

# Labour Market Profile 2018



## MOROCCO

This profile is based on a yearly updated report that provides a comprehensive overview of the country's labour market situation.

LO/FTF Council

Analytical Unit



**Ulandssekretariatet**  
LO/FTF Council

Danish Trade Union  
Council for International  
Development Cooperation

## PREFACE

This report is divided in 11 thematic sections: trade unions, employers' organizations, tripartite structures (incl. social dialogue), national labour legislation, violations of trade union rights, working conditions, situation of the workforce (with subsections unemployment, sectoral employment, migration, informal economy, child labour, gender, and youth), education (incl. vocational training), social protection, general economic performance, and trade. Additionally, the Appendix presents a list of registered trade union centres in Morocco; list of collective labour agreements in force; list approved labour market related legislations from 2014 to 2017; and status of ratification of International Labour Organization (ILO) Conventions.

Estimations are based on data from international databanks (e.g. ILO's Key Indicators of the Labour Market (KILM) and NATLEX as well as the World Bank's World Development Indicators and Education Statistics), national statistical institutions and ministries. Information is also collected from the International Trade Union Confederation (ITUC), U.S. Department of State, media sources (e.g. LabourStart, national news, etc.) along with trade unions centers, employers' organizations, NGOs, among others.

Several indexes such as the Global Rights Index, the Doing Business Index, the Governance Indicators, the Human Development Index and the Global Competitiveness Index are used as proxy indicators of the labour market's environment. The indexes' methodologies and the data quality can be followed by the sources' websites.

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## Acknowledgment

The LO/FTF Council is the Danish trade union council for international development co-operation. It was established, under a slightly different name, in 1987 by the two largest Danish confederations: the Danish Federation of Trade Unions (LO) and the Danish Confederation of Salaried Employees and Civil Servants (FTF). The organization activities are related to: i) to support democratic development of the trade union movements in Africa, Middle East, Asia and Latin America; and ii) to contribute to democratic development in the societies in which the unions operate.

This Labour Market Profile is prepared by the LO/FTF Council's Analytical Unit in Copenhagen with support from LO/FTF Council Sub-Region Office in Tunisia.

A wide range of other labour market profiles are available here:

<http://www.ulandssekretariatet.dk/content/landeanalyser>

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## EXECUTIVE SUMMARY

The Kingdom of Morocco has experienced a gradual economic downturn during the last decade, which has stalled the creation of new jobs and put pressure on the public finances. On the positive side, few Moroccans are working poor, and a middle-class has been developing. However, three out of four (75%) of Moroccan workers do not have access to the existing pension systems and 85% are excluded from healthcare insurance. The business environment is better in Morocco compared to other countries in Northern Africa, and the governance environment has stayed stable; citizens, nevertheless, still face challenges in terms of freedom of speech and government accountability.

A wide range of legal labour market reforms were approved in recent years. These include a new Pension Law that created some turmoil; but also a step forward of the Law Advances Domestic Workers' Rights in 2016. The labour market's legal framework has some flaws in relation to the international labour standards. In practice, workers are confronting regular violations of rights, and the human rights conditions came under scrutiny from international organisations during 2017.

Data reveal that one out of two of all Moroccan workers operate in the informal economy. This is a reflection of the fragmentation on the Moroccan labour market that keeps many workers in vulnerable working conditions. Not to mention, the informal economy constitutes the bulge of the economy without contributing to the public finances.

To a certain extent, there have been some improvements in the tripartite social dialogue in recent years. It was mostly prompted by the preparation process of the before mentioned Pension Law. The results of the law triggered conflict, though. A point often overlooked is that the government, trade union confederations and employers' organizations all have often different aims and motives during the social dialogue that can spurring conflict. Also, it must be remembered that legal restrictions marginalises many informal workers' opportunity to negotiate collective agreements on salaries and working conditions.

The latest minimum wage increase was in 2015. Generally, salaries have a wide range of disparities. Although fixed-term contracts are prohibited for permanent tasks, temporary fixed-term contracts are

often applied. Labour regulations are strict in terms of hiring and firing procedures which has created some rigidity on the labour market.

Labour force participation rate growth has stayed fairly flat so far during the 2010s. While labour productivity has been increasing, it remains significantly lower than the Northern Africa average and unemployment is a problem throughout the country, especially among youth and higher educated workers. Since Morocco has large segments of own-account workers and contributing family workers, a statistically unemployment measurement is less meaningful since many are hidden in underemployment, meaning those who are working less than 48 hours per week.

The labour market in Morocco still has wide gender gaps despite legal steps to establish parity between the sexes. The extent of women's integration and opportunities on the labour market has often been hindered by company cultures in Morocco. Therefore, almost three out of four (74%) people in Morocco employment are men. The agricultural sector absorbs the largest segment of workers with approximately 39% employed there. Employment in the industrial sector has roughly stayed on a flat growth since 2000 while the employment in agriculture dropped slightly and moved towards the service sector.

Net migration in Morocco has been under changes. The country has become a transit country for many irregular migrants travelling from sub-Saharan Africa towards Europe, but has also ended up being the final destination for many as the global financial crisis in the late 2000s dried up job opportunities for low-skilled migrants in Southern European countries. Child labour has dropped sharply in Morocco, but remains present in rural areas. This is a result of legal reforms and a fast increasing school enrolment on all levels during the last decade including in vocational training.

Employers often consider the Moroccan labour market rigid with weighty cooperation in labour-employer relations. In practice, many employers often apply temporary contracts to discourage employees from affiliating with or organizing unions. Trade unions have organized many strikes to fight for their rights in recent years. Trade union density to total employment was estimated at 11% and with an improved coordination among the trade union confederations.

## COUNTRY MAP



Source: Google

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## TRADE UNIONS

In Morocco, 26 trade union centres are registered at the national level. Trade union members have an estimated share of 11% of the workforce and 23% of the total employees (i.e. the type of job defined as paid employment jobs<sup>1</sup>). Despite limitations of data availability, some improvements can be seen such as bringing more women into leadership positions within the country's major trade unions.<sup>2</sup> See more on Table 1.

**Table 1: Status of trade unions in Morocco**

Number trade union centres	26+
Dues (standard)	N/A
Members of trade unions (UMT, UGTM, and CDT)	1,146,500
Trade union members share of total employment	11 %
Trade union members to employees	23 %
Women member share of trade unions (SNPM)	26 %
Members of affiliated trade unions from the informal economy	N/a

Note: Based on the limitations of data availability, the number of trade union members covers only three trade union centres. Thus, the calculated shares are underestimated.

Source: International Trade Union Confederation; trade union shares were based on calculation with status of employment data from ILO.

Several large companies have a notable presence of unions: e.g. *Office Chérifien des Phosphates*, Morocco Telecom, the public television channel 2M, Royal Air Morocco, and the *Compagnie de Transports au Maroc* group.<sup>3</sup>

Three main Moroccan trade union centres - Moroccan Labour Union (UMT), Democratic Labour Confederation (CDT), and the Democratic Labour Federation (FDT) - signed a strategic agreement on united trade union action in January 2014. The alliance aimed at tackling the government's "anti-democratic and anti-popular" policies as well as its "outright dismissal of the trade union organizations' calls for a frank and constructive social dialogue."<sup>4</sup> The alliance is a historical step due to their common background and history, i.e. CDT sprung out from UMT, and FDT later from CDT. Previously it complicated cooperation between them. The three confederations now coordinate on policy positions and demands; organize joint events and demonstrations; and coordinate negotiations with the government. In some instances, the General Union of Moroccan Workers (UGTM) and other confederations join these coordinated efforts.

Generally, UMT, CDT, UGTM, and the National Union of Moroccan Workers (UNTM) represent workers in

national dialogue. According the many trade unions, the government refused to hold any meaningful dialogue over a series of issues including wages, taxation, pensions and labour legislation. For that reason, many trade unions have resorted to strike actions in recent years.<sup>5</sup>

Table 2 below provides the latest available data on Moroccan trade union centre's membership numbers.

**Table 2: Trade Unions Centres in Morocco affiliated to ITUC, total members, 2015**

UMT - Union Marocaine du Travail	335,000
UGTM - Union Générale des Travailleurs du Maroc	750,000
CDT - Confédération Démocratique du Travail	61,500

Source: [ITUC. List of Affiliated Organisations, 2015](#)

### Moroccan Labour Union (UMT)

UMT was established in 1955. It was active in the fight for independence from France, which has given the union a historic legitimacy. Most other trade union centres have sprung from UMT. An often voiced criticism of UMT is that it enjoys a range of privileges because of its historic position, and because of this has been reluctant to enter into cooperation with the other trade union centres or to give up its privileges for the inclusion of the newer unions. UMT is represented in the social security system known as the *Caisse Nationale de Securite Sociale* (CNSS), the Office of Vocational Training and Job Promotion (OFPPT), and the National Agency for the Promotion of Employment and Skills (ANAPEC). The organization is affiliated with the International Trade Union Confederation (ITUC) and has declared 335,000 members.

UMT won a landslide victory in the partial elections of the employee comity in the House of Councilors in July 2016. This process was with the participation of workers representatives from private sectors and public institutions, members from bilateral committees of the public administrations and local communities as well as the private sector at the national level.<sup>6</sup>

### General Moroccan Trade Union (UGTM)

UGTM was established in 1960 as a breakaway from UMT. It is a conservative union and is linked to the conservative political Istiqlal party. Hamid Chabat, General Secretary of UGTM from 2009 to 2014, was elected as Secretary General of the Istiqlal Party in September 2012. The leadership of UGTM was subsequently temporarily managed by an elected college of nine persons, until the 10<sup>th</sup> Congress in October 2014 elected a new leadership of M. Kafi



Cherrat, head of the temporary management college, as its general secretary.<sup>7</sup> The organization is affiliated with the ITUC and has declared 750,000 members.<sup>8</sup>

#### Democratic Labour Confederation (CDT)

CDT was created in 1978, as it broke out of UMT over political questions. CDT has historically had ties to the political left, notably the socialist party USFP. The Secretary General, Noubir el Amaoui, has occupied this post since the trade union centre's creation. Back in 2006, CDT adopted a negotiation instrument covering the principal demands of the organization to address and negotiate issues at the workplace including their arguments and their legal aspects. During the Arabic Spring movements in Morocco, CDT supported the protest movement M20. And as the only one of the most representative trade union centres, it was against the proposed Constitutional amendments in 2011. The organization is affiliated with the ITUC and declared 61,500 members.

#### National Moroccan Labour Union (UNTM)

UNTM was created in 1973. The union has strong links with the Islamic party in government, Justice and Development Party (PJD). The general secretary of UNTM Mohamed Yatim is a parliamentarian for the PJD. The UNTM is not an affiliate of the ITUC. The confederation held its latest congress in December 2015. Mr. Mohamed Yatim, the current Minister of Employment and Professional Integration, is a member of the trade union movement, having headed the UNTM.

#### Democratic Labour Federation (FDT)

FDT sprung from CDT in 2003 over a political divide, involving USFP, but the two trade union centres have the past years shown strong signs of reconciliation. FDT and CDT have for some years coordinated marches and protests and stood side by side in political questions. Since January 2014, this coordination expanded with the alliance with UMT. The FDT is mostly represented in the public sector. The FDT is not an affiliate of the ITUC.

In June 2014 an internal conflict between two wings in the organisation broke out. This conflict dates back to the last congress. It was at the time solved, but it resurfaced in 2014 and has at the time of writing not been solved. In the 2015 professional elections, FDT lost its status as part of the most representative confederations. Both wings had participated in the election.

## EMPLOYERS' ORGANISATIONS

Based on estimations, 2.9% of the total employment in Morocco consists of employers (see more on Figure 4). The Global Competitiveness Index provides the Moroccan employers' view on a wide range of aspects, including labour market efficiency. The latter is elaborated upon surveys among employers in Morocco. They considered the labour market as rigid; ranking 124 out of 138 countries (1<sup>st</sup> is the best). Based on information from the surveys, some of the main issues were cooperation in labour-employer relations, women participation in the labour market as well as pay and productivity. The labour market efficiency survey's highest score is in flexibility of wage determination and effect of taxation on incentives to work (Table 3).

**Table 3: Labour market efficiency in Morocco, 2016-2017**

Indicator	Rank	Value
Total	124	3.5
Cooperation in labour-employer relations	122	3.7
Flexibility of wage determination	47	5.3
Hiring and firing practices	103	3.3
Redundancy costs (weeks of salary)	91	20.7
Effect of taxation on incentives to work	54	4.1
Pay and productivity	114	3.4
Reliance on professional management	84	4.0
Country capacity to retain talent	91	3.2
Country capacity to attract talent	68	3.4
Women participation in the labour force	132	0.34

Note: Rank from 1 to 135 (1 is highest). Value is estimated: 1 = lowest, 7 = highest.

Source: [The Global Competitiveness Report, 2016-2017, 7<sup>th</sup> pillar: Labor market efficiency](#)

#### General Confederation of Moroccan Enterprises (CGEM)

CGEM (French: *Confédération Générale des Entreprises du Maroc*) is the main employers' organization. It includes large industrial and commercial companies as well as small and medium sized enterprises. CGEM has 33 affiliated sectoral federations. And the organization operates with 22 commissions, which includes the Committee for Employment and Social relations that is related to collective bargaining agreements. The enrolment of member companies has been on a rise from 1,234 in 2000 up to 4,000 in 2015.<sup>9</sup> CGEM has registered 88,000 direct and affiliated members, which equals 27% of total employers in 2017. CGEM is member of the International Organization of Employers (IOE).

CGEM and UMT have a closer cooperation, than the CGEM has with the other trade union centres. This can partially be explained by a recurring exposure to collaboration via their seats of representation in state



organizations dealing with the labour market, and from the fact that UMT is strong in the private sector.

Particularly small enterprises and family owned businesses are often not members of employers' organisations; the same workplaces where trade unions have difficulty organizing workers.

During 2017 CGEM promoted a new set of proposals for Moroccan business policy in dialogue through a partnership platform with the government. Not to mention, the organization launched an investigation into the transformation of companies in partnership with the firm Optimum Conseil in May 2017. The results are not yet available.

