

4



MOROCCO

How Africa's Youth Can Change Its Destiny - The Case of Morocco

TAYEB GHAZI

Situated at the northwest borders of the continent, between the Atlantic Ocean and the Mediterranean Sea, Morocco has established itself as a stable and dynamic economy and a gateway to Africa. A part of the Maghreb and Arab world, the country has for many decades embraced a policy of economic and financial openness, aiming to integrate its economy into global markets. According to the United Nations Conference on Trade and Development's 2022 report, Morocco is one of the top three attractive destinations for foreign investment in Africa. It has around \$72.9 billion in foreign investment, which is equivalent to about 55.5% of its economy, covering various sectors such as automotive, aerospace and textiles.¹

Morocco's economy is quite diverse, with several key sectors contributing significantly to its growth. These sectors include agriculture, tourism, offshoring, services and manufacturing, with a special emphasis on the automobile and aeronautics industries.

In addition to its economic diversity, Morocco possesses valuable natural resources, most notably phosphates, which account for roughly 70% of the world's proven phosphate rock reserves. Moreover, Morocco is making strides as a developing energy exporter, thanks to its renewable energy potential and recent gas discoveries.²

According to the International Monetary Fund (IMF), Morocco ranks as the fifth largest economy in Africa, with a real GDP of around \$120 billion. When we adjust for purchasing power parity, this figure increases to \$310 billion. Morocco's achievements are remarkable, as it has managed to enhance its GDP per capita despite a growing population. In the year 2000, the GDP per capita was approximately \$1 350, and, by 2022, it had nearly tripled to \$4 000, placing the country in the lower-middle-income category (from \$4 000 to \$9 500 when considering purchasing power parity).

Morocco's long-standing growth strategy has delivered numerous advantages across various sectors. These include robust economic expansion, enhanced availability of fundamental infrastructure services like clean water, electricity and road networks, especially in rural regions. Additionally, it has contributed to higher life expectancy, reduced poverty levels and lessened vulnerability. Remarkably, this strategy has

also kept inflation relatively low. However, it has struggled to adequately tackle the ongoing labour market issues in Morocco.

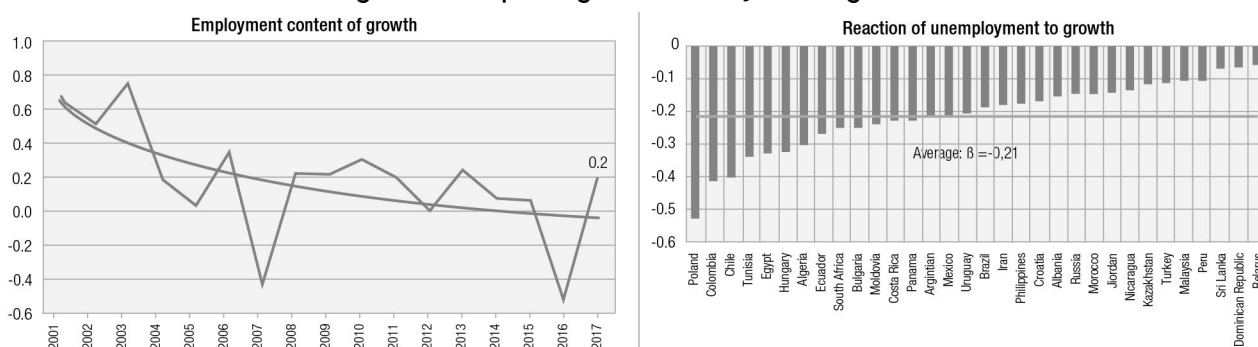
This chapter emphasises the urgency of speeding up the transformation of the economy, with a specific focus on sectors that have the potential for high growth and job creation. The goal is to leverage the demographic dividend and establish sustainable employment opportunities. It highlights the importance of investing in youth development, enacting labour market reforms and cultivating a business-friendly environment. These steps are seen as vital for achieving inclusive and balanced growth in Morocco and unlocking the potential of the demographic dividend.

