



PAPER NO. 7

SOCIAL PROTECTION

MOROCCO'S SOCIAL PROTECTION PROGRAMS:

CAN THE COUNTRY OVERCOME THE ODDS?

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September 2023

Introduction

During the 1980s, Moroccan governments adopted structural adjustment policies that inadvertently left deep-seated vulnerabilities across Moroccan society. The enduring consequences of these policies continue to marginalize a significant portion of Moroccans, depriving them of access to quality education, comprehensive healthcare, adequate housing, and decent employment opportunities. The state's approach to addressing the societal challenges spanning decades has alternated between targeted measures aimed at rectifying the disparities stemming from the maldistribution of resources and services, on the one hand, and reactive strategies aimed at mitigating the adverse impacts of structural adjustments, on the other.¹ The decreased government investments in critical social sectors, such as healthcare and education, have over time compelled this new departure from previous policies of neglect. Although such policies might have contributed to macroeconomic stability, they also adversely affected both social cohesion and the population's social protection networks.²

Subsequent administrations embarked on a mission to address these predicaments, which have exacted a toll on Morocco and relegated the nation to the lower levels of the Human Development Index: As of the 2022 assessment, Morocco's ranking was 123.³ These administrations were compelled to devise strategies encompassing both economic and social dimensions, aiming to free Morocco from the ramifications of stringent structural adjustment policies. Their goal was to transition the Moroccan economy from its reliance on agricultural and raw material exports to a more self-reliant model, characterized by high-value-added industries capable of absorbing the unemployed workforce into productive economic activities. Such a transformation was anticipated to pave the way for comprehensive social protection. However, the approach adopted by these administrations gravitated towards superficial and improvised remedies, dominated by an urgency-driven and philanthropic approach. These impromptu solutions fell short

of propelling the vulnerable and poor segments out of the cycle of exclusion and marginalization. All initiatives within this context adhered to the neoliberal principles adopted by these governing bodies. These administrations gave paramount significance to a market-driven economy, as well as financial and macroeconomic equilibriums, oftentimes at the expense of the substantial sections of the population that experienced pervasive poverty and destitution. Consequently, social assistance endeavors proved to be misleading, exacerbating the disparities among Moroccans. This occurred within an environment lacking robust social and economic policies dedicated to achieving social equity and equitable distribution of resources. These programs were subject to criticism and unfavorable assessments from all corners of the state, including from the king himself, who remarked on their fragmentation across ministerial domains, inadequate coordination, and their inherent inability to accurately target deserving groups. As a result, they struggled to effectively address the needs of citizens, leaving only a faint impact on the lives they sought to improve.⁴

The advent of the COVID-19 pandemic exacerbated the existing economic and social vulnerabilities prevalent in Moroccan society. The pandemic exposed the inadequacies and fragility of the programs in safeguarding the dignity of the populace, which became particularly pronounced in the absence of a fair and robust social protection system. This reality led both the king and the political establishment to recognize the urgency of re-evaluating the fundamental underpinnings of this system. Their shared view materialized in a commitment to universal social protection for all Moroccans, with a deadline set for 2025.

On the other hand, the rapid spread of the pandemic coincided with Morocco's comprehensive assessment and recalibration of its development paradigm. Despite its aspirations, this model had failed to fully incorporate the Moroccan populace within development dynamics, instead focusing on financial equilibrium, often to the detriment of social and human equilibrium; this prompted the contemplation of a fresh development model. The newly envisaged model aimed to sever ties with the trajectory that had resulted in structural disparities, spanning domains such as education, skill development, healthcare, housing, employment, public services, and social protection.⁵

1 Larbi Jaidi, "Economic and Social Change in Morocco: Civil Society's Contributions and Limits", in Senén Florensa (ed.), *The Arab Transitions in a Changing World: Building Democracies in Light of International Experiences*. Barcelona: Institut Europeu de la Mediterrània, p.145, 2016

2 Mohamed Mouaquit, "droits économiques et sociaux", in *Développement démocratique et action associative au Maroc*, Rabat: Espace associatif, p.86, 2004

3 UNDP, Human Development Report 2021/2022, 2022, available at https://hdr.undp.org/system/files/documents/global-report-document/hdr2021-22pdf_1.pdf

4 Speech of King Mohammed VI on the anniversary of his accession to the throne, 28 July 2018, available at <https://cutt.us/zP2RH>

5 An interview with the economist Nouredine Al-Awfi with the Lakum

Social Protection Programs: Balancing System Gaps and International Responsibilities

On two closely timed instances, King Mohammed VI asserted the shortcomings of Morocco's prevailing development paradigm.⁶ One of its direct outcomes was the marginalization of substantial segments of the Moroccan population, preventing them from partaking in the benefits of economic progress due to its produced vulnerabilities and frailties within the framework of social protection, and insufficient coverage for the populace. The king's proclamation converged with the propositions set forth by labor unions and human rights organizations, echoing the urgent need for the establishment of social equity, grounded in the principles of solidarity and fair wealth distribution. Addressing the Parliament, the head of state underscored the incapacity of Morocco's social protection system, emphasizing the pervasiveness of social disparities, and the need to foster both social and regional equity.⁷ These, he explained, served as pivotal catalysts driving the call for the reinvention of the development model. He additionally appealed to the government and all pertinent stakeholders to undertake a comprehensive and profound overhaul of national programs and policies in the sphere of support and social protection. He urged using a participatory approach coupled with speedy implementation of these initiatives.

