

Policy Note

Female Labor Force Participation in Morocco: Constraints and Priority Actions ¹

Key messages

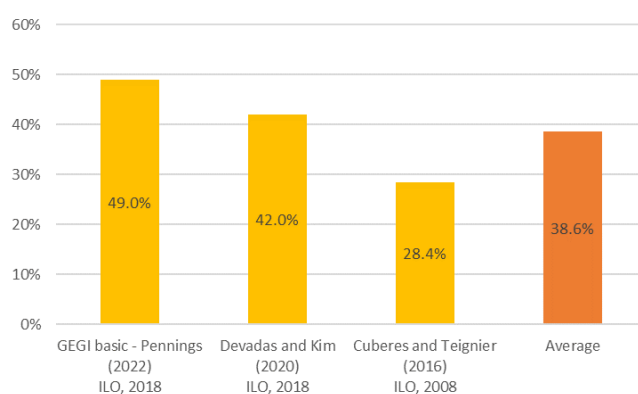
- **Female labor force participation (FLFP) in Morocco is low and decreasing** due to the weak capacity of economic growth to generate enough jobs and persistent norms. This is despite general increase in the quality of the labor force, relatively low fertility, and rising per capita GDP.
- **The relationship between education and women's labor participation/employment is still strong, but deteriorating:** the share of young and educated women among the newly inactive is increasing due to weak job creation for skilled workers.
- **We notice important differences between different groups of women**, suggesting that constraints to labor participation affect women based on characteristics and context. Women aged 25-59, with no or low education, married, and living in urban areas show the highest inactivity rate.
- **Barriers constrain women's participation in wage/salary work in the private sector.** Apart from limited job creation, barriers include persistent weaknesses in the legal framework and its enforcement, lack of family-friendly working conditions, pervasive gender-based violence (GBV) in the workplace and in public spaces; and inadequate, unsafe transport. Low wages could also be a barrier, but information is missing. Such barriers are more acute in rural areas where social norms are stronger.
- **Barriers to self-employment/entrepreneurship include limited financial inclusion and inadequate support to entrepreneurs.** Entrepreneurship/self-employment is more prevalent in rural areas (typically home-based), although mostly informal.
- **Crosscutting barriers after marriage relate to women's time constraints due to household responsibilities and childcare.** Societal expectations discourage women from working once married, to care for household responsibilities. Norms also generate reluctance to take -up childcare services, even when available. In rural areas, informal childcare provides a solution, while in urban areas this constraint translates into lower participation among married women.
- **Policies to increase FLFP must address constraints and prioritizing them depends on the target population.** Constraints differ depending on household characteristics: stronger social norms in rural areas require more family-friendly work conditions, financial inclusion, digital technologies and transport to promote working outside the home or profitable entrepreneurship. In urban areas, it is more important to tackle discrimination (including for hiring and wages) by reforming the legal framework and strengthening enforcement/implementation, and childcare services.

¹ This policy note was produced by a team of the Poverty and Equity GP of the World Bank, composed by Federica Marzo (Team Leader, fmarzo@worldbank.org) and Marco Fregoni. Significant elements were provided by the Policy Center for the New South (review of institutional constraints) and the World Bank Gender Group (review of international evidence). Jennifer Wistrand' s support was precious in terms of editing, and Jonna Lundvall provided insightful comments and guidance. In-country consultations were critical to enrich the report with qualitative information and constraints validation. Comments were provided by Gladys Lopez-Acevedo, Kathleen Beegle, Federica Saliola and Martin Rama.

Introduction

Increasing the number of working women in Morocco is necessary to facilitate overall inclusive socio-economic development. Ample evidence demonstrates that gender equality is instrumental to improve household welfare and stimulate economic growth in a sustainable way², which is why closing the gender gap in the labor market is central to the Sustainable Development Agenda 2030. The Gender Employment Gap Index (GEGI), which is equal to the size of long-run GDP per capita gains from closing gender employment gaps, suggests that closing the gender gap in labor force participation in Morocco would spur an increase in GDP per capita of nearly 50 percent (Figure 1). A similar result is obtained when analogous indicators are computed: closing Morocco's gender employment gaps would yield an average gain in per capita GDP of almost 40 percent³.

Figure 1 Economic gains from closing gender employment gaps in Morocco (% GDP per capita) (Pennings, 2022; Devadas and Kim, 2020; Cuberes and Teignier, 2016).



Since assuming his throne in 1999, King Mohammed VI has made promoting women's roles in local, national, and international affairs an important part of his agenda. The Government implemented two national plans for promoting gender equality—*Plan Gouvernementaux pour l'Égalité (PGE) I et II/ICRAM I et II*—in 2012-16 and 2017-21, respectively, with the goal of addressing gender inequities in several key areas, including education and access to basic services, economic empowerment, gender-based violence (GBV), and women in positions of management and leadership in the public and private sectors. In 2021, the Government unveiled a new National Development Plan (*Stratégie Development Nationale*) to promote gender equality in which increasing women's participation in the labor market features prominently. The new Development Plan set the FLFP target at 45 percent by 2035⁴, an ambitious yet inspirational objective.

This policy notes builds on the findings of the Jobs Diagnostic Phase 1 and new quantitative and institutional analysis to identify and prioritize actions likely to positively contributing to the Government objective. The result of a collaboration with the Policy Center for the New South, this note brings together additional data analysis, a new institutional review and international evidence of what works to increase Female Labor Force Participation (FLFP). In-country consultations have also been

² World Development Report 2012 on Gender and Development.

³ Using the World Bank Long Term Growth Model (while also considering the effects of closing gender gaps in human capital), Devadas and Kim (2020) estimate gains from closing the employment gap that are close to the GEGI's at 42 percent. Cuberes and Teignier (2016) offer an alternative measure. Adopting Lucas' model of occupational choice, they estimate the effects of gender gaps in both entrepreneurship and labor force participation on GDP. Once adjustments have been made to bring the measures in line with one another, Cuberes and Teignier estimate an increase in GDP per capita of close to 30 percent (see Pennings (2022) for details).

⁴ The intermediate objective is set at 25% by 2025.

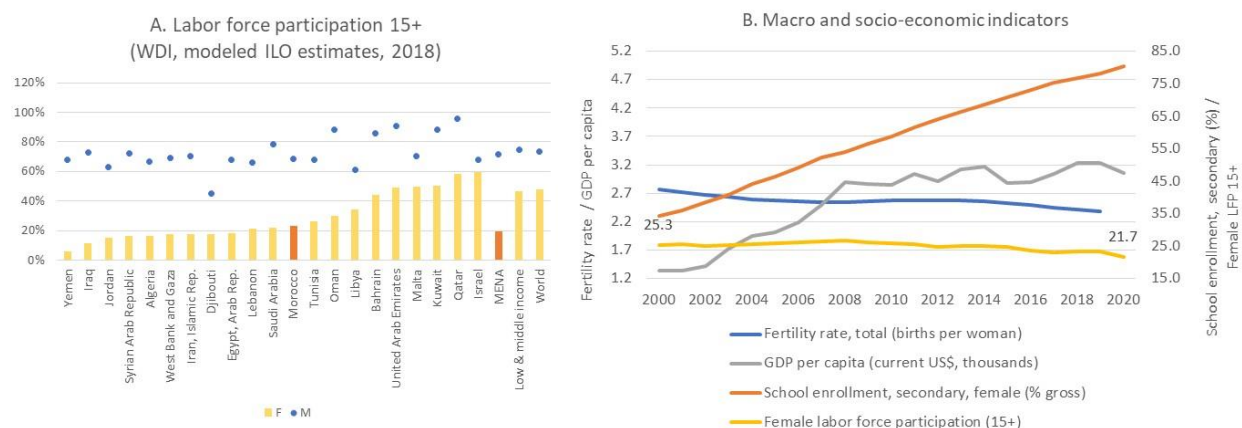
conducted and used to validate the identified binding constraints and priorities policy actions. The note is organized in three parts: Part I describes and analyses quantitatively FLFP in Morocco; Part II summarizes the binding constraints emerging from the analysis as well as the literature, applying the WDR 2012 framework to the lifecycle; Part III concludes by listing possible priority policy solutions and prioritization criteria.

PART I

An overview of women's participation in Morocco's labor market

Presently, FLFP in Morocco is among the lowest in the world, and it has been declining since 2000, despite improvements on both the economic and social fronts. In 2018, only 23.2 percent of Moroccan women aged 15 and older were engaged in income-generating activities or seeking such opportunities (LFS, 2018). This places Morocco among the bottom 10 percent of the distribution of countries ranked by FLFP. The average for women in the Middle East and North Africa (MENA) region was 19.8 percent, while the average for women globally was 47.6 percent (Figure 2, panel A). By contrast, in 2018, more than 70 percent of Moroccan men were economically active.⁵ These figures are somewhat perplexing given that the Moroccan economy has grown in recent years, the quality of the female labor force has increased, fertility decreased, and several legal restrictions to women's economic participation have lifted (Figure 2 panel B). Such improvements would suggest that Morocco, while plausibly still on the downward sloping part of the "U-shaped" function characterizing FLFP in developing countries,⁶ should have higher FLFP. Furthermore, even if development progressively moved up FLFP, together with income, recent studies suggest that such increase would be marginal and other constraints should be addressed to make the difference.

