code in its article 6: *“The government must ensure respect for the rights and duties provided for by the Universal Declaration of Human Rights, International Covenants on Human Rights, the African Charter of Human Rights and Peoples as well as the Charter of National Unity»* (Government of Burundi , 2020, p. 3)

The purpose of this article is not to study how these rights are applied in Burundi. Rather, this research aims to understand how social security organizations are valued by affiliates. Regarding public social security organizations, two dimensions interested us: governance and performance. Concretely, the problematic of this study revolves around the following two questions:

- How do affiliates assess the financial and social performance of social security organizations?
- How do affiliates assess the administrative and financial governance of social security bodies?

To answer these questions, we have structured the paper into 3 sections. Apart from this introductory section, the rest of the article includes the literature review, methodology, presentation of results and discussion. As introduced, the document ends with a conclusion.

1. Literature Review

At the start of this section, we seek to introduce readers to the most important keyword in this paper, which is the concept or notion of “social security”.

According to Barya (2011, p. 15) : *“Social Security refers to a formal system or arrangement with protection against socially recognized conditions, including poverty, old age, disability, unemployment, sickness, orphanage, and others”*

The most comprehensive attempt to conceptualize social security is the International Labor Organization (ILO) Convention No. 102, that is, ILO Social Security (Minimum Standards) 1952 Convention that provides for the right to social security to include among others the right to security : old age, health care, sickness benefits, unemployment benefits, employment-related injury benefits, family and child support, disability benefits, maternal benefits, prenatal, childbirth post-natal care and hospital care, where necessary.

A right theoretically recognized also in Burundi. In a study titled Institutional, organizational and financial analyzes of the social security organizations of Burundi for the Executive Secretariat of the National Commission of Social Protection of Burundi (2017, p. 8), indicates that : *“social security is the protection that the society grants to its members, thanks to a series of public measures of a compulsory nature, against the economic and social outcome which could plunge them, because of the disappearance or the noticeable reduction of their gain, the sickness, the maternity, the accidents at work and the occupational diseases, the unemployment, the invalidity, old age, death and family expenses”*.

In addition, the Government of Burundi (2015, p. 4)in its social protection strategy recognizes that it is the poorest and most vulnerable who, being less well covered by current social protection schemes, incur the most serious risks. Therefore, a very important role must be given to the development and strengthening of social assistance programs for the poorest and most vulnerable, such as cash transfer programs, labor-intensive public works, and targeted subsidies to the "needy" for access to health care.

The Burundian system of security and social protection does not concern the entire Burundian population whereas it is a system that is supposed to play a major role in a country where vulnerability is a real and pronounced phenomenon. There are still many Burundians who are not concerned about this right. The rate of coverage of Burundians by the social security system and compared to the national population is very low. The lack of sufficient income, the penetration rates of social security organizations and of affiliation or registration of new ones

are also very low despite the compulsory nature of social security enacted by several national and international texts.

As elsewhere in the world, social security in Burundi should indicate an assortment of measures voluntarily initiated by the government in an attempt to reduce or distribute the adverse consequences resulting from several incidents or events called "social risks". Grandguillot (2021, p. 17) defines risk as being: "*a risk is a future or uncertain event causing harm when it occurs. It becomes social when it is shared by a community*".

According to the Luxembourg Ministry of Social Security (2010, p. 27), the efforts made to curb, absorb or reduce social risks are essentially manifested: "*in social security policies which, in order to achieve their goals, are embodied in legally structured social security systems*»

In Burundi, efforts in the area of social security have been made by the government. However, there is no shortage of reviews. Theoretically, they should be designed as measures to ensure minimum income security for the population, facilitate access to basic services and help households to better manage the risks they face. These efforts should normally concern the entire population. Unfortunately, certain categories of the population seem to be forgotten.

- Access to income for children is not guaranteed;
- Access to income for people of working age unable to earn sufficient income or unable to find work (unemployed) is not guaranteed;
- Access to income for the elderly is insignificant or non-existent.

In Burundi, some contributory social security programs have existed for several years. These are employment-based social security systems financed by the employer and the employee such as:

- The Public Service Mutual for State officials and the like (MFP in French acronym);
- The National Institute of Social Security, civil servants under statute and employees of the structured private sector (INSS in French acronym);
- The National Office for Pensions and Occupational Risks for civil servants under contract, magistrates and agents of the judiciary (ONPR in French acronym).