### **The Federation of Chambers of Commerce, Industry and Services (FCCIS)**

FCCIS (French: *Fédération des Chambres de Commerce, d'Industrie et de Services*) is an association bringing together the regional Chambers of Commerce, Industry and Services. The organization participates in some bodies concerned with social dialogue. Reports state that FCCIS does not call itself as an employers' association ("*patronat*"), and that it is seen by trade unions as a public entity. It covers an estimated 200,000 companies.<sup>10</sup> FCCIS is member of the International Organization of Employers (IOE).

## **CENTRAL TRIPARTITE STRUCTURES**

### **Mediation and Arbitration**

Collective industrial disputes are governed by the Labour Code. First, a labour inspector attempts conciliation between the parties. If the conciliation fails, the case is submitted to the tripartite Provincial and then the National Commission for Inquiry and Conciliation. If no settlement is reached, the Commission can submit the dispute to an arbitrator. The arbitrator is chosen in agreement between the parties and if they do not agree, the Minister of Labour.

Courts have the authority to reinstate workers dismissed arbitrarily and may enforce rulings that compel employers to pay damages and back pay. In addition, inspectors are required to serve as mediators in disputes. They are required to spend a 'significant amount' of time in their offices, not only conducting inspections. It was registered that enforcement procedures were subject to lengthy delays and appeals.<sup>11</sup>

### **Economic, Social and Environmental Council (CESE)<sup>12</sup>**

The CESE has been long underway and was finally established in the spring 2011 as the king sought to meet the popular demands for change. It is an advisory council of trade unions, professional organizations and associations as well as other associations working in the field of social economy and rights. Its aim is to provide the government and the parliament with opinions, studies and proposals on the national economy and education, among others. Albeit the council only has an advisory mandate, the forum brings members together to meet, debate and propose joint and concrete recommendations.

### **Other bi/tripartite organs**

- *Caisse Nationale de Securite Sociale* (CNSS)
- Consulting Services for MSME lending project (APEX institution)
- Office of Vocational Training and Employment Promotion (OFPPT).

### **Social dialogue**

The Labour Code requires several tripartite bodies to be established. These fulfil functions such as regulate and give advice on labour policy, occupational safety and health, collective bargaining and temporary employment.<sup>13</sup>

- Higher Council for the Promotion of Employment.
- Regional and Provincial Councils for the Promotion of Employment
- Tripartite National Commission.
- Investigative and Conciliation Provincial Commission.
- Investigative and Conciliation National Commission.
- The Occupational Safety and Health Board.
- Collective Bargaining Board.
- Commission for Temporary Employment.
- Enterprise level committees required at workplaces larger than 50 workers.

Collective representation has been under consolidation during the last decade. In recent years, the social dialogue at national level went through a combative stage triggered by reforms of the pension schemes along with fiscal consolidation, saving public expenditure and economic strategy targeting a higher competitiveness. Notwithstanding, social dialogue processes with the government have shown some improvements. Among others, during 2016 the government held its first formal traditional tripartite social dialogue session since 2012. This was especially applied to discuss the pending pension reform

legislation. The government also initiated separate meetings in 2017 with the social partners, including the heads of the UMT, the CDT, the UGTM, the UNTM then the Federation of Chambers of Commerce and Industry to resume contact with the parties.

ITUC has few observations in terms of the legal right to collective bargaining in Morocco. The key issue is related to excessive requirements in respect to trade unions' representability or minimum number of members required to bargain collectively.<sup>14</sup> This restricts the opportunity to reach collective agreements. On the other hand, the government generally respected the right to collective bargaining. At the sectoral level, trade unions negotiated with private employers concerning minimum wage, compensation, and other issues. However, sources have registered that employers limited the scope of collective bargaining, frequently setting wages unilaterally for the majority of unionized and nonunionized workers. Not to mention, labour disputes were common.<sup>15</sup>

Important to notice is that the partakers in social dialogue often have different motives for entering the negotiations. For example, the government mainly see it as consultative, while employers expect an opportunity to make concrete proposals, and trade unions an opportunity for negotiations.<sup>16</sup> Social dialogue is not organized among workers and employers in the informal economy in any direct way (see also the sub-section: Informal Economy).

The Ministry of Employment and Social Affairs in Morocco registered 20 Collective Bargaining Agreements in force covering the period from 1978 to 2012 (see also Table 28). However, it appears as if the public register for CBAs is not updated: According to reports, CDT and agro-industry employer, *Les Domaines Brahim Zniber*, signed a collective bargaining agreement in January 2015 that covers nearly 1,000 agricultural workers on five large farms.<sup>17</sup> Around 5% to 10% of the total employees are covered by CBAs (Table 4). In some cases, employers are failing to implement collective bargaining agreements and withholding wages.

**Table 4: Status of collective bargaining agreements in Morocco**

Number of CBAs	20
Workers covered by CBAs	N/a
Share of workers covered by collective bargaining	5-10% *

\* Estimation of global collective bargaining coverage on all levels.  
Source: Ministry of Employment and Social Affairs in Morocco; and the European Commission and ITC-ILO.

## NATIONAL LABOUR LEGISLATION

### Constitution<sup>18</sup>

In July 2011 a new constitution was approved by a popular referendum. This new constitution was an aftermath of popular protests in February 2011 that was part of a wave of uprisings in Arab countries in the spring of 2011. The new constitution was written by a commission of experts appointed by the king rather than by an elected constituent assembly or any other representative body. A limited consultation process with stakeholders from civil society and political parties took place during the drafting.<sup>19</sup> The new constitution introduced a transferring of several powers from the king to the prime minister, such as the power to appoint high-level civil servants, the power to grant amnesty and to preside over the meetings of the cabinet. Also the powers of the parliament were broadened. In spite of these changes, the constitution arguably did not reduce the power of the king.

The Constitution recognises freedom of association, the right to strike and the freedom to join unions. It strengthened the role of trade unions as social and democratic players, maintaining a quota for their representation in the second Chamber of the parliament.

### Labour Code<sup>20</sup>

The current Labour Code was established by *Dahir* (royal decree) in 2003 after a tripartite process that took years. It regulates employment relations, working age, maternity leave, working hours, occupational safety and health, wages, trade unions, employers' representation and work councils. It also regulates settlement of collective labour disputes. Domestic workers are not covered by the Labour Code, thereby depriving them of the right to form unions. Also members of the judiciary are barred from forming trade unions.

According to the Labour Code, several independent unions are permitted. However, the code requires 35% of the total employee base to be associated with a union in order to be recognized as representative and able to engage in collective bargaining. The code also prohibits antiunion discrimination and prohibits companies from dismissing workers for participating in legitimate union-organizing activities.

### Other labour market legislations

Several other legislations and Royal Decrees exist that regulate, set standards and restrictions for the labor market in Morocco. Most of them are also *Dahirs* (i.e.

Moroccan King's decree) and several have been repealed by the Labour Code.<sup>21</sup>

ILO registered a total 628 national labour, social security and human rights related legislations in 2017 (October). It was registered that a wide range of reforms were approved in the period from 2014 to 2016; only few in 2017, so far (Table 5 and Appendix Table 29).

**Table 5: Status of the national labour, social security and human rights related legislations in Morocco**

	2014	2015	2016	2017 (Oct.)
Number of new/amended legislations	26	10	14	3

Source: [ILO, NATLEX, Morocco](#)

Two recent key reforms were the Pension Law and the Law Advances Domestic Workers' Rights in 2016. The former was triggered by the pension system stretching the public finances combined with a demographic bulge (see also the section: Social Protection). This dire financial position pushed the government to open up for social dialogue as mentioned previously. The latter was ground-breaking for domestic workers in Morocco. As mentioned, before the adoption of the law, domestic workers were excluded from the Labour Code, leaving them no legal rights to a minimum wage, limits on their hours, and not even a weekly day of rest.

### Observations on the labour legislation

The International Trade Union Confederation (ITUC) has a few observations of the labour market legislations in Morocco regarding freedom of association and the right to strike.<sup>22</sup> Main issues are:

- Restrictions on the right to elect representatives and self-administer in full freedom.
- Restrictions with respect to type of strike action (e.g. pickets, wild-cat, working to rule, sit-down, go-slow).
- Authorities' or employers' power to unilaterally prohibit, limit, suspend or cease a strike action.

It must be remembered that agricultural workers are not covered by the Labour Code, thereby depriving them of the right to form unions. Not to mention, one out of two of the workforce operates in the informal economy which is most often operating outside the labour regulations (see also the sub-section: Informal Economy). Other entities have argued that the government enforced applicable labour laws in the formal sector, but it is often not effective to the local situation.<sup>23</sup>

### Ratified ILO Conventions

With reference to Morocco's ratification of the international labour standards, a total of 62 ILO Conventions are ratified (see also Appendix Table 30):<sup>24</sup>

- Fundamental Conventions: 7 of 8.
- Governance Conventions (Priority): 4 of 4
- Technical Conventions: 51 of 177.
- Out of 62 Conventions ratified by Morocco, **47** are in force, 11 Conventions have been denounced; 3 instruments abrogated; none have been ratified in the past 12 months.

The latest ratified Conventions were the Tripartite Consultation Convention (No. 144), Labour Relations (Public Service) Convention (No. 151), Safety and Health in Mines Convention (No. 176), and Work in Fishing Convention, 2007 (No. 188) (not in force); all from 2013.

### TRADE UNION RIGHTS VIOLATIONS

As demonstrated above, the legal provisions undermine freedoms and actions of the trade unions. The Global Rights Index 2017 ranked Morocco as 3 out of 5+ (Table 6). Stated differently, workers are confronting "regular violations of rights", i.e. government and/or companies are regularly interfering in collective labour rights and/or failing to fully guarantee important aspects of these rights. In addition, there are deficiencies in laws and/or certain practices which make frequent violations possible. The country has stayed on this ranking since 2015.

**Table 6: Global Rights Index, Morocco ranking, 2014-2017**

	2014	2015	2016	2017
Ranking	4	3	3	3

Note: Five clusters in total with ratings from 1 to 5. A country is assigned the rating 5+ by default, if the rule of law has completely broken down.

Source: [ITUC, Global Rights Index](#)

During the period from 2015 to 2017 (October), ITUC registered nine cases of regular violations of rights. These cases range from: anti-union repression at a steel mill; head of dockers' union dismissed; anti-union ruling in Agadir; social dialogue and freedom of association, the watchwords of Moroccan trade union centres; two new unions harshly repressed; trade union victory in call centres; social dialogue trampled underfoot in energy sector; export processing zone (EPZ) fiercely anti-union; and EPZ workers sacked and savagely beaten for forming union.<sup>25</sup>

Several non-governmental organizations (NGOs) reported that employers often used temporary contracts to discourage employees from affiliating with or organizing unions. Not to mention, trade unions complained about the government's use of the Penal Code to prosecute workers for striking in order to suppress strikes.<sup>26</sup>

During 2017, the government's human rights stance came under scrutiny by international organizations, including the United Nation Human Rights Council, Universal Periodic Review (UPR). It was noted that some of the key barriers to effective implementation include: judicial oversight and accountability; progressive legislation by formal and informal justice mechanisms; police enforcement; and legal aid and information.<sup>27</sup>

There is one follow-up case in the ILO's Committee of Freedom of Association. The case was filed in March 2013 by the *Democratic Federation of Labour (FDT)*. The complainant organization reported that the authorities' exclusion of the Democratic Union of the Judiciary (SDJ) from all collective bargaining despite it being the most representative organization in the sector. The Committee has forwarded series of recommendations and the case will be followed.

**Table 7: ILO Complaints Procedure, Freedom of Association Cases in Morocco, 2017 (October)**

Freedom of Association cases	Number
Active	0
Follow-up	1
Closed	67

Source: [ILO, NORMLEX, International Labour Standards country profile, Freedom of Association cases, Morocco](#)

## WORKING CONDITIONS

The latest changes to the minimum wages were in 2015. The minimum wage increased by 4.7% reaching 2,800 dirham (current US\$287) per month in the industry sector and 1,813 dirham (current US\$186) in the agricultural sector. Also a minimum wage for domestic workers was set at 1,690 dirham (current US\$173). To point out, a wide disparity exists between the lowest and highest salaries in Morocco. Equally important, the country has the highest minimum wage when compared to other North African countries Egypt, Jordan, and Tunisia.

There are different wage levels for urban and rural areas as well as for different age groups. The average wage was estimated at 20,000 dirham (US\$2,050), i.e.

calculated by adding up all the salaries and then dividing that total by the number of salaries (see more on Table 8).

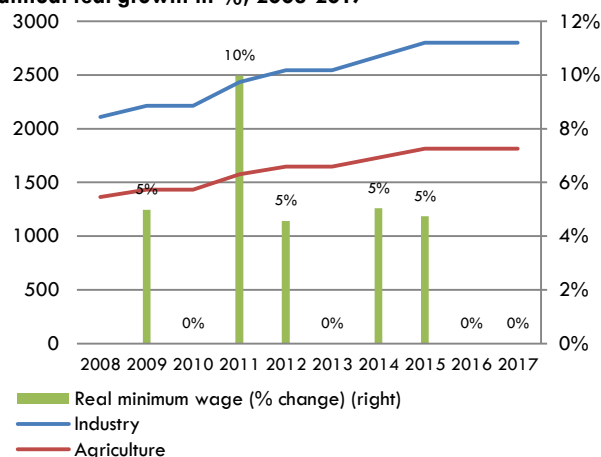
**Table 8: Wages and earnings in Morocco**  
Monthly average, median and legal minimum wages

	Dirham Current	US\$ Current
Median wage (2017)	20,000	2,050
Average wage (2017)	22,698	2,326
Minimum wage (2015/17)		
Industry sector	2,800	287
Agricultural Sector	1,813	186
Domestic workers	1,690	173
Ratio minimum wage to value added per worker (2017)		0.7 *
Growth of real minimum wages (2008-2017)		35 %

\* Ratio of minimum wage to value added per worker denotes the minimum wage share of labour productivity.<sup>28</sup>  
Sources: [Ministère de l'emploi et des affaires sociales; Salary Explorer; World Bank, Doing Business, Labour Regulation in Morocco; LO/FTF Council estimations of growth in real minimum wage](#)

Both the industrial and agriculture minimum wages have increased by 35% over the last decade. The industrial sector's minimum wage is 54% higher than the minimum wage in the agricultural sector (Figure 1).