LABOUR-MARKET CHALLENGES AND THE ROAD TO DEMOGRAPHIC DIVIDEND

Addressing Morocco's labour market challenges is of utmost importance, particularly in the context of the demographic dividend. To fully utilise this potential, it is essential to integrate various aspects, including education, training, employment opportunities and social inclusion. This approach is essential for meeting the needs of vulnerable groups, fulfilling the middle class's demands for greater equity, and fortifying social rights.

One pressing challenge that demands immediate attention is youth employment. Despite the country's economic growth and job-creation efforts, youth employment remains constrained. In fact, for every 1% increase in economic growth, job opportunities expand by less than 0.2% (Figure 4.1). Although Morocco has maintained an average growth rate of about 4.5% from 2000 to 2012 and 3.2% until 2021, this growth has generated relatively few new jobs compared to the expanding working-age population. To put it in perspective, between 2000 and 2021, approximately two million jobs were created, while the working-age population surged by seven million.

Figure 4.1: Exploring Morocco's jobless growth.



Source: Author's calculations based on the High Commission for Planning and the Policy Center for the New South

Morocco's economic growth has predominantly relied on domestic demand, notably driven by substantial public investment. However, recent developments have exposed the limitations of this growth model. While boosting domestic demand, especially through public investments, has spurred multiple sectors, created jobs and improved infrastructure, it is essential to acknowledge the potential drawbacks. Notably, the country's sizeable budget and current account deficits in the mid-2010s raise concerns about the long-term viability of this growth model. This situation underscores the necessity of adopting a more diversified strategy to promote sustainable economic growth and reduce susceptibility to external economic shocks.

In addition, the Covid-19 pandemic has had a profound impact on Morocco's economy, posing difficulties in maintaining the same levels of public investment, due to strained government finances. Moreover, Morocco's increased integration into the global economy has exposed it to heightened competition and necessitated adjustments to adapt to evolving market dynamics.

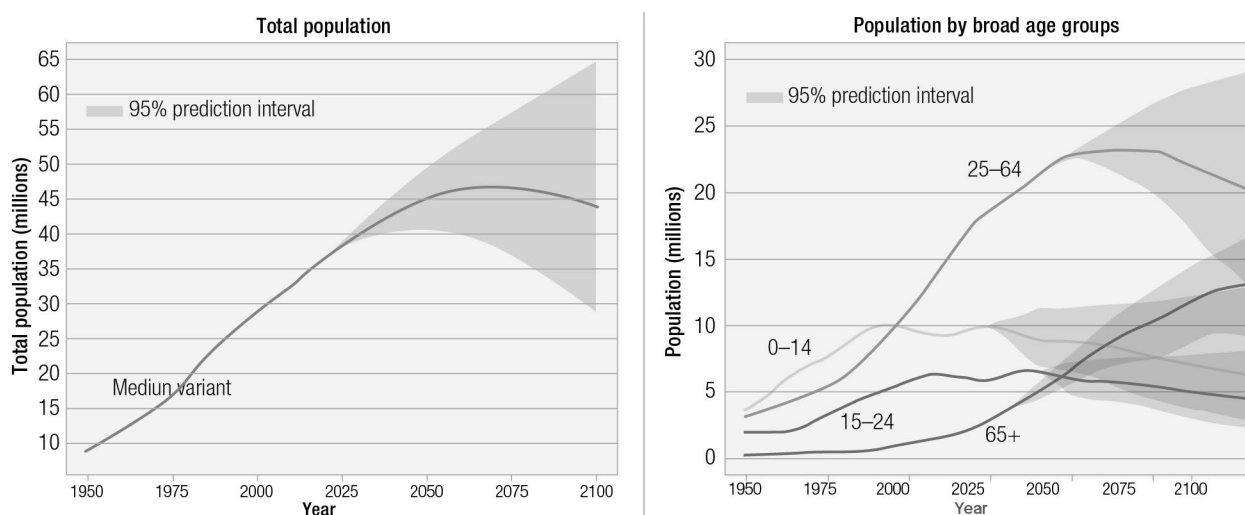
Morocco's growth strategy has yielded positive outcomes, including economic growth, improved infrastructure, increased life expectancy and poverty reduction, while keeping inflation relatively low. Nevertheless, it has struggled to address persistent labour market challenges, as noted by Agénor and El Aynaoui in 2014.³

The labour market continues to grapple with unresolved imbalances, notably persistent unemployment, especially among young graduates. Additionally, declining labour force participation, particularly among women and young urban residents, exacerbates these challenges. Finally, the significant population of young NEETs (Not in Employment, Education or Training) underscores the importance of their successful integration for both their well-being and the country's sustainable development.

