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MOROCCO: ECONOMIC, SOCIAL, POLITICAL AND
INSTITUTIONAL SITUATION AND ITS CONNECTION
WITH SOCIAL DIALOGUE

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"MOROCCO: ECONOMIC, SOCIAL, POLITICAL AND INSTITUTIONAL SITUATION AND ITS CONNECTION WITH SOCIAL DIALOGUE"

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This study, entitled "Morocco: Economic, Social, Political and Institutional Situation and Its Connection with Social Dialogue", belongs in a more comprehensive study comprising, in addition to Morocco, Tunisia and Jordan.

It is the first study in a project implemented by the Arab Trade Union Confederation (ATUC) and sponsored by the European Union (EU). The project aims at "promoting social dialogue in the Southern Mediterranean" by providing a platform agreed by both employers and unions that is conducive to a successful social dialogue with Southern Mediterranean governments.

This is a pilot project, extending over a three-year period (2016-2018) with the following components: conducting several studies, research works and surveys eliciting the opinion of social and economic actors, and delivering a set of consultative meetings and interactive national and regional workshops, with input by the key stakeholders in the implementation of the various project components. These include economic and social councils, trade unions and employer associations, as well as representative institutions and NGOs in the project countries.¹

The study was conducted in compliance with the terms of reference set for it, with regard to focus, size (30 to 40 pages) and study period 2011-2016.² It is a draft in need for amendment and revision in view of project partner comments, as well as for updating of certain indicators and data.³

¹ Key stakeholders in Morocco: Economic, Social and Environmental Council, Morocco Contractors' Union, Moroccan General Labour Union, Democratic Confederation of Labour, and General Union of Moroccan Workers.

² For a better appreciation of today's realities, we have had to recall certain historical information and facts.

³ Morocco is set, on 7 October 2016, for legislative elections to renew the Parliament, which will then lead to the advent of a new Government.

CHAPTER ONE: KEY INSTITUTIONAL DATA AND SOCIO-ECONOMIC INDICATORS

I. GENERAL INFORMATION

Political system: Democratic and social parliamentary constitutional monarchy

Head of State: King Mohamed VI, since 23 July 1999

Prime Minister: Abdelilah Benkirane, since 29 November 2011

Parliament: Bicameral legislature, consisting of two chambers: Assembly of Representatives and Assembly of Councillors

Elected Regional and Local Councils: 12 regional councils, and 1503 urban and rural local authorities

Participatory and democratic governance bodies: Economic, Social and Environmental Council, National Human Rights Council, Supreme Audio-Visual Communication Agency, Competition Council, National Integrity and Anti-Corruption Agency, Higher Education, Training and Research Council, Parity and Anti-Discrimination Agency

Political and union landscape: Multipartism and multiunionism: 33 political parties and 4 most representative trade unions

Employer associations: mainly Confédération Générales des Entreprises du Maroc - CGEM (Moroccan Employers' Association)

Non-Governmental Organisations: 116.836 NGOs (as in 2014)

Official language(s): Arabic and Berber (Imazigh)

Population: 33.8 million (as in September 2014)

Urban population rate: 60.3% (as in 2014)

Economic system: market economy, with State intervention in certain strategic sectors

Competitiveness index ranking: 73

National currency: Dirham (1 US\$ = 8 Dirhams)

Illiteracy rate: 32% (as in 2015)

Unemployment rate: 9.7% (as in 2015)

Employment deficit: 10.8 (as in 2014)

Working population: 62.4%

Growth rate: 4.5% in 2015; 1.5% in 2016 (mean 2012-2016 = 3.2%)

Non-Agricultural GDP: 4.3%

Total GDP: USD 100.36 billion (in 2015)

GDP per capita: 29.146 Dirhams (in 2014); 3.040 USD (in 2015)

Human Development Index ranking: 126 (in 2015)

Human Development Index: 0.61 (in 2013)

Scientific Research Budget: 0.8% of GDP (in 2016)

Life expectancy at birth: 74.8 (in 2011)

Rate of basic health coverage: around 62% (in 2016)

Rate of pension fund affiliation: around 35%

Inflation rate: 1.6% (in 2015)

Poverty rate: 6.2% (in 2011)

Vulnerability rate: 13.3% (in 2011)

Budget deficit to GDP: 4.4% (in 2015)

Current account deficit: 2.2% (in 2015)

Debt rate: 63.4% (in 2015)

II. MOROCCAN STATE

1. Origins

The State in Morocco dates 12 centuries back: in the era of Islamic conquest during the 1st Century A.H., Morocco was annexed, together with North Africa, to the Umayyad Caliphate in Damascus. Around the years 788-793 A.D., the Idrisid dynasty gained independence by its founder Moulay Idriss, and Morocco was subsequently ruled by several dynasties down to the Sa'di dynasty. The year 1660 A.D. saw the founding of the Alawi dynasty by Prince Moulay Ali Cherif,⁴ King Mohamed VI being one of its descendants.

2. Protectorate Era

Following the "Algeciras" colonial powers conference in 1906, Morocco came under the control of France and Spain, until formal establishment of the Protectorate on 30 March 1912. Accordingly, France colonised its central, eastern and western regions, while Spain colonised its northern and southern regions, together with the "Western Sahara",⁵ as to the city of Tangiers in the north, it was subject to an international mandate pursuant to the Paris Convention of 1925.

3. Independence

France recognised, by virtue of the Accords of 2 March 1956, the independence of Morocco; so it recovered all its territories under French rule. Then, Spain followed suit, recognising the country's independence, by virtue of the Accords of 7 April 1956; so it recovered parts of its northern and southern territories, while the two cities of Ceuta and Melilla, in the north, and several territories, in the south, remained under Spanish rule. Accordingly, the issue of complementing territorial unity became the independent State's motto. Its materialisation, however, proved to be more problematic: indeed, it was only in 1958 that it recovered the province of Tarfaya, after armed confrontations with the Spanish forces led by the National Liberation Army, and only in 1969⁶ that it recovered Sidi Ifni; as for the "Western Sahara" territory, it remained under Spanish occupation until November 1975, while Ceuta and Melilla, together with several islets in Moroccan territorial waters in the north, continue to be under Spanish rule.

After diplomatic endeavours with Spain and at the UN to recover the "Western Sahara", the 14th of November 1975 saw the signing of the "Madrid Accords" by Morocco, Spain and Mauritania, pursuant to which the Spanish forces withdrew and handed over the "Western Sahara" territory. This was, however, opposed by Algeria which declared its support for the "Polisario Front".

⁷ Then, after years of military conflict, a ceasefire was sealed, under the UN, in June 1988, alongside with the inception of negotiations to hold a "self-determination referendum" or striking an agreed deal based on the 2007 Moroccan proposal,⁸ consisting in granting the "Western Sahara" territory enlarged self-rule

⁴ Hassan Amili, *History of the State of Morocco* (12 centuries), supervised by Ahmad Sarraj ('Ukaz Publishers, 2009), 146-147.

⁵ "The Western Sahara" is a territory located in the far south of Morocco, sharing borders with Algeria and Mauritania, and whose major cities are Laayoune and Dakhla. It was colonised by Spain in 1884 A.D. and was recovered by Morocco in 1975 A.D. by virtue of the "Madrid Accords" concluded jointly by Spain, Morocco and Mauritania in Madrid (Spain), on 14 November 1975.

⁶ Khaled Ibn Sghayyir, *History of the State of Morocco* (12 centuries), supervised by Ahmad Sarraj ('Ukaz Publishers, 2009), 236.

⁷ Established in 1973 for the liberation of the "Western Sahara" from Spanish colonisation, then claiming in 1975 a self-determination referendum and independence from Morocco by "establishing a State".

⁸ The self-determination proposal was made by Morocco to the UN on 11 April 2007, and was deemed by Resolution 1754 of the Security Council as "serious and credible". Cf. Report by the Democracy and Human Rights Mediator, p. 8 (12 February 2016).

under Moroccan sovereignty. The conflict caused tension in Moroccan - Algerian relations and partly led to a closing of land borders between the two countries as from 1994. It also impeded the establishment of the "Union of the Arab Maghreb" (UMA),⁹ with inter-State trade standing at a mere 4.3% in 2014,¹⁰ while costing its member countries -2% of GDP annually.

III. GENERAL POLITICAL CONTEXT

1. General Freedoms and Political Struggle for Power

The history of post-Independence Morocco has been marked by ups and downs with regard to general freedoms. There was the period of curtailment of freedoms, era known as that of the "years of lead"¹¹ with spates of drastic restrictions in matter of general freedoms in response to calls by opposition parties and movements for an end to monopoly of power and for the advent of a Constitution in Morocco allowing for the establishment of a democratic regime, as well as calls for a proper response to social demands. Morocco experienced then departure from the law, especially in the sixties and early seventies of the past century. The year 1976 was to see the inception of what was dubbed the "democratic process", marked by the holding of general elections as a way out from a state of exception, coupled with a certain openness in regard of general freedoms.¹² Yet, this period was not free from restriction on the activity of opposition parties and movements, with electoral polls whose "integrity was questioned",¹³ and a backlash on freedom of trade union activity following a wave of social protests.¹⁴

2. Political Concord ahead of the Democratic Transition

Following a motion of no confidence, tabled against the Government in 1990 in the Parliament, by the then leading opposition parties,¹⁵ followed on 9 October 1991, by a joint memorandum by these parties to King Hassan II, calling for political reform and constitutional amendments,¹⁶ the King responded

⁹ The Union of the Arab Maghreb (UMA) was established in 17 February 1989 in Marrakech (Morocco) as a economic and political block, and this pursuant to the signing of an agreement by the then Arab Maghreb countries leaders, namely Algeria, Libya, Mauritania, Morocco and Tunisia. Cf. text of the Agreement at <http://www.maghrebarabe.org/ar>.

¹⁰ *Economic and Financial Executive Report*, annexed to the draft Finance Law for 2016, Ministry of Economy and Finance, p. 3.

¹¹ The "Years of Lead" are years that saw committing by the State of several serious human rights violations, between 1956 and 1999. For further details, see the Final Report of the "Equity and Reconciliation Commission", Legal Deposit 1774/2006.

¹² Release of a number of political detainees and lifting the ban in 1978 on the student union, National Moroccan Students' Union, a ban instated in 1973 pursuant to a administrative decision.

¹³ It was common for opposition parties to challenge election results and accuse the administrative authorities of "rigging" them to the benefit of parties close to the regime in place for purposes of cutting down opposition parliamentary seats.

¹⁴ The education and health sector strikes of 1979 led to the dismissal of hundreds of trade unionists; the strike called by the Moroccan General Labour Union in Casablanca on 19 June and the general national strike of 20 June 1981, called by the Democratic Confederation of Labour, which saw on the day the strike was conducted in Casablanca dramatic events and massive arrests of hundreds of union and political leaders; and the joint general strike, called by the Democratic Confederation of Labour and the General Union of Moroccan Workers on 14 December 1990, which, in its turn, saw dramatic events in Fez and massive arrests.

¹⁵ Tabled by the representatives of the Istiqlal (Independence) Party and the Socialist Union of Popular Forces in the Parliament, the then chief opposition parties; this being the second such motion in the history of Morocco, after the first motion tabled by the Socialist Union of Popular Forces in June 1964.

¹⁶ Abdessalam Ammari, *Political Communication Process in Contemporary Morocco: Democratic Block Discourse from League to Alternation*, 17 May 1992 - 14 March 1998 (Zawiatun L-Ilfanni wa ath-Thaqafati Publishers), Joint Memorandum by Mr. Mohamed Boussetta (on behalf of Istiqlal Party) and the late Abderrahim Bouabid (on behalf of the Socialist Union of Popular Forces).

positively to some of the demands, of which amendment of certain articles in the Constitution in 1993. This ushered Morocco into an era of openness in general freedoms, with release of certain political detainees and authorised return of a number of expatriates. Then, following the 1993 legislative elections, the King incepted consultations with the "Democratic Block" parties towards the formation of a Government with their participation. This, however, was unsuccessful.¹⁷ In 1996, Morocco saw the holding of the first tripartite dialogue that led to the signing of an Accord on 1 August 1996,¹⁸ the approval of a new Constitution, and the organising of legislative elections on 15 November 1997. The Socialist Union of Popular Forces¹⁹ came in the lead of the elections, without-however-the "Democratic Block", this party's ally, constituting a parliamentary majority. This ushered Morocco into a so-called experience of "consensual alternation", with King Hassan II appointing Mr. Abderrahman Yousfi as Prime Minister, heading the first alternation Government since Moroccan Independence.²⁰

3. Accelerating the Economic Liberalisation Process, Addressing the Social Deficit, Righting Past Human Rights Violations and Passing a New Constitution

After the demise of King Hassan II, the heir to the throne, Mohamed VI, assumed the throne of Morocco on 23 July 1999. Upon his coronation, the latter expressed his intention to address the economic, social and political deficiencies. This transpired from a speech he delivered on 12 October 1999, when he called for effecting a "new power concept" resting on good governance, and another on 20 August 2003, when he ordered the drafting of a report that would take stock of the achievements and failures which marked the 50 years of post-Independence Moroccan history, in the field of human development, and lay down milestones for the timeframe 2025. The report entitled "The Possible Morocco: 50 Years of Human Development and the Prospects for 2025",²¹ may be considered, in view of the future orientations it comprises, as a roadmap for the Mohamed VI reign. This reign has been marked by the design and implementation of several economic development plans in industry, agriculture, fishery, tourism and renewable energies, as well as accelerating the process of Morocco's integration in the global economy. As regards the social sector, several laws of a social nature have been approved, of which the "Family Code",²² the "Labour Code" and the "Basic Health Coverage Code". The sector also

¹⁷ The "Democratic Block" was established on 17 May 1992. It was a coalition of the then opposition parties seeking political and constitutional reform, and democratic construction. Its constituent members were: Istiqlal Party, the Socialist Union of Popular Forces, Progress and Socialism, the Organisation of Popular Democratic Action, and the National Union of Popular Forces.