**Figure 1: Minimum wage trend in Morocco, Dirham and annual real growth in %, 2008-2017**



Source: [Ministère de l'emploi et des affaires sociales](#)

The World Bank established the absolute poverty level threshold wage as 70 dirhams (US\$7.1) per day. This is in line with the daily minimum wage in the agricultural sector. However, around one in two (51%) of the workforce operates within the informal economy which most often is not covered by the wage regulations (see also the sub-section: Informal Economy). On the positive side, Moroccan labour standards are reasonably in line with the international standards. On the negative side,

many informal workers are overlooked by the formal working conditions.

A brief overview of the working conditions in Morocco is available in Table 9.

**Table 9: Working Conditions in Morocco**

Fixed-term contracts prohibited for permanent tasks	Yes
Maximum length of a single fixed-term contract (months)	12 months
Maximum number of working days per week	6.0
Premium for night work (% of hourly pay)	0.0
Premium for work overtime work (% of hourly pay)	25.0
Paid annual leave (average for working days with 1, 5 and 10 years of tenure)	19.5
Amount of maternity leave benefits	100 %
Duration of Maternity Leave	14 weeks
Unemployment protection after one year of employment	No *

\* Unemployment benefits were introduced in 2014 but the conditions for access are very strict and covers a very small number of those who lost their jobs can benefit from it (see also the section: Social Protection).

Source: [World Bank, Doing Business, Labor Market Regulation in Morocco](#) and [ILO, Working Conditions Law Report 2012](#)

A total of 409 labour inspectors were registered in 2016. That equals 1 inspector per 27,536 the total number of workers of and 12,572 of employees. In contrast, the ILO is concerned if the relation exceeds one inspector per 10,000 workers in industrial market economies; one inspector per 20,000 workers in transition economies; and one inspector per 40,000 workers in less developed countries.<sup>29</sup> According to sources, penalties were generally not sufficient to deter violations.<sup>30</sup>

The labour Code recognizes three types of contracts: i) indefinite duration contracts; ii) fixed term contracts; and iii) a type of contract for carrying out a specific task that offers only a temporary solution for unemployment. Many employers often apply temporary contracts to discourage employees from affiliating with or organising unions.

In Morocco labour regulations are strict in terms of hiring and firing procedures. Among others, it is prohibited to terminate a contract of an employee for economic reasons. Only a serious breach of the contract from the worker can allow the employer to engage in firing procedures. In practice, firing procedures are complex and costly. It has been argued that these procedures hamper labour demands and dissuade firms from investing in the human capital of their workforce by encouraging temporary contracts. On the other

hand, the protective firing regulations could indirectly be interpreted as a lack of an unemployment insurance scheme.<sup>31</sup>

## WORKFORCE

Morocco's total population is 34 million out of which 12.7 million constituted the workforce in 2017. The country has an employment-to-population ratio at 44% which is in line with the Northern Africa average, but lower compared overall African average which was estimated to 66% the same year. It is important to realize that deep gender gaps are present in the country, both overall and for the youth. The difference between men and women regarding the employment-to-population ratio is 44 and 27 percentage points for age groups 15+ and 15-24 respectively (see more in Table 10 and the sub-sections Gender and Youth). Two central reasons for the low employment rate in Morocco, compared to the African average, are related to the few women employed or participating in the labour market as well as the fact that a large proportion of the youth are in education or unemployed.

**Table 10: Employment-to-population ratio, age and Sex distribution, 2017**

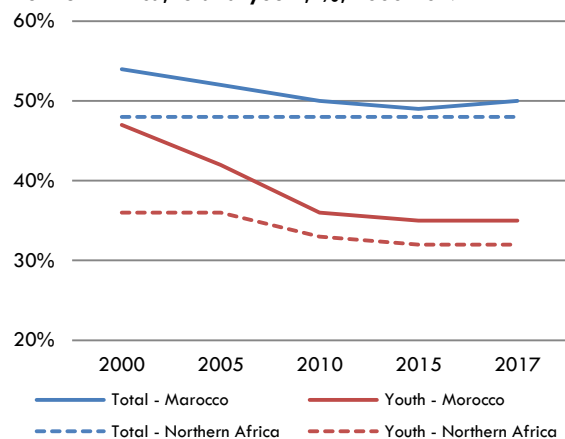
Sex	Age		Morocco	Northern Africa
Men & women	Total	15+	44 %	43 %
	Youth	15-24	28 %	23 %
Men	Total	15+	67 %	67 %
	Youth	15-24	41 %	35 %
Women	Total	15+	23 %	18 %
	Youth	15-24	14 %	9.9 %

Sources: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

Estimations also show that the total labour force participation rate trend peaked at 54% in 2000, but has slowly declined during the 2000s, and stalled at 50% so far in the 2010s. The Northern Africa average labour force participation rate did not have a similar drop, but stayed stable at 48%. A starker change was the fast decreasing youth labour force participation rate, which dropped from 47% in 2000 to 35% in 2010, and has since then remained fairly flat. A similar, but weaker, trend was present in the North Africa (Figure 2). In Morocco, the increasing enrolment levels in education have impacted the employment participation rate among youths along with relatively high youth unemployment.



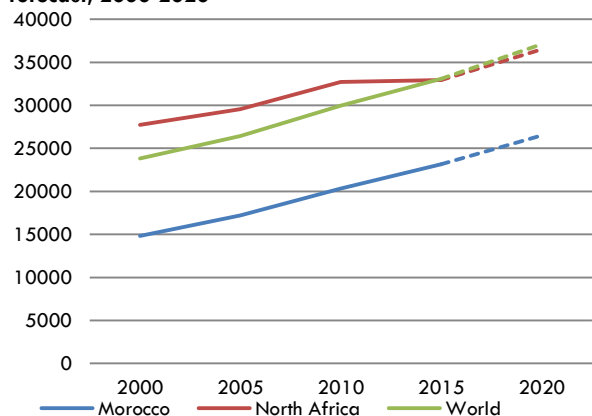
**Figure 2: Labour force participation rate in Morocco and Northern Africa, total & youth, %, 2000-2017**



Sources: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

Morocco has had a stable increase in the labour productivity. Insofar a drop in the labour productivity has not happened in Morocco as it has in other North African countries during the 2010s. In spite of that, data illustrate that the country's labour productivity remains far below the Northern Africa and World averages.

**Figure 3: Labour productivity trend, output per worker with forecast, 2000-2020**



Note: Labour productivity is estimated as output per worker (GDP constant 2011 international \$ in PPP).

Sources: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

One reason for the increasing labour productivity has been the growing number of employees (i.e. workers who hold the type of job defined as paid employment jobs<sup>32</sup>) during the 2000s. The changes were mainly from a drop among contributing family workers (i.e. person living in the same household that is not at a level comparable to that of the head of the establishment<sup>33</sup>), while own-account workers (i.e. person who hold self-employment jobs and do not engage 'employees' on a continuous basis<sup>34</sup>) increased slightly. During the 2010s, limited employment changes have happened (see more on Figure 4)

**Figure 4: Status of employment in Morocco, 2000-2017, %**



Sources: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

It is worrisome to note that the number of new formal jobs has stalled in recent years in Morocco. Data revealed that in 2014 and 2015 Morocco created only 21,000 and 33,000 new jobs respectively, and in 2016 there was an actual loss of jobs.<sup>35</sup>

### Unemployment and Underemployment

Unemployment is a challenging issue in Morocco. First of all, the total unemployment in Morocco is close to the North African average, i.e. 10% and 12% respectively. It is interesting to observe that total unemployment for women is 9 percentage points lower in Morocco compared to the regional average. Secondly, Morocco has a relatively high youth unemployment that covers one out of five (21%), but it is actually lower than the average for the region. Thirdly, there is basically no unemployment gender gap in the country (see more in Table 11).

**Table 11: Unemployment in Morocco and Northern Africa, 2017, %**

	Sexes	Morocco	Northern Africa
Unemployment	Total	10 %	12 %
	Men	10 %	9.7 %
	Women	11 %	20 %
Youth Unemployment (15-24 years old)	Total	21 %	29 %
	Men	21 %	25 %
	Women	21 %	39 %
Time-related underemployment *	Total	11 % **	N/a
	Men	2.9 % ***	N/a
	Women	2.1 % ***	N/a

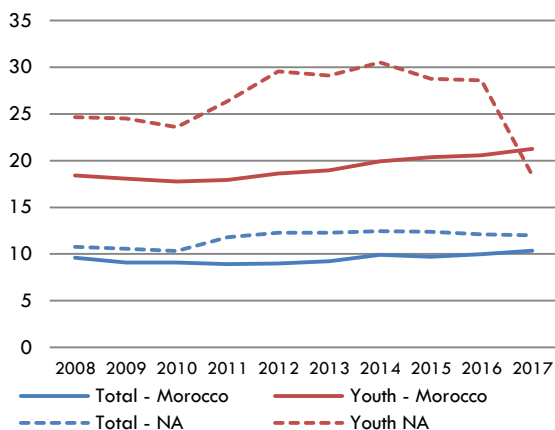
\* The time-related underemployment rate is a measure of labour underutilization and based on a share of employed persons who are willing and available to increase their working time and worked fewer hours than a specified threshold. \*\* Year: 2015. \*\*\* Year: 2012.

Sources: [ILO, Key Indicators of the Labour Market \(KILM\)](#)



Data reveal that the unemployment rate in Morocco has been on a steady rate at around 10% during the last decade in Morocco. To point out the youth unemployment has been on a slowly increasing rate, and for the first time in 10 years it is hovering above the regional average. The latter plummeted dramatically in the period from 2016 to 2017 (see more on Figure 5).

**Figure 5: Unemployment trends in Morocco and Northern Africa (NA), 2008-2017, %**

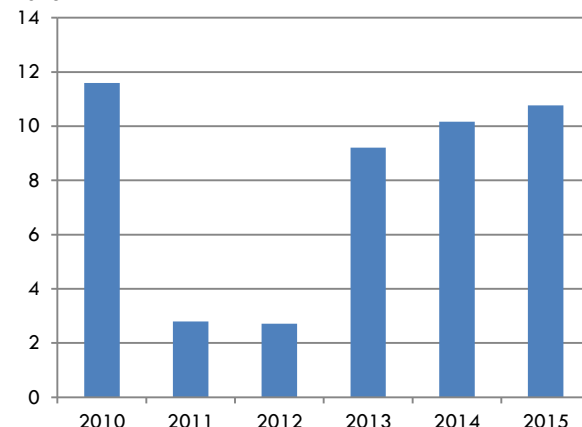


Sources: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

Compared to other Arab countries, a larger proportion of the Moroccan workers are employed in the agricultural sector, and more are own-account and contributing family workers (see section on sectoral employment). This makes the standard open employment measure less meaningful as there is a widespread hidden unemployment in these sectors e.g. time-related underemployment. This indicator measures those who involuntarily worked less than 48 hours per week the concept sometimes also include those who are employed below their skill-level. According to available data, time-related underemployment is not a rampant issue in the country, but it has increased from 3% in 2011 to 11% in 2015, and it adds to the already challenging open unemployment rate (Figure 6 and Table 11).

Although underemployment tends to be higher in rural areas due to seasonal changes in activity, data show that urban underemployment is only slightly lower than rural in the country. It indicates that there is hidden unemployment in the more industrialized parts of the economy. This is explained by that non-agricultural informal employment in Morocco is often in single-person shops or services, which is an alternative to unemployment.

**Figure 6: Time-related unemployment in Morocco. 2010-2015**



Note: Time-related unemployment is measured as the hours of work of an employed person are insufficient in relation to an alternative employment situation in which the person is willing and available to engage. Latest data of this underemployment was from 2015 while data of men and women were from 2012.

Sources: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

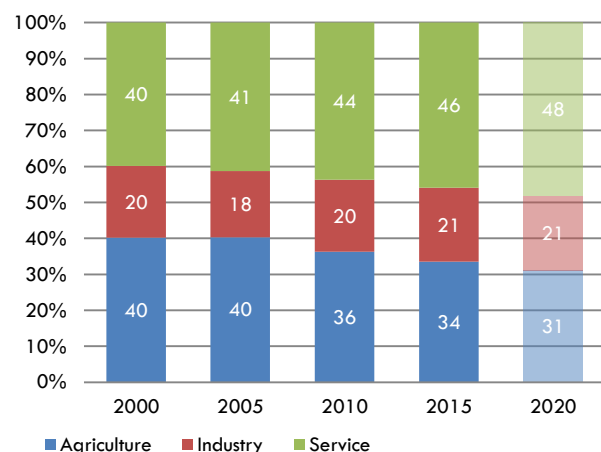
Another key point is that unemployment in Morocco tended to root itself more than other Northern Africa states: 65% of the unemployed had been unemployed for over a year and 52% were first time job-seekers. The government launched a temporary contract programs (Contracts ANAPEC) designed to help new entrants into the job market. It included that the government payed social security and medical insurance contributions for the employee. In addition, employers were required to pay above the minimum wage and hire 60% of ANAPEC interns at the conclusion of the contract. However, Contracts ANAPEC fell outside the jurisdiction of the Labour Code and could thus be abused.<sup>36</sup>

Unemployment is more prevalent among those with higher educations in Morocco. Based on estimations from 2012, persons who attained secondary or tertiary level had an 18% unemployment rate while it was only 6.8% among the attained primary education or less.<sup>37</sup> The latter group is on the hand more likely to be underemployed.

### Sectoral Employment

Aggregate sector employment in Morocco went through marginal structural changes from 2000 to 2015. The changes were mainly related to the agricultural sector which dropped from 40% to 34% while the service sector increased from 40% to 46%. Employment in the industrial sector experienced only a very limited increase. Forecasts suggest that these trends will continue in the same way (Figure 7).