Despite these weaknesses in the Burundian social security sector, better governance is needed to further consolidate the sector and allow it to go beyond its challenges.

The World Labor Organization (2010, p. vii) specifies that: «*Good governance of social security programs and bodies is an essential condition for extending coverage and improving*

the effectiveness of social protection. Effective governance can make a difference in the long run. No social protection system can achieve its goals without good governance».

The term "governance" is ubiquitous today. From the football club to the company and the state, no sector escapes him. Social Security seems to be an exception. Even though it is one of the most inclusive institutions, affecting citizens at every moment of their lives, the way in which it is governed is not well known (Nezosi, 2017, p. 39).

He goes on to say that the way in which the different branches of social security are organized and administered and the way in which public social security policies are defined remain in the shadows.

Most formal social security arrangements appear in the form of social insurance. Social insurance refers to arrangements or schemes, usually defined and prescribes where they receive benefits or services to their insurance scheme. These schemes typically include provision for retirement pensions, disability insurance, and survivors' benefits, and unemployment insurance (Barya, 2011).

In Burundi, the schemes managed by the Social Security Organizations are provided for by law. Article 1 of Act No. 1/011 of 29 November 2002 on the Reorganization of pension and occupational risk schemes for workers governed by the Labor Code and similar establishes two schemes. The first is the occupational risk scheme for the provision of benefits in the event of an accident at work and occupational disease. The second is the pension scheme for old-age, invalidity, and death benefits. Both schemes are administered by two social security organizations: the National Institute for Social Security (INSS) and the National Office for Occupational Pensions and Risks (ONPR) in the French acronym (Government of Burundi, 202, p. 99)

Article 9 of the same law (Government of Burundi, 202, p. 100) refers to the possibility of covering additional risks, whether special or special, the Mutual of the Public Service (MFP in French Acronym) was set up to manage a third regime, the dual plan: health insurance-maternity, for public servants and similar.

For all three agencies, the same act recommends separate administrative and financial management by the plan as each organization manages two plans at the same time.

The National Commission for Social Protection of Burundi (2017) in the study already cited, said that the bodies managing social security in Burundi are completely ignorant of profitable schemes, unprofitable or more profitable than others. Total and institutional performance is completely ignored.

2. Methodology

2.1. Parent population

The study focused on employees (administration, schools, universities, companies, NGOs, non-profit organizations, etc.) in the structured public and private sector in Burundi. To obtain reliable and precise results, the study focused on employees with at least a university degree. The size of the population being large and not known with precision by the organizations under study or any other authorized or research or statistical institution, we constituted a sample using the non-probability sampling method.

2.2. Sample

In this paper, we consider non-probability sampling because we assume that the distribution of characteristics within the population is equal. A sample of 105 affiliates is considered to be representative and therefore the results obtained are considered accurate and generalizable.

A total of 150 questionnaires were sent or distributed (40 by google forms and 21 responses recorded, 110 in paper form and 84 responses recorded). Having only two strata (public sector versus private sector), we made a proportional allocation by targeting 75 people for each stratum. Ultimately, 105 respondents participated in this study.

For a study seeking to probe the assessment of the governance of social security organizations as well as their performance, the statistically significant sample size gives a more holistic view of current and potential affiliates. However, we believe that even a smaller sample size can provide reliable and relevant information if it is done among the true holders of that information. Thus, 105 university-level people drawn at random are considered satisfactory for the purpose of our study.

2.3. Collection of data

The questionnaire used (online or paper version) is unique and includes 23 questions. Each time, a question was asked for each of the three organizations covered by the research/study.

All questions were closed.

The first section, composed of 5 elements, aimed to collect demographic information on the respondents and their affiliation or not to the social security organizations targeted by the study.

The second section includes 6 questions on the financial management of the schemes.

The third section includes 6 questions on the administrative management of the schemes.

The fourth section includes 3 questions on assessing financial performance.

The fifth section consists of 3 questions on the evaluation of social performance.

The information was collected between June 07 and December 21, 2019. The data have been processed quantitatively and qualitatively for the purpose of presenting them in schematic or graphical form as follows.