¹⁸ Joint declaration, signed on 1 August 1996, by the Government, trade unions and employers' association, after negotiations lasting over a month. The declaration comprised agreement to several union demands and to regular social dialogue, as well as setting up a National Dialogue Commission; this being the first such tripartite social agreement to be signed in Morocco.

¹⁹ Socialist Democratic Party, a leading left opposition party in Morocco, since its establishment in 1959.

²⁰ The "consensual alternation" Government was led by Mr. Abderrahman Yousfi, the then First Secretary of the Socialist Union of Popular Forces; it comprised, besides Ministers from the "Democratic Block" parties, such entities as the National Rally for Independents, the Popular Movement, and the Democratic Forces Front, with a view to constituting a parliamentary majority. King Hassan II had pledged after the 2002 elections to be the guarantor of this government majority in the Parliament. Even though Mr. Idriss Hattou (independent) came in the lead, and was appointed Prime Minister, he decided on 27 October 2002 to resign from the leadership of his party and to forsake politics.

²¹ *The Possible Morocco: 50 Years of Human Development and the Prospects for 2025* (Publications of the Kingdom of Morocco), hdr.undp.org/sites/.../nhdr_2005_morocco-ar.pdf. Over 100 academic researchers contributed to the drafting of the report, with the then advisor to the King, the late Meziane Belfqih, serving as coordinator.

²² Mohamed Benyahya, *Act 70.03* (Publications of the Maghrebi Journal for Local Government and Development, "Texts and Documents" Series, First Edition, 2004).

enjoyed catering for the underprivileged and poor social categories, through the "National Human Development Initiative",²³ as well as an endeavour to consolidate the position of the middle class. The political domain was marked by an intent to go over the era of serious human rights violations by setting up the "Equity and Reconciliation Commission",²⁴ by passing a New Constitution on 1 July 2011, a process to reform the religious domain, a domain in which the King holds "Commander of the Believers"²⁵ status, with a view to countering religious extremism, and putting forward a "self-rule" proposal to resolve the Saharan conflict.

²⁶ As for party life, the landscape saw the emergence of a new party named "Authenticity and Modernity",²⁷ the disbanding of the "Democratic Block" parties coalition, the advent of new and ad-hoc political alliances, the dissolution of several minor parties and their merging in others, the setting up of a coalition of several left-wing parties,²⁸ and emergence of the "Justice and Development Party" as a majority party in the legislative elections of 25 November 2011, and subsequent appointment of its Secretary General as Prime Minister.²⁹

IV. POPULATION LANDSCAPE, MACRO-ECONOMIC INDICATORS AND THE LABOUR MARKET

1. Population Landscape and Demographic Indicators

The population of Morocco presents, in view of the country's history and geographical position, a great diversity with Imazigh (Berber), Arabs, Jews, Andalusian, and [black] African elements. According to the General Population and Housing Census, Morocco now counts 33 million 848 thousand people.³⁰ The detailed findings of the Census revealed far-reaching changes that affected its population pyramid, of which a decline in the demographic growth rate, over the two decades prior to 2014, from 1.38% to 1.25%, a rise in the urbanisation rate to 60.3%, as against 55.1% in 2004, a shrinkage in the 15- years age

²³ Announced by the King in his speech of 18 May 2005, with the following objectives for the first phase of the project: "Social upgrading of the 360 most destitute communities in rural environment, and of 250 poor urban neighbourhoods, whether ageing, uncontrolled, or slum settlements, on the outskirts of cities, and which display glaring social exclusion, unemployment, delinquency and wretchedness . . .", Cf. King's speech at www.indh.gov.ma.

²⁴ Independent body, established by virtue of royal decree dated 10 April 2004, issued in the *Official Gazette* number 5203, dated 12 April 2004, p. 1639. It investigated past serious human rights violations over the period 1956 - end 1999, and was presided over by the late Idris Benzekri.

²⁵ Chapter III, Article 41 of the Constitution: "The King is the Commander of the Believers, the protector of the faith and religion, and the guarantor of the practice of religious rites . . ." (Publications of the Government General Secretariat, 2011). For further details, cf. the report entitled "The Religious Situation in Morocco", 2013 - 2014 (Rabat, Morocco: Publications of the Moroccan Centre for Studies and Research, Ma'arif Publishers - Casablanca, First edition, 2014), Study conducted by Dr. Houssam Hab on "Commander of the Believers Office", p. 11.

²⁶ Following impossibility to conduct the self-determination referendum, due to divergent positions between Morocco and the Polisario Front concerning the listing of those eligible to take part in the referendum.

²⁷ It held its constitutional congress in February 2009 and was composed of movements of a left-wing past, rallying in the "All Democrats Movement", together with five minor parties that dissolved themselves. Upon its first participation in the municipal elections of 2009, it came in the lead with 6032 seats. A major founder was Fouad Aali-al-Himmah, who had served as State Secretary for the Interior, from which post he resigned to present his candidacy for the 2007 legislative elections. He was elected to the Parliament, before forsaking political activity in 2011, now serving as Advisor to the King.

²⁸ A coalition of three left-wing parties within the "Democratic Left League", established on 30 January 2014.

²⁹ Abdelilah Benkirane, Secretary General of the "Justice and Development Party" (moderate Islamic) was appointed by the King after his party came in the lead of the legislative elections of 25 November 2011, garnering 107 parliamentary seats. The Government is a coalition grouping four political parties, and currently comprising 39 Ministers, of whom 6 independent.

³⁰ According to the memorandum of the Higher Commissionership for Planning, Summary Results of the General Population and Housing Census organised from 1 to 20 December 2014, Morocco counted 33 million 848 thousand 242 people distributed as follows: 33 million 762 thousand 36 Moroccan nationals and 86 thousand 206 people of various foreign nationalities.

group from 31% in 2004 to 28% in 2014, as against a rise in the 60+ years age group from 8.1% in 2004 to 9.6% in 2014 (or from 2.376 million in 2004 to 3.209 million in 2014), a rise in life expectancy to 74.8 years, an increase in the age group 15 - 25 years and in the working population (15 - 59 years) to 62.4% in 2014 with a forecast peak at 65% in 2018. This portends an increasing pressure on the labour market, with a forecast gradual downward trend from 2020 onwards. Such changes also affected family solidarity bonds and family structure, with the latter gradually muting from an extended to a nuclear and, at times, even single-parent, structure.

2. Macro-economic Indicators

The economic policy orientation of the Government issuing from the 25 November 2011 elections has been a policy chiefly concerned with maintaining control over macro-economic balance, with a battery of "reforms" involving the "Compensation Fund" and civil retirement pensions, streamlining management and investment expenditure, and freezing of wages; which policies were implemented in the wake of an agreement with the IMF.³¹ This, coupled with the decline in oil prices on international markets, helped bring the budget deficit from 7.2% in 2012 down to 3.5% in 2016,³² as well as containing the current account deficit within 2.2% in 2015, while investment stood at 189 billion Dirhams in 2016. On the other hand, public debt to GDP rose to 63.4% in 2015, as against 52.5% in 2011; the growth rate slackened, standing at around 3.3% on average over the period 2012 - 2016; the unemployment rate ranged between 9 and 10%; and inflation reported a rate of 1.6% in 2016.³³

3. Labour Market

1.1. Labour market general indicators

One of the consequences of the demographic change was an increase in the working population that rose from 10.2 million in 2000 to around 11.8 million in 2014, thus causing a rise in employment seekers. Indeed, the age group 15 - 34 years accounted for 36% of the population in 2014 and, with a slack in economic growth, the unemployment rate rose from 8.9% in 2011 to 10% in early 2016. This rate, however, conceals an urban rate of 14%, a gender disparity--with 19.3% among women as against 13.2% among men--, and a rate of 16.3% among young university graduates.³⁴ In actual fact, the demographic factor in unemployment is compounded by the economic factor. Indeed, economic growth is short of providing sufficient employment opportunities to absorb the increment and inflow of job seekers. Over the period 2010 - 2013, the average net job opportunities stood at around 73.000 annually, declining between the first quarter of 2013 and the first quarter of 2014 to a mere 39.000.³⁵

Both the pressure on the labour market in the private sector, accounting for 91% of all job opportunities--inclusive of the informal sector--, and an increasingly limited role of the State as employer--accounting for a mere 8.9% of all job opportunities--,³⁶ coupled with the rapid changes affecting the labour market, affected the type of employment contracts in the private sector. Indeed, an increasing trend has been observed among private enterprises and some semi-public companies to

³¹ Pursuant to this agreement, Morocco was granted in 2012, a credit line of USD 6.21 billion, followed by a second one in 2014 of USD 5 billion. Then in July 2016, a new contingent credit line was issued for an amount of USD 3.47 billion (IMF data).

³² Memorandum of tabling the Draft Financial Law 2016 before the Parliament (Ministry of Economy and Finance).

³³ World Bank database--<http://data.albankaldawli.org/country/morocco>-- and Finance Law for 2016.

³⁴ National Labour Market Survey 2013 (Publications of the Higher Commissionership for Planning, 2014).

³⁵ All unemployment indicators are derived from the annual and quarterly labour market surveys of the Higher Commissionership for Planning.

³⁶ The number of State, public companies and local government employees stood at 860.000 in 2014 (Source: Ministry in charge of the Civil Service).

resort to fixed-term contracts--which the Labour Code considers as exceptional employment contracts, to be resorted to under given conditions, with permanent employment contracts being the rule.

³⁷ In fact, it emerges from a survey of the number of employees declared to the National Social Security Fund--totalling 3 million 100 thousand employees in 2015--³⁸ those declared for 12 months out of 12 months of work represent a mere 1 million. Notwithstanding the fraud in matter of declaration of employees by employers, this indicator does reveal the existence of fixed-term employment contracts; at the same time, the total number of declared employees gives us, in its turn, an idea about the share of the informal sector in the labour market.

Besides, a survey conducted by the Higher Commissionership for Planning³⁹ revealed that paid work increased over the period 2000 - 2014 from 37.7% to 44.9%, thus reporting a rise by 6.61%, while unpaid work accounted for 22.5% of national job opportunities and 41.6% in rural areas; that only 20% of employees have social security coverage in 2014; and that 1 out of 3 employees has a written employment contract.

The study by the Higher Commissionership for Planning on the labour market⁴⁰ revealed a decline by 1.3% over the period 2010 - 2013 in the participation of the age group 15+ years in the economic activity, thus reporting 48.9% in the second quarter of 2014. It also revealed that the improvement in the level of education among the working population did not impact on the labour market. Indeed, the qualifications for the labour demand remained low, as 60% of the working population in 2013 did not have any diploma. As regards the legal framework governing labour relations, it derives from the stipulations of the Labour Code of 2004 and the regulations related to employee social security and health. What is observed on the ground, however, is a great decline in the number of labour inspectors and medical doctors, which affects the inspection quality. In recent years, the labour market has reported an increase in foreign labour force,⁴¹ hailing especially from Sub-Saharan African countries.⁴² All in all, Morocco is no longer a transit country for many of them; it is gradually becoming a country of settlement for the majority, which will, in the short term, raise a set of integration issues.

³⁷ Article 16 of the Labour Code (Royal Decree number 1.03.194, dated 11 September 2003, on implementation of the Labour Code) came into force on 8 June 2004.

³⁸ Address by the Minister for Labour and Social Affairs before the Parliamentary Social Affairs Commission, during presentation of the Ministry's draft budget for the fiscal year 2016 (Cf. Ministry's website: <http://www.emploi.gov.ma/index.php/ar/>).

³⁹ Study by the Higher Commissionership for Planning on "Paid Work Characteristics 2000 - 2014" (Publications of the Commissionership, 2015).