**Figure 7: Employment by aggregate sector in Morocco, 2000-2020**



Sources: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

The agricultural sector remains the largest sector in Morocco: around 39% of the total employment in 2012, which equalled 4.1 million workers (Table 12). Data revealed that this segment dropped by 5 percentage points since 2002.

In the industry sector, manufacturing and construction were the main contributors to employment: 11% (1.1 million workers) and 9.9% (1.0 million) of total employment, respectively. Changes in the industrial sector was mainly a drop among manufacturing workers of 2.5 percentage points while there was an increase of 3.1 percentage point in construction. Overall, the industrial sector is extremely male dominated (Table 12).

As already mentioned, aggregate employment in the service sector was increasing. The increase mainly came from the trade and hotel/restaurant sector that constituted 18% (1.9 million workers) and it increased by 2 percentage points in the period from 2002 to 2012 (Table 12). Actually, all segments grew except community, social and personal services which fell by 0.7 percentage points. The latter was an impact of economic policies that affected the public sector (see also the sections: Social Protection and General Economic Performance).

Employment in all sub-sectors was dominated by men constituting 74% of total employment; except from the women dominated narrow 'other services' sector that only represented 1.2% of the total employment. More details are available in Table 12 below.

**Table 12: Employment sector distribution in Morocco, 2012**

Sector	Total sector employment	Sector employment share, %	Ratio of men in sector employment, %
Agriculture	4,119,756	39 %	60 %
Mining & quarrying	67,664	0.6 %	98 %
Manufacturing	1,105,233	11 %	71 %
Electricity, gas & water	35,426	0.3 %	90 %
Construction	1,038,062	9.9 %	99 %
Trade, restaurants & hotels	1,862,660	18 %	91 %
Transport, storage & communication	470,165	4.5 %	94 %
Finance, real estate & business services	239,514	2.3 %	71 %
Community, social and personal services *	1,447,727	14 %	72 %
Other services **	124,296	1.2 %	28 %
<b>Total</b>	<b>10,510,503</b>	<b>100%</b>	<b>74 %</b>

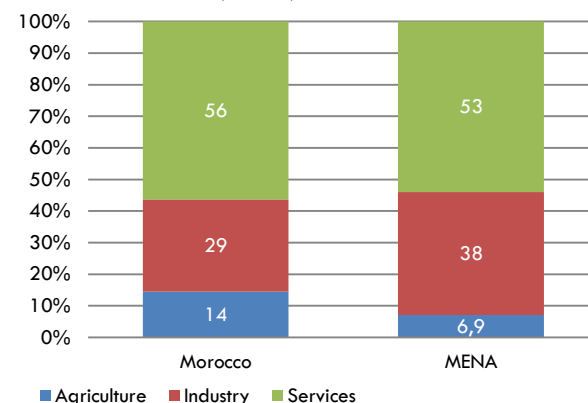
\* This sector include: Public administration and defence; compulsory social security; education; health and social work; and other community, social and personal services activities.

\*\* Other services include: Private households with employed persons; extra-territorial organizations and bodies; and not classifiable by economic activity.

Source: LO/FTF calculations based on data from the [ILO, Key Indicators of the Labour Market \(KILM\), 9<sup>th</sup> Edition](#)

In terms of sectoral contribution to the Gross Domestic Product (GDP), it was noted that Morocco has a significant lower rate in industry compared to the Middle East and Northern Africa (MENA) average. In contrast, the agricultural and the service sectors are hovering slightly above the regional average (Figure 8).

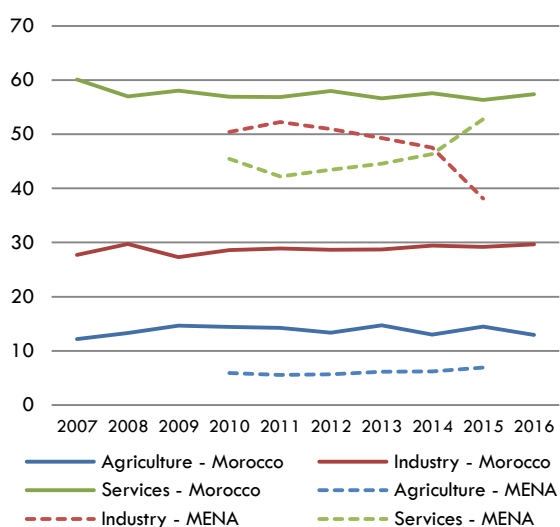
**Figure 8: Sectors' value added in Morocco and Middle East and Northern Africa (MENA), % of GDP, 2015**



Source: [World Bank, World Development Indicators](#)

It is worthy to mention that despite the increasing employment in the service sector in Morocco, it has not increased this sector's GDP value added trend during the last decade. This could to some extent be explained by a lack of sufficient new formal jobs, growing youth unemployment and a continuous underemployment. In contrast, the labour productivity has increased in the agricultural sector while the industrial sector's value added to GDP has stayed flat. In comparison MENA had substantial diverging trends between the industrial and service sector which are moving towards Morocco's rates (Figure 9).

**Figure 9: Sectors' value added in Morocco and the Middle East and Northern Africa (MENA), % of GDP, 2007-2016**



Source: [World Bank, World Development Indicators](#)

On average, the GDP share by sector per worker was estimated of US\$9,645 per year. This is introduced as a proxy indicator of the sector labour productivity. It is worth mentioning that workers' input on the GDP only partially explains the total labour productivity since their output depends to a large degree on the use of other inputs (e.g. capital, intermediate inputs, technical, organisational and efficiency change, economies of scale). This can also explain the significant divergences in the ratio of worker to GDP share.

The agricultural sector constituted of 39% of all employment that produced 14% of total GDP which equals a GDP share of US\$3,396 per workers per year. This was the lowest number among all other sectors. Several calculations reveal thought-provoking results. For example, employment in finance sector was only 2.3% of the total employment, but it produced 17% of GDP. Mining and quarrying sector had also a relatively low employment of 0.6% of total employment, but it contributed to 3.2% of GDP; that

was US\$64,651 per worker per year. This sector is also very capital intensive which contributed to the relative high ratio of employment to GDP share.

**Table 13: GDP share by sector and ratio of sector worker to GDP share in Morocco, 2011**

Sector	GDP share by sector, %	Ratio of worker to GDP share, US\$
Agriculture	14 %	3,396
Mining & quarrying	3.2 %	64,651
Manufacturing	17 %	14,971
Electricity, gas & water	2.1 %	61,325
Construction	5.9 %	5,648
Trade, restaurants & hotels	12 %	6,674
Transport, storage & communication	7.9 %	16,229
Finance, real estate & business services	17 %	73,922
Community, social and personal services *	9.1 %	6,755
Other services *	11 %	95,817
Total / average	100 %	9,645

\* See Table 12.

Note: GDP share by sector per worker is calculated by the total GDP (current US\$) divided by GDP share per sector origin which then is divided in number of workers per sector.

Source: LO/FTF calculations based on data from the [World Bank DataBank](#), [ILO, Key Indicators of the Labour Market \(KILM\)](#) and [AfDB, OECD & UNDP, African Economic Outlook 2016, Morocco](#)

## Migration

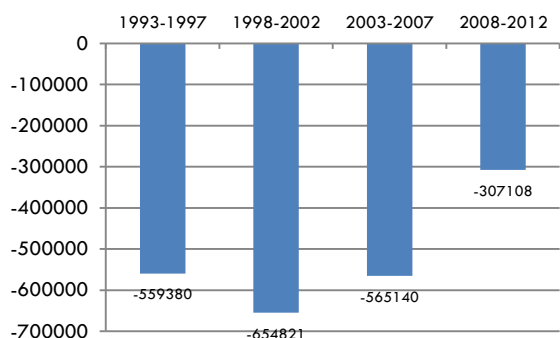
Morocco is a major emigration country, but the net migration flow has been under changes. Still more leave than enter the country, but at a declining rate (Figure 10). Other estimations registered that the net migration rate continued moving towards a lower rate from -3,59 in 2010 to -1,83 in 2015 measured as migrants per thousand people in the population (Table 14).

There are several reasons for these changes. First of all, Morocco is an important transit country for mostly irregular migrants from sub-Saharan Africa to Europe.<sup>38</sup> The Moroccan state tends to consider virtually all sub-Saharan immigrants in Morocco as 'economic migrants' on their way to Europe. This means asylum-seekers are commonly rejected at the border or deported as 'illegal economic immigrants'. Thus, many end up staying in Morocco. Some of the challenges are to curb the pressure to control irregular migration to the European Union (EU) (see also the section: Trade). Several campaigns to formalise undocumented immigrants has been carried out. These attempts to give migrants

residency cards coupled with help to find employment in order to help them integrate into Moroccan society.

Secondly, as an impact of the global financial crisis in the late 2000s, employment opportunities for low skilled workers in southern European countries dried up. This made many Moroccans return, which is also reflected in the previously presented youth unemployment rate that has remained consistently high.

**Figure 10: Net migration trend in Morocco, 1993-2012**



Note: Net migration is the net total of migrants during a period, i.e. the total number of immigrants less the annual number of emigrants, including both citizens and noncitizens.

Source: [World Bank DataBank](#)

Put into numbers: Around 2.8 million Morocco-born migrants were residing abroad, out of which 2.4 million were in Europe.<sup>39</sup> In the period from 2008 to 2012, the net migration in Morocco was estimated at minus 61,421 per year on average. Also personal remittances played a significant economic role in Morocco: providing 6.8% of the country's GDP (US\$7.0 billion) on average in the period from 2012 to 2016, which is much higher than the MENA average (Table 14).

**Table 14: Migration status in Morocco and the Middle East and Northern Africa (MENA)**

Net migration (2008-2012)	Morocco	-307,108 *
Net migration rate	Morocco	-3.59 ** (2010)
		-1.83 ** (2015)
Remittances received, % of GDP (2012-2016, av.)	Morocco	6.8 %
	MENA	1.8 %

\* Net migration is the net total of migrants during a period, i.e. the total number of immigrants less the annual number of emigrants, including both citizens and non-citizens. \*\* Migrants per thousand population.

Source: [World Bank DataBank](#) and [KNOEMA](#)

There are three typical types of migration in Morocco: i) rural and urban emigration, ii) internal migration towards cities, and iii) immigration from sub-Saharan

Africa that goes through Morocco, most often the cities. Each of these migratory flows has different effects on the urban labour market, and they don't all affect equally. A study suggested that urban emigration reduced unemployment rates and increased wages. On the other hand, sub-Saharan Africa immigration and internal migration increased unemployment rates and reduced wages.<sup>40</sup>

Several policy frameworks have been launched in recent years. First of all, the Constitution from 2011 introduced provisions regarding the non-discrimination of foreign migrants and the protection of their rights. Secondly, Morocco signed a Mobility Partnership with the EU and nine Member States in June 2013. This agreement aims to strengthen cooperation in the area of migration and the management of migration flows (see also the section: Trade). Thirdly, a National Immigration and Asylum Strategy was launched, including eleven immigrant integration programs in all relevant fields. Not to mention, a new Department on Migration Affairs was created in 2013 within the Ministry in Charge of Moroccans Abroad and of Migration Affairs (MCMREAM).

### Informal Economy

Informal economy is a hidden but substantial aspect of Morocco's economy and the labour market. The presence and size of the informal economy is also a signal of weaknesses of the labour regulation and ineffective legal system.

First of all, the government claimed that the informal economy contributed around 12% of the GDP in 2016.<sup>41</sup> This diverges from a recent academic study that estimated the informal economy in Morocco to be 43% of the total GDP in 2015 with an increase of 3.1 percentage points in the period from 2006 to 2015.<sup>42</sup> The National Survey on the Informal Sector from 2013-2014 also revealed an increase in the size of informal economy by 1.2% since 2007 and operated with 1.7 million informal production units (IPU) (i.e. a production unit that operates in the owner's home).<sup>43</sup> These data diverge due to the applied methodologies and in the light of limitation of data from the informal economy. It is therefore important to realise that estimations of more traditional economic indicators do not necessarily provide a complete picture of the Moroccan economy and labour market.

Several estimations exist in terms of the employment in the informal economy. Around 2.4 million workers were

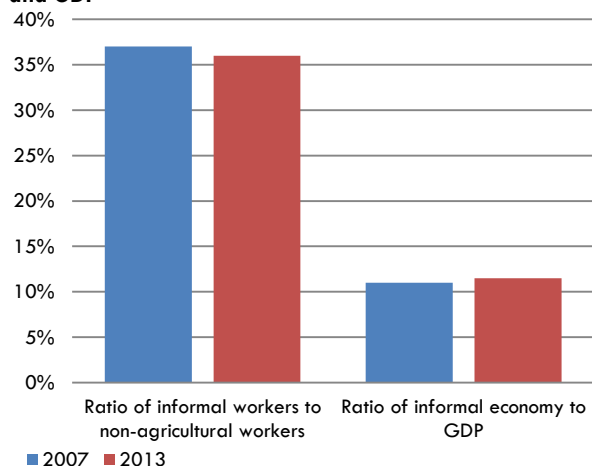
operating in the informal economy in the non-agricultural sectors in 2013. This segment increased by 7.1% in absolute terms from 2007. However, in relative terms, the ratio of informal employment to total non-agricultural employment was estimated to be 36%, but with a drop of 1.0 percentage point from 2007. To a certain extent, this was related to the before mentioned increasing segment of employees. It is likewise worth mentioning that many workers in the agricultural sector were subsistence and informal farmers. That could bring estimations of ratio of informal workers to total labour force estimation up to 51%. Another key point was that only 9% were women in informal production units (see more on Table 15 and Figure 11).