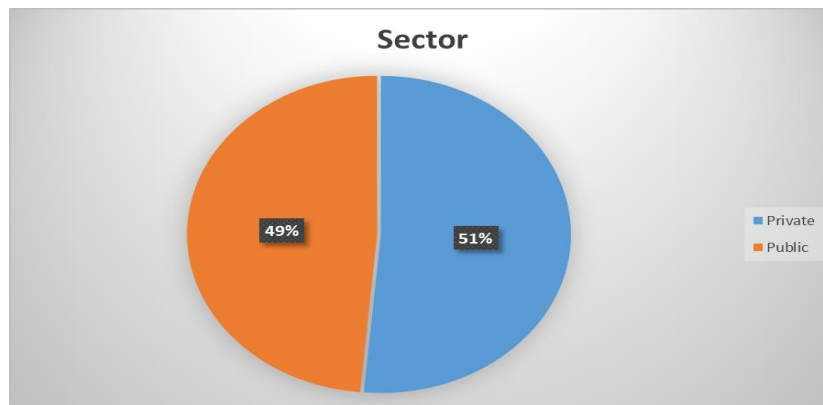
3. Findings and discussion of Results

As said above, the questionnaire was structured in five sections. For more consistency and clarity, the data is presented section by section.

3.1. Demographic section

In this section, two questions concerned the identification of the respondent. Three others concerned the affiliation or not of the respondent to the social security organizations concerned by the study.

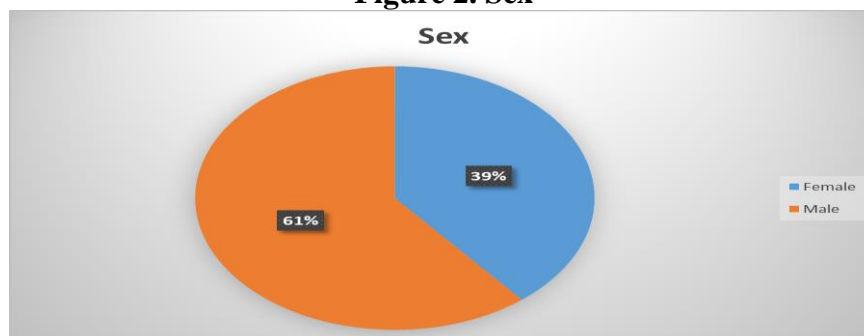
Figure 1. Respondents' sector of activity



Source: Author

All the respondents have a professional occupation, either in the public or in the private sector. 54 respondents (51%) are from the private sector while 51 others (49%) are from the public sector. As they are all professionals, they are in one way or another interested in the social security system.

Figure 2. Sex



Source: Author

Of the 105 respondents, 41 are female while 64 others are male. Thus, the female gender represents 39% against 61% of the male gender.

Concerning the respondent's affiliation to the social security organizations studied, three questions were asked, one per organization. The possible answers are YES or NO. The following table shows the responses obtained.

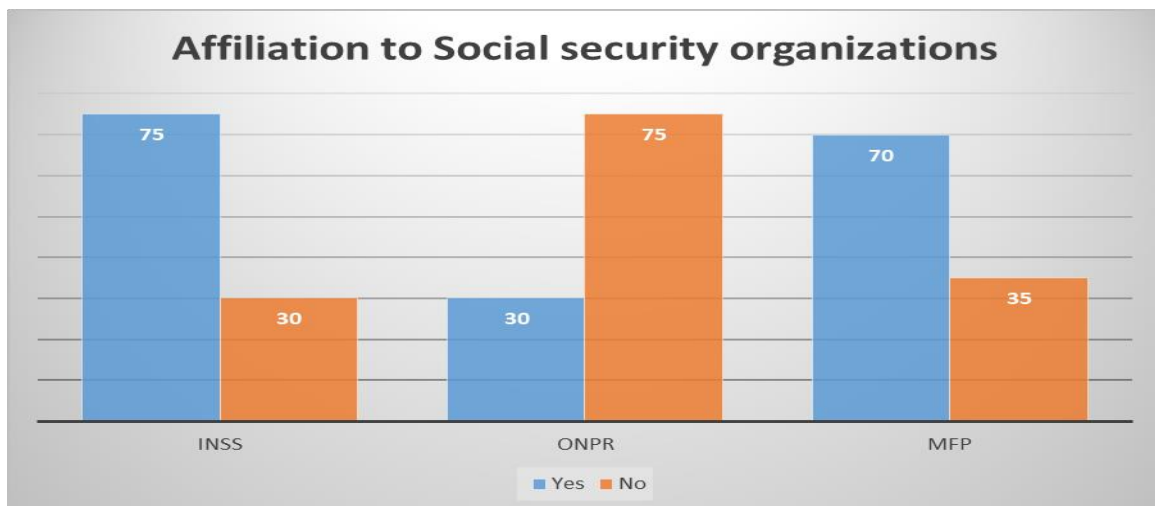
Table 1. Affiliation to social security organizations