⁴⁰ Note on "The Labour Market in the First Quarter of 2014" by the Higher Commissionership for Planning (Publications of the Commissionership, 2014).

⁴¹ The number of employment contracts approved for foreign workers, during the first three quarters of 2014, amounted to 5841 contracts, with France and Spain in the lead. (Source: Address by the Minister for Labour before the Parliament in presentation of the Ministry's Budget for 2015. It must be pointed out, however, that the labour market reports a larger number of those who work without obtaining authorisation by the Ministry of Labour.

⁴² The exceptional legalisation of the status of "clandestine immigrants", implemented by Morocco in 2014, saw--according to the Ministry for Moroccan Expatriates and Migration--the granting of a resident permit to around 18.000 immigrants of 100 nationalities, most of whom coming from African countries, and this out of 27.000 applicants. Ministry of the Interior estimates for the period reckon the figure for those in illegal situation as 40.000, while civil society and European sources estimate the number as over 100.000. In any case, the number is steadily on the increase.

1.2. Woman and the labour market

Since the mid-1990s, Morocco saw several reforms that encompassed most of its national legislation, and this towards mainstreaming gender equality principles in such texts as the Family Code, the Labour Code, the Parentless Children Custody Law, the Nationality Law and the Code of Obligations and Contracts. Morocco also signed most international woman's rights conventions, enacted a battery of procedures to boost woman representation in its various representative bodies, and put in place several woman political and economic empowerment action plans. Pursuant to Article 19 of the 2011 Constitution, Morocco envisions to set up a "Parity and Anti-Discrimination Commission".⁴³ Regarding legal guarantees to enforce equality at work, the Labour Code stipulates equality principles and penalties in case of discrimination.⁴⁴ As regards public services, they are governed by the Civil Service Statutes which, in their turn, stipulate equality and non-discrimination principles.

However, in view of several surveys conducted,⁴⁵ this situation needs some qualification. Thus, in the preamble to an opinion paper issued by the Economic, Social and Environmental Council (2016), we read: "Although the constitutional and standard-related reforms have allowed some progress in woman's participation in growth, effectiveness still leaves much to be desired, due to lack of a clear vision that would allow for actual implementation of gender equality on the institutional, economic, social and cultural levels."⁴⁶

This opinion rests, in fact, on several surveys that provide information on woman's participation in the labour market: thus, we learn that woman participation declined from 28.1% in 2000 to 25.1% in 2013--that is three times lower than man's--, and that only 37.5% of women working in urban environment have a written employment contract--this being as low as 7.8% in rural environment,⁴⁷ which leads to their poor social security coverage. The "National Social Security Fund" indicators for 2011 are eloquent in this regard: the number of women enjoying social and health security cover is a mere 747.391, as against 1.796.799 for men.⁴⁸ As regards woman's access to decision-making posts, even though there are no legal barriers thereto in the public sector and while they account for 38.6% of the staff body, their participation in managerial positions is a mere 16%. In the private sector, the rate of women in decision-making posts is as follows: 0.1% in the trade, industry and services sector; 11% in large-company management; 10% in contractor firms.

1.3. Unemployment

The unemployment rate has been quasi-stable over the past five years, ranging between 9% and 10%,⁴⁹ as against 8.9% in 2011, a rate the Government had pledged to bring down to 8%.⁵⁰ In quantitative terms, the number of the unemployed decreased between the first quarter of 2015 to the same period

⁴³ By virtue of Act 79.14, adopted by the Parliament in 2016. The members of the Commission are yet to be appointed.

⁴⁴ Article 9 of the Labour Code: "Principle of equal opportunity and equal treatment with regard to employment or the exercise of a profession."

⁴⁵ Nadhira Berqilil, *Gender and Economic Activity in Morocco: White Paper* (Casablanca: An-Najah al-Jadidah Publishers, 2006).

⁴⁶ Opinion paper by the "Economic, Social and Environmental Council" on "status of gender equality in the economic life in Morocco", approved during its 62nd session on 26 May 2016 (Council Publications, 2016).

⁴⁷ Survey conducted by the "Higher Commissionership for Planning" on "Unemployment Profile in 2015" (Commissionership Publications, 2016).

⁴⁸ Report submitted to the Board of Directors of the National Social Security Fund in its 2012 session.

⁴⁹ Cf. Annexes 1, 2 and 3 on unemployment rate and job opportunity trends.

⁵⁰ Prime Minister's address to the Parliament in 2012, in which he expressed his government's intention to reduce the unemployment rate from 8.9% to 8% by end 2016.

in 2016 from 1 million 157 thousand to 1 million 169 thousand.⁵¹ On its part, however, the employment deficit at national level increased from 10.3% in 2014 to 10.8% in 2015, that is 1.154.000 working persons. As to the profile of the unemployed population, the findings of a survey conducted by the Higher Commissionership for Planning are as follows:⁵²

- 63.9%, aged 15 to 29 (64.6% men, as against 62.4% women);
- 31.6% have a tertiary education degree (23.1% men, as against 52.4% women);
- 53.6% new-comers to the labour market (47% men, as against 69.8% women);
- 30.7% broken down as follows: 25.7% due to layoffs, and 5% due to termination of business.

Indeed, youth--especially graduates--have come to represent a "burden" on employment policies, with the unemployment rate among this category standing at over 20% (38.1% in urban environment for the age group 15 - 24). There is particularly high unemployment among degree holders: the rate stood at 4.1% among non degree holders in 2014, as against 17.3% among degree holders. As to the rate of the employed active population without degrees, it stood at 61.2%, that of those with secondary level degrees standing at 11.6%, while those with a tertiary level degree not exceeding 11.6%;

⁵³ thus, 4 out of 10 unemployed persons in 2015 were tertiary education (university) degree holders. This gives rise to a paradox: education being a contributor to unemployment, rather than a factor of keeping out of it. One of the reasons is the very structure of the economic fabric that relies on middle-rank supervisory and labour workforce. Indeed, the studies in support of the "Industrial Takeoff Plan"⁵⁴ show that 90% of the human resources input for the plan belong in the technician and specialised-technician categories; they also point out the nature of the needs of the informal sector, and the mismatch between training and labour market needs. A further deficiency is that the relationship between growth and created job opportunities remains opaque. This causes fluctuation in the impact of economic growth on the labour market over the years, rather than this responding to a clear incremental trend. Indeed, the impact of a full point of growth on the labour market in 2014 stood at a mere 0.28 point.⁵⁵

4. Poverty level⁵⁶

According to UNDP data,⁵⁷ 10% of Moroccans were living in poverty in 2011, three million lived in extreme poverty and three thirds of the poor are in rural environment. The Higher Commissionership for Planning incepted in 2004, in cooperation with the World Bank, the development of a "Poverty Map in Morocco", with the poverty line set, then, as 3922 dirhams/capita in urban area, and 3037 dirhams/capita in rural area. The poverty line for a family was 1828 in urban area and 1603 in

⁵¹ Memorandum on "Labour Market Situation in the First Quarter of 2016" (Publications of the Higher Commissionership for Planning, 2016).

⁵² Ibid.

⁵³ Memorandum on "Labour Market Situation in 2015" (Publications of the Higher Commissionership for Planning).

⁵⁴ Document on the human resources needs of the "industrial takeoff" from 2009 to 2015 (Ministry of Labour and Vocational Training / Vocational Training Sector).

⁵⁵ Memorandum on "Labour Market Situation in 2014" (Publications of the Higher Commissionership for Planning).

⁵⁶ The measurement of the poverty rate is quite complex; it differs according to the reference framework used for its calculation.

⁵⁷ UNDP Report 2012.

rural area. It found that poverty rate for the first category (less than 1 USD) was 0.1%, while for the second category (2 USD), it was 9.7% at national level and 16.4% at rural level, with the median poverty rate standing at 14% and the vulnerability rate standing at 17.3% in 2014. This was confirmed by the World Bank, which highlighted geographical disparities, as "poverty was three times higher in rural areas than in urban areas, and 80% of the poor in rural areas have no opportunity to access paid work".⁵⁸ The "Morocco Poverty Map" reveals that the wealth of certain regions did not help reduce poverty in them. For instance, the poverty rate in the Souss-Massa-Draä region, a region of great agricultural, tourism and fishery activity, reports a 20% poverty rate, which shows a mediocre geographical distribution of wealth in it. Besides, the farther we move from the Casablanca - Rabat axis--with poverty rates of 2.73% and 2.38%, respectively--the higher the poverty and vulnerability rates. According to the national survey on "humanistic measurements"--or what is commonly known as multi-dimensional poverty (MDP)--, the MDP rate at national level evolved from 28.5% to 9.8% between 2004 and 2011, reporting 2.3% in urban environment, as against 20.2% in rural environment. The recent report by the Higher Commission for Planning on Morocco and the MDGs reveals that the national average poverty rate and the average vulnerability rate stabilised at around 6.2% and 13.3%, respectively, in 2011. The human development index stood at 0.61 in 2013, while extreme poverty was eliminated in 2014. Finally, the GDP per capita rose from 15.141 dirhams in 2000 to 29.146 dirhams in 2014.⁵⁹

5. Income distribution and poverty

According to the World Bank, economic growth--that has been fairly rapid since 2000--has helped get many Moroccans out of poverty, but failed to prevent certain related effects of which increased disparities in wealth distribution. Indeed, 20% of the wealthy category claim about half of the income (47.88%), while 20% of the lowest category get a mere 6.5%. These rates have hardly changed since 2000, standing at 47.7% and 6.47%, respectively. A survey conducted by the Higher Commission for Planning reveals that 85% of the income of the poor category is spent on food, while 36% of the income of the well-to-do category is spent on services.⁶⁰ Besides, uneven crop year yields have contributed--due to protracted irregular rainfall--in a decline in rural family income. This is further exacerbated by a fall in private sector wages. Indeed, half of the wage earners declared to the National Social Security Fund receive as little as 2400 dirhams per month. Accordingly, it may be said that getting a job does not help many wage-earners get out of poverty; thus, they remain within the vulnerability range. According to the Minister of Economy and Finance,⁶¹ "the Moroccan citizen's share of GDP was 25 thousand dirhams or less per year: rising from around 2000 dirhams per month in 2010 to 2400 dirhams per month in 2014."⁶² Although this indicator represents a certain improvement, it stills falls short of meeting the household's basic food, housing and health care needs. Indeed, the rapid shift experienced

⁵⁸ Nadine Poupart, World Bank Coordinator for Human Development in Morocco (Presentation of World Bank Report, 2012).

⁵⁹ Kingdom of Morocco: "Morocco between the MDGs and the SDGs" (Publications of the Higher Commission for Planning, August 2015).

⁶⁰ Memorandum on the findings of the National Survey on Moroccan Household Consumption and Expenditure (Higher Commission for Planning).

⁶¹ Address by the Minister of Economy and Finance before the Parliament, 2015.

⁶² There was in 2011 an increase in the minimum wage by 15%, a further 10% in 2013, and a general wage increase in 2011.

by Morocco to a consumer society, coupled with the impacts of the quasi all-out liberalisation of the prices of staple products, have prevented large categories from reaping the windfalls of this indicator. Thus, several researchers claim that a poverty line of 1.25 USD or 2 USD/day has become insignificant in terms of meeting life's most basic needs.

6. Child labour

Morocco is a signatory, in 1993, of the UN Child Rights Convention, in 2000, of the International Convention N° 138 on the "minimum age for admission to employment and work", and, in 2001, of the International Convention N° 182 on the "prohibition and elimination of the worst forms of child labour". As of 2004,⁶³ the legal age in force is 15 years of age, with provisions prohibiting all forms of hard or dangerous work between the ages of 15 and 18 years.⁶⁴ Pursuant to Article 4 of the Labour Code, 2016 saw the adoption of a law on the "conditions of hiring and employment of domestic workers".⁶⁵ The said law set the age of admission to domestic employment and work at 16 years, with a 5-year transitional period to setting this age at 18 years.

Alongside with the law on compulsory education until the age of 15, and in an endeavour to curb the drop-out phenomenon, a "facilitation" programme⁶⁶ has been put in place. This phenomenon continues to report alarming figures,⁶⁷ even though it has been slightly losing in importance. The decline has, in its turn, impacted child labour, bringing the figure reported in 1999 from 517.000 children,⁶⁸ among the age group 7 - 15, down to 86.000 in 2013, of whom 3.6% in rural environment, and 0.4% in urban environment, then, in 2014, further down to 62.000 working children; of whom 76% have no degree. Conversely, dangerous child labour involves around 193.000 children aged between 7 and 17 years, and is to be found in certain sectors, with disparities according to environment: thus, in rural areas, 76.4% are in the agricultural sector; and in urban areas, 52.7% are in the informal services sector and 30.5% are in the handicrafts sector.⁶⁹

⁶³ Articles 143, 144 and 145 of the Labour Code, which entered into force on 8 June 2004.