Figure 2 A. Labor Force Participation (% of population aged 15+, 2022) B. Macro and socio-economic indicators (WDI)



⁵ The *activity rate* is the ratio of active population (i.e., employed and unemployed) over the working-age population (i.e., 15+).

⁶ The U-curve theory tells us that countries, as they develop economically, experience a reduction in their FLFP rate, followed by a recovery. Thus, women participate fully in economic activity in the early stages of development, doing unpaid work on farms and family businesses. With development, however, they tend to withdraw from the workforce as jobs migrate to industries and cities. Plausible explanations for the decline in women's participation include the fact that households are gradually dependent on less than two incomes, as well as the stigmatization of the phenomenon of women engaged in manufacturing activities in factories (Caraway, 2007). For an empirical test of the U-shape hypothesis in the MENA countries see Verme, P. (2015). *Economic development and female labor participation in the Middle East and North Africa: a test of the U-shape hypothesis*. More recent empirical work from Gaddis and Klasen (2014) and Klasen (2019) has shown that the relationship is not as robust as it was once thought to be. Both papers question the existence of the U-shape pattern.

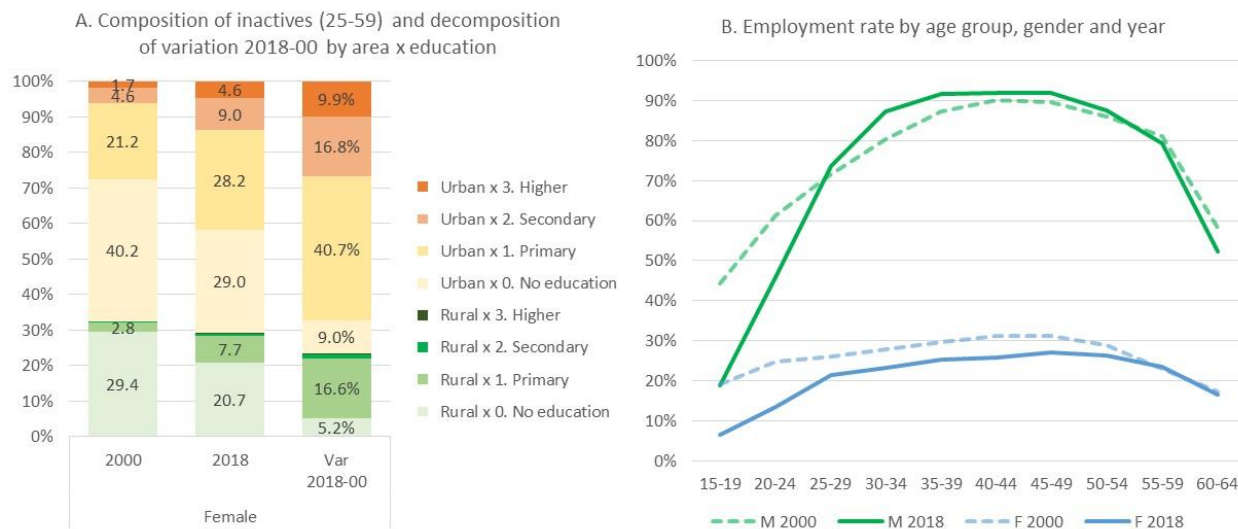
Most likely decreasing FLFP in Morocco may be due to the inability of the economy to generate jobs in sectors where women have traditionally worked, though social norms have undoubtedly played a role.

Between 2001 and 2018, employment dynamics have differed across urban and rural areas, with job creation being insufficient to absorb job losses in rural areas and the new entries in the labor market.⁷ While in urban areas the number of employed women has increased 35 percent, employment in rural areas remained mostly stable, with a decrease between 2010 and 2018 in agriculture and the textile industries. At the same time, new entries in the labor force totaled more than 3 million women, against a total of 280,000 jobs created. Many who lost jobs in rural areas were low skilled and have been unable to find jobs in other industries, probably because they lacked transferable skills or physical mobility.⁸ In-country consultations suggest the Islamic leadership between 2010 and 2020 may have exacerbated existing patriarchal social norms and contributed to the decrease.⁹

Most inactive women are aged 25-59, have no or low education, are married with children, and live in urban areas; however, there are signs of structural changes, with younger and more educated women remaining out of the labor force.

Participation is low and similar for women of all age cohorts, but never above 33 percent. FLFP decrease in the last twenty years is more accentuated among young women, only partly explained by increased school enrollment. The so-called generational shift—that is, increasing participation for younger cohorts with older women gradually leaving the working force has yet to materialize. Women with secondary or higher education are considerably more likely to work (34 percent secondary, 64 percent higher, adjusted rates¹⁰), but the decline was more pronounced for this group (-11 p.p.), progressively shifting the composition of the inactive: educated women are responsible for almost one-third (27 percent) of the +2.1M headcount increase in inactive women since 2000 (Figure 3, panel A).

Figure 3 A. Composition of inactive women (LFS, 2018) B. Employment rate by age group, gender and year (LFS, 2018)



The positive relationship between women's employment and education remains strong in Morocco, but is weakening with decreasing returns. More-educated women are three times more likely to be active

⁷ Lopez-Acevedo, G., Betcherman, G., Khellaf, A., & Molini, V. (2021). Morocco's Jobs Landscape: Identifying Constraints to an Inclusive Labor Market.
⁸ Ibidem. Premature deindustrialization left those who had been let go from the agricultural sector without the skills to transition to another sector (such as textile), resulting in loss of labor productivity.
⁹ Lopez-Acevedo, G., Devoto, F., Morales, M., & Roche Rodriguez, J. (2021). Trends and Determinants of Female Labor Force Participation in Morocco: An Initial Exploratory Analysis
¹⁰ Excluding those still in education.

than those with low education, although this gap has narrowed significantly in recent years. Educated women's probability of participating is still far below men's (-22 p.p.), for which differences between low and higher educated are negligible. In fact, while female employment does increase with education, the opposite holds for men, although the relative advantage of having higher education for women is limited (Figure 4, panel A). Women in this category have experienced a dramatic increase in unemployment since 2010, now exceeding 50 percent for young, educated, and unmarried women living in urban areas (Figure 4, panel B).

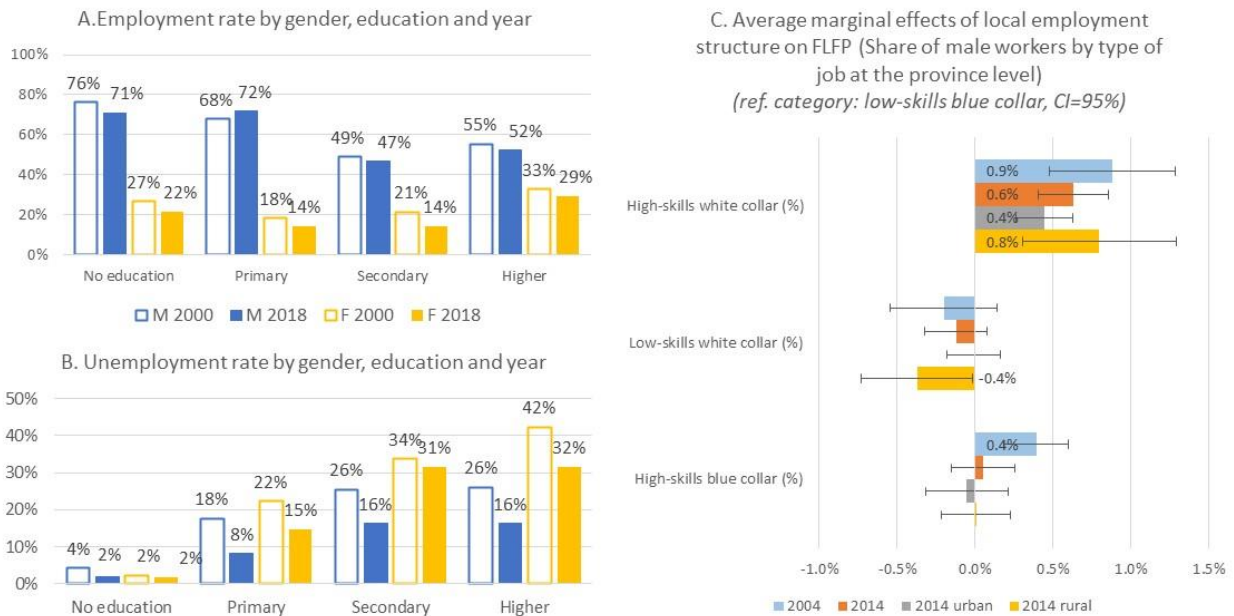
Women's employment is generally low and concentrates in few sectors, in particular agriculture (51 percent) and services (30 percent). The latter offers more attractive, higher-skilled (white collar) jobs,¹¹ as women's participation responds to increases in demand for qualified workers. The considerable gender gap in participation is mirrored in employment (56 p.p.), which fell to a staggering 19 percent for women, down from 25 percent in 2000 (Figure 4, panel B). These low levels of employment result from the increase in both inactivity and unemployment. Although its share is decreasing, agriculture still absorbs half of employed women (+20 p.p. than men), with the large majority of them being unpaid, low-skilled, family workers, living in rural areas. An increasing share of women are employed in specific-sub sectors of services in urban areas, offering attractive alternatives to agricultural jobs: women are five times more concentrated than men in human health and social work activities, three times more likely to be in education, and almost twice as likely to be in professional and scientific activities. Regression analysis of the determinants of FLFP confirms the importance of labor market at the local level:¹² a one percent increase in the share of male workers in high-skilled, white-collar jobs at the province level is matched by a 0.6 p.p. increase in the probability of being active for women living in the same province¹³ (Figure 4, panel C).