DELVING INTO THE NON-LINEAR EFFECTS OF THE DEMOGRAPHIC DIVIDEND

Currently, about 65% of Morocco's population falls within the working-age bracket of 15–64 years, marking a noticeable increase from the 60% recorded two decades ago. In contrast, the proportion of dependants, which typically includes children and the elderly, in relation to the working-age population, has seen a slight decline, dropping from 62% to 52% between 2000 and 2021. Notably, there has been an increase in the ratio of elderly individuals to the working-age population, rising from 7% to 11% during the same period. Conversely, the ratio of children to working-age individuals has decreased from 55% to 41%.

Figure 4.2: Snapshot of Morocco's demographic profile.



Source: United Nations, DESA, Population Division, *World Population Prospects 2022*, <http://population.un.org/wpp/>

These trends demonstrate a shift from a period characterised by high birth and death rates to one marked by lower birth rates (fertility rates declined from an average of 6 births per woman in 1975 to 4 in 1991 and further to 2.3 in 2021) and death rates (life expectancy has risen from 51 years in 1975 to 62 years in 1991 and reaching 74 years in 2021).

This advanced demographic transition has led to a significant expansion of the working-age population. In sheer numbers, the working-age population has seen substantial growth, surging from 17.6 million individuals in 2000 to 24.4 million in 2021, representing an increase of roughly 7 million people. This expansion is primarily driven by a demographic boom, particularly among younger age groups.

This youth bulge is expected to persist for at least the next two decades, with profound implications for the labour market. Indeed, the group of individuals under the age of 15 will continue to experience substantial growth, with projections indicating that they will make up a quarter of the total population, roughly 10 million individuals.

The sizeable cohort of young people entering the working-age population will naturally add to the pool of job seekers. As a substantial number of young individuals join the labour force, the demand for quality job opportunities should intensify. Consequently, creating enough jobs is central to align with the growing needs and aspirations of the expanding working-age population.

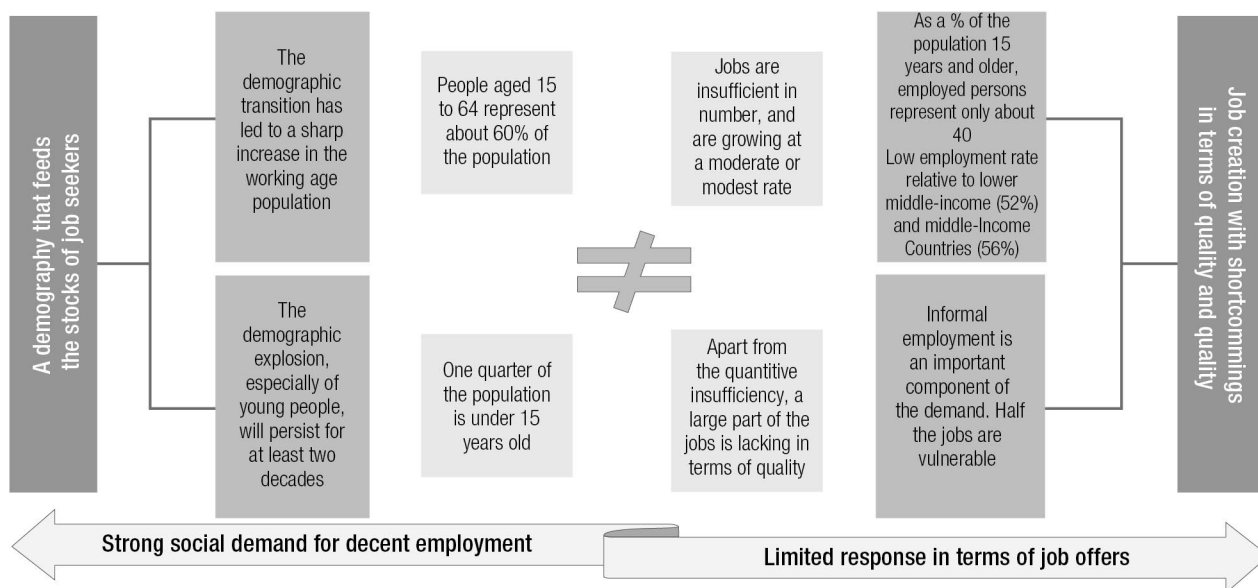
At the same time, Morocco's labour market faces significant challenges related to job supply, both in terms of quantity and quality. In quantitative terms, the rate of job creation is inadequate, with the number of available jobs growing at a slow pace. Between 2000 and 2021, the job count increased from 8.8 million to around 10.8 million, representing an additional 2 million jobs compared to the 7 million increases in the working-age population.⁴ Consequently, there exists a mismatch between job opportunities and the rising number of individuals in search of employment.