⁶⁴ According to the Labour Code, the list of hard work is set and updated by decision of the Minister in charge of Labour.

⁶⁵ Act N° 19.12 on "conditions of admission and employment of domestic workers": adopted by the Parliament in 2016 and due to enter into force in August 2017. This Act aims through some of its provisions at combating the employment of under-age girls in domestic work.

⁶⁶ The programme was incepted in the school year 2008-2009: it grants financial allowances to the families of 825 thousand pupils in rural areas to keep the latter at school throughout primary education.

⁶⁷ According to estimates of the report issued by the "Higher Council for Education, Vocational Training and Research", 250 thousand pupils did not complete their primary education each year over the period 1999 - 2009 (*Assessment of the Reform Decade*, publications of the Higher Council for Education, Vocational Training and Research).

⁶⁸ *Child Labour in Brief*, Ministry of Labour and Vocational Training - Labour Directorate, in cooperation with the "Global Programme for the Elimination of Child Labour" (2008 Edition).

⁶⁹ *Ibid.*

CHAPTER TWO :POLITICAL SITUATION, ALTERNATION OF POWER AND LAWS REGULATING PUBLIC LIBERTIES

I. The regime

The regime is « constitutional, social, democratic, parliamentary monarchy”. On Sunday, February 20, 2011, Morocco started witnessing a “social and political movement” characterized by peaceful demonstrations under the banner of “20 February”, which called for political and constitutional reform, for the establishment of “parliamentary monarchy”, “social justice, the fight against corruption, and economic prosperity”. On the 21st of February and in the midst of this event, the King appointed an “economic, social, and environmental council” and held the April round of the “tripartite national social dialogue” which was concluded by the signature of a social agreement on April 26, 2011. On March 9, 2011, the King called for a comprehensive constitutional reform promoting an “extended regionalization” and broader prerogatives for the parliament and the government, as well as the creation and activation of consultative governance and democracy institutions, and for more accountability in respect of the exercise of responsibilities. The King has also appointed a “constitutional reform consultation commission” which held several consultations with political parties, trade unions, and employers, involving for the first time in such consultations, human rights organizations, women, cultural, social and youth associations as well as young activists from the « movement of 20 February ». The new constitution was then announced and a popular referendum held in July 1, 2011. The adoption of the new constitution marked the shift from “constitutional, social and democratic monarchy” to “constitutional, parliamentary, democratic, and social monarchy”, with elected “regional councils” which have prerogatives for reporting and implementing their programs, and governance and participative democracy institutions.

II. Alternation of power

Since the independence, alternation of power was at the origin of constitutional and political conflicts between the royal institution and opposition parties. This issue was solved by the 1996 reforms of the constitution and the appointment of the “government of consensual rotation” in 2008. Article 7 of the constitution of 2011 states that “political parties concur in the expression of the will of the electors and participate in the exercise of power, on the basis of pluralism and alternation by democratic methods”, and article 47 stipulates that the Head of the government is to be appointed from within the political party arriving ahead in the legislative elections, and larger prerogatives are attributed to the government for the development and implementation of its policies under control from the parliament. According to article 70, the parliament exercises the legislative power. Therefore, in accordance with article 47 of the constitution, after the legislative elections of November 25, 2011, and the victory of the “Justice and Development” party, in November 29, 2011, the King commissioned the party’s Secretary General to form the government which included a coalition of four political parties with some independent ministers.

As per the constitution’s provisions, the government submitted its program to the parliament and got the confidence of the parliament’s majority. This nomination is considered the second rotation in Morocco with the leader of the opposition appointed as Head of the government, after the first alternation known as “consensual alternation”.

III. Political reforms

The most important political reform in Morocco was the adoption of the new constitution in July 1st, 2011, and the organization of early legislative elections in November 25 of the same year, with the formation of a government in accordance with the new constitution. This marked the beginning of the practice of “parliamentary monarchy” without explicitly mentioning it. It is in fact a political exercise involving the different state institutions, and defining the roles and place of the monarchy in the state pyramid, as well as the prerogatives of the government and the parliament through governance and participative democracy institutions, and the new missions attributed to regional councils. Reforms have been then dominated by the drafting of organic laws related to the activation of the constitution and normal laws, enriched by the ideas of constitutional governance institutions. The discussions led to a consensus on most points but on some other issues, the governmental majority and the opposition did not reach an agreement. However, despite the adoption of the constitution of 2011 which created important ambitions, the approval of some draft organic laws and their activation did not happen quickly enough. In fact, the delays in their submission and approval by the parliament had an impact on the establishment of some constitutional institutions which have only been approved in the middle of 2016, the last year of the parliament’s mandate. Besides, some non-governmental organizations have been following public affairs and publishing public policy observation and assessment reports, organizing advocacy campaigns to influence the content of some of the texts examined by the parliament and even succeeding in amending some laws. Other social network activists have led campaigns against “corruption” or the “absence of accountability” and have even managed to influence some political decisions. There is a feeling among some human rights activists that the pace of reforms is slow and uncertain, especially when it comes to fighting corruption which costs more than 2% of Moroccan GDP, knowing that the “National Anti-Corruption Strategy” has only been approved in May 2016, at the end of the government’s mandate.

IV. Laws organizing collective and individual liberties

1. The constitution of July 1st

The text of the constitution of 2011 enshrines a number of human rights principles following the principles of international legislation. The preamble states that “the Kingdom of Morocco, active member within the international organizations, is committed to subscribe to the principles, rights and obligations enounced in their respective charters and conventions; it affirms its attachment to Human Rights such as they are universally recognized”, and to “the supremacy of international conventions”. It equally enshrines the freedom of opinion and expression in article 7 on political parties: “their constitution and the exercise of their activities is free... There may not be one sole party”.

According to article 8 of the constitution «union organizations of wage-earners, professional associations –chambers- and the professional organizations of employers contribute to the defense and promotion of the socio-economic rights and interests of the categories they represent. Their constitution and the exercise of their activities are free”. In article 12: “Civil society associations and non-governmental organizations are constituted and exercise their activities in all freedom” and contribute within the framework of participative democracy. Article 25 states that “the freedoms of thought, of opinion and of expression under all their forms are guaranteed. The freedoms of creation, of publication and of presentation in literary and artistic matters and of scientific and technical research are guaranteed.

Article 27 equally guarantees « the right of access to information held by the public administration”, and in article 28 we read: “the freedom of press is guaranteed and may not be limited by any form of prior

censure, and all have the right to express and to disseminate freely information, ideas and opinion". The constitution equally guarantees the freedom of reunion, of assembly, of peaceful demonstration, of association and of trade union and political membership. The constitution also links the practice of all these rights with the adoption of organic and ordinary laws.

2. Dahir n° 1.58.376 organizing the constitution of associations

The *dahir* of 1958 on public freedoms, with the amendment of article 2 in 2002, states that the constitution of associations free and not subject to prior authorization, within the requirements of some mandatory procedures.

3. Political parties act

The constitution of political parties is organized by a regulatory law which states in its article 3 that "political parties are constituted and practice their activities freely in compliance with the constitution and the law. The constitution of parties follows regulated stages and organization, and no party which has a regional or religious background or which aims at disrupting the monarchy or Islam or the territorial unity of the kingdom is allowed".

4. Law on public assemblies

The *dahir* on public freedoms insists on the right to hold public assemblies, and details them into three types, namely public reunion, public demonstrations and gatherings.

5. Law on Press and Publication

The constitution of 2011 confirms in different provisions the freedom of expression and the right to access to information, as article 28 guarantees the freedom of the press, the right of expression and dissemination of news, ideas and opinions freely without restriction, and the right to access to information held by public administrations.

6. Law on Trade unions

The right to form trade unions is organized by a royal *dahir* dating back to 1957 and preceding the decree of February 5, 1958 on the right of workers to organize in trade unions. Its article 1 recognizes this right for employees and civil servants, and from the first constitution of Morocco in 1962 to the Constitution of 2011, the right to strike is guaranteed and refers to an organic law clarifying conditions and procedures enabling its practice.

7. The Penal law:

With the guarantees granted in the field of trade union freedoms and in the constitution, there is the penal law which criminalizes some practices related to the right to strike (article 288) and which limits this right on some aspects.

V. Political landscape, human rights organizations, trade unions and associations

In order to turn the page of what is called « the bullet years”, in 2004 the “equity and reconciliation commission” started investigating the past of human rights violations and published at the end of its works a detailed report, providing compensation for victims and their families and submitting its recommendations to the king in order to avoid the recurrence of such violations. At the human rights institutional level, constitutional entities have been created such as “the National Human Rights Council” and the “Kingdom’s Mediator”, the political and union landscape has been characterized by multiplicity with 33 political parties and four trade unions, added to the activities of not legally authorized political movements. Besides, there are several human rights organizations and around

116.836 national and local civil society associations including 202 with public benefit in 2015. Concerning the press and media, there are several daily newspapers and weekly and monthly magazines. The number of electronic press websites is 500 with 120 licensed institutions. As for the audiovisual media, the High Instance for Audiovisual Communication and the law on audiovisual communication were implemented in 2006 and ten licenses were granted to private radio stations and one license to a television channel. There are no restrictions on foreign channels nor on the internet. The constitution and other laws guarantee this diversity, however sometimes reports of trade unions and human rights organizations expose some forms of restrictions on some aspects of the rights of association, expression, trade unions or economic and social rights.

VI. Union representation of workers and employers

1. Workers' Trade Unions

The first nucleus of union movement appeared during the French protectorate with French trade unions. The "Moroccan Labor Union" was created with support from the national movement on March 20, 1955. After the independence and due to several factors including an overlapping between political and trade union activity, there was more diversity with more than 30 trade unions and sectoral professional unions. However, despite this "exaggerated multiplicity", only 4 unions have an important representation following article 425 of the Labor Code which gives these unions the right to represent workers in Morocco where the elected delegates are distributed as follows:

- Independent (not members of trade unions): 17.399 delegates, representing 49,79%
- Moroccan Labor Union: 6.175 delegates, representing 17,67%
- The Democratic Labor Confederation: 3.240 delegates representing 9.27%
- General Workers Union of Morocco : 2.644 delegates representing 7.57%
- The National Workers Union of Morocco: 2.572 delegates, representing 7,36%
- The Democratic Labor Federation: 1.339 delegates, representing 3.83%, losing its position as the most representative union, and the other unions representing 4.51%.

Concerning the elections for the 20 seats for the workers' category in the house of councilors and which were held in October 2, 2015, the Moroccan Labor Union won 6 seats, followed by the Democratic Labor Confederation and the National Labor Union with 4 seats each, the General Workers Union of Morocco with 3 seats, and the Democratic Labor Federation and the Democratic Labor Organization and the National Democratic Union with one seat each. Representation in the "Economic, Social and Environmental Council" is shared by 5 unions, namely the Moroccan Labor Union with 8 seats, the Democratic Labor Confederation with 6 seats, the Democratic Labor Federation and the General Workers Union of Morocco with 4 seats each, the National Labor Union in Morocco with 2 seats. These figures provide an overview of union representation, in absence of data provided by union organizations about the number of their affiliates, with an approximate rate of 6% of workers in the private sector. The recent professional elections results have evidenced that 50.21% of elected workers representatives and employees delegates are members of trade unions.

2. Employers' organizations

Employers are represented by different professional organizations and associations, mainly:

General Confederation of Moroccan Enterprises: it is an independent professional organization created on 20 October 1947, after the French protectorate era, it became then Moroccan in 1969 when the "group of Moroccan industrialists" joined and the confederation got progressively the status of government's economic partner, representing employers at the house of councilors as its candidates

won the eight seats of employers and in the different national and local social dialogue institutions, enterprises represented through its 31 federations.

The federation of the chambers of commerce, industry and services: These are commissions elected by professionals, and whose activities are supervised by the relevant ministries. They are represented at the house of councilors through elections by categories, the members can be independent or belonging to political parties. It participates in the tripartite dialogue institutions regulated by the labor code but does not participate in the national tripartite social dialogue.

VII. The labor code and other social dialogue texts

The third paragraph of article 8 of the constitution states that public powers have to promote collective bargaining and encourage the conclusion of collective labor agreements” and in article 13 that they “work to the creation of dialogue instances to involve the different social actors in the development, implementation and assessment of public policies.”

1. Freedom of association, collective bargaining and social dialogue in the national and international legislation

With its endorsement of 64 conventions out of 189 international labor conventions, including the core convention, Morocco has been gradually working to review its labor-related legislation but has not ratified yet Convention 87 on “the freedom of association and the right to union organization”.

The freedom of association is organized by a set of laws including the labor code, the law of professional associations which states the freedom to constitute trade unions for private sector employees and workers.

