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WHY MOROCCO'S YOUTH EMPLOYMENT POLICIES CONTINUE TO FAIL

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Introduction

Although the Moroccan government has launched great employment programs designed to provide job opportunities for young people, youth unemployment rates are still very high in the North African country. Several State programs were set up to promote the employment of youth and degree holders, such as “Idmaj,” “Ta’heel,” and “Tahfeez.” These initiatives promised to exceed 100,000 job entries yearly.¹ Some, however, failed to reduce general unemployment rates among youth specifically. Moreover, the disparities in employment benefits and conditions between the public and the private sectors have caused an imbalance in young people’s inclusion into the labor market.

In recent years, the government has worked on fostering small and medium-sized enterprises (SMEs) by providing fiscal and tax incentives and promoting investment as a tool to create comprehensive and integrated programs. The State has been trying to ensure a better balance between offer and demand by training and following up with job seekers, launching job creation initiatives, and developing active employment programs. As a result, more than 212,000 jobs were created between 2017 and 2021, with an annual average of more than 42,000 jobs.² While Saad Eddine Othmani’s cabinet considered the figures “honorable”, youth unemployment rates remain high.

According to the High Commission for Planning, general unemployment across Morocco dropped from 12.8% in 2021 to 11.2% in the second quarter of 2022 – from 18.2% to 15.5% in urban areas, and from 4.8% to 4.2% in rural areas. However, unemployment rates remain elevated among the youth between 15 and 24 years old (30.2%), degree holders (18%), and women (15.1%).³

As was the case around the world, the Moroccan economy was impacted by the Covid-19 pandemic in 2020. About 432,000 people lost their jobs across the country, and 7 out of 10 people lost their jobs in rural areas during the pandemic.

According to the Ministry of Labour and Occupational Integration, 64% of job losses were recorded in agriculture, hunting, forestry, and fishing sectors, with 25% in services.⁴ However, higher unemployment among youth compared to other age groups in Morocco is not circumstantial, but structural.⁵

This reality could kick-start a series of protests⁶ instigated mainly by the youth. The current government will continue to face social tensions should it fail to provide realistic solutions to unemployment in Morocco, since these protests are not regulated by the Law on Public Gatherings but rather by the “acquired right” to occupy public space that emerged in the 1990s. Article 11 of this law only allows for legal entities to protest after obtaining prior authorization from the government.⁷ Consequently, the implemented employment programs could be described as temporary and unsustainable. They have so far failed to achieve economic inclusion for young people, to cover all youth groups, and to respond to their professional needs and aspirations. Furthermore, these programs do not provide sufficient, effective, and comprehensive social protection, contrary to what international organizations undertaking their implementation believe.

1 Prime Minister Saad Eddine Othmani, 2021. “Satisfying Results of the Government’s Employment Policy”. Accessed on: 13/09/2022. <https://www.cg.gov.ma/ar/node/10007>

2 Ibid.

3 The High Commission for Planning, 2022. “Information Memo on the Status of the Labour Market in the Second Quarter of 2022”.

4 Ministry of Labour and Occupational Integration, 2021. “Report on the Outcomes of the Ministry of Labour and Occupational Integration between 2017 and 2021”.

5 High Commission for Planning: Information Memo for the International Youth Day on 12 August 2022. Accessed on: 20 December 2022.

6 Wael Bourchachen, 2022. “The Rage of the “Unemployed Doctors” Continues in Rabat, Hespess. Accessed on 19 December 2022. <https://www.hespess.com/1060952-غضب-الدكاترة-المعطين-يستمر-في-الرباط-1060952.html>

7 Nadia Al-Ba’aoun, 2019. “The Protests of the Unemployed and Harbingers of a Renewed Protest Cycle”, Moroccan Institute for Policy Analysis.

Why Do Youth Prefer Public Sector Employment?

In July 2022, a group of unemployed youth interviewed by the author stated their wish to work in the public rather than the private sector, given the financial benefits and job stability offered by the former. Such benefits include permanent work contracts; family grants and allowances; the salary scale; social services provided by the administrations to their employees; and the direct assistance provided by the social work institutions of every sector to employees for dependents with disabilities, chronic diseases, and financial facilities for housing, etc.

Meanwhile, they felt that the private sector is more precarious, as it is “mostly greedy and focuses on making profits at the expense of the employees”,⁸ failing to prioritize employee work stability. They added that the private sector offers only fixed-term or temporary contracts and fails to register employees in the National Social Security Scheme, although it is a mandatory legal obligation.⁹ Over 16,600 private sector employees were not declared by their employers in 2020¹⁰ due to the Labour Inspection's poor legal oversight of enterprises and lack of commitment to its responsibility towards employees and workers.