Following the king's call, the groundwork was laid for launching programs aimed at the comprehensive reassessment of the social protection framework, with the aim of extending and universalizing coverage for all Moroccans within an accelerated time frame: As stipulated by the king himself, the overhaul was to be completed by 2025. The mandate was formally instituted via decree, which created a ministerial committee helmed by the prime minister with the responsibility of spearheading the reform of the social protection system.⁸ It comprises six governmental entities

directly associated with the social protection programs. Given the backdrop of implementing programs aimed at broadening and fortifying social protection in Morocco, one must also highlight the stipulations established by the Moroccan Constitution of 2011. The right to social protection and healthcare coverage is codified in Chapter 31 of the Constitution. It additionally underscores Morocco's commitment to fulfilling its international commitments in the arena of social protection, with particular emphasis on the International Covenant on Economic, Social, and Cultural Rights. This commitment is manifested through adherence to the International Labour Organization's (ILO) Convention No. 102, on the establishment of minimum standards for social solidarity, as well as the ILO's Recommendation No. 202, on national standards for social protection. Not to be overlooked, the UN's agenda for realizing the goals of sustainable development by 2030 explicitly positions social protection as a paramount objective with its inclusion within the first goal. Inherently tied to the promotion of well-being and equitable health, this stands as a fundamental tenet of the UN's Sustainable Development Goals. This commitment to ensuring a healthy existence and fostering dignified living standards for individuals of all age groups plays a vital role in achieving sustainable development. Notably, the UN emphasizes the paramount importance of health in its international agenda, encapsulated by its slogan: "Peace, dignity, and equality on a healthy planet".

A Fractured System that Leaves Millions Vulnerable

Reports from various official groups, both in Morocco and across the globe, have all agreed that the current social protection system in the country has problems, primarily in the poor management and lack of coordination of the abundance of government programs intended to provide assistance, as well as their limited effectiveness in providing social security according to international standards.⁹ These programs also use a substantial portion of the government's budget, yet the results fall short. In 2018, a UNICEF survey identified 140 social programs overseen by 50 different organizations in Morocco.¹⁰ This number aligns with the

website, available at <https://lakome2.com/interview/175988/>

6 Speech of King Mohammed VI during the opening session of Parliament, 13 October 2017, available at <https://cutt.us/BSBhg> (King Mohammed VI, Speech from 13 October 2017).

7 King Mohammed VI, Speech from 13 October 2017.

8 Decree No. 2.21.532 on establishing the Ministerial Committee to lead the reform of the social protection system, Official Gazette No. 7043 of 30

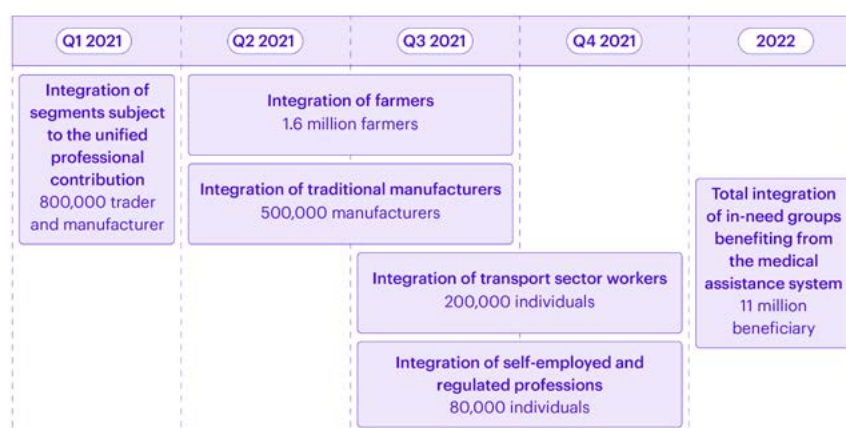
November 2021.

9 Hasan Buikhif, "Social protection programs at the mercy of poor targeting", available at <https://mipa.institute/9158>

10 Ministère de l'économie, des finances et de la réforme de l'administration, "Politique publique Intégrée de protection sociale 2020-2030", 2019,

5 Morocco's Social Protection Programs: Can the Country Overcome the Odds?

Figure 1: The timetable for universal healthcare in Morocco



Source: Presentation by the Minister of Economy, Finance and Administration Reform to parliament, to introduce the draft Law Framework No. 09.21 on Social Protection - 2021 presentation (Arabic). https://www.finances.gov.ma/Publication/cabinet/2021/Expose_M.%20Ministre_Parlement.pdf (Presentation of Minister of Economy, 22 February 2021)

findings of the African Development Bank's 2016 report.¹¹ The repercussions of this system have been further exacerbated by a lack of collaborative effort among entities working in social protection, coupled with a lack of transparency regarding their designated areas of expertise.