¹¹ High skilled white collar (ISCO codes 1,2 and 3) includes legislators, senior officials and managers, professionals and technicians, and associate professionals.

¹² For empirical work adopting the same approach see Klasen, S., & Pieters, J. (2015). What explains the stagnation of female labor force participation in urban India; and Chatterjee, U., Murgai, R., & Rama, M. (2015). Job opportunities along the rural-urban gradation and female labor force participation in India.

¹³ See Table 1 for model specifications.

Figure 4 A/B. Employment/unemployment rate by education, gender and year (descriptive statistics) (LFS) C. Average marginal effect of local labor market conditions on women's probability of being active (regression estimates, see Table 1 for model's specifications) (Data: Census-IPUMS).



BOX. Regression analysis: determinants of the female probability of being active

We estimate the probability of participation to the labor market for women (15-64) based on individual characteristics (age, education, marital status), household characteristics (household size, number of children 0-5 and 6-15, number of elderly 65+, household head education, presence of at least one male wage-worker in the household), and local labor market conditions in terms of the structure of local employment (share of male workers 15+ with a high/low skills white/blue collar job at the province level), area of residence (not available for 2004) and region fixed effects. The model has been separately estimated with census data for (i) 2004, (ii) 2014, (iii) 2014 only urban areas, and (iv) 2014 only rural areas.

Most of the results confirm the descriptive evidence highlighted so far. Higher education dramatically improves women's chance to participate to the labor market over time, while getting married offsets a large part of these gains. Household duties and caring activities represent a constraint for women, as a higher presence of very young children (0-5) and elderly (65+) makes women less likely to be active. Similarly, the presence of at least one wage worker in the household tends to weaken the need for female work, depressing their participation, while the role of household's head education is less clear over time. In addition to other contextual factors, the quality of local labor demand matters for women's activity. Indeed, a higher incidence of high-skilled jobs in the structure of employment at the province level is accompanied by higher female participation due to more suitable jobs for women.

Table 1 Estimation results (average marginal effects): determinants of the female probability of being active (probit model). Data: Census, 2004, 2014 (IPUMS). Sample: women (15-64) excluding students. Note: p-values: * p<0.05 ** p<0.01 *** p<0.001. Standard errors clustered at the province level.

Sample		2004	2014	2014 urban	2014 rural
Education (ref. less than primary)	Primary	0.0799***	0.0553***	0.0729***	0.0105**
	Secondary	0.253***	0.281***	0.249***	0.183***
	University	0.381***	0.531***	0.447***	0.354***
Marital status	Married	-0.355***	-0.333***	-0.343***	-0.164***

	Divorced/Widowed	-0.129***	-0.0910***	-0.0829***	-0.0354***
<i>(ref. Single)</i>					
Household characteristics	Household size	-0.000227	-0.00449***	-0.00701***	-0.00277***
	N of children in the HH (0-5)	-0.00678**	-0.0183***	-0.0350***	-0.00426**
	N of children in the HH (6-15)	0.00197	0.000409	-0.00612**	0.00471***
	N of elderly in the HH (65+)	-0.00397*	-0.0120***	-0.0180***	-0.00475*
	HH head education: primary	-0.0103*	-0.0168***	-0.0133***	-0.0257***
	HH head education: secondary	0.0160**	-0.00653*	-0.000601	-0.00752
	HH head education: university	0.0462***	-0.000328	0.00940	-0.00777
	Wage-workers in the HH	-0.0244***	-0.0178***	-0.00920**	-0.0195***
Structure of local employment Share of male workers 15-64 at the province level by type of job <i>(ref. Low-skills blue collar)</i>	High-skills blue collar	0.00394***	0.000521	-0.000511	0.0000644
	Low-skills white collar	-0.00198	-0.00122	-0.0000745	-0.00371*
	High-skills white collar	0.00880***	0.00629***	0.00446***	0.00797**
Area of residence <i>(ref. Rural area)</i>	Urban area		0.0727***		
	Region F.E.	Yes	Yes	Yes	Yes
	Observations	440,729	997,437	612,226	385,211
	Pseudo-R2	0.24	0.26	0.29	0.11

Essential FLFP differences between female segments of the population suggest that constraints may affect these groups differently:

- Rural and urban women have different resource and human capital levels and face very different labor market conditions.** A large 92 percent of women working in rural areas, mostly low-educated, work in agriculture, most often as un-paid family workers (71 percent), and almost exclusively in the informal sector (Figure 5, panel A). Urban women, in contrast, are less likely to be active, but when they work, they have better chances of being wage workers (82 vs 9 percent in rural areas) and of having better employment conditions. Considering those working for a wage, women in cities have a higher probability of being affiliated with social security (58 vs 23 percent), working for the public sector (24 vs 11 percent), and having permanent full-time contracts (92 vs 68 percent).
- Highly-educated women have better access to high-skilled service jobs, but public administration—often preferred because of working conditions—cannot keep absorbing the growing number of educated workers; also, manufacturing is losing ground in industrial sector employment.** Most highly-educated women are employed in services (80 percent), and while much lower for low-educated women, it has increased from 8 to 15 percent in recent years; still, agriculture is prevalent among this group (67 percent) (Figure 5, panel B). More than half of the occupations for the educated are high-skilled, while vertical skills-mismatch is limited to 7 percent; on the opposite, low-skilled occupations are predominant for those with no or little primary education (68 percent). Among those working in services, the highest shares of highly-educated are employed in education (33 percent) and

public administration (14 percent) — sectors usually preferred by women¹⁴ — although the latter fell by more than 11 p.p. in recent years. Moreover, manufacturing has considerably fallen from 90 to 77 percent for highly educated workers in industries (slightly less so for low educated), thus reducing the supply of good jobs for this group, as a consequence of premature deindustrialization.

- **Married women are particularly disadvantaged in the labor market, with a large gap compared to single women that does not decrease over the life cycle and worsens in presence of pre-school children in the household.** Unmarried women, whether educated or not and in all residence areas, are considerably more likely to be active and working. This continues to be the case across ages (Figure 6, panel A). On the contrary, regression analysis estimates¹⁵ show that married women are the most disadvantaged,¹⁶ especially in urban areas (Figure 6, panel B). They have a 35 p.p. lower probability of participating relative to unmarried women, and 23 p.p. lower than divorced women or widowed. This penalty increases with the presence of pre-school children's and elderly (75+), all things equal,¹⁷ pointing to the distribution of caring household responsibilities and the accessibility and/or acceptability of external services.

¹⁴ Verme, P., Barry, A. G., & Guennouni, J. (2016). Female labor participation in the Arab world: Evidence from panel data in Morocco

¹⁵ See footnote 13 for model's specifications.