**Table 15: Status of informal economy in Morocco**

Range of informal economy in total GDP (2015/16)	12% - 43%
Non-agricultural employment in informal economy (2013)	2,375,922
Women in informal production units	9 %
Ratio of informal employment to total non-agricultural employment (2013)	36 %
Ratio of informal employment to labour Force to total labour force, including agriculture workers (2013)	51 %

Sources: Morocco's High Commission of Planning; HuffPost; Canadian Center of Science and Education; LO/FTF Council ratio calculations

**Figure 11: Informal economy contribution to employment and GDP**



Source: [Haut-Commissaire au Plan, Présentation des résultats de l'Enquête Nationale sur le Secteur Informel 2013/2014](#)

There are some changes in the status of informal employment. First of all, almost one out of two (47%) of the total non-agricultural informal workers were operating in the commerce sector in 2013, and it is interesting to observe that this segment was on a significant decline. In contrast, the public, industrial and service sectors all had an increasing ratio of informal

employment. Secondly, the industrial sector has a substantial ratio of informal employment to non-agricultural workers of 37%. This could explain the relatively low labour productivity (see more on Table 16).

**Table 16: Evolution of informal employment in non-agricultural employment in Morocco, 2007-2013**

Sector	Informal employment, 2013	Percentage point change, 2007-2013	Ratio of informal employment to non-agricultural workers, 2013	Percentage point change, 2007-2013
Public sector	9%	3%	22%	5%
Commerce	47%	-4%	68%	-13%
Industry	20%	-1%	37%	3%
Services	24%	3%	21%	3%

Source: [Haut-Commissaire au Plan, Présentation des résultats de l'Enquête Nationale sur le Secteur Informel 2013/2014](#)

Some reports claim that where informal activities predominate, the labour market related laws become ineffectual, and it becomes difficult to implement labour policies. Some formal enterprises have no hesitation in using undeclared labour, either occasionally or regularly. Therefore, the minimum wage requirements are often ignored.<sup>44</sup> This is also an impact of a weak labour inspection system. Furthermore, there were numerous tasks outsourced to undeclared micro-enterprises and small and medium sized businesses by larger companies making the system even more oblique. Similarly, the influence of collective bargaining on informal enterprises might be found in indirect effects brought by improvements in the employment situation and as an effect of interconnection between formal enterprises and informal contractors.<sup>45</sup>

On the positive side, Morocco has a relatively high ranking on the Doing Business Index (see also the section: General Economic Performance). What keeps many businesses and activities informal are related to lack of knowledge and incentives as well as insufficient capacity of implementing the regulations.

### Child Labour

Child labour dropped sharply by 83% in Morocco, but it still remains present in rural zones. One reason was related to the approval of the Law on Trafficking in Human Beings and the Law on Setting up Employment Conditions of Domestic Workers. Together they improve protections for children vulnerable to trafficking and



limit the employment of children between the ages of 16 and 18 for domestic work (see also Table 29).

The latest official national child labour survey from 2013 recorded 86,000 working children aged 7-15, representing 1.8% of all children in this age group. This phenomenon has fallen sharply since 1999, when it accounted for 9.7% of this population group (Table 17). Other sources have noted that data from 2015 showed 59,010 children ages 7 to 15 working; however, the Government did not make these data on child labour statistics publicly available.<sup>46</sup> Nearly nine out of ten active working children live in rural areas. Comparatively, child labour affected boys more than girls; out of total 57% were boys. By region of residence, this proportion varies from 53% in rural areas to 90% in urban areas.

**Table 17: Child labour trend in Morocco, 1999-2013**

	1999	2013	Change %
Total number of working children	517,000	86,000	- 83 %
Number of working children, urban	65,000	10,000	- 85 %
Number of working children, rural	452,000	76,000	- 83 %
Ratio of working children to all children	9.7%	1.8%	7.9 % *

\* Percentage point.

Source: [Haut-Commissaire au Plan, Communiqué de presse du Haut-commissariat au Plan à l'occasion de la Journée mondiale contre le travail des enfants, June 12, 2014](#)

Working children in Morocco are most often employed in agriculture, but also the worst forms of child labour such as forced domestic service, fishing, in textiles, light manufacturing, and carpet weaving. Some children under twelve years old were also apprentices, particular in family owned handicraft workshops. Apart from rural work, children often worked in the informal sectors in textile and light manufacturing. Children's working conditions were often substandard. Girls under the age of fifteen engaged in child labour were often domestic servants, known as *petit bonne*.<sup>47</sup>

The authorities succeeded in removing children found to be engaged in hazardous work as a result of labour inspections. However, the authorities did not systematically inspect workplaces or enforce sanctions against child labour. Children's safety, health conditions and wages were often substandard.<sup>48</sup>

## Gender

The labour market in Morocco has wide gender gaps. On the positive side, legal steps have been

implemented to establish parity between the genders in constitutional, family, and criminal law. However, there are still weaknesses, e.g. the prohibition on early and forced marriage which may be permitted through judicial waiver; marital rape is still unrecognized; and sexual harassment in public spaces is largely unchecked.

A point often overlooked in the labour market statistics is that the extent of women's integration and other opportunities on the labour market have been hindered by company cultures in Morocco. Albeit some modernity and social changes in Moroccan households have occurred, women are often still vulnerable to forms of exploitation and repression. Women's attainment of economic independence and the role of women as financial providers are frequently opposed by traditional views.<sup>49</sup>

As a reflection of the wide gender gap on the labour market, the participation rate differential reached 49 percentage points in 2017; women in the labour force make up a mere 26%. There has been no progress in reducing the gender gap in terms of participation rate. Women, however, were only slightly more in unemployed than men (Table 18).

**Table 18: Gender gaps among workers in Morocco, 2008-2017, Age 15+, % in total labour force**

Participation rate	Men	Women	Men/women, percentage point
2008	76 %	26 %	50 %
2017	75 %	26 %	49 %
Change, percentage point	-1.0%	0.0%	N/a
Unemployment rate	Men	Women	Men/women, percentage point
2008	9.5 %	9.9 %	- 0.4 %
2017	10 %	11 %	- 1.0 %
Change, percentage point	0.5%	1.1%	N/a

Sources: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

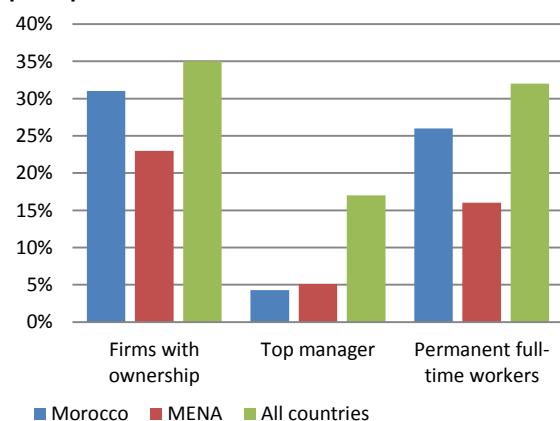
The gender gap on the labour market is also reflected by the women's average earnings that were 70% of men's. Similarly, women have less formal education compared to men; and with narrow gender gaps on the enrolment in higher educational levels (see also the section: Education). As already demonstrated in this report, there is basically no gender gap in terms of unemployment. As mentioned, girls are less likely to be engaged in child labour; when they are, they often work as domestic servants.



Though few women were employed, their employment rate was in the higher end for the MENA region. This was largely because of the larger share of subsistence farming, where many women work: Around 60% of working women were employed in the agricultural sector, compared to 32% of working men (see also Table 12). Outside of the agriculture sector, women tend to find work in manufacturing, public administration (especially in education and health).

Women's labour force participation rate was higher in Morocco compared to the MENA average. This is apparent in an enterprise survey from 2013: Morocco had a relatively high rate of firms with women ownership in comparison with the MENA, but it is lower in comparison with the world average. The country has also a relatively high rate of full-time women workers in compared to the MENA average. On the other hand, women's participation in top management is just as low as the regional average. This is especially related to the company cultures previously mentioned. Although a directive to promote women to higher-level positions in public office has been put in place, these measures have so far not had any real impact on the reality on the ground (Figure 12).

**Figure 12: Enterprise Survey in Morocco, 2013, Women participation, %**



Source: [World Bank, Morocco Enterprise Survey, 2013](#)

## Youth

Young people aged 15-24 in Morocco make up to 17% of the population and 44% of the people who are in working age. Youth exclusion has been estimated as high; in data: 49% are neither in school, nor the workforce.<sup>50</sup>

Some of the changes among youth in Morocco have been related to the personal status reform. Among others, the legal age of marriage increased from 15 to

18 years old for women (and it remained at 18 years for men). Equally important, the previous youth generation was often active as contributing family workers in urban areas, but during the 2000s this segment dropped. Many youths were looking for decent jobs in the formal sector in urban zones which the labour market has not succeeded in creating. Those young men and women that have a job are often working without job security or benefits. Some estimations show that 88% of the employed youth work without a contract. This suggests that most have activities in the informal economy with underemployment; and temporary or part-time under poor working conditions. This has created frustration among the youth.<sup>51</sup>

Data reveal that youth unemployment in Morocco has a structural nature: As previously shown, the unemployment rates are high and on a rising trend (Table 11 and Figure 5). It is noteworthy, however, that the youth unemployment rose slowly after the 'Arab Spring'. Women experienced a slightly higher unemployment rate growth than men; the former rose by 5 percentage points and the latter by 2 percentage point during the last decade, respectively (Table 19). About two-thirds in the unemployed youth are without a job for at least one year. This rate is even higher for women and for people living in urban areas.

**Table 19: Gender youth gaps among workers in Morocco, 2000-2017, Age 15-24, % in total labour force**

Participation rate	Men	Women	Men/women rate, percentage point
2008	56 %	21 %	35 %
2017	52 %	18 %	34 %
Change, percentage point	-4 %	-3 %	N/a
Unemployment rate	Men	Women	Men/women rate, percentage point
2008	19 %	16 %	3.0 %
2017	21 %	21 %	0.0 %
Change, percentage point	+2 %	+5 %	N/a

Sources: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

A key issue of the labour market in Morocco has been related to its structural joblessness: the population is rising beyond the economy's capacity to create decent jobs and inadequate supply of skills by the education system.<sup>52</sup>

A temporary contract program (*Contracts Anapac*) was designed to help new entrants into the job market a young workers segment that was denied many social protections, enabled long working hours, and paid

below the minimum wage. According to sources, the program was subject to abuse, replacing full time workers with temporary workers.<sup>53</sup>

## EDUCATION

A comprehensive reform for the Moroccan education system was launched in November 2014, known as Vision 2030. It aims to restructuring higher education by grouping big universities together to increase their visibility across the region. Many commentators have criticised the quality of the Moroccan educational system. This has been caused by political unwillingness of the government to promote reforms, lack of resources and a poor quality of teachers' training.<sup>54</sup> There have also been raised concerns that Moroccan employers have preferred hiring the privately educated students, was related to tax incentives. Thus, it could affect the public school systems and its linkage to the private sector demands.

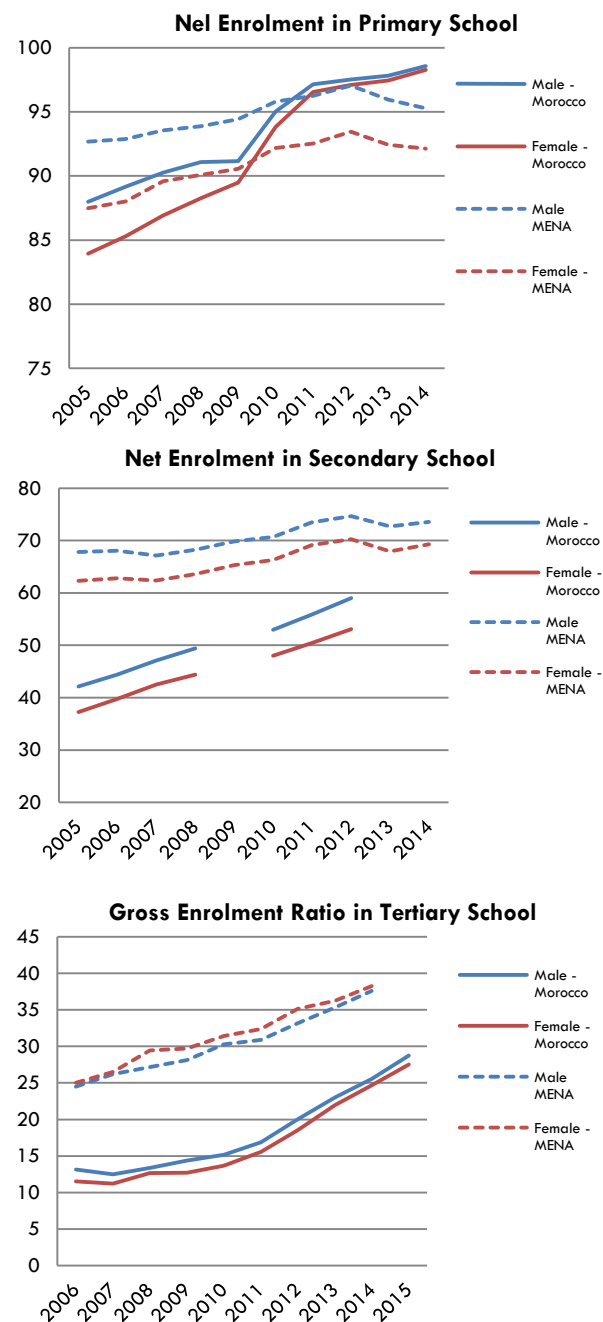
Education is compulsory for children between 6 and 14 years of age. Among the Moroccan population above the age of 25, half have never been to school giving Morocco low average years of schooling compared to MENA average.<sup>55</sup> This is largely because many Moroccans still work as subsistence farmers in an underdeveloped agricultural sector. Of those who have been to school, a high share has progressed into secondary and tertiary education. But as the section on unemployment showed, higher education is not a straightforward path to better jobs.

Basically all primary school-aged children in Morocco are now enrolled in primary school with no gender gap; and Morocco is superseding the MENA average. Also the enrolments in secondary and tertiary schooling are on a significant upsurge, but here they remain lower compared to the MENA region (Figure 13).