A Fragile Framework: Health and Retirement in Social Protection

Health Coverage

To gauge the fragility of Morocco's numerous social protection initiatives and their modest impact on providing comprehensive health coverage and upholding dignity for all citizens, consider that the current number of people benefiting from health coverage barely surpasses 11.17 million recipients within the basic mandatory health insurance system, out of the total population of 38 million. These beneficiaries span across the public and private sectors. The inclusion of an additional 11 million beneficiaries under the medical assistance system (RAMED) – a governmental provision for the destitute and those without consistent income – unveils a stark reality. These individuals frequently turn to public hospitals that often struggle to provide minimal levels of medical care. Basic health coverage struggles to reach a mere 60% of the total populace. As of now, Morocco eagerly anticipates the nationwide rollout of mandatory

health insurance for the rest of the population, initially scheduled for completion by the end of 2022. This endeavor aims to incorporate an additional one million beneficiaries, primarily comprising self-employed professionals who previously lacked any form of health coverage.

A telling indication of the Moroccan healthcare system's fragility lies in the fact that healthcare expenses are largely shouldered by Moroccan households. Their contribution exceeds 50% of the health system's financing, a significant proportion when compared to the 18% in the Organisation for Economic Co-operation and Development's member countries. This is further compounded by an uneven disparity – not just among social classes but also across geographical regions of the country – in accessing high-quality health services fairly. Obtaining necessary treatments without traveling to major cities, where major hospitals are concentrated (particularly those in the rapidly growing private sector), poses a challenge for town residents and those in remote rural areas. As a result, the public sector struggles to meet the increasing demands of the population, especially those with limited incomes and rural residents who lack sufficient healthcare coverage for vital treatments. Additionally, the number of doctors practicing in Morocco's private sector has outpaced those in the public sector (13,625 private sector doctors compared to 12,454 public sector doctors). Morocco's ratio of doctors to citizens remains one of the weakest among North African countries, with only 7.1 doctors per 10,000 people, compared to 12 doctors in countries like Algeria and Tunisia.

RAMED, introduced in 2005 to aid individuals with limited income, grapples with multiple disparities due to outdated underlying assumptions, especially when it comes to choosing beneficiaries. The vulnerable group initially targeted far surpassed expectations and doubled from 8.5 million to 16.4 million people. This surge highlights the rapid expansion of poverty and vulnerability rates among Moroccans over the past

available at <https://uni.cf/3sYnwRs>

11 Banque Africaine de Développement, "Maroc programme d'appui à la gouvernance de la protection sociale (PAGPS)", June 2016, p.15, available at <https://bit.ly/36lxqFg>

6 **Morocco's Social Protection Programs:** *Can the Country Overcome the Odds?*

decade. The funding for this program encounters numerous challenges, including issues of resource sustainability and contradictory financial management authorities between the Ministry of Health and the National Health Insurance Agency. Additionally, the practice of categorizing beneficiaries based on poverty and vulnerability has lost its significance, as the poverty rate exceeds 82%. According to a 2013 study, this increase in poverty rate prompted the annual cost average to leap from 343 dirhams to 650 dirhams (about US\$34 to US\$65), translating to a 90% increase, despite only marginal resource growth.¹² This disproportionate allocation of resources compared to expenditures led to significant deficits in hospitals and university medical centers, hampering their ability to fulfill their medical responsibilities.¹³

The basic mandatory health insurance system also faces an array of imbalances, primarily stemming from the proliferation of entities overseeing it. These include the National Social Security Fund, the National Fund for Social Reserve Organizations, cooperatives, and private insurance companies. Adding to the complexity is the presence of multiple systems even within the same oversight entity or managing fund, characterized by insufficient coordination across areas such as treatment coverage and participation or reimbursement percentages. The system also grapples with the significantly higher cost of medications compared to neighboring countries, including wealthier states like France, Spain, and Italy. This financial burden was starkly evident when the National Fund for Social Reserve Organizations shouldered a load exceeding 292 million dirhams (US\$29 million) in 2019. Pharmaceuticals constitute the lion's share of expenses for this system, accounting for 34% to 40% of health insurance fund expenditures. Meanwhile, the medication budget surged from 522 million dirhams to 2.5 billion dirhams (from US\$52 million to US\$249 million) allocated for hospitals. Nevertheless, lobbying groups steering pharmaceutical manufacturing and marketing obstruct the introduction of cost-effective generic drugs into the national market, with their distribution not surpassing 30%. Conversely, the list of costly novel drugs continues to expand, despite the presence of more affordable generic alternatives boasting comparable effectiveness. This situation threatens the financial equilibrium of health insurance managing funds, particularly in relation to costly medications for chronic diseases affecting 6% to 11% of the insured and contributing to half of health insurance expenses. The number of compensated medications surged from 1,001

in 2006 to 4,430 in 2018. The repercussions of these dynamics are reflected in the portion borne by the insured, which remains exceptionally high, ranging from 31.3% for public sector services to 39.9% for private sector services in 2016. As a result, the system's capacity to effectively protect insured individuals and support them through demanding financial circumstances during their treatment is limited.¹⁴