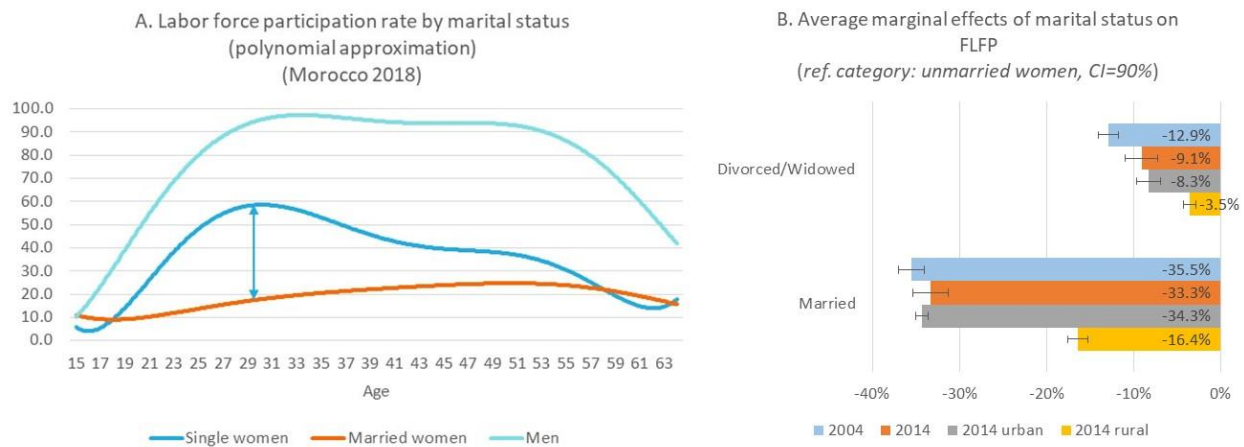
¹⁶ The negative relationship between the presence of children and participation in the labor force is well established in the literature, although interpretation of this relationship may be complicated by the endogeneity of fertility. For Morocco, Verme et al., 2016 (based on LFS 2007-2011) show that the probability of participation decreases with the number of children below six only, while the number of children out of school and out of work (NEET) between the ages of 7 and 17 increases female participation in urban and rural areas (older siblings may take care of younger increases mother's chance of being active). Lopes-Acevedo et al., 2021, Trends and Determinants of Female Labor Force Participation in Morocco, finds contrasting evidence for this result: when using LFS 2001-18, the higher the number of children under 10 in a household, the more likely the woman will participate, but the opposite holds when using World Values Survey 2001-11.

¹⁷ See Table 1 for model specifications

Figure 5 A. Female employment characteristics by area of residence (LFS, 2018) B. Female employment characteristics by education (LFS, 2018)



Figure 6 A. Labor force participation rate by age and marital status (polynomial approximation of standard rates over age) (LFS, 2018) B. Average marginal effect of marital status on women's probability of being active (regression estimates, see Table 1 for model's specifications) (Data: Census-IPUMS).



PART II

Constraints to participation over the lifecycle

While weak job creation plays a critical role in low FLFP, other market and institutional factors affect women differently based on their characteristics and across their lifecycle. The existence, magnitude and persistence of gender gaps in outcomes are determined by the interactions of markets, formal and informal institutions, and household preferences (WDR, 2012¹⁸). Such interactions may affect women differently, based on their characteristics, resources, and specific moments in their life. Namely, constraints may bind differentially when *preparing* for an active life; when deciding to *enter or stay* in the labor market, or when they start *building a family*.

Preparing

Investing in children's health (both nutrition and health care) and education from their earliest years is crucial to their development and earning capacity through their entire life; Morocco does not seem to disadvantage girls in this preparatory phase. The Human Capital Index (HCI) is a tool designed to show how improvements in health and education outcomes among children can translate into improvements in their productivity as adults.¹⁹ The HCI combines measures of survival (probability of survival to age 5), health (the survival rate from ages 15 to 60 and the fraction of children under age 5 not stunted), and education (expected years of schooling and harmonized test scores) into a single value of productivity.²⁰ Between 2010 and 2020, Morocco's HCI value increased from 0.47 to 0.50, still lower than the MENA average. The gender disaggregated index for Morocco, however, suggests that girls perform as well as boys. In 2020, the HCI value for girls was 0.52, while the HCI value for boys was 0.49. The health component of the HCI shows that girls' and boys' long-term prospects are equal, while the education component shows that girls outperform boys on expected years of schooling (10.5 vs. 10.3 in 2020) and on harmonized test scores (386 vs. 375 in 2020).²¹

In contrast to subsequent lifecycle stages, rife with barriers to employment outside of the home, comparatively few barriers during the "preparatory" stage exist for women, as the HCI values confirm. For example, with the notable exception of the pre-primary level, gender parity has been achieved in terms of enrollment in primary, secondary, and tertiary education (World Bank Gender Stats, 2000-20). The number of females graduating from higher education with a degree in a traditionally male field has also converged toward gender parity. In 2017, 45.3 percent of Science, Technology, Engineering, and Mathematics (STEM) diplomas were granted to female graduates (World Bank Gender Stats, 2000-20²²). This data aligns with Arab Barometer data from 2018-21 on educational expectations for girls: more than 74 percent of the Moroccan men and 76 percent of the Moroccan women surveyed *disagreed* with the statement that university education is more important for boys (Arab Barometer, 2018-21).

The one non-negligible factor that may still impede girls' ability to complete their education and thrive in the labor market is early marriage and childbearing, more prevalent in rural regions where legal

¹⁸ World Bank (2011). World development report 2012: Gender equality and development. The World Bank.

¹⁹ World Bank (2020) The Human Capital Index 2020 Update: Human Capital in the Time of COVID-19.

²⁰ Ibid. "The HCI uses the estimated earnings associated with an additional unit of health and education to translate them into contributions to worker productivity, relative to a benchmark of complete education and full health. The resulting index ranges between 0 and 1. A country in which a child born today can expect to achieve full health (no stunting and 100 percent adult survival) and full education potential (14 years of high quality school by age 18) would score a value of 1. Therefore, a score of 0.70 indicates that the productivity as a future worker of a child born today is 30 percent below what could have been achieved with complete education and full health."

²¹ World Bank (2020) HCI Morocco Brief.

²² Another data point, more detailed, on education in stem is UNESCO (2021). To be smart, the digital revolution will need to be inclusive. UNESCO Science Report: The race against time for smarter development.

loopholes still exist. Moroccan marriage laws are governed by the 2004 Family Code, with the legal age of marriage for both males and females at 18. However, a judge can allow marriage before the age of 18 and here are no penalties for engaging in, or supporting, early marriage. According to the Ministry of Justice, almost all applications submitted to the court for early marriage are approved (OECD, 2019). In 2018, 13.7 percent of women aged 20 to 24 had gotten married before the age of 18 (World Bank Gender Stats, 2004-18). According to Morocco's Ministry of Justice, in 2019, 98 percent of requests for marriage to underage girls came from rural regions. While the average age of first marriage for Moroccan women is 24, it has declined in recent years from 26, and the average age of first marriage for Moroccan men has remained constant at 31. Additional qualitative data is needed on society's tacit support for early marriage, as well as the trend toward a younger age of first marriage for females but not males. Strong international evidence from developing countries associates early marriage to early childbearing, which can have significant short and long-term impacts on mother and child, resulting in harming their labor market trajectories and perpetuating inter-generational poverty (Wodon et al., 2017, among others).

Entering and staying

1. Wage employment

The skill endowment is critical in promoting access to jobs, particularly for women. However, higher skills are insufficient to eliminate the gender gap in the labor market. In Morocco, higher education is particularly relevant for women's employment compared to men, who are much more likely to have a job regardless of their education. On the other hand, while fields of study matter for the labor market outcomes, women systematically lag behind men²³. Women who graduated in STEM-related areas have better employment chances, and lower but still existing inactivity rates (while it vanishes for men). Nonetheless, STEM-degree holders suffer a high level of unemployment, which is steady across fields. Skilled unemployment may point to a skills mismatch in the labor market as more than 30 percent of employed (25-34) university degrees are overqualified. However, women tend to have relatively more high-skills occupations than men due to more selectivity in job's choice or self-selection of those with more abilities into the labor market. Therefore, skills mismatch does not seem to be gender specific.

Besides limited job availability, discriminatory hiring and work laws explain women's limited take-up of private sector wage employment, especially in rural areas where wage employment is particularly scarce. Weak job creation is unquestionably a first-order problem; on average, 60,000 wage jobs are being created each year for an estimated 400,000 people seeking to enter the labor force. Of those newly created jobs, only 15 percent are taken by women, the great majority in urban areas. Besides slow job creation, discriminatory laws include provisions prohibiting hiring women for certain tasks/sectors or at certain times, and other *protective* norms making it more costly to hire women and generating preferences for employers to hire men. Working environment barriers including non-family friendly working hours, no gender diversity, violence/harassment in the workplace and insufficient policies to prevent it, may discourage women from going against prevailing social norms to look for private sectors jobs. Finally, limited safe transport options represent an important barrier. For all these reasons, the evidence suggests that getting a formal private sector job is still difficult for Moroccan women, particularly in rural areas where norms are stronger and sectorial and physical mobility more difficult.