However, the education system still faces difficulties. Drop-out rates are remanis high. Only 53% of students enrolled in secondary school continue to high school; less than 15% of first grade students are likely to graduate from high school. Sources have also argued that low levels of daily attendance, teacher absenteeism, and a multi-lingual environment at school contribute to the low literacy rates in Morocco. Those unable to complete a high school education have far fewer employment opportunities.<sup>56</sup> Other challenges for the educational system are overcrowding in public universities, low-quality instruction in non-competitive college majors,

and a mismatch between tertiary training and the skills needed in the labour market.

**Figure 13: Enrolment in Primary, Secondary and Tertiary schools, 2005-2015, male and female, Morocco and Middle East and North Africa (MENA), %**



Note: Net enrolment is the ratio of children of official school age, who are enrolled in school to the population of the corresponding official school age. Gross enrolment is the ratio of total enrolment, regardless of age, to the population of the corresponding official school age.

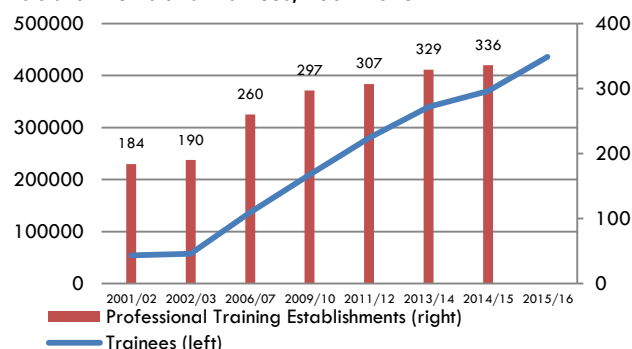
Source: [World Bank, Education Indicators](#)

## Vocational Training

The main vocational training institution in Morocco is the public Office of Vocational Training and Employment

Promotion (OPFPT). It offers vocational training free of charge. The institution operates with a large network of 336 training centers all over the country and provides diversified services: young and adult training, intra-company training, seminars and technical training courses, training through mobile units, distance-learning, intensive adult training, employees functional literacy and evening classes. Data from OPFPT shows that both the number of trainees and the network of institutions grew fast since 2006 (Figure 14).

**Figure 14: Evolution of Professional Training Establishments and Trainees, 2001-2016**



Source: [Office of Vocational Training and Employment Promotion, Indicators](#)

It has furthermore been noted that the number of teachers in secondary vocational training dropped by 22% from 2004 to 2013 despite the high influx of vocational trainees. Morocco has higher ratios for vocational trainees than the MENA region average, both compared to all students in secondary education and people aged 15-24. Around 2 out of 5 (38%) pupils in vocational training are women (Table 20).

**Table 20: Status of Vocational Training**

Morocco	2006/07	2015/16
Enrolment in vocational training, total	136,950	436,000
Teachers in secondary vocational education	5,082 (2004)	3,951 (2013)
<b>Comparative estimations</b>	<b>Country/region</b>	<b>%</b>
Secondary education, vocational pupils (% women)	Morocco	38 %
	MENA	38 %
Ratio of pupils in vocational training to all pupils in secondary education	Morocco	15 %
	MENA	10 %
Ratio of pupils in vocational training out of 15-24 year olds	Morocco	14 %
	MENA	9.4 %

Sources: [Office of Vocational Training and Employment Promotion, Indicators](#) and [World Bank, Education Statistics](#)

Despite the fast increase of enrolment in secondary education, the ratio of vocational trainees enrolment to

total secondary education was increasing even faster in the beginning of the 2010s: 9.0% in 2009 to 11% in 2012- This signals positively that the education system is keeping vocational training linked up this secondary educational evolution.

Just as the other higher educational levels, vocational training graduates face serious problems of integration on the labour market. According to a study, the situation seems relatively better for technicians and specialized technicians than the other secondary and tertiary levels. Management, agriculture, textile and leather crafts graduates do not fit so well, though.<sup>57</sup>

An estimated 25% of firms offer formal training in Morocco.<sup>58</sup> Employers have asserted that the right skills are lacking on the labour market and that this is a major barrier to expanding the business, and therefore hire new workers.<sup>59</sup>

## SOCIAL PROTECTION

The social sectors in Morocco are consuming 50% of the State's budget, but still the social protection system is fragmented and confronts concerns in terms of coverage of programs.

The government was under pressure from international lenders to cut public spending and subsidies. A controversial pension reform bill from 2016 (see also Table 29) was approved which included an increase in the retirement age to 63 by 2022, and a raise of workers' contributions to 14% by 2019 from 10% before the reform. During 2017, popular discontent and opposition protests were launched, which includes trade union movement initiated strikes to express their disagreements of the reform.<sup>60</sup>

The social protection system consists of four separate national schemes, eight mutual societies and private schemes, and one voluntary scheme run by employers. There are round 140 insurance or social assistance programs, ranging from universal transfers (e.g. flour, sugar, and butane gas subsidies) to protective mechanisms targeting specific population groups. On the positive side, the social protection coverage in terms of insurance or health assistance scheme has increased fast from 18% in 2005 to 62% in 2015.<sup>61</sup>

The two most important schemes are *Caisse nationale de Sécurité sociale* (CNSS) for the private sector and the *Caisse nationale des Organismes de Prévoyance sociale* (CNOPS) for the public sector. Two smaller schemes

operate: the *Régime Collectif d'Allocation de Retraite* (RCAR) for local state employees and temporary workers, and the *Caisse marocaine de Retraite* (CMR) which administers a number of non-contributory pension schemes.<sup>62</sup> Other data revealed that Morocco has a lower coverage of active contributors to a pension scheme than the Northern Africa average (Table 21).

**Table 21: Benefits, coverage and contributions to pension schemes**

Theme	Measure	Morocco	Northern Africa
Pensionable age receiving an old age pension (60+) (2009)	Proportion of total	40 %	22 % *
Active contributors to a pension scheme (2011)	15+ age	30 %	47 % **
Active contributors to a pension scheme (2011)	15-64 years	16 %	24 % **

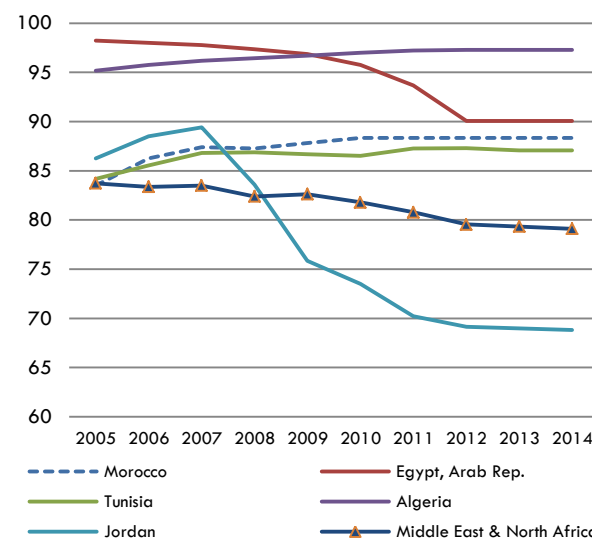
\* Africa. \*\* Northern Africa.

Source: [ILO, Social Protection, Statistics and indicators](#)

Overall, some of the key gaps on the social protection system are that 75% of Moroccan workers do not have access to the existing pension systems and 85% are excluded from healthcare insurance.<sup>63</sup> This is an impact of the outstretched informal economy among the population, which includes workers in rural areas and self-employed workers in urban areas. Sources have also outlined that the coordination of the mentioned insurance or social assistance programs and stakeholders are highly fragmented due to a lack of coordination and targeting system.<sup>64</sup>

Pensions are often very meagre: 73% of retired people receive a pension that is less than the minimum wage. By the same token, what exemplifies the restricted coverage of existing social security schemes is that CNSS provides retirement benefits for only 24% of the economically active urban population; all the funds together provide pensions for about 2 million people, only 26% of the larger economically active population.<sup>65</sup> Other sources registered that the Compulsory Medical Insurance (AMO) for wage earners or the Medical Assistance Scheme (RAMED), which are the system's main programs, cover 34% and 28% of the population, respectively.<sup>66</sup> On this background, out-of-pocket health expenditure in terms of private expenditure has been increasing slowly the last decade. Households bear around 88% of total health expenditure which is above the MENA average (Figure 15). This represents a heavy burden for households and exposes them to impoverishing spending.

**Figure 15: Total Out-of-pocket health expenditure, % of private expenditure on health, 2006-2014**



Note: Out of pocket expenditure is any direct outlay by households, including gratuities and in-kind payments, to health practitioners and suppliers of pharmaceuticals, therapeutic appliances, and other goods and services whose primary intent is to contribute to the restoration or enhancement of the health status of individuals or population groups. It is a part of private health expenditure.

Source: [World Bank DataBank](#)

After many years of negotiations, the Job Loss Allowance Code (IPE) went into effect in December 2014. This is directed towards unemployed private-sector workers. The IPE is equal to 70% of a worker's declared average monthly wage over the 36 months prior to the date when they lost their job. The amount cannot exceed the statutory minimum wage. It will still take some years to set up the scheme. However, the access conditions are very strict, and only few of those who lose their jobs are covered by the scheme.

## GENERAL ECONOMIC PERFORMANCE

The economic development has been slightly volatile in recent years, and the GDP per capita growth was negative in 2016. This has been related to weather issues, e.g. after a record cereal production in 2015, climate reverted to a severe drought in 2016. Overall, Morocco experienced relatively high Gross Domestic Product (GDP) real growth at 3.8% on average during the period from 2007 to 2016. The country also went economically smoothly through the financial crisis in 2008-2009 and the 'Arab Spring' on 2011 (see more on Table 22 and Figure 16).

**Table 22: Key Economic Facts in Morocco, 2016**

GDP	US\$ 101 billion
GDP per capita (current US\$)	US\$ 2,832
GDP real growth (2007-2016, average)	3.8 %
Government budget (% of GDP)	- 4.1 %
Tax revenue (% of GDP) (2011)	23 %
Doing Business * (2017/18)	69 of 190 countries
Human Development Index (2015)	+ 4 change in rank
**	123 of 188 countries
Gini Index *** (2007)	40.9
	57 of 150 countries

\* A high ranking on the Ease of Doing Business Index means the regulatory environment is more conducive to the start-up and operation of a local firm.<sup>67</sup>

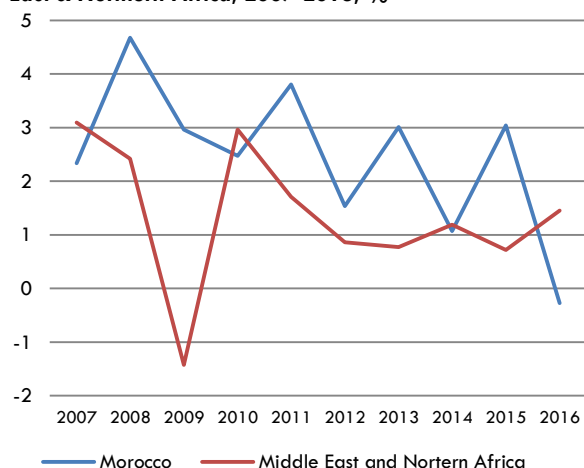
\*\* The Human Development Index (HDI) measures the average of a long and healthy life, access to knowledge, and a decent standard of living. HDI rank change in the period 2010-2015.

\*\*\* A Gini coefficient of 1 (or 100 percent) expresses maximal inequality among values. This Gini Index ranks the first country with the highest inequality while the number 150 has the highest equality.

Source: [CIA, The World Factbook, Morocco](#); [World Bank, World Development Indicators](#); [World Bank & IFC, Ease of Doing Business 2018 in Morocco](#); and [UNDP, Human Development Index trends](#)

As indicated, Morocco's economy was not hit as hard by the global financial crisis in 2008-2009 as the MENA average. The trend of Morocco's GDP per capita growth show that it has been gliding above the MENA average, although it has been decreasing gradually. In 2016, it plummeted below the regional average and even went into negative rates (Figure 16).

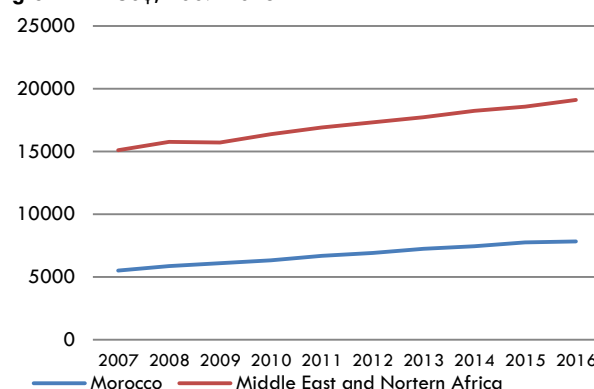
**Figure 16: GDP per capita growth in Morocco and Middle East & Northern Africa, 2007-2016, %**



Source: [World Bank, World Development Indicators](#)

Overall, measured in terms of the GDP per capita Purchasing Power Parity (PPP; comparable baskets of goods to compare purchasing power across countries), Morocco is far below the MENA average with a ranking as 148th out of 230 countries (1st is best), placed next to Ukraine and Bhutan (Table 22 and Figure 17).

**Figure 17: GDP per capita in Purchasing Power Parity (PPP) growth in US\$, 2007-2016**



Source: [World Bank, World Development Indicators](#)

On the positive side, less and less are working poor in Morocco and a middle-class is on an upsurge. Today, few are extremely poor and both moderately-poor and near-poor dropped significantly since 2000. Especially the group of developing middle-class grew fast by 34 percentage points in the period from 2000 to 2017 (Table 23). This change has been an impact of the growing segment of employees along with structural economic reforms. Albeit no updated data on inequality in the distribution of income are available, it was noted that the country has some improvements in terms of human development - i.e. a long and healthy life, being knowledgeable and have a decent standard of living - Morocco was ranked 123th out of 188 countries in 2015 (Table 22).