The Moroccan Network for the Defense of the Right to Health and the Right to Life (the Network) has issued a resounding warning to the government regarding the healthcare situation, declaring it "alarming" due not only to the COVID-19 pandemic, but also to deficient medical coverage rates that have yet to surpass 46% of the populace.¹⁵ Additionally, the investment in healthcare has dropped, remaining stagnant at a mere 45% over the past decade. This is coupled with the modest percentage of this expenditure relative to the gross national product and inadequate investment in the health sector. The Network further asserts that these factors have culminated in an escalation of out-of-pocket spending by households during the COVID-19 pandemic, forcing them to continue bearing the brunt of healthcare costs, alongside enduring subpar healthcare quality, translating to a high mortality rate across hospitals and emergency rooms. In a recent statement coinciding with World Health Day, the Network emphasized Morocco's placement among the bottom 20 countries in healthcare and well-being, as per the Indigo Wellness index. This placement is attributed to substandard healthcare quality and citizens' discontent with healthcare services, with a rate exceeding 80%. The Network lamented this "dismal state" of the healthcare sector, driving a significant portion of citizens towards the private sector and to purchasing medications at inflated prices compared to other nations. In response to this pressing situation, the Network called on the government to prioritize health equity. A fundamental overhaul of the health system and a substantial advancement in healthcare delivery are deemed essential to align with the transition towards universal health coverage for all Moroccans, according to health equity principles.

The Moroccan Association for Human Rights, one of the most influential advocacy organizations in the country, seized the occasion of its June 2022 national conference to sound the alarm about the dire healthcare situation. The organization prominently addressed the grim state of health affairs and its ramifications for Moroccans' right to health. They attribute these challenges to the scarcity of financial and human resources, the fragile state of infrastructure, the deficits in medication and equipment availability, inadequate management practices, and the state's failure

12 All currency conversions given in US dollars within this paper are approximate.

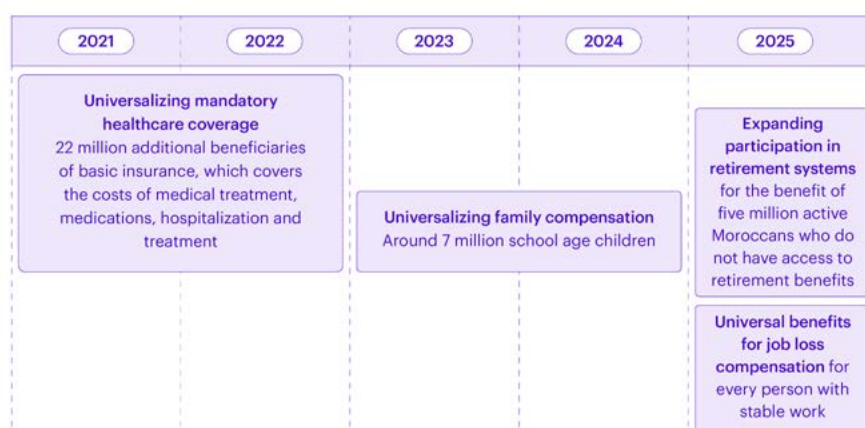
13 Report of the Moroccan parliament's working group in charge of the health system, available at <https://cutt.us/yeYGu> (Parliament, Report on Health System).

14 Parliament, Report on Health System.

15 Statement issued by the Network on World Health Day, 7 April 2021.

7 Morocco's Social Protection Programs: Can the Country Overcome the Odds?

Figure 2: The timetable for universal social protection



Source: Presentation by the Minister of Economy, Finance and Administration Reform to parliament, to introduce the draft Law Framework No. 09.21 on Social Protection - 2021 presentation (Arabic). https://www.finances.gov.ma/Publication/cabinet/2021/Expose_M.%20Ministre_Parlement.pdf (Presentation of Minister of Economy, 22 February 2021)

to meet its fundamental duty of ensuring comprehensive health access for all citizens. This predicament is glaring when looking at the inadequacy of budget allocations and questionable governmental contracts, especially amid the COVID-19 pandemic. The deficiencies of the mandatory health insurance system and the limitations of RAMED, the medical assistance system for the needy, coupled with the state's inadequate supervision of private healthcare facilities, have become all too apparent after years of implementation. These issues have contributed to financial exploitation, leaving citizens vulnerable, and have resulted in the neglect of patients with mental and psychological disorders. These challenges have also compromised hospital infrastructure and exacerbated the acute shortage of specialized medical professionals in the field.