Within the working-age population (15–64 years), only 45% are employed, highlighting a significant portion without jobs or outside the labour market. Among the 24 million individuals in this group, 12.3 million are economically active, 1.5 million are unemployed and 14.8 million are not participating in the labour market. Besides, the proportion of jobs as a percentage of the population aged 15 and over is 40%, which falls below the average of 52% seen in lower-middle-income countries.⁵

Beyond the quantitative job deficit, a substantial portion of jobs in Morocco lacks quality. Informal employment is a significant feature of the labour market, comprising 30% of non-agricultural employment, according to the High Commission for Planning (HCP). Approximately 46% of jobs are categorised as vulnerable, including contributing family workers and self-employed individuals as a percentage of total employment. Women are disproportionately affected, with 54% of women in such positions compared to 43% of men.

Additionally, social protection systems have limited coverage, despite the expansion of health insurance and the planned implementation of universal health coverage by 2025. While these systems do cover a significant portion of the formal workforce, challenges persist in providing social protection for workers in the informal sector, which represents a substantial segment of Morocco's labour market.

Figure 4.3: Navigating the unbalanced labour market landscape in Morocco.



Source: Author's elaboration

The Moroccan economy faces various dysfunctions and structural rigidities that present significant obstacles to economic growth and job creation. One key challenge lies in the labour market's rigidity, which is evident through barriers to hiring and firing and wage determination inflexibility.

- Employment protection laws, minimum wage regulations and rules governing working hours and contract types can act as impediments to hiring and firing in Morocco. While intended to safeguard workers, these regulations can discourage firms from hiring or releasing employees, making it challenging for businesses to adapt their workforce to market conditions.
- Wage determination in Morocco is also rigid, with the minimum wage set by law and determined through negotiations between the government, employers and trade unions. Although designed to ensure fair wages, this mechanism can result in wage levels that do not reflect market realities, making it difficult for firms to adjust their wage bills based on performance.
- The labour market suffers from a lack of well-developed intermediation services, with inadequate coverage of certain demographic groups and regions. Intermediation services primarily focus on graduates, neglecting other segments of the workforce, such as youth, women, persons with disabilities and those from disadvantaged backgrounds. Geographical disparities exist, with urban areas having better access to intermediaries, further limiting opportunities for those in rural or remote areas.
- Labor market intermediaries have limited capacity and resources, hampering their ability to address the specific needs of certain groups or regions. The existing framework falls short of providing comprehensive assistance to individuals with unique circumstances, hindering their successful integration into the labour market.
- Public intermediation services remain constrained in scope, while private intermediation faces regulatory hurdles, dissuading potential entrants due to burdensome security deposit requirements.
- The labour market also suffers from a fragmented and poorly co-ordinated information system. Business surveys often lack employment and training-related questions, and the system lacks a dynamic understanding of the labour market's local dimension. Consequently, there is a skills gap between job seekers and employer demands, contributing to high rates of inactivity and unemployment, particularly among youth and women.