Morocco has made notable strides in gender-responsive, democratic governance over the past decade due to legal reforms to promote and protect women's human rights and gender equality. Studies show

²³ Overcoming barriers to youth employment in Morocco: An in-depth diagnosis and the policy implications, The World Bank, forthcoming.

that laws and regulations can influence women's participation in the economy. Empirical evidence confirms that legal gender differences reduce FLFP and negatively affect GDP growth (Gonzales et al., 2015), while an expansion of women's legal rights can spur gains in their employment (Hallward-Driemeier and Gajigo, 2015). Since 2004, several reforms have made the legal framework much more progressive, starting with the reform of *Moudawana*, or family code, that year, and enshrining the principle of gender equality in Morocco's Constitution in 2011.²⁴ The Labor Code now includes protections for women, such as the right to paid maternity leave, and the right to a time and place during the workday to breastfeed. The World Bank's Women Business and the Law index for 2021 ranks Morocco 75th out of 100, higher than the MENA average of 51.5, reflecting recent progress.

However, Morocco still has room for progress in the field of labor and family law. The same norms included to *protect* women still prohibit them from working in certain sectors and during certain times.²⁵ The 2004 Family Code still grants husbands authority over their wives, which means they can prevent them from seeking employment outside the home or working in a firm that also employs men. While few days of paternity leave are contemplated in the Labor Code, parental leave does not exist. Finally, the national legal framework is still insufficiently harmonized with the provisions of the Constitution and duly ratified international conventions. The World Bank *Women Business and the Law* disaggregated index suggests that Morocco could consider improving legal equality for women by reforming laws affecting women's remuneration, constraints related to marriage and divorce, laws affecting women's work after having children, gender differences in property and inheritance, and laws affecting the amount of a woman's pension. Some evidence (Arab barometer 2022) suggests that low wages is a constraint to participation for woman, but no wage data is currently available to validate this quantitatively, nor to validate the existence of a wage gap.

Gender-based violence (GBV), known to profoundly harm Moroccan women's ability to work outside of the home, has been increasing. GBV can take many forms, including psychological, physical, sexual, and economic. GBV can take place at home, in schools, in the workplace, and in public spaces, such as on public transportation. Data on the incidence of GBV experienced by women in Morocco between the ages of 18 and 64 in 2009 and 2019 indicate that psychological and physical GBV have gone down, while sexual and economic GBV have increased considerably, from 9 to 14 percent and from 8 to 15 percent, respectively. GBV increased similarly in both urban and rural areas. International evidence clearly shows that GBV, or the perception of its risk, represents a strong constraint to FLFP. Descriptive work from India and Bangladesh suggests that awareness and perceptions of the risk of sexual harassment and assault constrain women (Siddique Forthcoming; Ahmed and Kotikula, 2021). New experimental work with female college students in India finds that, four months after a training to raise awareness on sexual harassment, trained young women were less likely to accept a hypothetical job offer with teams composed primarily of men (Sharma, 2022). While it was not possible to validate this quantitatively in Morocco, in-country consultations on constraints to wage employment have repeatedly mentioned sexual harassment at work and in public as particularly binding.

The Government of Morocco (GOM) has established a number of initiatives starting in 2002 with the National Strategy to combat violence against women. The strategy obliges different ministries, such as the Ministry of Justice and the Ministry of Health, to take specific actions. In 2008, a multi-sectoral program named Tamkine was launched with the goal of combatting GBV and empowering girls and

²⁴ Articles 19 and 164 discuss gender parity, while Articles 30, 115, and 146 discuss quotas for female candidates for elected positions. The 2004 Family Code made significant strides with respect to granting women rights that are equal to men's. For example, the minimum marriage age for women was raised from 15 to 18, bringing it in line with the minimum marriage age for men; women are no longer required to seek the permission of a guardian to marry; women may initiate divorce; and in the case of divorce, the parent who is granted custody is allowed to keep the family home.

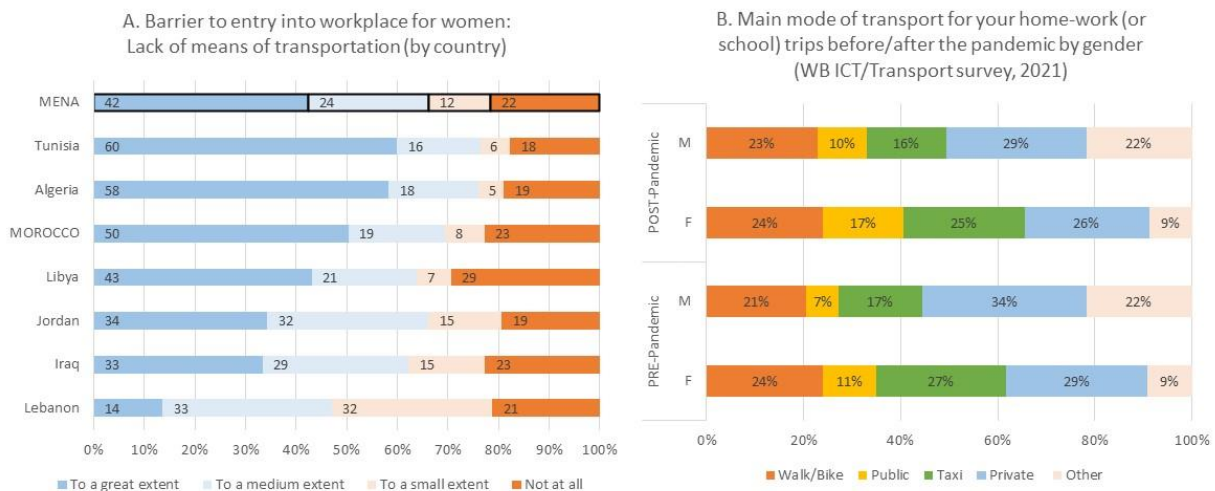
²⁵ Articles 79 et 181 of the Labor Code. Articles 172 et 173 set us stringent conditions for women work at night, including on transport.

women in different parts of the country. In 2013, the Government created an Observatory (*l'Observatoire nationale de la femme*) to consolidate efforts among the different Ministries with regard to combatting GBV. To that end, the special post is charged with, among other things: overseeing efforts to implement the national strategy; collecting data and writing reports; collaborating with like-minded posts and research institutes; and developing campaigns to educate the greater populace. One year after creating the Observatory, the Government created a digital record-keeping system to serve as a repository for data on GBV obtained from courts, hospitals, and police throughout the country. Finally, the passage of Law No. 103.13 in 2018 is intended to tackle GBV along four key legal dimensions: prevention, protection, justice, and support.

Despite the range of initiatives pursued to combat GBV, results are mixed. Existing GBV initiatives have a number of weaknesses: first and foremost is the lack of a dedicated budget. At present, most of the above-mentioned initiatives are reliant on funds from a number of different domestic and international entities. At the same time, the highly regarded 2018 Law No. 103.13 lacks specificity in defining key terms and concepts, making it difficult to prosecute offenders. Additionally, little monitoring and evaluation of the various initiatives has occurred to see if they are actually achieving intended objectives. Based on the cited statistics, GBV-prevention initiatives seem to be failing in a number of areas, such as economic GBV that doubled between 2009 and 2019.

Be it due to discrimination or GBV, differences between Moroccan women's legal rights and those in practice in society are significant, and they unquestionably impede women's ability to seek and obtain formal private sector wage work. Women continue to have more difficulty than men accessing the legal system, let alone exercising their rights within it. Institutional analysis points to lack of information by women about their rights and how to access the system, uneven application of the law by the courts by gender, weak labor inspections and abuse reporting. These apply to child marriage, as mentioned, but also to violation of anti-discriminatory labor laws, protection against gender-based violence and access to support system, and even to attribution of social protection benefits, which are systematically delivered to men even if the law allows otherwise. Yet, international evidence unequivocally shows how control over income matters for women's labor supply (Carranza et al., 2021; Field, et al. 2021).

Figure 7 A. Cross-country measure of lack of transportation as a barrier to employment (Arab Barometer, 2021) B. Main transport means before/during the pandemic by gender (WB ICT/Transport survey, 2021)



Lack of viable transportation options also inhibits Moroccan women from seeking and obtaining formal private sector wage work. To contribute to FLFP, be it in urban or rural areas, it is necessary to ensure women's access to safe and comfortable public transport services and networks at acceptable costs. Yet, over 54 percent of Moroccan women consider lack of means of transportation as a substantial barrier to entering the labor market, while an additional 14 percent consider it an issue to a medium extent (Figure 7, panel A; Arab Barometer, 2021). Our regression analysis confirms the importance of local labor market conditions, as illustrated in the previous section, and that mobility constraints prevent women from pursuing work opportunities, validating international evidence that lack of transportation affects women more than men.