Despite the enactment of legislation to extend mandatory health insurance to university and vocational training students, the system has also struggled to cover a substantial portion of this demographic.¹⁶ Up until 2020, the number of students benefiting from mandatory health coverage remained limited to a mere 300,000 students out of a total of 1,170,836 enrolled. These statistics, sourced from the National Fund for Social Reserve Organizations, highlight the inadequacy of integration efforts. The primary reason behind this lies in the lackluster advocacy and motivational campaigns targeting students to encourage their enrollment in the health coverage system. Although most students desire comprehensive coverage without the encumbrance of enrollment fees (a nominal 100 dirhams or approximately US\$10), the push for such engagement has proven insufficient.

The Pension System

Pensions represent a vital component of the social protection framework. They embody a fundamental entitlement enshrined within both the Universal Declaration of Human Rights, adopted by the UN in 1948, and the UN's International Covenant on Economic, Social, and Cultural Rights established in 1966. This concept, rooted in necessity, was emphasized in the 2001 resolution of the ILO's International Labor Conference that stated, "Contemporary societies universally confront the challenge of individuals being unable to independently meet their life-long necessities."¹⁷ This includes periods of reduced earnings brought on by personal circumstances including sickness, disability, unemployment, child-rearing, and old age, according to the ILO. In response, all societies must "establish a framework to support individuals who encounter a reduction in their capacity to earn".¹⁸

In the Moroccan context, the retirement system grapples with inadequate coverage for the active population. Approximately 60% of the workforce, around 2.6 million individuals, are excluded from retirement coverage from either pension plans or end-of-service benefits, as mandatory retirement programs are limited to public and private sector workers. The tally of recognized retirees stood at a mere 1,805,224 as of a 2018 report.¹⁹ This scenario persists while Law No. 15.99 – instituting a pension system for professionals, self-employed individuals, and those engaged in non-salaried private endeavors – is anticipated to take effect by 2025. This timeline

17 ILO, 89th Session of the International Labour Conference, 5 - 21 June 2001, <https://www.ilo.org/ilc/ILCSessions/previous-sessions/89thSession/lang-en/index.htm> (ILO, 89th Session of the International Labour Conference, June 2001)

18 ILO, 89th Session of the International Labour Conference, June 2001.

19 Economic, Social and Environmental Council Report on Social Protection in Morocco, available at <https://cutt.us/Gr74f>

16 Law No. 116.12 related to the basic mandatory health insurance system for students.

aligns with the universal social protection agenda outlined by the Moroccan government.

Despite the National Social Security Fund's monitoring campaigns to oversee wage declarations, leading to an increase in private sector wage coverage from 72% in 2011 to 82% in 2016, a notable subset of contributors continues to remain unregistered or underreported within the fund. Additionally, access to retirement pensions in Morocco remains marred by gender-based inequality and negative bias against women. Female representation in the retirement framework remains subpar due to their higher unemployment rate. This reality translates to a mere 16% of women among retirees. Their average pension lags at 865.1 dirhams (US\$86), trailing behind the 935.1 dirhams (US\$93) received by their male counterparts. However, women comprise the vast majority of pension transfer beneficiaries at a striking 97%, receiving an average pension of 839 dirhams (US\$83), as opposed to 894 dirhams (US\$89) allocated to males.²⁰

Among the disparities obstructing the social protection system, the ones tied to safeguarding against the challenges of old age stand out. The existence of numerous, disparate, or fragmented systems plays a role in perpetuating inequalities among Moroccans depending on the retirement scheme they are affiliated with. Notably, the pension received by a public sector employee surpasses the average pension granted to private sector workers, where 26% of pensioners receive pensions that do not exceed 1,000 dirhams (equivalent to US\$100) monthly. In addition, 57% of private sector retirees have pensions below 1,500 dirhams (roughly US\$150), contributing to their diminished quality of life. These pension levels underscore the financial burdens that private sector retirees shoulder, particularly in terms of healthcare expenses. Consequently, this places them among the most vulnerable and economically disadvantaged groups in Morocco.

Challenges Facing Universal Social Protection in Morocco

The initiative to provide social protection for every citizen in Morocco is hailed by social and political factions as a landmark policy and societal milestone during King Mohammed VI's reign. It might even rank as one of the most significant decisions since the nation's independence. For the first time, Morocco is poised to rectify an imbalance for sizable segments of the impoverished and vulnerable, endowing them with fundamental social entitlements. This transformative endeavor is anticipated to assist in navigating the rigors of life and the escalating cost of living. There's optimism that the initiative will also address the disparity faced by other citizen groups, including those engaged in steady professions who have thus far been denied access to social protection, such as doctors, engineers, lawyers, notaries, and accountants. These same social and political entities, however, don't overlook the potential challenges and obstacles that the realization of this monumental social endeavor could encounter. Some of these challenges are discussed below.