2. National social dialogue mechanisms

The labor code creates a set of national tripartite mechanisms with consultation and proposing missions which meet with the minister of employment regularly (twice a year). These mechanisms are:

2.1. The high council for the promotion of employment

Created by virtue of Article 523 of the Labor Code, includes 21 members, six representatives of relevant governmental sectors, 7 representatives of employers’ professional organizations and 7 representatives of the most representative workers’ union organizations. Its missions are to provide opinions and make proposals on all labor-related and employment promotion issues and an annual report on the employment situation and prospects is submitted to the government together with the council’s views and proposals;

2.2. Collective Bargaining Council

Created in accordance with article 564 of the Labor Code, it includes 21 members: 6 representatives of relevant government sectors, 7 representatives of employers’ professional organizations and 7 representatives of workers trade unions. Its missions include the improvement of working conditions, the promotion of professional relations between employers or their organizations and the most representative workers union, along with the promotion of collective labor agreements.

2.3. The tripartite commission in charge of monitoring the proper implementation of provisions on temporary work

Created in accordance with Article 494 of the Labor Code, it includes 19 members: 6 representing government sectors, 6 representatives of employers’ professional organizations, and 6 representatives of the most representative trade union organization. It is in charge of monitoring the application of the

labor code provisions about subcontracting work agencies.

2.4. Occupational health and risk prevention council

Created according to article 332 of the Labor Code, it has 30 members: 9 representatives of relevant government sectors, and 10 representatives of professional employers' organizations and 10 representatives of the most representative trade union organizations. Its mission is to submit proposals for the promotion of the occupational health inspection and services and all issues relating to the protection of health, safety, and the prevention of industrial accidents and occupational diseases.

2.5. The national research and reconciliation commission

Established in accordance with article 564 of the Labor Code, it has the function of reconciliation at the national level under the supervision of the Minister of Employment and it is made up of equal representation from the administration and employers' professional organizations and the most representative trade union organizations. It is in charge of examining every professional collective conflict spread on several provinces or over the entire national territory, as well as disputes that the Regional Committee for Research and reconciliation fails to settle.

2.6. The National board of arbitration in collective labor disputes

Its members are appointed by decision of the Minister of Employment after consultation with the most representative trade unions and employers, and it has the task of arbitration in collective disputes with the consent of the parties to the conflict. Its decisions are binding for both parties.

2.7. The National Tripartite Social Dialogue

This national mechanism has started since the Agreement of August 1996 and its rounds were initially organized twice a year (September and April). It is in charge of studying national issues in the public and private sector (wages, tax system, legislative reforms related to the labor market and social protection, and major social disputes), this mechanism, which does not have a legal basis, has established traditions and uses them in its proceedings.

2.8. Social dialogue through administrative councils of public institutions

These institutions have decision-making prerogatives, including the National Social Protection Fund, the National Fund for Social Security organizations, Vocational Training and Employment Promotion Bureau, and the National Agency for Health Insurance. It has also consultation and proposal-making activities for the most representative unions like the Mutual Assistance Council, the Supreme Council for Education, Training and Scientific Research, and the Supreme Council of Civil Service.

3. Social Dialogue mechanisms at the regional and local level

3.1. The regional research and reconciliation commissions

These commissions are created by virtue of article 557 of the Labor Code at the level of each prefecture. It is headed by the chief of the prefecture and includes representatives from the administration, employers' professional organizations and the most representative trade unions, and the parties to the collective dispute. It is in charge of settling collective disputes and preventing further development.

3.2. Regional and local employment promotion commissions

They are set up according to article 524 of the labor code. The commissions are in charge of monitoring the implementation of public policies for employment promotion at the regional and local level. They are headed by the chief of the prefecture and made up of equal representation from

relevant government administrations, elected representatives, professional employers' organizations and trade unions.

4. Dialogue and consultation mechanisms in companies

4.1. The institution of Employees' delegates

They are elected in the companies employing no less than ten permanent employees, according to article 430 of the labor code, and following specific requirements and stages;

4.2. Union representatives

They are appointed in the company by the trade union which gets a minimum of 35% of the total seats of employees' delegates in the company according to article 470 of the labor code.

4.3. Entrepreneurship commission

It is held for each company employing at least fifty employees and includes employees' representatives as per article 464 of the labor code;

4.4 Safety and health protection commission

It is set up in companies employing a minimum of 50 employees, and has to include workers' representatives according to article 336 of the labor code;

CHAPTER III: THE ECONOMIC SITUATION- STRUCTURE OF THE ECONOMY AND THE RESULTS OF ECONOMIC POLICIES

First: Structure of the Economy , main sectors, and their contribution to the National Economy

Besides the service sectors , public works and construction, phosphates and derivatives, agriculture and fisheries, tourism, clothing and traditional craft industries represent the most important economic sectors. This shows in the turnover achieved and the availability of job opportunities. Over the last ten years, the economy has witnessed the development of new sectors which started to contribute to the diversity of the economic fabric. These sectors are in particular the car industry, aircraft parts, electronics, online services and the financial and banking sector. Morocco's free enterprise market economy is open to international markets through the free trade agreements concluded. The state is present in investment and in the management of some of the economic and social sectors it considers strategic. Along with the formal sector, the Moroccan economy has an important informal sector activity component.

The country's economic fabric is predominantly made up of small- and medium-sized enterprises whose share amounts to about 95%. These SMEs employ about 46% of the labor force and contributes about 31% of total exports. The economy is a service economy par excellence as the value-added of services represented 57.7% of GDP in 2014 and as the sector employed 39.4%. The agricultural sector employs about 39.2% and its value added ranges between 15 to 20%, while the industry represents 15% with an employment rate of 21.4%. The secondary sector contributes approximately 28.8%. Some natural resources exist, most notably phosphates, while agriculture has natural assets and rich marine fish stocks. The tourism sector generates annual revenues of 60 billion dirhams and Morocco has started to produce solar and wind energy. The country benefits from its expatriates' remittances which have averaged about 60.4 billion dirhams in 2015.

The economy has also been enhanced by high competitiveness in European markets thanks to its geographical location as well as the multiple privileges it offers to attract foreign investment, competitive minimum wages for labor, and the free-trade agreements concluded. The country has also opened up to new markets such as China, the Russian Federation and West African States where Morocco has the size of its economic presence. It also developed a range of new industries, such as the car industry, aircraft parts, electronics with revenues that amounted to 71.10 billion dirhams in 2015, the textile and clothing sector, which achieved revenues of 22.33 billion Dirhams in 2014. The country also launched a range of programs to keep up with the development plans developed. They mainly aim to develop its basic infrastructure. A case in point is building the "Tangier Mediterranean" port as well as the "JorfLasfar" port and the modernization of most of its major airports, the expansion of the highways network, and the creation of 22 modern industrial parks as well as restructuring the country's major cities. However, the economy still suffers from a number of obstacles, most notably the high energy bill, high public indebtedness, the dependence of some important sectors on the vagaries of climate, such as agriculture, or on external factors, such as fluctuations in the international market in the case of phosphate.

Some structural problems still exist in relation to social and regional disparities and youth unemployment, administrative bureaucracy leading to corruption, weak productivity of the educational system, and the size of the informal sector activity, which, taken together, affect Morocco's economic performance and the business climate. The latter has seen some improvement as evidenced by the country's better ranking on the global competitiveness index (71, up 5 positions from the last ranking).

Second: Trade balance, financial situation and public debt

The goods trade deficit reached 139.6 billion dirhams at end November 2015, compared with 195.23 billion dirhams in 2013, which allowed a better coverage rate of imports by exports (58.4% in 2015 against 48.9% in 2011). This could be explained by the decline in imports and a rise exports driven by a lower energy bill (-44.7%) due to the decline of oil prices on the international market. At end November 2015, the goods and services trade balance fell to 67.4 billion dirhams compared to 106.1 billion dirhams in November 2014. The rate of coverage of goods and services imports by exports rose to 81.3% in 2015 compared to 72.1% in 2014.

The public debt of the State's public treasury increased to 638.6 billion dirhams during the second half of 2016, reaching 64.1% of GDP compared to 430.9 billion dirhams in 2011. Debt interests increased to 553 million dirhams. This rise is attributable, according to the Ministry of Economy and Finance, to the needs in terms of financing the national economy investments. It is clear that high public debt levels have negative repercussions, according to some researchers, as it would represent a burden on the budget in the future. Reserves in foreign currencies stood at 243.4 billion dirhams in June 2016, benefiting from the declining prices of imported oil products and the dynamics of its exports, especially the car sector, aircraft parts and electronics as well as the remittances of the Moroccan diaspora.

Third: GDP Growth

GDP reached 100.4 billion USD in 2015. Though GDP annual growth rates were rather positive, they were different from year to year. The 2012-2016 average rate has been 3.2%. For 2016, the expectation stands at less than 1.5% in 2016, with per capita GDP standing at 3.400 USD in 2015. These growth rates remain lower than average, if we consider the reference rate needed by Morocco (6 to 8%), which can form the threshold of economic growth needed for economic takeoff and to absorb the social and spatial inequalities and unemployment. Despite the efforts made to develop the contribution of the industrial sector and other sectors, the most important determining factor for growth is still the agricultural sector. The best growth rates achieved during the years were characterized by good cereals crops. Furthermore, the role of domestic demand should not be overlooked.

Fourth: Fiscal and tax policies, investment incentives policies and subsidies

1. Fiscal policy

Since 2012, the government has adopted a policy that seeks to control macroeconomic policies, which led to the budget deficit decreasing from 7.2% of GDP in 2012 to 4.4% in 2015. The goal is to reach 3.5% in 2016. On the other hand the debt ratio rose from 52.5 % of GDP in 2011 to 63.4% in 2015, reaching 64.1% in 2016. The structure of the State's general budget in terms of the distribution of revenues for expenditures, 49% are allocated to civil servants' payroll, 27.5% to equipment 26.82% to debt, 20.95% to clearing. Debt has been used to finance investment.

2. Tax policy

Taxes represent 88% of the regular state revenues. The remaining 12% are generated from state monopolies, privatization and foreign donations. Tax contribution to the state budget varies according to the type of tax. While VAT represents 30.4%, the income tax represents 19.8%, the corporate tax 23.2%, the internal tax on consumption 13.3%, registration and revenue stamps 8.1%. The contribution of the rest of tax remains limited. For example, customs fees now represent only 3.9% as a result of the free trade agreements concluded. Because of its economic fabric, which consists predominantly of small businesses, and because of the size of the informal sector, the tax policy is very centered as only 2% of companies pay the total amount of corporate tax, because the principle used is the voluntary tax return. 76.19% of the tax on Income are paid by employees, because they are withheld at

source. The other categories pay taxes in accordance with the principle of voluntary tax return, which helps tax evasion. The corporate tax relies on an ascending system according to annual profits. Starting from 2015, a tax was imposed on agricultural holdings. Social projects that fall within the investment framework also benefit from total or partial tax exemption. These exemptions amounted to 32.088 million dirhams in 2015.

1. Investment incentives

One of the major stakes for Morocco has been to provide incentives to investment, with a special focus on foreign investments in particular. Several reforms have been carried out on the legislative level to design tax incentives for the benefit of the businesses which choose Morocco as a destination for investment. Moreover, human resources are provided through the "National Agency for the Promotion of Employment and Skills", a network of vocational training institutions and specialized institutes. To promote the investment potential available, the "Moroccan Agency for Investment Development," and a "National Committee for Investments", headed by the Prime Minister, were established in 2009. They both consider tax and land privileges and contributions to construction work, for investments in excess of or equivalent to 100 million dirhams. On another hand, the "Hassan II Fund for economic and social development" provides support to a number of investments by providing basic infrastructures. The banking system, on its part, provides loans to support investment. In order to raise the share of the industrial sector in GDP from 14 to 23% by 2022, a plan has been developed to speed up industrial take-off for the period 2014 to 2020. In addition to Morocco's traditional French, Spanish and Gulf States' investment partnerships, a Chinese consortium announced in early 2016 its intention to mobilize 10 billion USD to create an industrial, financial and residential city in the north of the country. In connection with the business and investment climate, besides the "Casablanca Stock Exchange," the third stock exchange in Africa, the capitalization of which amounted to 460 billion dirhams in 2015, a "Casablanca Financial Cluster" began to be developed. There are high hopes that this cluster can become a market for financial transactions on the African level. Furthermore, the banking sector in Morocco will, in early 2017, start to promote the products of participatory banks.