This trend is evidenced by the massive number of youth applications to the public service recruitment examinations every year, compared to the number of vacant positions by sector, as shown by the following data:

Table 1: Public Service Recruitment Examinations for 2020 and 2021

Public Service	Recruitment Examination	of Vacancies	Number of Candidates	Year	Vacancy-to-Candidate (%) Ratio
Ministry of Justice	Grade III Judicial Delegates	330	46846	2021	0.7%
Ministry of Economy and Finance	Grade II Employees	451	13469	2020	3.3%
Ministry of Youth, Culture, & Communication	Grade II Employees	7	2072	2020	0.3%

Source: compiled by the author based on public service recruitment examination announcement.

The data above shows the increasing number of candidates compared to vacancies, with the percentage for judicial delegates standing at 0.7% and 3.3% for Grade II employees (Ministry of Economy), as well as 0.3% for Grade II employees (Ministry of Youth, Culture, and Communication).

Table 2: Recruitment Examination for Teaching and Educational, Administrative, and Social Support Structures in the Regional Academy for Education and Training between 2019 and 2021

Examinations	Number of Vacancies	Number of Candidates	Year	Vacancy-to-Candidate (%) Ratio
Teaching and Educational, Administrative, and Social Support Structures	17000	91000	2021	6.18%
	17000	186000	2020	9.1%
	15000	160000	2019	9.3%

Source: compiled by the author based on the statistics of the Ministry of Education.

Table 2 shows the differences between the number of candidates for vacancies in teaching and educational, administrative, and social support structures – in terms of candidates and number of vacancies in between 2019 and 2021. The percentage stands at 9.3% in 2019, 9.1% in 2020, and 6.18% in 2021 – where an age limit of 30 years was set as

8 Respondent K.B., 28 years old, unemployed.

9 The National Social Security Fund: Integration, Registration, and Declaration. Accessed on: 17 December 2022. <https://www.cnss.ma/ar/faq-categorie/التسجيل-والتصريح-بالأجراء>?page=1

10 The Annual Report of the National Social Security Fund, 2020.

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a condition to pass the examination, reducing the number of candidates.

The increase in the candidates-to-vacancies ratio is due to several factors, including the limited effects and outcomes of general policies to create jobs and the provision of social protection to unemployed people, whether in terms of resources, strategic vision, or effectiveness.

Morocco did not sign the International Labour Organization's standards for social protection in employment, namely the Social Security (Minimum Standards) Convention No. 102.¹¹ Moreover, failing to link education to productive employment further deepened young people's concern over the areas where they can invest their potential and capacities as a culmination of their efforts to achieve their goals and create stability in their social environment. Around 1.7 million people work in the informal sector or in self-employment (88% of them do not have a work contract). This includes vulnerable, poorly-paid positions, that do not provide social protection against occupational, age, and health hazards.¹² "Without personal or family contacts, it is not always enough to have a degree or qualifications to get a decent job."¹³ The youth feel that they are not in control of their economic future. Instead of paving the way for young people to climb the social ladder and reduce the income inequality gap, education and employment, due to various shortcomings, only further deepen these differences.¹⁴

Ineffective Employment Programs and Unsuitable Work Environments

To foster an entrepreneurial spirit amongst the youth, Aziz Akhannouch's government launched a set of programs –

namely an initiative called "Awraash" – to support and create over 250,000 job opportunities in temporary workshops within the sectors of education, health, sustainable development, general public works, and others. Some MAD 2.25 billion were earmarked for these programs for 2022-2023. In addition, the government launched the program "Forsa," (opportunity) to support 10,000 project owners in 2022 by facilitating access to funding in the form of small concessional loans, supporting beneficiaries, and developing the vision of the project until completion with a budget of MAD 1.25 billion. A new vision was set with the "Intilaka" (Launch) program, worth some MAD 8 billion,¹⁵ providing funding offers with favorable conditions as well as follow-up directed at young project owners, micro-entrepreneurs, and SMEs in rural areas.

Despite a total of 286,020 registered micro-entrepreneurs by the end of 2020 and cooperation with partners across the country, there are no clear indicators as to the impact of these strategies on the labor market – whether in terms of an increase of individual income or the creation of new jobs. To this day, the State has not conducted any informed quantitative assessment based on field research that goes beyond the number of registered or involved persons in a specific project. The Development Model report noted that "the poor monitoring and evaluation of implementation based on clear objectives" is one of the main challenges to development in Morocco.¹⁶

On the other hand, is it possible to say that Moroccan youth are imbued with the culture of entrepreneurship? And why has there been a delay in integrating the entrepreneurial approach within education systems since an early age? International experience has clearly shown that teaching entrepreneurship to pupils and students as part of their academic journey is key to a country's economic development, as it offers a set of skills and norms that allow individuals to seize opportunities and create new projects that benefit them and their society.¹⁷ Moroccan universities start to be involved in this dynamic when the ministry of education launched the National Student-Entrepreneur Status in 2018,¹⁸ a mechanism dedicated to encouraging and promoting entrepreneurship and self-employment amongst

11 The Economic, Social and Environmental Council, 2021. "Social Protection in Morocco: The Reality, the Outcomes, and the Ways to Promote Social Security and Assistance Systems".