Morocco has an extensive but aging public transportation system, both intra and inter-city; but options for women to commute remain limited, especially in rural areas. Morocco's intra-city public transport is composed of buses, streetcars, and taxis, while its inter-city public transport is composed of highways and railways that carry ride-share vehicles and passenger trains. The high and rising cost of transportation is a concern for everyone, but especially for women, and even more so when they have children. Women tend to use public transport intensely versus private cars, contrary to men, and do more frequent and longer trips (Figure 7, panel B; WB ICT/Transport Survey, 2021). Safety is another concern for women—whether unmarried, married, or married with children—as harassment on public transport continues to occur, especially along less-traveled routes, in rural areas, and on nighttime routes. In some rural areas, upwards of 40 percent of women who work outside of the home travel to and from jobs on foot (most rural areas are inaccessible to buses). In urban areas, women tend to prefer taxis due to time-saving, comfort, and safety. However, Moroccan taxis can pick up many clients at the same time if they are going in the same direction. Also, due to traffic in some areas, taxi drivers may refuse to pick a client if she is going in the *wrong* direction. Tramway built in Rabat and Casablanca connect essential parts of both cities with a growing network. However, women face safety issues in walking to stations, especially in some areas. In-country consultations and the institutional analysis suggested that the governance structure of the sector, including its fragmentation, currently doesn't allow for the systematic consideration of gender-specific needs in its planning functions.

Finally, social norms seem to harm the ability of women of work outside home for a wage due to private sector working conditions, especially in rural areas. The societal perception is that men's employment is more important than women's, especially in times of job scarcity. According to survey in 2001, in 2000, 90 percent of males and 84 percent of females held this view, while ten years later, 76 percent of men still held this view while the corresponding figure for women had dropped to less than 50 percent (World Values Survey, 2011). Our regression analysis using the Moroccan census series (2004 and 2014) reveals that the presence of a working men in the house is significantly and negatively correlated with the participation of women in the labor market, particularly in rural areas, although the negative probability decreased over time. Consultations with government, private sector, and civil society reveal that women in rural areas find it very difficult to get approval from husbands or fathers to work in a firm where other men are employed, and where working hours are not flexible enough to accommodate women's household responsibilities.

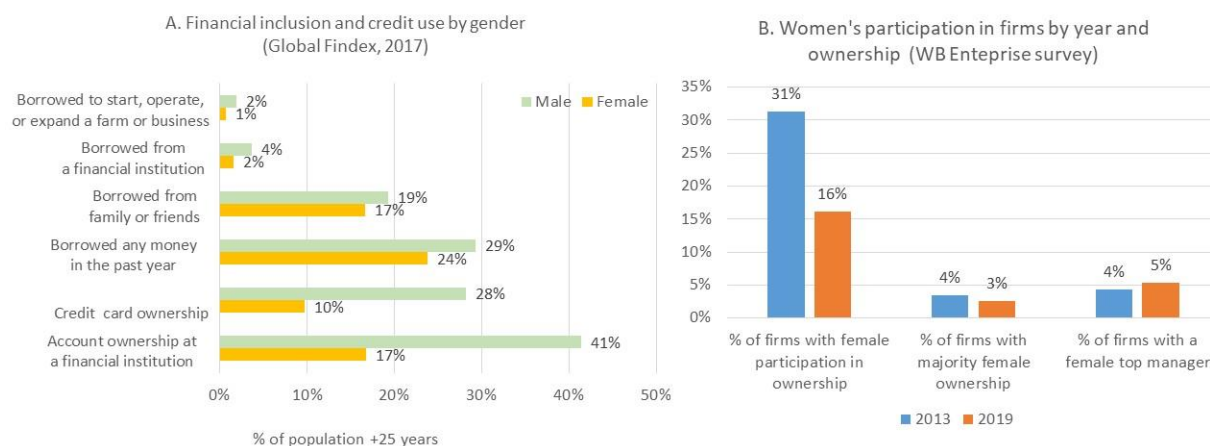
2. *Entrepreneurship/self-employment*

Moroccan women also struggle with entrepreneurship. Over the past decade, firms with female participation in ownership decreased from 31.3 percent to 16.1 percent. During the same period, the share of firms with majority female ownership decreased from 3.5 percent to 2.6 percent, while the share of firms with a female top manager increased from 4.3 percent to 5.4 percent (World Bank Enterprise

Survey, 2013-19). In 2021, Morocco adopted a new law establishing a gender quota in public limited companies (EPAs): Boards of Directors or Supervisory Boards must include a minimum 30 percent gender parity in the next three years, and 40 percent in the next six years, a goal that seems unrealistic without concrete actions. Entrepreneurship is critical to Moroccan women's economic empowerment, particularly in rural areas where formal private sector wage work is especially constrained.

Financial inclusion for women is very low, and an obstacle to female entrepreneurship in Morocco, stemming in part from the legal framework and its implementation. Legislation regarding entrepreneurship guarantees gender equality when it comes to registering contracts and businesses, as well as opening bank accounts and accessing credit (Women, Business, and Law, 2022). Reality, however, paints a different picture yet again. In 2017, fewer than 17 percent of Moroccan women had a bank account, compared to more than 40 percent of Moroccan men (Figure 8, panel A; Global Findex, 2017). Similarly, women and men have equal rights to moveable assets during marriage, but widows do not have the same rights to inherit moveable assets from deceased spouses as widowers, just as daughters do not have the same rights to inherit from their parents as sons. Furthermore, Moroccan women's rights to immovable assets, such as land, are no less fraught. In particular, many Moroccan women are presently excluded from inheriting land, including communal property controlled by tribal leaders, estimated to represent upwards of 40 percent of Morocco's land. Since inheritance provisions come directly from the Quran, changes to the legal framework are particularly difficult. Given that moveable and immovable assets can serve as collateral for credit and a means to acquire productive inputs, this could partly explain women's limited financial inclusion. While access to credit *per se* does not seem constrain FLP or entrepreneurship (although it is for business profit and growth), control over resources does; hence, financial inclusion is critical (Field et al. 2021, Carranza et al. 2021²⁶).

Figure 8 A. Financial inclusion (Global Findex, 2017) B. Women's participation in businesses by year and ownership (World Bank Enterprise Survey, 2013-2019)



Recognizing that Moroccan women are under-represented in business creation, ownership, and management,²⁷ several governmental programs help women with different aspects of the entrepreneurial process. For example, *Ilayki*, created in 2013, is focused on helping women with business start-up by guaranteeing up to 80 percent of bank loans. *Min Ajiliki*, also created in 2013, focuses on

²⁶ Field et al. 2021 show how, by experimentally offering women beneficiaries of the workfare scheme a direct deposit account in their own name (along with a short training on how to use the account), women increased their labor supply. This effect was primarily found among women whose husbands had the most restrictive ex ante attitudes towards women's employment. Carranza et al. 2021 show how giving illiquid savings to women factory workers in Côte d'Ivoire helped these women avoid the pressure to redistribute this income and it increased their labor supply and earnings.

²⁷ (Figure 8 panel B, World Bank Enterprise Survey 2013-2019).

mentorship and women who are in the business concept phase, would like to formalize existing informal activities, or have already operational businesses. *Fima Baynahun*, created in 2009, focuses on helping established female entrepreneurs improve management skills while building and expanding networks. While *Infatih Laha*, created in 2012, focuses exclusively on technology; for example, by helping female entrepreneurs bring goods and services on-line.

We do not know much about the efficacy of these programs because of lack of routine program monitoring and evaluation; qualitative evaluations suggest inherent weaknesses limit the long-term potential. First and foremost, the programs' lack of concentrated attention on ameliorating the mentioned three biggest obstacles to female entrepreneurship in Morocco—lack of access to credit, land, and productive inputs—is a concern. Mentoring is crucial, and there needs to be more of it, especially in after business start-up, but mentoring is not a replacement for access to financing. Banking needs to be expanded and simplified. For example, many banks are only in urban areas, leaving out rural women and still leaving out those without property to use as collateral. Finally, in-country consultations as well as our background institutional analysis suggest that access to information is problem for women, who are often are not aware of existing programs and opportunities, especially in peri-urban and rural areas.

Marrying and starting a family

Moroccan women who wish to work outside of the home encounter yet another set of obstacles after marrying and having children. Ninety percent of Moroccan women ages 15 to 25 who are married and have children are neither in school nor working (NEET). The corresponding figure for married men with children is only 5 percent. The reasons for the lack of labor force participation of women at this stage of the lifecycle are manifold, with social norms playing a strong role.