**Table 23: Working poor and middle-class trends in Morocco, 2000-2017**

Estimated poverty line	2000	2017	Growth Percentage points 2000-2017
Extremely poor (<US\$1.9 a day)	5.4 %	2.1 %	- 2.6 %
Moderately poor (≥US\$1.9 & <US\$3.1 a day)	19 %	3.9 %	- 15 %
Near poor (≥ US\$3.1 & <US\$5 a day)	30 %	9.5 %	- 21 %
Developing middle-class (≥US\$5 & <US\$13 a day)	36 %	70 %	+ 34 %
Developed middle-class and above (≥US\$13 a day)	9.2 %	15 %	+ 5.8 %

Note: "Working poor" presents the proportion of persons living with their families below the poverty line.

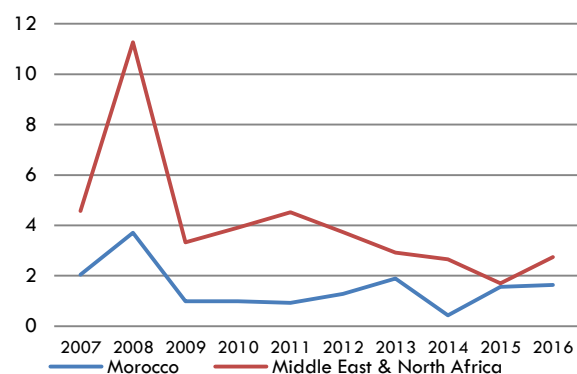
Sources: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

The inflation in consumer prices has been stable during the last decade of 1.5% on average in Morocco. This is lower than the regional average which was estimated to be 4.1% (Figure 18). This has kept the workers'



purchasing power and thus contributed to the reduction of working poor.

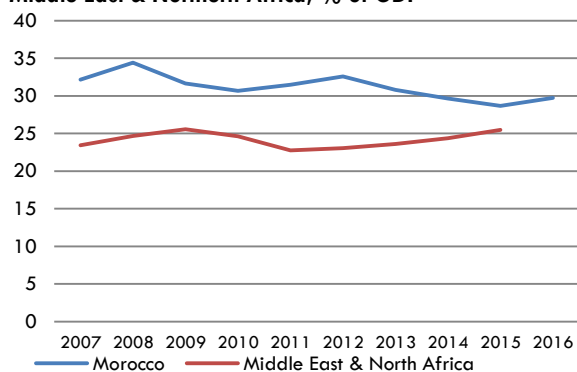
**Figure 18: Inflation trend in consumer prices, 2007-2016, %**



Source: [World Bank, World Development Indicators](#)

The growth in capital formation has been relatively steady during the last decade and hovering above the Middle East and Northern Africa average (Figure 19). Capital formation signals how much of the new value added in the economy is invested rather than consumed, and it points towards a stable stance in investments on the domestic market. This could create more new jobs in the formal sector in the future.

**Figure 19: Gross Fixed Capital Formation in Morocco and Middle East & Northern Africa, % of GDP**



Source: [World Bank, World Development Indicators](#)

The Ease of Doing Business Index, which is an indication of the business environment and regulatory burden for starting and operating of a local firm, is on a relatively high level in Morocco. Morocco was ranked 69 out of 190 countries in 2018 and highest rank among the North African countries. Out of ten indicators, the country's highest ranking was on Dealing with Construction Permits (17 out of 190 countries) followed by Paying Taxes (25). However, several of the nethermost rankings were low, i.e. Resolving Insolvency (134) and Getting Credit (105) (Table 24). In terms of reducing informal business, it was noted that it is relatively easy starting a business (i.e. procedures, time,

cost and paid-in minimum capital to start a limited liability company).

**Table 24: Ease of Doing Business in Morocco**

Topics	2018
Starting a Business	35
Dealing with Construction Permits	17
Getting Electricity	72
Registering Property	86
Getting Credit	105
Protecting Investors	62
Paying Taxes	25
Trading Across Borders	65
Enforcing Contracts	57
Resolving Insolvency	134

Note: Doing Business 2018 indicators are ranking from 1 (top) to 190 (bottom) among other countries. The rankings tell much about the business environment, but do not measure all aspects of the business surroundings that matter to firms and investors that affect the competitiveness of the economy. Still, a high ranking does mean that the government has created a regulatory environment conducive to operating a business.

Source: [World Bank & IFC, Ease of Doing Business 2018 in Morocco](#)

Morocco's governance milieu has shown small improvements in the period from 2011 to 2016, especially with the control of corruption. Voice and accountability, i.e. whether a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media, is still confronting some challenges and with the lowest scoring among the six Governance Indicators. By the same token, the political stability – i.e. the likelihood of political instability and/or politically-motivated violence, including terrorism - has been stable, but remains with a relatively low ranking. More data is available on Table 25.

**Table 25: Governance Indicators in Morocco 2011-2016, Score & percentiles, and change**

Indicator	2011	2016	Change
Voice & Accountability	28%	29%	↑
Political Stability	34%	36%	↑
Government Effectiveness	49%	51%	↑
Regulatory Quality	50%	45%	↓
Rule of Law	49%	49%	No change
Control of Corruption	42%	53%	↑

Note: The Governance Indicators score from a percentiles rank from 0 (lowest) to 100 (highest).<sup>68</sup>

Source: [World Bank, Worldwide Governance Indicators](#)



## TRADE

The export industry plays a weighty role in the Moroccan economy. It remains lower, though, than the Middle East and North African average. A trade deficit is present in the country of 19% percentage points. The export plummeted in 2008 which was related to the global financial crisis in 2008-2009. It started to rebound in 2009, and has reached a stable level of 35% of GDP on average since then (see more on Table 26 and Figure 20).

Though Foreign Direct Investment (FDI) inflow also declined during the 2000s, it has rebounded and was slightly above the regional average in 2016. This was in part because of an upsurge of support from the Gulf Cooperation Council (GCC) and financial assistance from development partners. FDI rate dropped again in 2016 reaching US\$519 million (2.3% of GDP). See more on Table 26 and Figure 20.

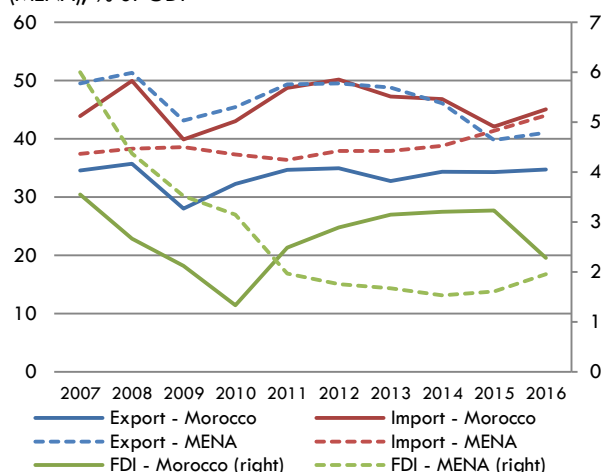
**Table 26: Trade and Foreign Direct Investment (FDI), 2016**

Exports	US\$35 billion 35 % of GDP
Imports	US\$46 billion 54 % of GDP
FDI Flow	US\$519 million 2.3 % of GDP
FDI Stock	US\$55 billion 53 % of GDP

Source: [World Bank, World Development Indicators](#) and [CIA, The World Factbook, Morocco](#)

**Figure 20: Export, Import and Foreign Direct Investment (FDI) trends**

2007-2016, Morocco and Middle East & Northern Africa (MENA), % of GDP

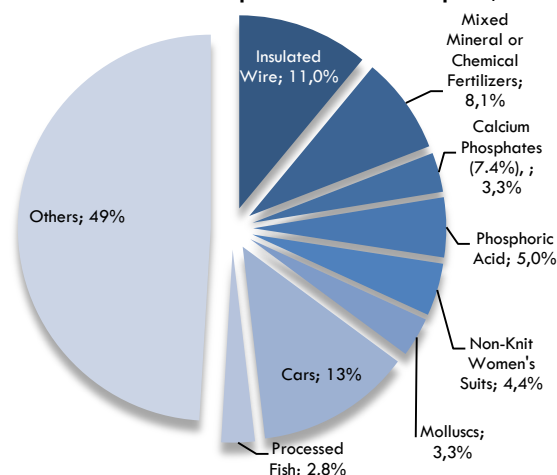


Source: [World Bank, World Development Indicators](#)

Morocco's export stability is related to diversification into different products (Figure 21). The main change on the export sector since 2012 has been a fall of Calcium

Phosphates and Phosphoric Acid due to drops in international prices. New industries, especially the automobile and aerospace products, are on a rise. It has been argued that the export productions also have a composition of skill requirements that make it comparably less possible for skilled labour to be used in other sectors. Industrial development strategies and infrastructure improvements are improving Morocco's competitiveness.<sup>69</sup>

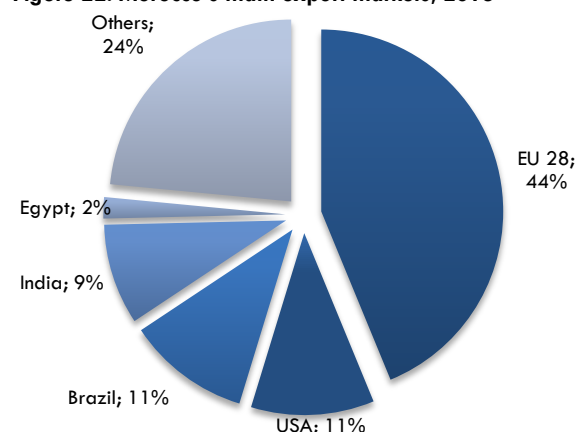
**Figure 21: Morocco's main products share of exports, 2016**



Source: [MIT, The Observatory of Economic complexity, What does Morocco export](#)

The main export markets are the European Union (in particular France and Spain), USA, and Brazil (see more on Figure 22).

**Figure 22: Morocco's main export markets, 2016<sup>70</sup>**



Source: [European Commission, DG TRADE, Bilateral Relations, Statistics](#)

### Trade Agreements

Morocco is part of the Greater Arab Free Trade Area, which entered into force in 1998. It includes 16 other member states of the Arab League.

Morocco has Free Trade Agreements (FTAs) with United Arab Emirates, Jordan, Tunisia, Egypt, Turkey and the the *European Free Trade Association (EFTA)* which is an intergovernmental organization of Iceland, Liechtenstein, Norway, and Switzerland.

Negotiations for a Deep and Comprehensive Free Trade Area (DCFTA) between the European Union (EU) and Morocco were launched in March 2013. Four negotiating rounds have taken place so far, the most recent in April 2014. The DCFTA will build on the existing EU-Morocco Association Agreement which entered into force in 2000 and created a Free Trade Area between the EU and Morocco. As indicated, the EU and Morocco established a Free Trade Area liberalising two-way trade in goods. They have subsequently developed the FTA further through an agreement on trade in agricultural, agro-food and fisheries products and a protocol establishing a bilateral dispute settlement mechanism both of which entered into force in 2012. Furthermore, Morocco also participates in EUROMED, the southern part of the European Neighbourhood Policy. It is a long term policy of tying these countries closer to the EU through promotion of inclusive economic development. This includes support for business developments and civil society organizations. These are coupled with financial support, with projects coordinated through the European Neighbourhood Partnership Instrument, as well as trade benefits, with the goal of establishing a free trade area.<sup>71</sup>

The U.S. Free Trade Agreement (FTA) entered into force in 2006 and both countries are obligated to enforce the four core ILO labour standards, as well as acceptable conditions of work, in a manner affecting

trade.<sup>72</sup> According to sources, the U.S.-Morocco FTA has significantly exceeded the predictions in 2017 and has become the U.S.'s number one free-trade partner in Africa.<sup>73</sup>

### **Export Processing Zones (EPZ)**

EPZs are an important part of Morocco's export sector, covering approximately 61% of total exports.<sup>74</sup> Based on limited data, the EPZ in Tangiers employed around 48,000 workers in 2009. There are eight other zones developing in Morocco, among others the Melloussa that operates with around 6,000 direct and 30,000 indirect jobs.<sup>75</sup>

Activities in the EPZs are diverse and cover the textile sector (45%), electrical and electronic metallurgical industries (37%), services (7%) and agro-industry (7%).<sup>76</sup> In recent years, car manufacturing and aeronautics have increased exports as previously mentioned. The largest project is the transformation of the port at Tangiers into an international logistics hub.

Labour laws are often not applied within the EPZ and no collective bargaining agreements have been reached in the zone. Unionization rate is low at around 5% of the 48,000 workers employed in Tangiers. Overall, the violation of union rights is rife in Morocco's EPZs: workers from EPZs are scared to form trade unions, for fear of losing their jobs.<sup>77</sup> And as an example, EPZ workers were sacked in 2015 and violently beaten for forming a union. Afterwards these workers were blacklisted and prevented from getting another job.<sup>78</sup>

## APPENDIX: ADDITIONAL DATA

**Table 27: List of registered Trade Union Centres in Morocco**

Trade Union Centres
UMT - Union Marocaine du Travail
UNTM - Union National du Travail du Maroc
UGTM - Union Générale des Travailleurs du Maroc
FDT - Fédération Démocratique du Travail
CDT - Confédération Démocratique du Travail
USF - Union Syndicale des Fonctionnaires
SNPT - Syndicat National des Postes et Télécommunications
UNEM - Union Nationale des Etudiants du Maroc
ODT - Organisation démocratique du Travail
SC - Syndicats Confédérés.
SAS - Syndicat de l'Action Sociale
COM - Commissions Ouvrières Marocaine.
USD - Union des Syndicats Démocratiques.
UDT - Union Démocratique des Travailleurs.
SND - Syndicat National Démocratique
CGTM - Confédération Générale des Travailleurs du Maroc.
SAT - Syndicat Autonome du Travail.
UNA - Union Nationale de l'Action.
SNP - Syndicat National Populaire.
USP - Union des Syndicats Populaires.
UNSTL - Union Nationale des Syndicats des Travailleurs Libres.
UMA - Union Marocaine de l'Action.
SDTM - Syndicat Démocratique du Travail au Maroc
FOM - Forces Ouvrières Marocaines.
UTM - Union des Travailleurs Marocains.
USTL - Union des Syndicats des Travailleurs Libres.