High Unemployment

The fundamental gateway to achieving a genuine welfare state rests on ensuring adequate healthcare, quality education, suitable housing, and fundamentally secure employment that assures dignity and a livable wage, thereby honoring the value of time invested. Undoubtedly, a major hurdle that the social protection system is bound to confront is the scarcity of job opportunities coupled with the extensive numbers of unemployed or partially employed individuals operating within the informal and shadow sectors. Successive administrations have struggled to provide effective remedies for offering employment to the millions who have remained marginalized for considerable periods. Data from the High Commission for Planning, an official Moroccan statistical body, highlights that there are 5.9 million youths within the 15 to 24 age range of which merely 15.4% are actively employed (amounting to 905,000), and 7.4% are unemployed (around 439,000). Astonishingly, a whopping 77.2% remain outside the labor market (accounting for 4,600,000 individuals).²¹ This figure is

20 National Social Security Fund, Report of Activities in the 2016 Drawing: Public System and Medical Units, <https://cutt.us/021bQ>

21 High Commission for Planning, news article on the basic characteristics of the active, employed population in 2022.

significant, and could both test the social protection system and pose challenges for it. This is especially relevant as the unemployed lack a consistent income to access satisfactory healthcare services, which are pivotal in guaranteeing their entitlement to a baseline level of medical care, a minimum wage, and participation in a pension system.

The Informal Economy

One of the challenges that universal social coverage programs will encounter is linked to the number of workers operating in the informal (unregulated) economy. This is a deeply entrenched and worrisome phenomenon within Morocco's economic structure. According to 2018 data from Bank Al-Maghrib, the scale of the informal economy amounts to around 30% of the country's GDP. Assessments by both domestic and international institutions suggest that between 60% and 80% of Morocco's active workforce engages in occupations falling under the informal economy's purview.²² This presents a challenge to decision-making bodies tasked with extending social coverage universally, as they strive to accelerate the integration of these segments into the comprehensive social security system. This, in turn, introduces another challenge related to the targeting system.

The Targeting System

The mechanism for targeting individuals within the informal sector, as well as the unemployed, the poverty-stricken, and the elderly without income, has proven weak and ineffective. Challenges arise in properly identifying and overseeing eligible groups for accessing RAMEL and other components of the social protection framework. The challenges are especially heightened due to the expanding informal sector and the adoption of a declarative approach for measuring income levels. This approach is riddled with inaccuracies due to diminished and inexact declarations. Additionally, the utilization of complicated rules to ascertain eligibility poses complexities that hinder the evaluation of benefit applications and the subsequent monitoring of the system. Long delays in implementing the targeting system make matters worse. As mandated by law, the system comprises two registers: The National Population Registry (for individual targeting) and the Unified Social Registry (for family targeting).²³ These registers were put into operation two to three years after the

comprehensive rollout of health coverage. This lag relegates a considerable number of stakeholders to the periphery until their records can eventually be incorporated into the registry of those entitled to social protection. The unified social register might also inadvertently lead to "circumvention", undermining the concept of the welfare state, and limiting governmental support to technical and bureaucratic measures. Such an approach risks reducing the number of beneficiaries from social programs.²⁴

Sustainability of Social Protection Funding

According to the plan outlined by the Moroccan government, the annual expense of universal social protection systems is estimated at 51 billion dirhams (US\$5 billion).²⁵ Twenty-eight billion dirhams (US\$2.8 billion) originate from the contribution mechanism designed for those capable of participating, and an additional 23 billion dirhams (US\$2.3 billion) are raised within a solidarity framework to cater to those lacking such capacity.²⁶ This means that approximately 45% of the financial resources for the social protection programs will come from solidarity-related sources. The nature of this funding model carries significant implications for the longevity of the financial architecture sustaining social protection systems. It also raises questions about the future landscape of the state's role in managing social policies, as it relies on a reform of the Moroccan tax system to realize equity. This tax overhaul is envisioned to play a pivotal role in funding social protection programs, guaranteeing their continuity, and ensuring their inclusive reach.

Apprehensions loom over potential alterations to the role of the Moroccan Clearing Fund, whose disbursements reached approximately 5 billion dirhams (US\$498 million) by February 2022. These changes aim to usher in integrated mechanisms for comprehensive social protection, including the Unified Social Registry, with a specific focus on healthcare financing.

24 Abderrafie Zaanoun, "Universal Social Protection: Establishment of a Welfare State or Dedication to Abandonment Policy?", available at https://mipa.institute/8856#_ftn14 (Abderrafie Zaanoun, "Universal Social Protection").