2. Subsidization policies

Since the forties of the last century, Morocco adopted a system to subsidize basic commodities through the "subsidy fund". The aim has been to ensure supply of markets with basic commodities and the protection of the purchasing power through the control of prices in the import and export operations. However, the fund started to face a deficit due to higher prices of energy products. Among the many criticisms against this fund is that the largest beneficiaries of the subsidization mechanism, according to some studies, are the better-off segments at the expense of the poor. The amounts spent rose from 3.9 billion dirhams in 2002 to 56.4 billion dirhams in 2012. The oil and energy share in the bill amounted to 86%, thus rising from about one billion dirhams in 2003 to 48 billion dirhams in 2012, which doubled the budget deficit. This led the government to stop subsidies on liquid petroleum products, which has helped to reduce the fund expenses by 66.3% during the first four months of 2016. However, the fund continued to subsidize butane gas, sugar and flour from soft wheat produced nationally. A range of conditional direct financial support mechanisms were developed through the establishment of the "Fund to Support Social Cohesion" in 2012, which is a public tool to finance conditional social and financial transfers. In 2015, 5.55 billion dirhams were allocated to the Fund to help finance the RAMEC medical assistance system, provide financial support to women widows, set up the TAYSEER program and programs to integrate people with special needs, and the family solidarity fund for the benefit of divorced women having custody of their children.

Fifth: Inflation, unemployment and poverty

In recent years, inflation has risen, particularly in 2012, 2013 and 2015, by 1.3%, 1.9%, and 1.6% respectively. In June 2016, it rose by 1.6% , after it was about 0.9% in 2011. The national unemployment rate remained at 9% and 10%, with expectations that it would increase in 2016 because of the decline in the level of growth to 1.5%. Multidimensional poverty stood at 9.8% in 2011 recorded at the national level of 9.8%, reaching 2.3% in urban areas, and 20.2% in rural areas. However, these national averages overshadow high rates in slums, and between and within regions.

Sixth: Economic sectors

1. Public sector enterprises

Since the early 1980s, and after having undergone a structural adjustment program, Morocco carried out large privatization operations that affected many public enterprises and companies as well as state owned agricultural holdings, which reduced the number of public enterprises. In 2016, there were 222 enterprises and 44 companies and entrepreneurs with state participation and 442 branches and public participations which employed about 190.442 women and men workers. These entities are either national or local enterprises which vary in size and in the public funds, natural resources or monopolies they manage. They intervene in economic sectors, such as the Cherifian Phosphate Office, the National Agency for the development of renewable energies and energy efficiency, the National Highway Company, the National Bureau of Water and Electricity, the National Railway office, Al- Omran Group and Royal Air Maroc. There are also financial and investment institutions, such as the CDG Fund and the Hassan II Fund for Development, and social institutions, such as the national Social Security Fund, the Vocational Training and Employment Promotion Office and the Moroccan Fund for retirement. Furthermore, there are development projects and programs, such as the Agencies for regional development in the Northern and Southern provinces, the Rural Development Fund, the Agency for the development of the banks of the Bouregreg River.

Economic, financial and investment institutions play a pivotal economic role through their investment capacity which amounted to 108 billion dirhams in 2016. This represents two-thirds of the State's public investment. Social institutions have central roles in the management of health and social coverage systems and in the development of national savings. However, the report of "the Supreme Council of Accounts," sheds light on a number of shortcomings suffered by some of these institutions, including governance issues, debt accumulation and the inefficiency of some of the projects implemented, which threatens their financial balances. The report recommended that urgent measures be taken to address them.

2. The private sector

Since the structural adjustment policy in the early 1980s, the private sector has been relied as a key player in development and job creation. A review of the bulk of private investment legislation was carried out and funding mechanisms and state-guaranteed bank incentives through the "Central Guarantee Fund" were developed. The private sector's economic fabric is dominated by small and medium enterprises (about 95%). Some of these are family enterprises and the executive employee ratio is weak. Furthermore, there are 12 major national economic groups. As regards the main sectors that attract national private sector investment, and besides the services sector, we can mention tourism, agriculture and fisheries, real estate, housing, public works, education, and the health sector which was opened up to private investments in private medical clinics in 2015. A number of enterprises in the trade and services sectors were established by foreign and national investors, including three major telecommunications companies, and major international groups have settled in Morocco to carry out

their activities in the car industry, aircraft parts, electronics and the food industry. A group of large and medium-sized companies for the marketing of food and clothing have based their activities in the country.

3. The informal sector

The informal sector is a major feature of the Moroccan economy. It creates opportunities for employment as about 40.8% of jobs outside agriculture exist in the informal sector. The sector's units grew from 1.23 million units in 1999 to 1.55 million units in 2007, which amounts to the creation of 320 thousand units over 8 years, at a rate of 40 thousand units annually. Employment in the sector grew from 1.902 million people to 2.221 million people, the equivalent of creating 314 000 jobs at a rate of 39 000 jobs a year. The trade sector is ranked first by 77% and 53% of the jobs created, compared to 48% in 1999. The industrial sector comes second by 24%, and the service sector third by 19%. According to the same study, the contribution of the informal sector in GDP declined from 16% in 1999 to 14% in 2007, which indicates that the sector is gradually becoming part of the formal economy. However, the pace of this process is very slow. To encourage the informal sector's units to integrate the formal sector, a 2015 "self-entrepreneur" law was enacted. However, only 27 000 self-enterprises were created by July 2016 while the goal was to have 90 000 self-enterprises set up by end 2016.

Seventh: Economic reforms

The major "reforms" carried out have been to stop state subsidies to oil products and the liberalization of their prices, approve the organic law of finance, embark on a reform of the tax system through imposing taxes on major agricultural holdings, review the corporate tax through the implementation of progressive taxation proportionally to the amount of annual profits, review the public private partnership law and the law establishing the "Competition Council", continue sectoral economic development programs through the 2019 plan to "accelerate industrial development", and monitor the implementation of the development plans in the sectors of agriculture, fisheries, tourism, the production of renewable energies and logistics.

CHAPTER FOUR ; THE SOCIAL SITUATION: SOCIAL POLICIES AND THEIR IMPACT ON SOCIAL DIALOGUE

With the implementation of the "structural adjustment policy" in early 1983, public policies in the health, education and housing fields witnessed a significant decline in public spending. The policy was also characterized by the restriction on employment in the public sector, the freezing of wages and the adoption of a large-scale privatization policy to promote a market economy. This resulted in the soaring of imbalances in the educational system, higher poverty and vulnerability levels, a rise in unemployment rates from 9.8% in 1980 to 19.3% in 1991, the fast growth of slums and unplanned housing around major cities, and a sharp negative impact on public health services delivered to broad segments of the population. On the other hand, there has been a growth in private sector offer of educational and health care services targeting limited segments of the population. This situation has led some researchers to describe the structural adjustment scheme and its implications as "a lost decade" in terms of human development in Morocco. Late King Hassan II described the situation and the political, economic and social deadlocks it has generated as "a cardiac arrest" for the country. Only in the early 1990s have efforts began to be made to redress the situation through increases in budgets of social sectors, programs to fight substandard housing and plans for education reform. Along the same lines, a "code of compulsory health coverage" was adopted in 2002 and a "National Human Development Initiative" was launched in 2005 as a mechanism to fight poverty and vulnerability. The State started to open up to civil society associations to encourage them to contribute to addressing social deficits.

First: Educational Policy

1. Educational policy and the state of play in education

The educational system played important roles in the sixties and seventies of last century. It provided the leaders and senior staff that the state needed in the aftermath of its independence. However, since the mid-eighties, a number of imbalances rose to the surface and became even more tense in the nineties with the advent of the "unemployed graduates" phenomenon. Education came under fire for allegedly producing unemployment through granting degrees to young people without these degrees keeping up with the new and evolving needs of the labor market. The educational system was also pointed at on the grounds that the curricula failed to live up to quality standards and recorded high dropout rates. Moreover, schooling in rural areas remained weak which has led to much higher illiteracy rates. The educational system played important roles in the sixties and seventies of the twentieth century. It provided the leaders and senior staff that the state needed in the aftermath of its independence. However, since the mid-eighties, a number of imbalances rose to the surface and became even tenser in the nineties with the advent of the "unemployed graduates" phenomenon. Education came under fire for allegedly producing unemployment through granting degrees to young people without these degrees keeping up with the new and evolving needs of the labor market. The educational system was also pointed at on the grounds that the curricula failed to live up to quality standards and recorded high dropout rates.

Moreover, schooling in rural areas remained weak which has led to much higher illiteracy rates. Education became therefore a source of concern for the state and families despite the fact that public spending represents 26% of the state's annual spending. In 1999, the National Pact on Education and Training was adopted. It was a framework for reform, a broader schooling basis, lower rates of school dropping out, better quality through better infrastructure, a review of pedagogical organization and building a bridge between education and the economic environment. To speed up reforms, two emergency plans in the field of education at all levels and in vocational training were

implemented between 2008 and 2011. One decade after the Pact, a national dialogue was launched in 2014 through the "High Council of Education, Training and Scientific Research" to assess progress in achieving the Pact's goals. The conclusions reached reflected a tendency towards adopting the "Strategic Reform Vision 2015-2030", some of which measures started to be implemented starting from the 2014-2015 school year. These measures pertained to the languages used in schools with an emphasis on opening up to the French and English languages besides Arabic and developing the use of the Amazigh language. One other measure was about the creation of a vocational high school degree. Quantitatively, the evaluation carried out highlighted the persistence of many dysfunctions, including persistent school dropping out. Between 2000 and 2013, about 5 million school children left schools before reaching the Baccalaureate level (2.5 M in primary education, 1.3 M in junior secondary education and 558.000 in secondary education before reaching the Baccalaureate level). Lower rates of schoolchildren's mastery of basic skills were recorded.

To achieve the goals of fair and equitable access to education, the new strategic vision aims to make pre-school education compulsory to the state and families by 2030 and to make it part of primary education. It aims also to develop the educational offer in rural and near urban areas, see the private sector play a role as a partner to the public sector, reconsider the education and vocational training-related professions, rethink curricula, enhance multilingualism, put a value on vocational training, and abide by good governance principles and requirements in education and vocational training.

Among the unsettled and controversial issues discussed by the High Council today is whether public education should be financed through imposing fees in public education. Besides public education which has the lion's share as regards the number of students, private education has evolved constantly benefiting from tax exemptions to increase its share in the educational system set at 15% in 1999 by the National Pact on Education and Vocational Training.

Higher education is also marred with dysfunctions, despite the efforts that have been made to reform some branches and create new ones in order to tailor them to the needs of the labor market. The financial resources devoted to scientific research do not exceed 0.8% of GDP. Both the private and the public sector are involved in higher education in Morocco. The democratic boom in the country has led to a 15% increase in the number of high school students who got the Baccalaureate degree since 2010. Thus, the overall registration rate in the various institutions rose from 19% in 2012 to 22% in 2013, with female students representing 48% of the total number of students. This has led to putting more pressure on the logistical infrastructure and to compounding the issues related to the teacher to student ratio. In fact, in 2014-2015 the number of students was 665.991, including 602.885 in public universities, which represents 90% of the total number of students. 27.597 are enrolled in higher public institutions which are not affiliated with universities. 35.057 are private higher education students. It should be stated that private higher education registered fast paced growth both as regards the number of its institutions and the number of students enrolled in them. This could be explained by the limited registration capacity in public higher education institutions, poor employability of open access public universities' graduates, inadequate curricula in labor market-related branches, such as engineering, medicine and pharmacy and business management. This situation has imposed a new financial burden on families which became "obliged" to enroll their children in private higher education institutions and to resort to offer them better career perspectives.

2. Technical education and vocational training

Vocational training has become a priority sectors whether for the state, the families or the students themselves. The reasons behind this surge in interest are the need to meet the needs of sector development plans in professional skills and its high employability potential.

This sector is based on a multilevel educational system that includes basic training, training for qualification purposes, continuing education, apprenticeship training and vocational baccalaureate. Technical education and vocational training institutions are managed under different systems. The public sector has 539 institutions accommodating 358.833 trainees, including 337 institutions run by OFPPT and offering training to 298.965 male and female trainees. 202 vocational institutions operate in the sectors of agriculture, fisheries, handicrafts and tourism with 37.637 trainees. There are also 7 subcontracted training institutes which deliver their services to 9000 trainees. 3406 male and female students are enrolled in the vocational baccalaureate. The private sector has 1382 institutions with a total of 91.830 trainees, 51 apprenticeship centers in enterprises. To overcome the deficit in training supply and the shortcomings in the governance of coordination in the sector because of the multiplicity of stakeholders, a «Vocational Training National Strategy by 2020" was developed in 2015.