In Morocco, as elsewhere in MENA, patriarchal customs predominate, especially among those with less education and who live in rural areas. For example, the male breadwinner-female caregiver model is a social structure based on the belief that men are supposed to economically provide for the household while women are supposed to bear and raise children, care for all family members, cook, and clean, among other household tasks. According to the 2011 World Values Survey, 74 percent of Moroccan men surveyed believe that "being a housewife is just as fulfilling as working for pay", and 60 percent of Moroccan women surveyed shared that belief. Moroccan women spend an average five hours per day involved in "domestic work and caring", while the corresponding figure for Moroccan men is 43 minutes (HCP – Time Use Survey, 2012). The COVID-19 pandemic has showed internationally how lack of childcare constrains women; emerging evidence points to a disproportionately large shock for women in labor markets (Kugler et al., 2021) and for women-owned firms, due to domestic and care work burdens (Goldstein et al., 2022). Evidence from Morocco is consistent with this global pattern: findings from an online survey early in the pandemic confirm that married people have less leisure time than unmarried and women dedicate longer hours to household chores and care work.²⁸

In this framework, it is critical that parents be able to access childcare that is culturally appropriate, reasonably priced, and located nearby. More than 70 percent interviewed Moroccans report that lack of childcare options is a relevant barrier for FLFP, particularly for women over age 30 living in urban areas with primary education. This view is prevalent for men as well (Arab Barometer, 2021). The World Bank's

²⁸ WB (2022) Household Production and Gender Roles: Insight from a Rapid Online Survey in Morocco, Forthcoming in the Maghreb Technical Working paper Series, The World Bank.

World Development Report (WDR) 2012 reported qualitative studies based on interviews from 20 countries across all regions, including Morocco, showing that norms about women's roles are closely designed around household and childcare activities (World Bank, 2015). Furthermore, respondents to the Household and Youth Survey 2009-2010 identified domestic work, including childcare, as the main obstacle preventing women from working.

Over the past two decades, the GOM has demonstrated interest in providing pre-school services. The Government has variously published its plans in the 1999 National Charter on Education and Training (*la chartre nationale d'éducation et de formation*), which formally established the pre-school level of education; the 2009/2012 Emergency Act (*le programme d'urgence*), which reinforced the importance of following through on the ideas outlined in the 1999 National Charter; and the 2015-2030 Strategic Vision for Education (*la vision stratégique de l'éducation*), which emphasized the need to formalize and mainstream aspects of the pre-school level of education highlighted in the 2009/2012 Emergency Act. At present, daycare and pre-school options in Morocco are variously overseen by the Ministry of Education, the Ministry of Habous and Islamic Affairs, the Ministry of Youth and Sports, and the Cultural Affairs Sections of Embassies. Options are varied, both in terms of governance (private, public, semi-public) and religious underpinnings (secular or Islamic). However, options for ages 0 to 3 years are very limited, exclusively private, and officially absent from the education system.

Lack of centralized oversight and diversity of options represent both strengths and a weakness in Morocco's existing daycare and pre-school programs, while other concerns include costs and demand issues. On the one hand, different pre-school programs meet different parents' needs, but decentralized oversight means that governance, regulations, and financing are uneven. There are clearly more programs for children aged 4-5 than children aged 0-3, but they tend to concentrate in certain geographic regions and mainly urban areas. Furthermore, the quality of care and of infrastructure is very uneven, causing families to be reluctant to leave children, especially young girls, in pre-school. In fact, as mentioned, the pre-primary is the one level of education for which Morocco has not achieved gender parity (World Bank Gender Stats, 2000-20). More than 40 percent of women and almost 60 percent of men believe that a pre-school child suffers when his/her mother works, an attitude that negatively correlates with the level of education (World Values Survey, 2011).

Women in rural areas have found some solutions allowing them to engage more in the labor market, although under questionable working conditions. As a consequence of the limitations mentioned, rural women who need daycare for children 0-5 have few informal options (including leaving children with other family members) that meet minimum criteria: culturally appropriate, reasonably priced, and nearby. Culturally appropriate includes factors such as the male-to-female ratio, appropriate methods of disciplining, infrastructure, and trust. In urban areas, conversely, where family are more likely to be nuclear, the need for childcare services in the proximities is more acute and women encounter more difficulties to find the time to work, as illustrated in the regression analysis presented in *Part I*.

PART III

Priority Actions

Background empirical and institutional analyses, in conjunction with international evidence on what works and in-country consultations with government, academia, private sector, and NGO experts, helped identify a number of multisectoral priorities for policy actions. The suggested policy actions focus

on specific, binding aspects of various "barriers to entry" affecting women as described. We call for additional data collection and evidence where knowledge gaps persist.

WDR 2012 emphasizes that addressing only one aspect will likely not result in significant improvements, as several dimensions interact to constrain FLFP. As indicated in Part II, outcomes are the result of the interaction of several dimensions, including market (low demand; lack of childcare services; non-family friendly working conditions; lack of transport; limited financial inclusion); formal (discriminatory laws and insufficient enforcement) and informal (norms) rules and institutions; and household decisions. In light of this complex set of factors, we advise a more holistic approach addressing as many aspects as possible at the same time. This approach seems consistent with Morocco's new Development Plan, for which all policy priorities fall nicely into three pillars to promote women's social and economic inclusion;²⁹ but even with eight policy areas, the proposed list of priority actions represents a small subsample of the policies and programs listed in the Plan.

Actions could be further prioritized by defining target populations based on inactivity rates or headcounts. This Policy Note argues that constraints affect women differently, depending on individual, household, and contextual characteristics. As a result, different groups of women display very different FLFP outcomes, including sectors and quality of work. Table 1 illustrates this point. Urban women generally live in a less constrained environment in terms of norms and opportunities, yet display the highest inactivity rates and headcounts, particularly when they have low education. These are the women who face the largest number of constraints. Conversely, the inactivity rate in rural areas is the lowest among uneducated women, who therefore may seem the less constrained: the reality is, of course, more complex, as rural uneducated (hence most likely poor) women mostly work in unremunerated family agriculture under informal conditions. Finally, while unmarried women in urban areas display the lowest inactivity rate, their headcount is high, reflecting their overrepresentation among the NEET. In conclusion, each group of women deserves support, and the table above offers a road map to do so, while below is the summary of recommendations (international evidence reported in text boxes) organized along wage work, entrepreneurship/self-employment and crosscutting.

Table 1: Most binding constraints by individual, households and contextual characteristic (blue= weak norms; orange= strong norms)

	Urban	Rural
Married/high education	<p>Inactivity: medium (72%, 746k)</p> <p><u>Employment</u>: Formal wage employment in high skilled services</p> <p><u>Constraints</u>: Childcare; discrimination; low wages?</p>	<p>Inactivity: medium (79%, 47k)</p> <p><u>Employment</u>: formal self-employment\entrepreneurship or formal wage employment in services</p> <p><u>Constraints</u>: transport; working conditions; financial inclusion</p>
Married/low or no education	<p>Inactivity HIGH (93%, 3.500K)</p> <p><u>Employment</u>: Informal wage work in services;</p> <p><u>Constraints</u>: Working conditions; Childcare; Transport; financial inclusion; discrimination; low wages?</p>	<p>Inactivity Low (67%, 1.910k)</p> <p><u>Employment</u>: informal, family aid in agriculture</p>

²⁹ The pillars include: 1) Addressing the social constraints that limit women's ability to actively participate in the economy; 2) Strengthening the provisions for women's education, training, placement, mentoring, and financial inclusion; and 3) Instilling the value of gender equality among the greater populace while insisting on a zero-tolerance policy when it comes to gender-based discrimination and GBV.

Unmarried	Inactivity low (62%, 1.673k)	Inactivity medium (71%, 2.651k)
	<u>Employment</u> : Formal wage employment in high or low skilled services	<u>Employment</u> informal self-employment\entrepreneurship or wage employment in services <u>Constraints</u> : financial inclusion; transport; working conditions

Note: Inactivity rates and numbers for women aged 15+, excluding students (2018).
Source: Authors

Suggested policy/program reforms to expand private sector wage work

- Further reform and enhance the legal and regulatory framework and strengthen gender justice.** While Morocco's legal and regulatory framework is less discriminatory than other countries in the Maghreb (World Bank, 2022³⁰), there remains ample scope for further reform and enhanced implementation. Remaining discriminatory provisions should be amended, such as the section of the Labor Code that prohibits women from working in certain sectors. Employers should be held accountable for upholding the law (for example, the right to a time and place to breastfeed during the workday), perhaps by way of inspections from outside observers who have the ability to sanction violations. At the same time, people need to be informed about existing laws and the rights they grant, and sensitization/information campaigns can be a tool to this end. In-country consultations repeatedly noted that some people in some geographic, educational, and socio-economic strata have little to no knowledge about their rights, because they have little to no access to information – they rely exclusively on families and WhatsApp for information.

International evidence suggests that reforms addressing gender inequality through changes in formal laws have a role in reducing gender gaps: cross-country analysis showed that countries significantly increased FLFP and GDP by removing gender labor market legal barriers (Cavalcanti and Tavares, 2015). A difference-in-difference study on the impact of Ethiopia's Family Code reform, which lifted restrictions on women's work and raised the marriage age, increased women's (especially young women's) paid employment and work outside the home (Hallward-Driemeier and Gajigo, 2015). Recent work in Saudi Arabia analyzing effects of a recent national policy to enact non-binding hiring quotas for women found that the labor reforms increased women's employment (Miller, Peck, and Seflek, 2022). Finally, Hyland, Djankov, and Goldberg, (2020) found that reducing discriminatory legal barriers is associated with higher FLFP and reduced male -female wage gap.