25 February 2021 presentation by the Minister of Economy, Finance and Administration Reform to Parliament, to introduce the draft Law Framework No. 09.21 on Social Protection, available at https://www.finances.gov.ma/Publication/cabinet/2021/Expose_M.%20Ministre_Parlement.pdf (Minister of Economy, Presentation to Parliament).

26 Report of the Social Sectors Committee in Parliament, "Draft Law Framework No. 09.21 related to social protection, the special session for drawing up the fifth legislative year of the tenth legislative mandate", 2021, p. 5.

22 Economic, Social and Environmental Council: An Integrated Approach to Reducing the Size of the Informal Economy, available at <https://www.cese.ma/media/2021/12/ebook-Avis-economie-informelle-VA-1.pdf>

23 Law No. 72.18 related to the system for targeting beneficiaries of social support programs and the creation of the National Registry Agency, available at <https://cutt.us/JRe67>

10 **Morocco's Social Protection Programs:** *Can the Country Overcome the Odds?*

This proposed shift entails a gradual redirection of resources from state subsidies for food and energy towards bolstering social protection initiatives. However, this might impact the purchasing power of certain segments in Morocco, particularly those within the middle class. Prone to vulnerability, this group finds itself largely excluded from adequate social coverage, due to a weakened targeting system and issues pertaining to approved records.

Consequently, this segment could face challenges in coping with the rising price of commodities subsidized by the Clearing Fund without access to adequate support or targeted assistance, which could in turn drive this marginalized class toward poverty. This fragmented perspective on financing social protection might result in safeguarding some groups while inadvertently exacerbating the impoverishment of others. It could even provide a pretext for the state to justify retreating from its social commitments and perpetuate neglectful policies under the guise of reforming the Clearing Fund. This rationale might help explain the World Bank's endorsement of this reform, committing \$400 million to support the government in executing "systemic" reforms to the social protection system. The reforms involve enhancements to the National Population Register, the Unified Social Register, and the establishment of the National Records Agency.

This initiative also raises concerns about potential side effects, particularly given the World Bank's history of involvement in other countries. There is precedent for using universal social protection as a subtle entry point to guide public budgets toward fulfilling borrowing conditions, even at the cost of social priorities. This pattern, evident in countries like Mexico, has begun to manifest certain aspects in the Moroccan context. Implementation of measures to mitigate potential reform ramifications on citizens' purchasing power remains weak. This is exemplified by the Tayseer program designed to incentivize education, which is also funded through proceeds from the reduction of food and energy subsidies. As a result, its impact might extend beyond merely expanding the coverage of social protection, potentially serving in practice as a budget-balancing tool.²⁷

Regional Equity

Another significant challenge that looms over universal health coverage is the prevailing lack of regional equity across Morocco's diverse regions. This disparity is rooted in the uneven distribution of medical facilities and workers. A particularly glaring issue is the lack of hospitals in numerous

remote and peripheral areas, which leaves a substantial number of residents unable to access essential healthcare services. As a result, the broader implementation of healthcare coverage may offer limited benefits to these marginalized populations, given their limited ability to travel significant distances for medical treatment. This imbalance becomes especially apparent when considering the distribution of major hospitals, private clinics, and medical professionals. A considerable portion of these critical resources is concentrated in major urban centers, particularly along the Al-Jadida - Casablanca - Rabat - Kenitra axis. In fact, two-thirds of the nation's healthcare practitioners are stationed within just four of the 12 regions of the country, while the remaining one-third serves the other eight regions.

Deficiency of the Public Health System

Morocco finds itself at the bottom of the list among North African nations when it comes to the availability of hospital beds in public healthcare facilities, with a count of 11 beds per 10,000 citizens, compared to Algeria's 19 beds and Tunisia's 22. This issue is compounded by a severe scarcity of human resources in public hospitals, a dilemma underscored by the Minister of Health. The staggering shortage necessitates a substantial workforce expansion, requiring over 97,566 healthcare professionals, including 32,522 doctors, and 65,044 nurses. This situation is largely attributed to the dire circumstances that plague many hospitals. The absence of adequate medical equipment and devices hampers the provision of quality treatments. Moreover, the meager compensation received by professionals within the public health sector prompts a significant number of doctors, both experienced and recent graduates, to seek employment abroad where working conditions and salaries are better.