Social security organizations	Yes	No	Total respondents
INSS	75	30	105
ONPR	30	75	105
MFP	70	35	105

Source: Author

Graphically, the answers are as follows.

Figure 3. Affiliation to Social security organizations



Source: Author

The answers on the INSS must be read in parallel with those from the ONPR.

The results are opposite.

For INSS affiliation, the response “yes” has a score of 75 and the response “no” has a score of 30. For the ONPR, the response “yes” has a score of 30 and the response “no” has a score of 75. Thus, a respondent is either affiliated with the INSS or affiliated with the ONPR and not everywhere at the same time. Which is normal. It is impossible to have both affiliations at the same time. The affiliations to these two organizations are mutually exclusive, even incompatible at the time T.

With regard to the health and maternity insurance scheme, only 66.67% (or 70 out of 105) are affiliated to the MFP. At this level, we should not say hastily by saying that the 35 others are not affiliated with a health and maternity insurance organization. However, it should be noted that other private organizations (which are not the subject of this study) also manage this scheme. There are also employers who offer this plan 100% to their staff. At the same time, it should be noted that there are also private sector employers who do not provide this plan to their staff. The 35 are either affiliated to other private organizations, or do not benefit from this scheme or, they are taken into account by their employers at 100%.

3.2. Financial management of the schemes

As mentioned in the review of the literature, each social security organization studied in this article manages two schemes.

The INSS and the ONPR manage the same schemes for two different audiences and under different conditions. These schemes are pensions and occupational risks.

For its part, the MFP manages health and maternity insurance.

Here, it is a question of understanding whether the respondents are for or against a financial management completely separate from the schemes managed by the organization.

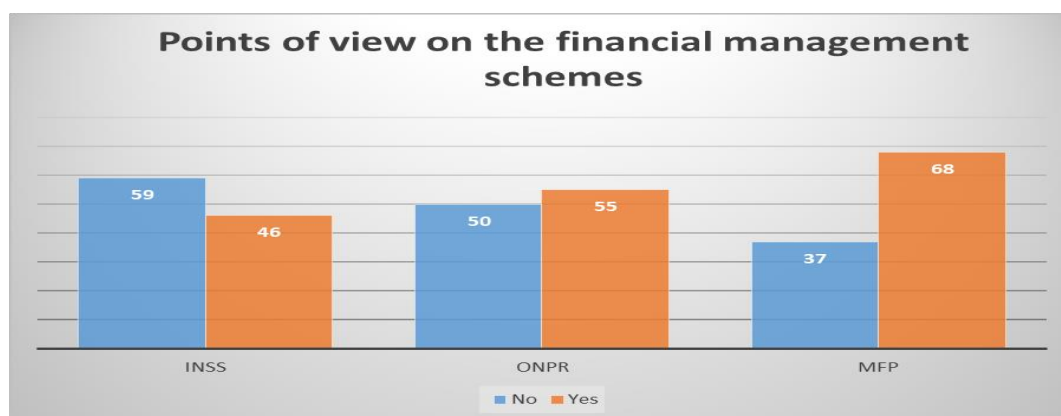
The following table and graph present the views of the respondents.

Table 2. Points of view on the financial management schemes

Points of view on the financial management schemes	No	Yes	Total
INSS	59	46	105
ONPR	50	55	105
MFP	37	68	105

Source: Author

Figure 4. Points of view on the financial management schemes



Source: Author

The National Institute of Social Security (INSS in acronym) manages two types of scheme: pensions and occupational risks. Here the question is: are you in favor of a completely separate financial management practice plan by plan?

The National Office for Pensions and Occupational Risks (ONPR in acronym) manages two types of scheme: pensions and occupational risks. When asked whether respondents are for or against a completely separate plan-by-plan financial management practice, the answers were as follows.