Under these circumstances, two important, connected issues occur: there are too many people looking for work; and there aren't enough job openings for them. Both of these problems add up to unemployment. We can see signs of these issues in various ways, as pointed out by the HCP:

- Persistent and high unemployment: the unemployment rate in Morocco has remained stubbornly high, hovering around 10%, despite various initiatives. This rate had declined from 14% in the early 2000s, but the challenge persists.⁶
- High youth unemployment: youth unemployment in Morocco is a pressing issue, with rates among the highest globally.⁷ In 2017, the youth unemployment rate was approximately 22%, but it has risen to over 32% in 2021, reaching a staggering 46.7% in urban areas.⁸
- High female unemployment: Morocco also experiences relatively high female unemployment, averaging around 15%, and increasing to 17% after the Covid-19 pandemic. This underscores the difficulties women face in accessing employment opportunities, despite their low participation rate in the labour market (about 20%).
- Mismatch unemployment: there is a notable skills gap in Morocco's labour market, particularly affecting job seekers with higher education qualifications. Graduates often struggle to find suitable job opportunities, resulting in unemployment rates that vary significantly by education level. For example, in 2021, the unemployment rate for those without a diploma was approximately 4.5%, but it increased significantly to 24% for individuals with a middle school degree and further to 33% for university graduates.⁹ This highlights the need for improved alignment between education and the demands of the job market.

'Young graduates are the social category hardest hit by unemployment, which is often synonymous with length and great uncertainty. Nearly two-thirds of young people have been unemployed for more than a year. The jobs they hold are often poorly paid, rarely contractualised and very rarely covered by social protection schemes.'

– Economic and Social Council of Morocco, 2022

The aforementioned phenomena, namely the excess supply of labour and the rationing of job opportunities, also lead to discouragement among certain groups, particularly young people and women. This discouragement is manifested through low participation rates in the labour force, which is reflected in the following aspects, according to the Higher Commission for Planning (HCP):¹⁰

- Youth and women discouragement: both young people and women have very low rates of participation in the labour market, at around 20%. This means they are not actively involved in economic activities and face difficulties finding jobs.
- Challenges to women's economic empowerment: there is a significant gender gap in labour force participation, with only 21% of women participating compared to 70% of men. This shows the hurdles women face in achieving economic independence, highlighting the need for policies that promote gender equality.
- Declining participation: over the years, youth participation in the labour market has been decreasing. Between 2001 and 2021, it fell from 46% to around 24%. This decline is worrisome and suggests that young people are finding it increasingly hard to enter the job market, calling for targeted solutions to address this problem.

'The female participation rate in the Maghreb is among the lowest in the world, at around 20–22%. The figure for Morocco is on a downward trend: from 30% in the 2000s, it has now fallen to 26% ... it is by getting more women into work that we can increase the middle class, and therefore reduce the inequalities.'

– Xavier Reille, director of the International Finance Corporation for the Maghreb region

The combination of high unemployment and declining participation rates in the job market has significant consequences, especially for a group known as NEET youth, which refers to young people who are neither working nor in school or training. This group makes up about a third of youth aged 15–24. Importantly, NEET status is more common among those with primary and intermediate education levels, and it disproportionately affects young women, with a high NEET rate of around 46%.

'The unemployment rate is certainly falling, but not enough: the stock of NEETs, those who are neither in employment nor in training, is close to a million people. We need a new approach to deal with this ...'

Youness Sekkouri, Minister for Economic Integration, Small Business, Employment and Skills'

The presence of so many NEET youth raises concerns about their ability to enter the job market and integrate into society. Being NEET for a long time can lead to prolonged unemployment, a loss of skills and limited opportunities for career growth.