Human Resources

In Morocco, social protection institutions capture twice the proportion of the country's human resources considering migration abroad, surpassing the figures associated with the public health sector. This revelation comes from statements made by the Minister of Higher Education, who stated that of the annual tally of graduating physicians of up to 1,400, a staggering 50% of them "seek opportunities in Europe".²⁸ These figures, deemed startling by many, were included in a recent report published by the National Council for Human

27 Abderrafie Zaanoun, "Universal Social Protection".

28 Hassan Al-Ashraf, "The Exodus of Doctors from Morocco: A Growing Crisis in need of a Solution", The Independent, available at <https://www.independentarabia.com/node/344331/>

11 **Morocco's Social Protection Programs:** *Can the Country Overcome the Odds?*

Rights, an official national entity. According to the report, 23,000 Moroccan doctors are practicing in the country, and between 10,000 to 14,000 are practicing overseas, particularly in Europe. Almost one in three Moroccan doctors opts to work abroad, despite the undeniable local demand for their services. These statistics serve as a wake-up call concerning the flight of doctors and recent graduates from medical and pharmaceutical institutions to the West. The situation necessitates prompt action from the government to address the ramifications of immigration, as it could potentially impede the efficiency and effectiveness of the restructured health coverage system. Decisions and measures must be taken to improve the conditions of Moroccan physicians that could discourage them from choosing to pursue their careers abroad.

Aging Population

One of the significant challenges demanding serious attention within the context of a comprehensive social state pertains to the increasing ratio of the elderly among Morocco's population. Official reports have forecasted a significant rise in the elderly population within Moroccan society by the year 2050. According to statistical projections from the High Commissioner for Planning, the number of elderly individuals will surge from the current 4.5 million to an estimated 10 million by 2050. Consequently, the demographic makeup will undergo a significant shift, with the proportion of elderly citizens expected to reach 23.2%, compared with 12.2% in 2022.²⁹

Old age is inherently associated with chronic diseases, thereby leading to an increased demand for healthcare services, and amplifying the financial burden on mandatory health insurance. This, in turn, exerts a negative impact on the sustainability of social protection systems, particularly pension funds and health coverage. As a result, future generations might inherit the responsibility of shouldering substantial financial obligations through pension systems. Among the central challenges faced by the elderly, particularly those with limited income, is the potential insufficiency of pensions or social assistance provided after the implementation of targeting mechanisms. These benefits may not adequately cover the cost of living, particularly the costs linked to expensive treatments for chronic diseases. These individuals might find themselves bearing over 50% of these expenses from their personal budgets, despite their monthly contributions. This situation arises due to the absence of adjustments to contributions and pensions in line with the country's inflation rate.

Conclusion

The expansion of social protection in Morocco signifies a transformative shift in the social paradigm of the current political system. This development serves as a foundational element in constructing a welfare state anchored in solidarity, fairness, and social justice. The successful execution of social protection programs holds the potential to rekindle people's faith in the institutions of their nation. Yet, it is imperative to recognize that, since their inception, these programs have confronted numerous challenges that could hinder their proposed goals and future aspirations. The realization of these aspirations hinges on the implementation process being accompanied by careful considerations regarding the governance model for their administration, as well as effectively addressing obstacles that could limit their achievements. The Moroccan government has committed to this endeavor for the public good, enshrining it within Law No. 09.21, related to social protection.

Those entrusted with the oversight of Morocco's social protection system must adopt a mindset characterized by solidarity across generations and social classes. This approach is crucial in reforming health coverage systems, retirement systems, and others while ensuring the continued functionality of these systems. By doing so, the aspirations tied to the social protection programs by millions of Moroccans can be upheld, averting their descent into cycles of poverty and need. Instead, they can be empowered to lead lives marked by dignity and confidence in their homeland.

About Arab Region Hub for Social Protection

We are a space in and through which professionals dedicated to exploring, understanding and advocating for better social protection in the Arab region exchange ideas and explore and initiate collaborative action. We envision an Arab region in which all people, regardless of their identities, are guaranteed social protections that secure their access to the essential goods and services needed to ensure their well-being and decent standards of living, which in turn gives them the opportunity to prosper and contribute as active members of society. We aim to facilitate the development of equitable and sustainable social protection systems in the region by: executing, encouraging and facilitating the production, analysis, collation, and dissemination of interdisciplinary knowledge about the topic; facilitating dialogue within professional spheres and awareness raising among the wider public; and enhancing collective action that amplifies advocacy efforts with the different stakeholders and decisionmakers.

Social Protection Program

The Arab Reform Initiative's Social Protection Program, which gave birth to the Arab Region Hub for Social Protection, aims to place social policy and its impact on the socio-economic rights of citizens and residents in Arab countries center stage in the research and advocacy efforts seeking to achieve social justice and social equality. By mobilizing and coordinating a community of practice and knowledge on social protection, the program aims to create a safe space for regular and systematic dialogue between the different stakeholders, in order to help addressing the problem of fragmented, non-inclusive, ineffective, and unsustainable social protection systems in the region. While doing so, the program adopts different perspectives – from addressing the necessary policy, programmatic, institutional, financial, legal and legislative reforms; to the political economy involved in the feasibility of these reforms; passing by social activism around welfare policies.



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The Arab Reform Initiative

The Arab Reform Initiative is an independent Arab think tank working with expert partners in the Middle East and North Africa and beyond to articulate a home-grown agenda for democratic change and social justice. It conducts research and policy analysis and provides a platform for inspirational voices based on the principles of diversity, impartiality, and gender equality.