3. Health care situation and health care policies

A major challenge for the health care system is to ensure access to basic health care services and territorial equity between the various areas, cities villages. The state budget funds allocated to public health grew from 10.89 billion Dirhams in 2011 to 14.28 billion Dirhams in 2016 in an attempt to address some of the deficiencies in the system. General indicators suggest that the sector's deficits and imbalances impede equitable access to health care services for all segments of the society. These deficits and imbalances concern the distribution of human resources and the infrastructure in the cities, villages and remote areas. More than 45% of physicians are practicing in the Casablanca-Rabat axis compared to 24% in rural areas. The doctor population ratio is therefore 1:5431 in these areas compared to 1:1434 in urban areas. The doctor population ratio varies also according to regions. For example, in Casablanca it is 1:1916 while in Souss-Massa-Draa, this ratio is 1:5378. in urban areas, the ratio is 1:8111 while in rural areas, it is 1:11.345. Doctor brain drain and the fact that the private sector has attracted more than half of the country's contingent of doctors could explain partly the acute shortage in doctors. Out of a total number of 17.121 doctors in 2015, only 8000 (about 47%) of them were employed in the public sector. According to the Ministry of Health, the estimated shortage of specialist doctors stands at 6000, while it is estimated at 9000 in paramedical professions.

The evolution of the existing health care infrastructure has been slow compared to the needs. The number of neighborhood institutions grew by 1.4% to reach 2579 ones in 2013. However, this effort to cover the national territory in health care institutions has not been matched by a similar effort in the distribution of doctors.

As for the hospital network, the number of beds was 27.706 in 2013, namely a ratio of 1 bed per 1177 inhabitants. These beds were made available by 143 institutions. However, six regions witness the concentration of 52% of hospital capacity for the benefit of only 39% of the population. This highlights the significant imbalance in the distribution of means and resources, with all the resulting implications for the right to access to health. Moreover, the health system suffers from high drug prices compared with many similar countries, which poses a problem both for health coverage systems and the social segments without health coverage.

This does not preclude the registration of some relative improvement in indicators related to mother and child health. In fact, the maternal mortality rate decreased by 67% between 1990 and 2010, while the infant mortality rate for children under the age of five dropped by 60% between 1999 and 2011. The child mortality rate decreased to 28.8 per thousand live births for children less than one year of age during 2011 compared to 40 per thousand live births in 2004. These rates remain national however and cannot be measured in rural areas and isolated villages, where it is difficult to have access to health care services.

4. Health insurance

To cope with the problem of health financing, a "Basic health care coverage Code" was adopted in 2002. The code's implementing provisions were gradually enacted and in 2004 civil servants were covered under CNOPS. As at December 31, 2014, the number of civil servants, employees and rights holders insured by CNOPS was 3.029.803, of whom 876.605 were active, 377.587 retired and 17.000 victims of gross violations of human rights. Since January 2016, the Fund extended its coverage to about 288.000 students. In 2005, private sector employees became covered by the "Social Security National Fund. The number of beneficiaries in 2015 was 5.2 million people. Some special schemes were designed by private insurance firms in favor of some segments, such as lawyers, religious personnel, imams, veterans and the liberation army. Since April 9, 2012 A "Basic health coverage scheme for the poor and the very poor" (RAMED) started to be implemented. It provided coverage to 8.78 million people as at the end of July 2015, which amounts to 30% of the population. This made it possible to reduce direct health care expenses by 38%.

RAMED is still facing many problems and difficulties regarding the limited pool of insured treatments and the management capacity of public health care institutions because of the acute shortage in medical and paramedical human resources and the unequal distribution of hospital infrastructure between regions.

One of the challenges to be faced by the system of basic health coverage is how to preserve its financial balances in the light of the currently limited contribution rates and the growing expenses by the beneficiaries. Because of better access to health care services under the basic health care coverage scheme, the demographic changes having affected the population pyramid and led to longer lives, the chronic illnesses expenses are expected to increase significantly. CNOPS' indicators point out steady increases in the number of retirees. The Fund's income generated by the contributions collected are almost equal to the payments made to the insured and the expenses incurred for treatments in private clinics as 90% of the insured use the services of the private hospital sector.

Despite the difficulties that Morocco has been facing to offer equitable, quality health care services to its population, it should be said that progress has been achieved as regards basic health care coverage which grew from 16% in 2005 to 63% in 2016. A draft law has been submitted to the parliament to establish compulsory health insurance for the benefit of professionals, independent workers and non-salaried persons having a private activity. With the entry into force of the law, expected for 2020, the health care coverage rate will reach 95% according to government estimates.

Third: Housing policy

Most major cities have witnessed fast-paced development as a result of large scale migration from the countryside to middle sized and large cities. In 2014, the urbanization rate was 60.3% compared to 55.1% in 2004. In 1960, this rate stood at 92%. Family structure has also undergone changes with nucleus families becoming the predominant pattern instead of extended families. All these changes have led to higher demand on independent housing and increased shortages in the supply of housing units in cities. A direct consequence of this as well as of poverty, limited income and land speculation, was the fast-paced growth of indecent housing in slums and unplanned neighborhoods.

Most major cities are surrounded by belts of slums that produce and perpetuate poverty, illiteracy and many other manifestations of deprivation for their populations. This has given rise to many social and security related issues.

To address and curb the situation, many public programs have been developed to fight this kind of housing through 85 towns and urban settlements. Public, private and municipal property was mobilized and large financial investments devoted to this end. Similarly, partnerships with municipalities and private sector building enterprises were developed and various tax incentives were designed to vary the supply of housing, particularly "economic, low and average cost housing". The construction of some 20 new cities close to large cities was launched and, in some cases, these cities started to receive inhabitants.

The real estate sector, particularly as regards the production of housing units, has therefore become more dynamic, as testified by the size of construction loans granted by banks in 2014-2015 which amounted to 480 billion Dirhams.

To facilitate access to "low cost housing" loans for limited-income segments, workers and the self-employed who cannot offer enough guarantees to obtain bank loans, a state-guaranteed FOGARIM scheme was established. In 2014-2015, 125.512 households benefited from this category of loans with an overall portfolio of 19.37 billion Dirhams.

Since its launch and until the end of 2015, the "Cities without Slums" program benefited 251.000 out of 380.000 targeted households. Thanks to this access to decent housing, the living conditions of these families improved. However, 129.000 households in 30 cities and urban settlements still live in slums where the population has been growing in number. Moreover, poorly infrastructured neighborhoods continued to grow. The deficit in housing units stood at 300.000 at the end of 2015.

Fourth: Employment and wage policies

1. The employment policy

The private sector labor market has been governed by the provisions of the labor code since June 2004. To enhance employment and address growing unemployment among young university graduates, Morocco has adopted a strong-willed policy targeting salaried employment in the private sector through the "qualification, integration and accompaniment" program to improve the employability of graduate job seekers. The program aims to endow these job-seekers with a first experience in entrepreneurship to help them integrate the labor market, support business enterprises as regards addressing their needs in human resources and to promote an entrepreneurial spirit in young people so that they can set up their own business projects. These programs are run by ANAPEC with financial support from the state.

It is true that these programs have helped business enterprises to address their needs in human resources at low wage costs thanks to the tax exemptions and exemptions from payment of social contributions granted to them under the "integration" and "qualification" contracts. However, the same programs have been criticized on the grounds that the young beneficiaries under

these contracts have been deprived from social coverage. Consequently, the state has introduced improvements at the end of 2011 whereby it pays social contributions during the training period if the business enterprise undertakes to fully integrate the trainee. Some of these enterprises have been criticized for overusing these contracts without offering permanent jobs to trainees at the end of a contract. Besides ANAPEC, which is a public agency, there are 50 private employment agencies which are licensed to serve as intermediaries in fixed-term employment. There exist also dozens of consultancy firms specializing in the employment of executives. 12 micro-finance institutions operate in the field of self-employment besides the "National Initiative of Human Development" in income-generating activities.

2. Wages and minimum wages

Under article 358 of the Labor Code, the minimum wage is set by a decree issued by the Minister in charge of employment which can be revised in accordance with an agreement under the tripartite social dialogue mechanism. An implementing decree is issued to that end by the Minister in charge of employment. Employees are entitled to seniority allowances. The minimum wage increased by 25% between 2011 and 2013. The remaining categories of salaried employees in the private sector have their wages governed by a contract between the employee and the employer under the wage grid provided for in collective labor agreements or the wage schemes defined by each business enterprise.

Concerning public sector positions, the wages, allowances and career promotions are regularized by the public service wage grid and the special schemes for some categories of civil servants. According to the Ministries of Finance and Economy, 54% of public servants in 2015 received salaries ranging between 6000 and 14000 Dirhams. Since 2015, minimum wage in public service started to be debated after the government increased minimum wages to 3000 Dirhams a month. It should be noted however that there are differences between civil servants depending on ministerial sectors because of the "allowances" granted to civil servants without being subject to a specific legal framework. Wages in public enterprises, on the other hand, are governed by the bylaws of each of these enterprises and are higher than the wages of those working in other public sectors. Some of these wages are even higher than those paid to executives in the private sector. The salaries and allowances granted to senior officials are among the highest today in the state

The situation was depicted in the report published by the High Council of Accounts which indicated that the "total payroll in public institutions and enterprises is too high, thus absorbing more than 45% of the value added produced by these enterprises. The wages of some executives are unjustifiably high".

3. Average wages

To measure private sector average wages, the only source available remains the wage statements deposited by business enterprises with the "National Social Security Fund". A 2011 study indicates that about 50% of those whose wages were declared receive about 2400 Dirhams a month, which amounts to the minimum wage at that time. 32% receive between 1000 and 2000 Dirhams a month, while 6% are paid more than 10.000 Dirhams. The average wage in the agricultural sector is 1337 Dirhams a month. The weak average wages in the private sector could be explained, at least in some of its aspects, by the fact that the CNSS declarations are capped at 6000 Dirhams a month and that the industrial minimum wage is calculated in accordance with the effective working hour and the effective working day in the agricultural sector. This affects the number of days declared at the CNSS and encourages some business enterprises to "cheat" on the real wages when submitting declarations in order to reduce their contributory commitments with the Fund. The number of salaried employees whose declarations cover all the months of a year amounts to 1 million employees out of the 3.100.000 whose

declarations were deposited for 2015. In the public sector, 54% of civil servants receive wages that range between 6000 and 14.000 Dirhams in 2014, while the wages of 29.77% range between 4000 and 6000 Dirhams.

4. Social security schemes: The current situation, coverage rate and management methods

Social security is made up of several schemes, most of which are compulsory. They are based on the joint contribution of the state and the civil servant as regards the public sector and the business enterprise and the employee in the private sector. Another governing principle of the system is generational solidarity and distribution. There are also some complementary schemes. Regarding private insurance firms, contributions are dependent on the categories of risk insured and contracted. Civil servants are covered by the "Moroccan Retirement Fund" which manages also military pensions. The "Collective scheme for retirement pensions" covers the employees of semi-public enterprises, state enterprises, fixed term employees, alternates and temporary employees working for the state and local governments.

Regarding the private sector, insurance is provided through CNSS as concerns family compensations, death allowances, compensation for temporary incapacity, retirement pensions and loss of employment. The Fund's indicators for 2015 indicated that 188.000 enterprises were affiliated in CNSS with 3.1 million salaried employees. The number of beneficiaries was 490.881. The "Moroccan Professional Fund for Retirement" provides insurance to 400.000 affiliated people. It is a complementary scheme for many of the salaried employees declared with the CNSS.

All these schemes cover only 33% of the active population because of the share of the informal sector in jobs and in the light of the lack of an insurance scheme for liberal and independent professions as well as for craftsmen. The amounts of pensions paid to the employees affiliated vary in their rates and method of calculation. The same variation is seen in the rates withheld and the conditions to benefit from the schemes, particularly for the salaried employees of the private sector. Private insurance firms are responsible for the management of the compulsory insurance on occupational accidents. The insurance of occupational diseases remains optional and is managed by private insurance firms.

The studies carried out on pension schemes have concluded that they will witness a situation of imbalance between the income collected and the pensions paid. These schemes face bankruptcy on the short and long run. Because of demographic factors and other factors related to the decrease in employment in the civil service, the indicators of the civil pensions scheme run by the "Moroccan Retirement Fund" show that in 1986, there were 12 active citizens for one retired person. The Fund will be facing bankruptcy by 2022, which led it to submit a draft law with a benchmarking approach in 2014.

This draft law was not agreed upon with the trade unions, whether concerning raising the retirement age from 60 to 63, paying higher contributions or revising the pension calculation method with a view to reducing its amount.

Fifth: Poverty and anti-poverty policies

The structural adjustment policy and the fast transition towards a market economy have left strong negative impacts on social sectors, which has compounded poverty and precariousness. The indicators of the High Planning Delegate for that period show that absolute poverty was at 12.5% while relative poverty represented 21.0% and precariousness 24.1% in 1985. At the end of the 1990s, strong-willed policies to fight poverty started to be developed. These policies consisted in increasing in a gradual manner the budgets of social sectors, supplying electricity drinking water, linking rural villages to the other parts of the country, launching the "National Human Development Initiative", fighting indecent housing, increasing the supply base in education, fighting illiteracy, gradually

generalizing basic health care coverage and establishing the "National Fund to support Social Cohesion" in 2012 as a tool to provide direct, conditioned financial support to some segments living in precarious and vulnerable conditions.