THE NEED FOR NEW AVENUES FOR GROWTH AND JOB CREATION

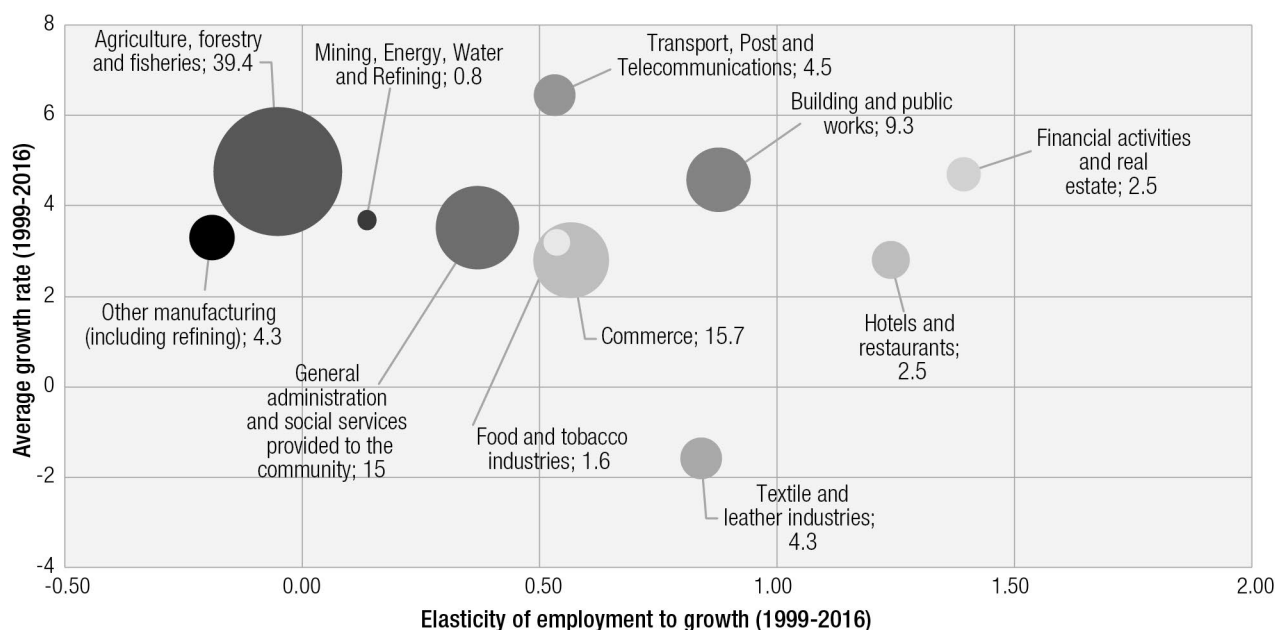
While the pursued growth strategy has delivered commendable outcomes in various areas, it has not effectively addressed the multifaceted challenges of the labour market in Morocco. Tackling persistent unemployment, declining labour force participation and the integration of NEETs require a comprehensive approach that goes beyond the current strategy. This entails targeted interventions to enhance job creation, improve the quality and relevance of education and vocational training, and foster an enabling environment for business development and investment. Additionally, addressing gender disparities and promoting inclusive policies that target specific groups, such as young people and women, is essential for achieving a more balanced and inclusive labour market.

It is important to recognise that the challenges in Morocco's labour market cannot be solely blamed on the growth strategy in place. However, it is clear that the strategy itself bears some responsibility for these issues, and there are two key reasons for this:

- The limited impact on the labour market: the growth strategy has mainly concentrated on increasing domestic demand. However, the nature of this demand has not been favourable for creating many job opportunities. The types of goods and services that households typically consume have not led to significant employment growth. As a result, even though domestic demand has expanded, the labour market has not seen substantial positive effects.
- The lack of diversification: the growth strategy has relied heavily on sectors that do not have strong potential for job creation. The economy's structure is not diverse enough, and there has not been enough focus on industries that could generate a significant number of jobs. Certain sectors dominate the economy, and these sectors tend to have low labour intensity, which means they do not create enough jobs to meet the labour market's needs.

These factors have exacerbated the tensions within the labour market and have further compounded the need for Morocco to readjust its growth strategy. The country faces the challenge of aligning its economic development objectives with the requirements of a dynamic labour market. Without addressing the limitations of the growth strategy, the labour market will continue to face difficulties in providing sufficient employment opportunities, exacerbating existing tensions and hindering progress.

Figure 4.4: Sectoral dimensions of employment expansion: significance for structural change.