- Improve workplace policies to attract more women to the private sector:** Working conditions in the private sector are not appealing to women as they give little flexibility to accommodate their multiple household responsibilities, particularly when married. Allowing women to work from home, when possible, or to enjoy more flexibility in terms of working hours or days could be a viable solution. Additionally, workplace policies to establish a more gender-balanced environment, including at the management level (implement concrete actions to reach the target goals in terms of gender balance among Boards of Directors or Supervisory Boards), would make these jobs more appealing and proposed conditions gender-sensitive. Finally, firms should establish clear and transparent remuneration policies to ensure equal-pay-for equal work, and gender-friendly recruitment procedures to limit discrimination at hiring.

³⁰ World Bank (2022). Women, Business and the Law 2022.

Analysis from OECD countries suggests that "women-friendly" policies can pull more women into the workforce (Blau and Kahn, 2013). While the developing country evidence on the labor market effects of workplace reforms remains limited, new work from Pakistan—a setting with low FLFP—suggests that providing women with information on workplace attributes affects their job application decisions (Subramanian, 2021).

- **Evaluate and improve both rural and urban public transportation systems.** Designs should heed the recommendations of women who have first-hand experience using public transport to address their concerns. Improving transport availability will be beneficial to both men and women to get closer to jobs. However, evidence in this paper suggests that lack of safe transport harms women more. Consultations suggested that a good starting point would be to include women's needs and views in transport policy formulation, which is not the currently case.

Interventions that have worked in other settings to increase women employment include "gender-blind" transport infrastructure (in India, Seki and Yamada, 2020 and Perù, Martinez et al., 2020) and women-only transport (in Pakistan, Field and Vyborny, 2021).

Suggested policy/program reform to expand opportunities to create and scale-up businesses

- **Establish policies and programs to increase financial inclusion for women.** The ideal would be to address existing legal barriers to acquiring property, including communal property. In the meantime, and cognizing of the difficulty/sensitiveness of such reforms, creating mechanisms to ease women's access to credit—perhaps by means of land co-titling to collateral options—or to microfinance, could be pursued. Simplify administrative procedures and requirements and increase financing options, possibly with the government engaging more actively and firmly with banks to obtain more accessible conditions for women. Digital technologies could support the objective of deepening financial inclusion among women, for instance through internet banking or leveraging digital financial services.

While women's financial inclusion and their control over earnings can influence their incentives to work, there remains a thin body of global evidence on their causal impact on women's employment (Pimkina and de la Flor, 2020). Expanding access to credit for marginalized female applicants in Bosnia (Augsburg et al., 2015), increasing access to banks in Mexico (Bruhn and Love, 2014), and strengthening women's control over their own income (Field et al., 2021) have all been shown to increase women's labor supply. However, the average benefits of expanding microcredit access on FLFP has been relatively muted for women (Banerjee et al., 2015).

- **Strengthen programs to support women entrepreneurship by offering integrated support packages, with "graduation" programs for the vulnerable.** Both international evidence and in-country consultations point to access to information, mentoring, and training (including and especially on soft skills and digital literacy) being as important as finance, and with support provided in all business phases, both pre and post creation. Programs implemented in Morocco tend to focus on trainings and are geographically concentrated in urban areas.

Evidence tends to show that training-only interventions have only short term (McKenzie, 2021) small (Chinen et al., 2017) or no benefits on FLFP (review from Pimkina and De la Flor, 2020). On the other hand,

a growing body of evidence (esp. from Sub-Saharan Africa) shows the potential for women empowerment interventions to improve self-esteem and aspirations to increase self and wage-employment and earnings (Bandiera et al., 2020; Adoho et al., 2014). Strong evidence advocates for graduation programs to support self-employment among disadvantaged women: in Niger and South Asia, studies find increases in labor supply and earnings for women thanks to such programs (Bossuroy et al., 2022; Bedoya et al., 2019; Bandiera et al., 2017). Women in rural areas generally face more obstacles than women in urban areas, as outlined.

- **Improve access to/use of digital technologies to enable home-based businesses and help women engage in economic activities, especially in rural areas.** Considering the additional constraints rural women face in terms of prevailing social norms and traditionally assigned roles in the household and limited physical mobility, expanding options for working from home for a monetary return could represent a meaningful complement to the other recommendations we outline. Digital literacy and internet access could contribute to significantly increase productivity, including by better accessing information and allowing for flexible working hours, as well as connectivity to markets and opportunities. In agriculture, where most of women are currently employed, new digital technologies such as drones, access to price information or smart irrigation could make the difference. Online sales and digital platforms can facilitate advertising, boost profits and expand markets.

Crosscutting

- **Expand options for quality, affordable child-care.** More and more global evidence builds on the benefits of childcare provision (esp. daycare and preschool interventions) on FLFP (Evans, Jakiela, and Knauer, 2021). While the returns to investing in childcare can be high for families and the economy as a whole, expanding access to quality and affordable care will require:
 - **For children aged 4 to 5:** The pre-school level of education for Moroccan all children ages 4-5 has recently been made mandatory, though the reform still needs to begin. Expanding the service will bring challenges, partly new and partly already present: the institutional analysis conducted for this study highlights the need to strengthen childcare governance to reduce fragmentation establish good oversight. This would childcare quality, hence addressing part of the demand reluctance. Expanding childcare also involves involving the private sector more productively. Funding will need to scale-up to meet ambitions.
 - **For children aged 0 to 3:** Such service is currently not covered by the public system and offerings are very limited and costly. In the process of designing its inclusion, the Government could consider the points relevant for pre-school we have listed. Private sector involvement could include service provision by firms themselves. This obligation already exists, based on the number of female employees, but is rarely applied, including by the public sector. Certified and subsidized individual caregivers could substitute formal daycare and offer a more culturally accepted solution to the most traditional families, besides opening up new job opportunities.
 - **Consider expanding koranic service provision:** Diversity of options could be a strength, especially if this could accommodate different types of demand: for example, religious pre-school and daycare options could be strengthened, particularly in rural areas where norms related to childcare are more stringent and financial/mobility constraints are more severe.

- **Invest in training teachers and caregivers:** One way to streamline the sector would be to create training programs for daycare and pre-school instructors. This might help instill trust in the system and create another employment track for women.
- **After-school care:** Children tend to spend few hours in primary school, which does not necessarily allow for working mothers time to work in labor market. Promoting after school programs, perhaps in school buildings, for children up to age 10 could be helpful.
- **Promote cooperatives, which have proven to be highly effective in bringing rural women into the labor market.** In 2010, there were 7,726 cooperatives in Morocco. As of 2020, the number had risen 40,531. Seventeen percent of these cooperatives are majority controlled by women, and many of them are focused on agriculture. Cooperatives offer interesting opportunities for women who want to develop their own businesses, as they enjoy a special tax regime; but co-ops can also benefit those who would like to work for wages, as the social aspect of co-ops allows accommodation of women's constraints, including by offering acceptable childcare options. Recent evidence from South Asia suggests that self-help groups can increase women's paid work (Hoffmann et al., 2021; World Bank, 2022).

Knowledge gaps

- **Fill missing data gaps.** The background analysis for this policy note identified important gaps related to quantitative and qualitative data availability. Missing data includes wages and labor income, which may represent a key dimension of gender inequality and a strong disincentive for women to work. Micro data on firms in general, and informal firms in particular, is missing to allow detailed understanding of specific constraints women face when engaging in this type of economic activity. More qualitative information could lead to better understanding of specific issues, including the role of social norms in limiting FLFP and the characteristics that would make childcare services more appealing, considering the challenges encountered in other countries and the resulting low take-up of services.³¹ An in-depth analysis of the tax and transfer system would also be useful in identifying possible disincentives for women to work.
- **Collect more evidence on interventions that work in several domains by experimenting with the private sector.** While studies show evidence of violence, or perceived violence, as an FLFP constraint, there is little evidence on the role that reducing harassment can play in promoting women's workforce entry. Similarly, more work is needed to establish whether reducing GBV inside the home can help women to work outside the home. Similarly in transport, where evidence implies a gender-differentiated constraint, we do not have much evidence on how to effectively address this constraint. More generally, pre and post evaluation of policies and programs is weak in Morocco, as this policy note has demonstrated. New policies and interventions in areas we have detailed could be tested and evaluated before scaling-up, assuming ethical considerations allow.

³¹ A recent study on Egypt found very low levels of adoption (1-4 percent) among women offered childcare subsidy vouchers ranging from 25 to 75 percent of the cost (Zeitoun, 2022).

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