With regard to these answers, it is clear that the “no” wins at the INSS. However, the “yes” score is significant. At the ONPR, the "yes" wins. At the MFP, the "yes" won with a high score of 68. In general, respondents are against the combined financial management of plans managed by social security organizations. They advocate a clear and clean separation of cash inflows and outflows. Such a practice would make it possible to identify, on the one hand, the resources specifically generated by each regime, and on the other hand, the uses or expenditures made for each regime as required by the relevant legislation. By further reflection, it would even be possible to determine the result of each regime and facilitate decision-making. Here, it is important to specify that the breakdown of common costs and common products is a prerequisite for achieving specific results, scheme by scheme. The definition of distribution keys is also crucial to achieve this.

Another possibility is also possible to lead to a separate financial management of the schemes: "to split each organization into two and obtain two specialized each one per scheme." In this regard, the legal framework and regulations applicable to each regime should first change. This idea is strongly supported by the answers obtained to the question relating to the separation of administrative management.

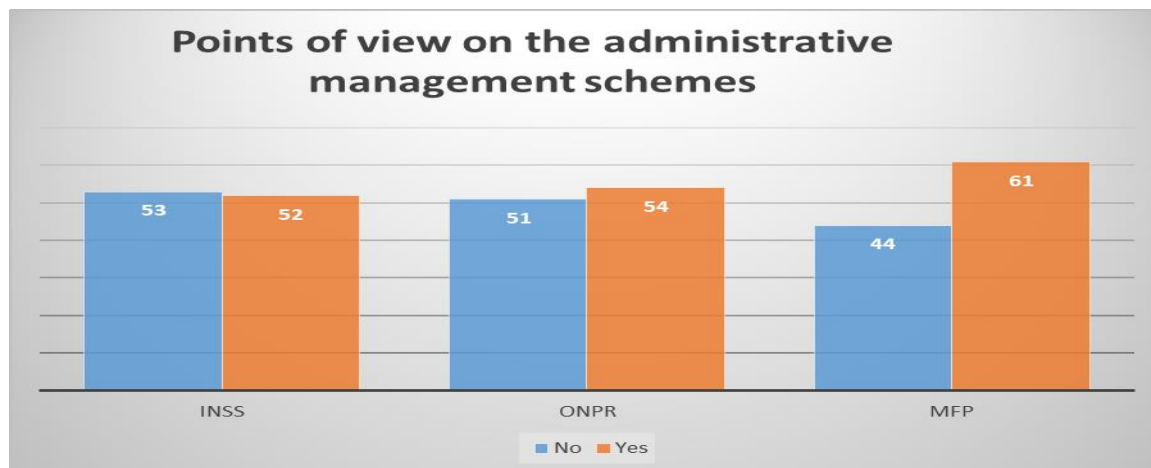
3.3. Administrative management of the schemes

Table 3. Administrative management schemes

Points of view on the administrative management schemes	No	Yes	Total
INSS	53	52	105
ONPR	51	54	105
MFP	44	61	105

Source: Author

Figure 5. Administrative management schemes



Source: Author

Although different, the results obtained at this level are not far from the precedents on the financial management of schemes. Generally speaking, the "yes" wins. While the scores are not very wide but the majority lean for the "yes". Here again, respondents make it clear that they prefer separate administrative management from the plans managed by the organization. The separation may be partial or total. For the latter case, each organism is split into two. Each new body created manages a single plan. As said above, the legal and regulatory framework should be adapted to allow this.