Source: <https://www.policycenter.ma/publications/les-enjeux-du-march%C3%A9-du-travail-au-maroc>

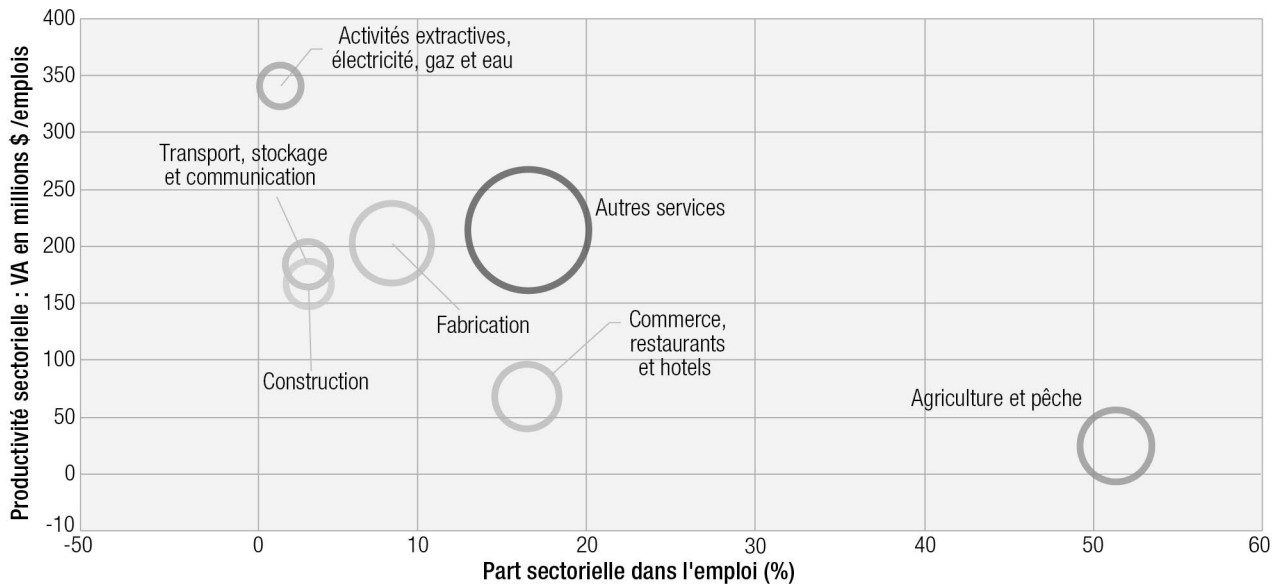
Note: The sizes of the bubbles represent the weight in total employment (ex: 15.5% for commerce).

In the medium term, the acceleration of the structural transformation of the Moroccan economy is crucial to harness the demographic dividend. It plays a key role in relaunching Morocco's growth, advancing its transition, diversifying its exports and markets, positioning itself better in global value chains, and preparing to face competition in international markets.

This transformation is vital to strengthen the link between value creation, on the one hand, and the provision of productive and decent employment, on the other. It is necessary to meet the demands for jobs from the millions of individuals entering the labour market in Morocco each year, both in terms of quantity and quality.

Currently, Morocco's economic structure has remained relatively unchanged for the past couple of decades. Many of the sectors that are growing do not create enough jobs. In fact, there's often a concentration of labour in less productive sectors, leading to job losses, particularly in agriculture. These sectors should release workers to move to more productive areas with better pay. However, there are several obstacles and rigidities in place that make it difficult for factors of production, like labour, to move freely to where they are needed for this transition to happen.

Figure 4.5: A closer look at employment shares and sectorial productivity in 2018.



Source: Author's elaboration based on ILO and UNCTAD

Ultimately, speeding up the structural transformation of Morocco's economy is essential to make the most of the demographic dividend and tackle the evolving labour market challenges. This transformation is crucial for boosting economic growth, expanding export diversity and generating quality employment opportunities.

To achieve these objectives, a comprehensive strategy is needed. This strategy should give top priority to developing sectors with significant potential for growth and job creation, including manufacturing, services and innovation-driven industries.

'In view of the cumulative deficits in employment and inclusion in general, all initiatives would be insufficient to absorb the very high numbers of young people seeking economic integration in the immediate or short term.'

– Youness Sekkouri, Minister for Economic Integration, Small Business, Employment and Skills

Key elements of this strategy are policies aiming to enhance the capacities of the youth, equipping them with the necessary skills for social, professional and economic integration. Furthermore, labour market reforms are essential to ensure flexibility and facilitate the reallocation of workers across sectors. It is also imperative to invest in enhancing the business environment, promoting entrepreneurship and attracting domestic and foreign investments. This entails reducing administrative burdens, streamlining regulations and fostering a culture of innovation and risk-taking. Access to finance for small and medium enterprises (SMEs) should be facilitated to stimulate their growth and job-creation potential. In addition, co-ordinated efforts between the government, private sector and other stakeholders are crucial to drive the structural transformation agenda forward.