12 Chauffour, J.P., 2017. "Morocco 2040 Emerging by Investing in Intangible Capital", World Bank Group.

13 Ibid: The Economic, Social and Environmental Council, 2021. "Social Protection in Morocco: The Reality, the Outcomes, and the Ways to Promote Social Security and Assistance Systems".

14 Oxfam Morocco, 2019. "An Egalitarian Morocco, A Just Taxation".

15 Ministry of Economy and Finance 2019: Presentation Paper for "Intilaka" Programme. See also, Ministry of Economy and Finance: Citizen Budget 2022.

16 The 2021 General Report of the Special Commission on the Development Model, *The New Development Model: Releasing Energies and Regaining Trust to Accelerate the March of Progress and Prosperity for All*. Accessible at: <https://csmd.ma/rapport-en>

17 Bakar, Rosni & Islam, Md. Aminul & Lee, Jocelyne. (2014). Entrepreneurship Education: Experiences in Selected Countries. *International Education Studies*. DOI: 10.5539/ies.v8n1p88

18 Memo of the Minister of Education and Preschool to University Presidents on "Establishing the National Student-Entrepreneur Status".

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students through entrepreneurial projects and in partnership with economic actors. For instance, 600 students benefitted from this program at the Hassan II University of Casablanca, 200 of which graduated either by creating a prototype or a start-up.¹⁹

Other factors linked to the quality of economic and political institutions and human capital also impact the business climate on investments in Morocco. Despite moving up from the 130th position in 2009 to the 53rd in 2020 on the global “Doing Business” indicator, investors in Morocco still face numerous difficulties in relation to the complexity of the licensing laws, the weak protection of private property rights, insufficient economic and financial freedom, and economic dividends.²⁰ The findings of the 2019 High Commission for Planning Survey on Businesses confirm that the tax system is an obstacle to around 60% of business owners. About 95% believe that it does not promote investment, and 88% of them do not trust the Tax Administration; while 69% of business owners cited the tax system as a reason for resorting to illegal practices. In addition, the tax system is considered complex by over half of business owners (51%), with this rate reaching 63% for large enterprises. Slow conflict resolution in courts is also a hurdle for 51% of employers, as well as the difficulty of enforcing judicial decisions for 15% of them.²¹ These factors hinder investment and development and damage entrepreneurial initiatives, as the number of businesses created every year is still limited (92,000 businesses) – i.e. less than 2.6 businesses per citizen, as opposed to 10 on average in emerging countries. Additionally, more businesses are shutting down (6,000 businesses), and the entrepreneurial culture is struggling at the level of the State and business actors.²² King Mohammed VI echoed these findings during his 2022 Throne Day speech, in which he said: “we call on the government and the political and economic spheres to work on facilitating access for foreign investments choosing to do business in our country under the current international situation. We call for the removal of all obstacles because the most dangerous threat to our country’s development and increased investment is intentional barriers set by parties seeking to make personal gains and serve their interests. We must fight this.”²³

19 “200 students benefit from the National Student-Entrepreneur Status”, Morocco Industries magazine. Accessed on 13 September 2022.

<https://ar.industries.ma/استفادة-200-طالب-من-النظام-الوطني-للطالب/>

20 Rasheed Oraz, 2020. “The Business Environment in Morocco: Significant Achievements on Paper”, Moroccan Institute for Policy Analysis. Accessed on 12 December 2022. <https://mipa.institute/7698>

21 The High Commission for Planning: The 2019 National Survey on Businesses.

22 Idris El-Fina, 2021. “The Culture of Entrepreneurship in Morocco”, Hespress. Accessed on 13 September 2022. <https://www.hespress.com/525438-ثقافة-المقاولة-في-المغرب.html>

23 Royal Speech Text on Throne Day 2022.

Consequently, to what extent does encouraging entrepreneurial projects respond to the youth’s needs and contribute to economic growth? Do these programs adopt a participatory approach involving the youth? The Minister of Economic Inclusion, Small Business, Employment and Skills, Younes Sekkouri, reaffirmed that the current employment-related approaches proved to be ineffective in terms of youth economic inclusion, emphasizing the need to look for ways that allow the youth to generate true wealth and achieve their ambitions.²⁴ This is particularly true as these employment programs fail to clarify the basis upon which they were built when it comes to the participation of youth in expressing their needs from the labor market or their solutions to their inclusion in the national economy.