These policies made it possible to achieve some progress in the poverty and social vulnerability indicators, according to the High Planning Delegation. The last report by the Delegation indicates that multileveled poverty rose to 15.3% while relative poverty stood at 6.2% and vulnerability at 13.3% in 2011. The per capita GDP rose from 15.141 Dirhams in 2000 to 29.146 Dirhams in 2014. However, the indicators remain very high in villages compared to urban areas, some regions with rural extensions and hard to access mountainous areas because of the negative impact of inconsistent rainfall on the income of rural households. A "Village Development Fund" was created to address this situation.

Sixth: Social Reforms

Since 2012, the key reforms in the labor related social area have been the development of new legislation and the revision of some others. Some of these actions were carried out based on consensus with trade unions and employers. However, consensus could not be achieved regarding the revision of the law on civil pensions. Among the most important legislations, we can cite:

- The law on employment and working conditions of domestic helps
- Revising the CNSS (social security fund) law to include compensation on job losses in the coverage ensured by the Fund and to allow the salaried employees who have not met the 3240 days of affiliation condition to benefit from the retirement pension to recover their contributions capitalized
- The law on self-enterprises
- The laws on civil retirement pensions
- A cooperatives code
- A draft law on extending basic compulsory health insurance of professionals, the self-employed and non-salaried persons performing private activities
- A national strategy for vocational training and to enhance salaried work
- Raising minimum wages to 3000 Dirhams in the public service and the minimum threshold of wages by 10%
- Revising vocational training contracts
- Ratifying the international labor conventions

Seventh: Social dialogue and social conflicts

1. The current situation of social dialogue

A preliminary assessment of the performance of advisory or decision making social dialogue institutions indicates that some traditions have been accumulated by the dialogue partners whether inside the business enterprise or in the other tripartite dialogue mechanisms.

It should be noted however that despite the decision-making nature of many of the tripartite institutions, most decisions were taken in the framework of the national dialogue mechanism despite the fact that this mechanism, which has been in place since August 1, 1996, has produced only four social agreements which are not governed by any law. On the other hand, the agendas of the meetings of the Mechanism are agreed upon while convening its meetings is a responsibility of the Government. The four agreements included decisions regarding enhancing income and social benefits as well as agreeing on the substance of a number of social legislations.

Employers have used this mechanism only rarely to present their requests. Instead, they resort to direct mechanisms with the government to advocate their requests. The direct dialogue between the "General Union of Moroccan Enterprises" and labor unions resulted in the signature of bilateral agreements to set up joint committees to prevent and settle collective labor disputes in the enterprises affiliated with the Union. Since 2012, the national social dialogue rounds focused on the request made by trade unions to implement what is left from the provisions of the April 26, 2011 agreement, improve income and revise the civil pensions law submitted by the government. Though these rounds have made it possible to agree on some measures, these latter have been deemed unsatisfactory to trade unions and no new agreement has been reached.

The professional elections held on June 3, 2005 witnessed the participation of 12.084 private sector enterprises out of 17.019 enterprises employing fifty employees or more. 4935 enterprises did not see elections organized to choose the representatives of employees, which means that no bilateral dialogue institutions under the Labor Code could be put in place and that the employees of these enterprises cannot participate in social democracy.

The private sector national tripartite institutions of an advisory nature or which submit proposals held their meetings, albeit in an irregular manner, but did not develop into a proposal-making entity. The interest of trade unions and employers in its works has waned.

2. Key landmarks and social and labor disputes over the last five years

After signing the April 26, 2011 Agreement, the social climate was appeased. However, the social situation has become tenser as trade unions requested the government to implement the remaining provisions of the said agreement.

The Government, on its part, said that it has met most of its commitments under the agreement and devoted about 24.8 billion Dirhams in 2012-2014 to that end. It raised the minimum wage in the private sector by 10%. However the budget situation does not allow for the salaries to be raised". On another hand, the Government urged for the civil pension scheme to be reformed.

On its part, the "General Union of Moroccan Enterprises" expressed reservations on the non-concerted decision by the Government to raise wages without its consent.

The social dialogue rounds have therefore not led to consensual outcomes, thus leading to more tension and to union led social protest which became even more tense with the submittal of the law to reform the civil pension scheme to the parliament without prior consensus having been reached thereof.

Corporatist protest appeared on the social scene, which left a strong impact on the social and political scene in 2015-2016. Cases in point are the strikes of medical schools' students and trainee teachers against some government measures.

In the private sector, the social environment was overshadowed by the crisis in SAMIR in Mohammadia, the only oil refinery in the country.

During the first nine months of 2014, 226 strikes occurred in 188 private enterprises, leading to the loss of 158.906 work days.

The non-payment of wages was the main reason behind these strikes with 24.81%, while dismissal from work came second with 17.04% and prejudice to social benefits third with 12.78%.

"The Regional Committees for Investigation and Reconciliation" studied 91 disputes in 2015 and 36 disputes in the first quarter of 2016. 770 settlement memoranda to settle collective labor disputes were signed in 2013 and 2014.

CHAPTER FIVE: CONCLUSIONS

I. Social, economic and political challenges

Morocco will be facing social, economic and political challenges linked to its capacity to combine the need to promote growth and its sustainability by strengthening economic competitiveness and attracting more investment to create more job opportunities, and the demands for better income and social justice as well as the necessity to end social disparity and vulnerability by promoting decent work, and by strengthening the roles of social protection institutions to increase their coverage rate and maintain their balance. This is added to the challenge of education reform, and the need to strengthen the constitutional roles of political parties and trade unions and employers organizations in framing and expressing the ambitions of their members and of citizens in general, given that the weakness of such organizations or their failure would open the door to the rise of uncontrollable protest movements.

1. Social challenges

There are several challenges, mainly: unemployment among university graduates with increased pressure expected on the job market in 2017 and 2018; the enhancement of the education and vocational training system quality and effectiveness; the need to expand social protection and health systems to include more workers categories; the expected deficit in the basic health coverage system for public sector workers; the consensus on the draft law on "conditions and modalities of the right to strike" and laws on "trade unions" and "handicraft labor" ; the revision of some Labor Code provisions; reducing gender disparities; increasing the effectiveness of monitoring compliance with the labor legislation (the labor inspection system suffers severe staffing issues which makes its missions impossible to achieve); promoting a culture of dialogue at the level of entrepreneurial fabric; developing a labor contract law (limited number of collective labor agreements): the increasing number of limited-duration contracts and the resulting fragility of the labor market.

2. Economic challenges

There are several challenges such as: promoting the contribution of the industrial sector in growth and in the creation of more job opportunities; promoting the development of other national economy components; decreasing the energy bill of oil products and replacing them with renewable energies with the objective of fulfilling 42% of its needs; to limit the development of the informal sector and integrate it; to achieve fair tax reform for employees and entrepreneurs by expanding the tax base and limiting all forms of tax evasion, corruption and illegitimate privileges.

3. Political challenges

Several challenges exist at the political level, including: security and stability towards terrorist threats; the definite settlement of the Sahara issue which impedes economic complementarity between the Arab Maghreb countries; move forward with the "advanced regionalization project" which aims at reducing regional disparities; activation of laws provided by the constitution; developing governance and participative democracy systems; judicial system reform; good governance in the public service to limit corruption and administrative bureaucracy; and finally to restore the role of political work and trade unions in mentoring the youth, knowing that 70% of them do not trust politics, only 5% believe in the usefulness of political work, and 1.7% are engaged in a political party.

4. Strengths and weaknesses

Morocco has strengths but also several weaknesses which are linked to the political and economic landscape and to the role of political, social and economic actors in developing the conditions required

to enact laws and development programs. This is not an easy task due to several factors including the Maghreb, Arab, Mediterranean and international environment of the country. The Moroccan experience of social dialogue has its strengths and weaknesses.

4.1. Strengths

Since the independence of Morocco, there have been trade union traditions with an important role played by trade unions and employers' organizations in the social and economic space, added to the creation of several social dialogue mechanisms. In fact, trade unions and the General Union of Moroccan Enterprises disagree about some issues but are still partners on many labor-related and social protection matters, and most decisions taken by the "National Social Protection Fund" and the "Vocational Training and Employment Promotion Bureau" are the result of consensus. Moreover, the "Economic, Social and Environmental Council" plays a role in consultations and dialogue about several complex issues which are a concern for both workers and employers organizations. These factors help trade unions and the general Union of Moroccan Enterprises to :

- Conclude bilateral agreements to avoid the development of collective labor disputes and prevent further developments by setting up joint commissions;
- Work for the common need to fight against tax evasion and false declarations concerning the workers' social security;
- Ask for tax justice by expanding the tax basis and fighting against tax evasion and reducing tax pressure on income and on companies;
- Consider the activity and growth of the informal sector and its impact on decent work and on the competitiveness of companies;

- Encourage foreign investment to create job opportunities,

4.2. Weaknesses

There are several weaknesses especially considering the use of social dialogue mechanisms. In fact, dialogues between officials from the Ministry of Employment and trade union and employers representatives have shown that several dialogue institutions from the private sector cannot be properly used and that globally speaking, the national social dialogue does not influence the informal sector, along with the dominance of the national social dialogue mechanism that was also overridden by the government for the first time since 1996.

Conclusion

From what has been briefly presented, in particular on the expected issues relating to the labor market and social protection institutions which require the introduction of reforms that won't be easily agreed upon, we conclude that social dialogue institutions have certainly played very important roles in the development of a social legislation but they became unable to create the needed 'accumulation'. Some professional circles consider them as "ineffective" and unable to keep pace with the rapid development of the market economy and business systems. Besides, the government has been deciding alone in issues considered at the core of social dialogue and unions have been adopting a position of "resistance" to preserve their social achievements and their presence. Their influence on social decisions is decreasing with the growth of the informal sector and the number of limited-term contracts as well as the increasing demands of some categories which are not advised by workers' organizations. In fact, dialogue becomes very difficult to manage if all various categories decide to look for protest ways outside the legitimate framework of trade union. Concerning trade unions, they have lost part of their role as some "associations" and groups started organizing protest movements. Besides, employers are suffering from the growing informal sector which has an impact on the establishment of structured companies, especially small enterprises which have sometimes to transfer part of their activities to the informal sector. They also have to face unfair competition in the business market, the tax burden and the duty to comply with some labor code requirements. These reasons encourage reflection on the assessment of the different bilateral social dialogue mechanisms at the level of companies, as well as the tripartite social dialogue mechanisms including the National Tripartite Social Dialogue Mechanism, with the need to set up a specific mechanism to promote and provide training on the culture of dialogue, and the objective of setting up a common work basis for unions and employers, which determines key trends and common interests in order to achieve social peace and promote decent work, company development and competitiveness.

Appendix 1**Evolution of unemployment rate in rural and urban environment**

Year	2010	2011	2012	2013	2014	2015	2016
Rural areas	3.9%	3.9%	4%	3.8%	4.2%	4.1%	4.5%
Urban areas	13.7%	13.4%	13.4%	14%	14.8%	14.6%	14.6%

Appendix 2**Evolution of unemployment rate at the national scale**

Year	2010	2011	2012	2013	2014	2015	2016
Unemployment Rate	9.1%	8.9%	9%	9.2%	9.9%	9.7%	10%

Appendix 3**Evolution of job opportunities through annual studies on the job market situation by the planning delegation**

Years	2010	2011	2012	2013	2014
Performed Job opportunities	131000	74000	127000	90000	-24000
Non performed job opportunities	-11000	31000	-126000	24000	45000
Total	120000	105000	1000	114000	21000

Appendix 4 Breakdown of tax contribution by category in million Dirham

Draft finance law 2016 (expectations)

Category	Tax contribution amount	Rate	
Civil servants	9 657	24.85%	76.19%
Private sector employees	19 950	51.34%	
Liberal professions	4 020	10.35%	
Other	5 232	13.46%	
Total	38 859	100%	

Appendix 5 : Evolution of main economic indicators (source: Ministry of Commerce and Finance, and the high planning delegation)

2016	2015	2014	2013	2012	2011		
7,1	5,4	4,2	7,4	3	20,5	Economic growth from GDP %	
	3,4	3,1	3	4,7	5,2	Non-agriculture GDP %	
	58,4	51,7	48,3	47,8	48,9	Foreign trade %	
	-2	-5,7	-7,9	-9,5	-7,9	Self-financing rate	
						Trade balance	
	63,4	63,4	61,5	58,2	52,5	Public finance %	
	-4,3	-4,6	-5,1	-6,8	-5,9	Debt ratio	
						Budget balance	
2	1,6	0,4	1,9	1,3	0,9	Inflation average%	



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