Sources: [Ministère de l'Emploi et de la Formation Professionnelle, Liste des syndicats existants à l'échelon national](#) & [ITUC, List of Affiliated Organisations, 2013](#) & <http://www.ugt-usf.com/> & <http://esrip.free.fr/snpt>

**Table 28: List of collective bargaining agreements in force**

Enterprises	Type of CBA	Trade union	Year of conclusion
TECMED Maroc Succursale Tanger	Collecte des déchets ménagers	UNTM	April 2012
CROCER	Céramique	UMT	2011
D.L Aerotechnologie	Fabrique de câbles pour avions	UNTM	2011
Transport routier- port de Casablanca	Transport routier	Fédérations de transport	2010
Chambre Syndicale des conserveries	Industrie de la conserve de poissons	UMT	2009
SAMIR	Industrie du raffinage	CDT	2005
METRAGAZ	Gestion du Gazoduc Maghreb-Europe	CDT	2005 Renewed 2011
SOMACA	Industrie automobile	CDT	11.04.2005 2004
Itissalat Almaghrib (IAM)	Télécommunication	CDT + UMT	Renewed 2009 Renewed 2012
Chantiers et Ateliers du Maroc	Construction et réparation naval	UMT	2003
Société CELLULOSE	Fabrication de la pate à papier	CDT	2001
Société 2M	Communication et Information	UMT	2001
CTMLN	Transport terrestre	UMT	1999
Banques	Intermédiation financière	USIB(UMT) / GPMB	1978 Renewed 1996

Source: [Ministère de l'emploi et des affaires sociales](#)

**Table 29: List of approved labour related legislations in Morocco, 2014-2017 (October)**

Type of legislation	Legislation
<b>2014</b>	
General provisions	Loi n° 81-14 du 22 août 2014 complétant et modifiant l'intitulé du livre V et l'article 546 de la loi n° 15-95 formant Code de commerce promulguée par le dahir n° 1-96-83 du 1er août 1996
	Loi n° 134-12 du 22 août 2014 abrogeant et remplaçant les dispositions de l'article 503 de la loi n° 15-95 formant Code de commerce
	Loi organique n° 066-13 du 13 août 2014 relative à la Cour constitutionnelle
	Loi organique n° 128-12 du 31 juillet 2014 relative au Conseil économique, social et environnemental
	Loi n° 15-14 du 20 février 2014 modifiant et complétant l'article 475 du Code pénal
Elimination of forced labour	Loi n° 148-12 du 12 mai 2014 portant approbation de la Convention du Conseil de l'Europe pour la protection des enfants contre l'exploitation et les abus sexuels, faite à Lanzarote le 25 octobre 2007
Elimination of child labour, protection of children and young persons	Loi n° 148-12 du 12 mai 2014 portant approbation de la Convention du Conseil de l'Europe pour la protection des enfants contre l'exploitation et les abus sexuels, faite à Lanzarote le 25 octobre 2007
Labour administration	Arrêté du Ministre de l'Emploi et des Affaires sociales n° 2680-14 du 18 juillet 2014 fixant les attributions et l'organisation des services déconcentrés du ministère de l'Emploi et des Affaires sociales
	Arrêté du Ministre de l'Emploi et des Affaires sociales n° 2681-14 du 18 juillet 2014 relatif à la création des divisions et services des Directions centrales du ministère de l'Emploi et des Affaires sociales
	Décret n° 2-14-280 du 18 juin 2014 fixant les attributions et l'organisation du ministère de l'Emploi et des Affaires sociale
Education, vocational guidance and training	Loi n° 80-12 du 31 juillet 2014 relative à l'Agence nationale d'évaluation et de garantie de la qualité de l'enseignement supérieur et de la recherche scientifique
	Loi n° 105-12 du 16 mai 2014 relative au Conseil supérieur de l'éducation, de la formation et de la recherche scientifique
Conditions of employment	Décret n° 2-14-343 du 24 juin 2014 portant fixation des montants du salaire minimum légal dans l'industrie, le commerce, les professions libérales et l'agriculture

Occupational safety and health	Arrêté du Ministre de l'Emploi et des Affaires sociales n° 4575-14 du 24 décembre 2014 fixant les conditions d'utilisation du plomb ou ses composés
	Arrêté du Ministre de l'Emploi et des Affaires sociales n° 4576-14 du 24 décembre 2014 fixant les valeurs limites d'exposition professionnelle à certains produits chimiques dangereux
	Loi n° 142-12 du 22 août 2014 relative à la sûreté et à la sécurité nucléaires et radiologiques et à la création de l'Agence marocaine de sûreté et de sécurité nucléaires et radiologiques
Social security (general standards)	Loi n° 18-12 du 29 décembre 2014 relative à la réparation des accidents du travail
	Décret-loi n° 2-14-596 du 1er septembre 2014 complétant la loi n° 012-71 du 30 décembre 1971 fixant la limite d'âge des fonctionnaires et agents de l'Etat, des municipalités et des établissements publics affiliés au régime des pensions civiles et la loi n° 05-89 fixant la limite d'âge des personnels relevant du régime collectif d'allocation de retraite
	Loi n° 03-14 du 22 août 2014 modifiant et complétant le dahir portant loi n° 1-72-184 du 27 juillet 1972 relatif au régime de sécurité sociale
	Loi n° 120-13 du 22 août 2014 modifiant et complétant la loi n° 65-00 portant Code de la couverture médicale de base
	Loi n° 85-12 du 31 juillet 2014 modifiant et complétant le dahir n° 1-59-301 du 27 octobre 1959 instituant une Caisse nationale de retraites et d'assurances
	Décret n° 2-14-20 du 4 mars 2014 modifiant le décret n° 2-03-402 du 17 septembre 2003 pris pour l'application des dispositions de la loi n° 65-00 portant Code de la couverture médicale de base en ce qui concerne l'Agence nationale de l'assurance maladie
	Arrêté du ministre de l'emploi et des affaires sociales n° 160-14 du 21 janvier 2014 modifiant et complétant l'arrêté du ministre du développement social, de la solidarité, de l'emploi et de la formation professionnelle n° 919-99 du 23 décembre 1999 pris pour l'application du dahir du 31 mai 1943 étendant aux maladies professionnelles les dispositions de la législation sur la réparation des accidents du travail
Fishers	Loi n° 15-12 du 12 mai 2014 relative à la prévention et à la lutte contre la pêche illicite, non déclarée et non réglementée et modifiant et complétant le dahir n° 1-73-255 du 23 novembre 1973 formant règlement sur la pêche maritime
Specific categories of workers	Loi n° 033-14 du 22 août 2014 modifiant et complétant la loi n° 011-71 du 30 décembre 1971 instituant un régime de pensions civiles
International agreements	Arrangement administratif du 18 février 2014 relatif aux modalités d'application des articles 9, 10, 11 et 12 de la Convention générale de sécurité sociale entre le Royaume de Belgique et le Royaume du Maroc
	Arrangement administratif du 18 février 2014 relatif aux modalités d'application des articles 9, 10, 11 et 12 de la Convention générale de sécurité sociale entre le Royaume de Belgique et le Royaume du Maroc
<b>2015</b>	
General provisions	Loi n° 86-14 du 20 mai 2015 modifiant et complétant certaines dispositions du Code de procédure pénale relatives à la lutte contre le terrorisme
	Loi n° 114-13 du 19 février 2015 relative au statut de l'auto-entrepreneur
Freedom of association, collective bargaining and industrial relations	Loi n° 24-15 du 4 août 2015 relative aux chambres professionnelles
Equality of opportunity and treatment	Loi n° 125-12 du 4 août 2015 portant approbation du Protocole facultatif à la Convention sur l'élimination de toutes les formes de discrimination à l'égard des femmes, adopté à New York le 6 octobre 1999 par l'Assemblée générale des Nations Unies
	Avis du Conseil économique, social et environnemental sur la promotion de l'égalité entre les femmes et les hommes dans la vie économique, sociale, culturelle et politique
Education, vocational guidance and training	Loi n° 101-14 du 19 février 2015 modifiant et complétant le dahir portant loi n° 1-93-16 du 23 mars 1993 fixant les mesures d'encouragement aux entreprises organisant des stages au profit des titulaires de certains diplômes en vue de leur formation-insertion
Social security (general standards)	Décret n° 2-15-657 du 3 septembre 2015 pris pour l'application de la loi n° 116-12 relative au régime de l'assurance maladie obligatoire de base des étudiants
	Loi n° 116-12 du 4 août 2015 relative au régime de l'assurance maladie obligatoire de base des étudiants
Specific categories of workers	Loi n° 33-13 du 1er juillet 2015 relative aux mines

	Loi n° 27-13 du 9 juin 2015 relative aux carrières
<b>2016</b>	
General provisions	Loi n° 88-33 du 10 août 2016 relative à la presse et à l'édition
	Loi n° 75-13 du 18 juillet 2016 modifiant et complétant certaines dispositions du Code pénal
	Loi organique n° 100-13 du 24 mars 2016 relative au Conseil supérieur du pouvoir judiciaire.
	Loi organique n° 106-13 du 24 mars 2016 portant statut des magistrats
	Loi n° 102-15 du 12 janvier 2016 modifiant de l'article 16 de la loi ° 70-03 portant Code de la famille
Elimination of forced labour	Loi n° 27-14 du 25 août 2016 relative à la lutte contre la traite des êtres humains
Equality of opportunity and treatment	Loi 84-16 du 25 août 2016 portant approbation du Statut de l'Organisation pour le développement de la Femme dans les Etats membres de l'O.C.I.
	Loi-cadre n° 97-13 du 27 avril 2016 relative à la protection et à la promotion des personnes en situation de handicap.
Labour administration	Décret n° 2-16-533 du 3 août 2016 fixant les attributions et l'organisation du ministère de l'Industrie, du Commerce, de l'Investissement et de l'Economie numérique
	Loi 78-14 du 20 juillet 2016 relative au Conseil consultatif de la famille et de l'enfance.
Social security (general standards)	Loi n° 96-15 du 20 août 2016 modifiant et complétant la loi n° 1-77-216 du 4 octobre 1977 instituant un régime collectif d'allocation de retraite.
Seafarers	Loi n° 46-12 du 27 avril 2016 modifiant et complétant l'annexe I du dahir du 31 mars 1919 formant Code de commerce maritime
Specific categories of workers &	Loi n° 72-14 du 20 août 2016 fixant la limite d'âge des fonctionnaires et personnels affiliés au régime de pensions civiles
	Loi n° 19-12 du 10 août 2016 fixant les conditions de travail et d'emploi des travailleuses et travailleurs domestiques.
Domestic workers	Loi n° 19-12 du 10 août 2016 fixant les conditions de travail et d'emploi des travailleuses et travailleurs domestiques
<b>2017</b>	
Equality of opportunity and treatment	Décret n° 2-17-190 du 5 mai 2017 relatif aux attributions du ministre d'Etat chargé des Droits de l'Homme.
Labour administration	Décret n° 2-17-350 du 7 juillet 2017 modifiant et complétant le décret n° 2-16-533 du 3 août 2016 fixant les attributions et l'organisation du ministère de l'Industrie, du Commerce, de l'Investissement et de l'Economie numérique
	Décret n° 2-17-12 du 11 janvier 2017 modifiant le décret n° 2-16-533 du 3 août 2016 fixant les attributions et l'organisation du ministère de l'Industrie, du Commerce, de l'Investissement et de l'Economie numérique

Source: [ILO, NATLEX, Morocco \(October 2017\)](#)



Table 30: Ratified ILO Conventions

Subject and/or right	Convention	Ratification date
<b>Fundamental Conventions</b>		
Freedom of association and collective bargaining	C087 - Freedom of Association and Protection of the Right to Organise, 1948	Not ratified
	C098 - Right to Organise and Collective Bargaining Convention, 1949	1957
Elimination of all forms of forced labour	C029 - Forced Labour Convention, 1930	1957
	C105 - Abolition of Forced Labour Convention, 1957	1966
Effective abolition of child labour	C138 - Minimum Age Convention, 1973	2000
	C182 - Worst Forms of Child Labour Convention, 1999	2001
Elimination of discrimination in employment	C100 - Equal Remuneration Convention, 1951	1976
	C111 - Discrimination (Employment and Occupation) Convention, 1958	1963
<b>Governance Conventions</b>		
Labour inspection	C081 - Labour Inspection Convention, 1947	1958
	C129 - Labour Inspection (Agriculture) Convention, 1969	1979
Employment policy	C122 - Employment Policy Convention, 1964	1979
Tripartism	C144 - Tripartite Consultation (International Labour Standards) Convention, 1976	2013
<b>Up-to-date Conventions</b>		
Working time	C014 - Weekly Rest (Industry) Convention, 1921	1956
	C106 - Weekly Rest (Commerce and Offices) Convention, 1957	1974
Wages	C094 - Labour Clauses (Public Contracts) Convention, 1949	1956
	C131 - Minimum Wage Fixing Convention, 1970	2013
Industrial Relations	C135 - Workers' Representatives Convention, 1971	2002
	C151 - Labour Relations (Public Service) Convention, 1978	2013
	C154 - Collective Bargaining Convention, 1981	2009
Labour Administration	C150 - Labour Administration Convention, 1978	2009
OSH	C162 - Asbestos Convention, 1986 (No. 162)	2011
Protection in specific branches	C176 - Safety and Health in Mines Convention, 1995	2013
Employment policy and promotion	C181 - Private Employment Agencies Convention, 1997	1999
Maternity Protection	C183 - Maternity Protection Convention, 2000	2011
Fishers	C188 - Work in Fishing Convention, 2007	Instrument not in force
Seafarers	MLC - Maritime Labour Convention, 2006	2012

Note: Fundamental Conventions are the eight most important ILO conventions that cover four fundamental principles and rights at work. Equivalent to basic human rights at work.

Governance Conventions are four conventions that the ILO has designated as important to building national institutions and capacities that serve to promote employment. In other words, conventions that promote a well-regulated and well-functioning labour market.

In addition, there are 71 conventions, which ILO considers "up-to-date" and actively promotes.

Source: [ILO, NORMLEX, Country Profiles](#)

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