A survey by the Economic, Social, and Environmental Council (ESEC) on public youth programs showed insufficient efforts to communicate and raise awareness of what these programs offer and what they have achieved. 71.57% of those surveyed never benefitted from these youth programs, while 49% confirmed their ineffectiveness. Moreover, the success of employment programs depends on promoting communication with the youth and involving them in the different phases of conception, follow-up, and evaluation.²⁵ This clearly shows that the lack of a participatory approach is one of the factors preventing youth employment policies from achieving set objectives in Morocco.

An Unknown Future

Prime Minister Aziz Akhannouch’s government began the process of reforming the education and training system it called for in its electoral program to gain the confidence of Moroccans. The government set new conditions related to the organization of recruitment examinations in the Regional Academy for Education and Training. These conditions include reducing the maximum age of candidates to 30 years and setting a shortlisting procedure. These measures triggered a wave of demonstrations from university students who boycotted classes to protest these decisions, which they deemed “unconstitutional and illegal.”²⁶ These decisions

24 “Evidence Sharing Seminar: Youth Economic Inclusion in Morocco”, organised by the Policy Centre for the New South and the Millennium Challenge Account-Morocco, in partnership with the Morocco Employment Lab”. 6 June 2022. Accessed on 20 December 2022. <https://snrtnews.com/article/44811>

25 The Economic, Social, and Environmental Council (ESEC), 2022. Findings of the “Consultations and Citizens on Youth Programmes”. Accessed on 18 December 2022. <https://ouchariko.ma/ar/consultations/page/les-programmes-publics-destines-aux-jeunes/43>

26 “The Students of Morocco take the streets to protest Benmouss-

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raise questions about the future of the rising numbers of unemployed graduates each year, especially since the education sector is populated by teachers and educators from the middle and lower classes in search of economic and social stability. This sector provided the largest number of vacancies compared to other institutions in the public sector. The Law on Finance of 2022 allocated 17,000 positions to the education sector,²⁷ forcing many graduates to search for other sources to guarantee their professional future. This led to a drop in the number of candidates as shown in Table 2 above.

Youth unemployment contributes to massive losses in production, leads to skills and brain drain, favors a rentier economy, and consolidates clientelism and practices that limit free initiative.²⁸ This situation has yielded long-term consequences for youth, their families, and society as a whole, including the increased possibility of the youth joining the informal sector,²⁹ as a coping strategy to ensure the simplest living conditions.

Moreover, immigration – regular or irregular – is considered one of the youth's solutions to escape unemployment. The National Survey on International Migration for 2018-2019 confirms that 40.3% of youth between 15 and 29 years old wish to leave their homeland due to economic, social, and cultural reasons.³⁰

Conclusion

Youth employment in Morocco highlights the involvement of multiple public and private sector actors and underscores the weak employment policies and their diverse social and economic effects, including the loss of trust in political institutions and elites, the absence of social stability for the youth, increasing resort to working in the informal sector, and the youth's desire to leave the country in pursuit of their professional dreams and ambitions. The future reform process called upon by the current government requires the implementation of institutional reforms to increase

the business climate indicator, an adequate follow-up on demographic growth, and more investment in human capital. For a start, fragmented employment policies need to be replaced with ones that are more coordinated, inclusive, and sensitive to the social impact of unemployment. Four key areas must be given greater importance:

- Fostering an entrepreneurial culture should not be limited to one year at the university or be part of optional university credits. It needs to be incorporated into school curricula to develop the creative spirit needed to open up young people to other domains based on an education that combines theory and practice. This must include everyone to ensure equal opportunity.
- The benefits and incentives of work contracts in the private sector should be reconsidered to enhance them and relieve pressure off of the public sector, which is considered an employment haven for youth. This will guarantee professional, financial, and psychological stability for young people, which in turn will encourage them to work in an environment that pushes them to do their best for the benefit of the enterprise.
- Tax reform should be expedited together with facilitating and digitizing administrative procedures to make up for the delay in the evolution of the business climate. Also, allowing more room for investors to create businesses can help promote national economic development indicators.
- Establishing a national body that gathers the different actors involved in youth employment policies and which would be responsible for creating, monitoring, and evaluating employment programs. This entity would allow youth participation to ensure their needs for wealth creation are met outside the confines of employment creation and within the framework of an effective and sustainable social protection system.

sa's decisions", Noon Presse. Accessed on 13 September 2022. <https://www.noonpresse.com/>

27 "17000 new positions in the Regional Academy for Education and Training in the 2022 budget". Accessed on 13 September 2022. <https://men.gov.ma/>

28 The Annual Report of the Economic, Social, and Environmental Council (ESEC), 2019.

29 Thomas Awazu Pereira da Silva. 2018: Addressing the Youth Unemployment Challenge: International Lessons Learned that can be useful for Morocco. OCP Policy Centre, Policy Paper.

30 HCP: 2020. The Findings of the National Survey on International Migration 2018-2019.

About the Arab Reform Initiative

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