3.4. Financial performance evaluation

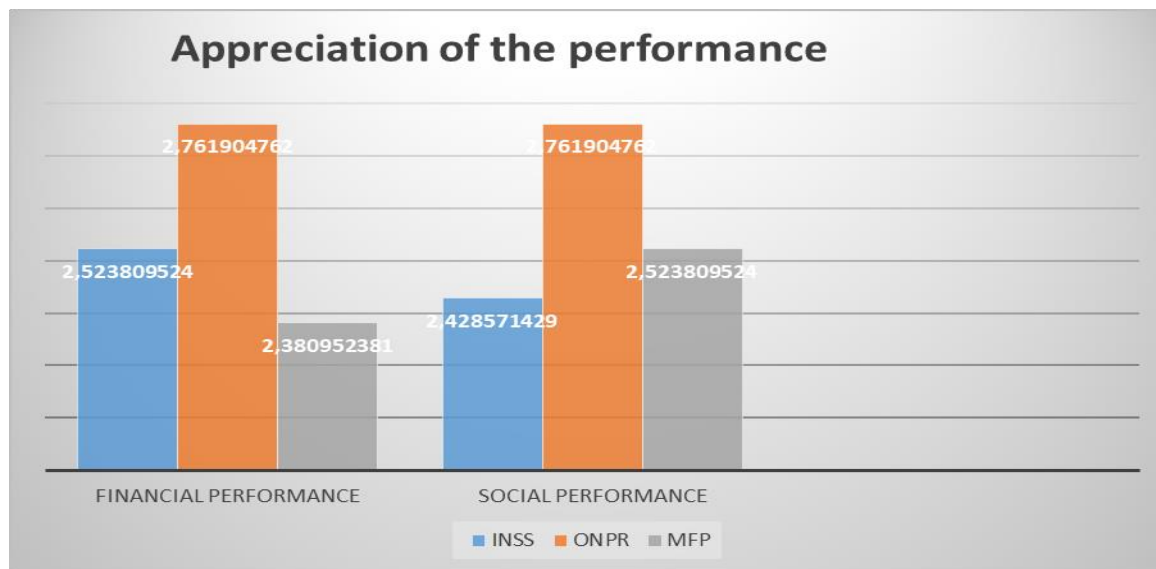
In order to get the idea of the financial and social performance of organizations, we asked the respondents to give a score (on a scale of 1 to 5) for each organization on the one hand for the financial performance and on the other hand, for social performance. For an overall idea, we calculated the arithmetic average for each type of performance and for each organism as shown in the following table and graph.

Table 4. Appreciation of the financial and social performance (average)

Assessment of the performance	INSS	ONPR	MFP
Financial	2,52380952	2,76190476	2,380952381
Social	2,42857143	2,76190476	2,523809524

Source: Author

Figure 6. Appreciation of financial and social performance (average)



Source: Author

The respondents reveal a high level of doubt for all organizations. For the latter, the performance of these institutions leaves much to be desired. No institution has an average of 3. In this regard, it is important to remember that the assessment is based on a scale of 1 to 5.

The arithmetic average of the extreme scores is 3. In other words, an average below 3 indicates a negative assessment. Of course, these institutions are very capital intensive. You don't have to read the financial statements to understand it. Their gigantic infrastructures can give an idea, summarily perhaps, of their tangible fixed assets and consequently of their investments. Why the gigantic investments when the affiliates, the first beneficiaries of the services provided, give a mixed or even negative assessment?

Conclusion

In conclusion, it should be remembered that from the results obtained and presented in this article, affiliates do not appreciate the fact of jointly managing the plans financially and administratively. The respondents are for separate management for the 3 organizations under study.

It should also be remembered that the social and financial performances of these institutions are not likely to please or satisfy the affiliates. However, the satisfaction of the latter should be their primary objective, if not unique or at least essential.

In such circumstances, the leaders of its organizations are the first to act in an attempt to reverse the trends. To achieve this, they should above all seek to understand the major reasons which

are at the base of this inappropriate assessment for organizations supposed to sit or contribute to the consolidation of the well-being of their affiliates and therefore of the entire Burundian population. Leaders should institutionalize the permanent tripartite dialogue recommended by Burundian law and the ILO. As far as possible, the dialogue would be more inclusive and integrate civil society, researchers, academics, etc.

As for the affiliates, they should continually demand the institutionalization of the culture of excellence arising from the appointment of general managers on the basis of competitions.

Like all human work, this article does not lack limits. It is a study dealing briefly with two dimensions (governance and performance) and this, from a less consistent sample. In this perspective, other researchers will be able to enlarge it and deal with more dimensions, in detail. They may also seek to understand the reasons which are at the base of the dissatisfaction of the affiliates. Despite these limitations, this article contributes to an understanding, on the one hand of the plans managed by the organizations studied, on the other hand, of what affiliates think of the organizations. And by this, each stakeholder would know how to make a breach to act in what concerns him.

In terms of contribution, this article gives meaning to the debates relating to the separate management of schemes managed by organizations. At this level, a question arises: is there a need for a separation of the management of the plans leading to the splitting in two of each organization?

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