BUILDING ON THREE FRONTS: LEVERAGING STRUCTURAL TRANSFORMATION TO HARNESS THE DEMOGRAPHIC DIVIDEND

In the quest to secure a prosperous future, Morocco faces the imperative of accelerating its transition, diversifying its exports and markets, and fortifying its position within global value chains. These pivotal steps are essential for the nation to effectively harness its demographic dividend. To achieve this, investments in youth development are paramount, equipping them with the necessary skills to seamlessly integrate into social, professional and economic realms. Furthermore, the cultivation of human capital must be prioritised, transforming it into a catalyst for economic growth and the creation of quality employment opportunities. Enhancing the macroeconomic framework and investment environment is equally vital, fostering private sector growth and expanding the quantity and quality of available jobs. However, addressing structural rigidities and achieving diversification will necessitate time and concerted efforts. Therefore, bolstering labour market governance, reinforcing employment policy institutions and establishing robust information systems becomes imperative. To facilitate the integration of young individuals, particularly women, into the workforce, it is crucial to activate all available levers, including aligning vocational training with economic and environmental concerns and fostering entrepreneurship and self-employment. By embarking on these multifaceted actions, Morocco can embark on a transformative journey towards unlocking its demographic dividend.

‘Every time we try to deal with the social problem by announcing job prospects, more or less aided, supported or subsidised, without any productive basis, there is an air draught. And all those who don’t normally enter the job market will enter it, because they are attracted by these advertisements that give them hope of getting a job. People who were discouraged by the job market are coming back, and people who are still in education (high school or university) are also entering the market without waiting to finish their schooling or studies, especially when they see that young graduates are still unemployed. This adds to the number of unemployed due to the lack of a solid structural offer that can absorb this new mass of job seekers ...’

– Lahlimi Alami Ahmed, High Commissioner for Planning

IMPROVEMENT OF BUSINESS CLIMATE

Since its establishment in 2010, the National Business Environment Committee has been focused on improving the business climate in Morocco. Their goal is to boost the country’s economy by supporting both local and foreign businesses and making investments more attractive.

The committee’s main tasks include enhancing the business environment and legal framework. They work collaboratively with public and private partners to implement projects aimed at simplifying administrative procedures, digitalising processes, and creating electronic platforms for businesses.

Thanks to their efforts, Morocco has made significant progress. It climbed 75 places in the Doing Business ranking, now standing at 53rd out of 190 countries. The country has also improved investor protection, tax payment processes and the issuance of construction permits:

- Reforms have streamlined the process of starting a business, reducing the time and costs involved. The procedures have become more transparent and efficient.
- The committee also focused on improving the electricity sector by simplifying connection procedures and ensuring a reliable supply.

- Property transfers have been made quicker and more straightforward through digitalisation and simplified procedures.
- Investor protection has been strengthened by simplifying the establishment and operation of companies and enhancing transparency.
- Paying taxes has become more straightforward with the introduction of tele-declaration and tele-payment systems.
- For cross-border trade, the Customs Authority has implemented digital systems, reducing processing times for import and export operations.
- To facilitate contract enforcement, courts have been modernised and digitised, making access to documents and judgments easier.
- Reforms in the Commercial Code have improved insolvency regulations, benefiting both struggling companies and creditors.
- Overall, the committee's efforts have greatly improved the business landscape in Morocco, attracting more investment and contributing to the country's economic growth and social development.

In the spirit of what has been achieved, the business climate, as assessed by various reports, including the World Economic Forum's report, indicates that certain dimensions can pose obstacles to the mobility and investment of factors. The Moroccan economy exhibits deficiencies and distortions that impact business activities. These deficiencies primarily affect different markets, including the labour market, the market for goods and services, the monetary and capital markets, as well as the foreign exchange market.

A diagnostic study conducted by the HCP in 2019¹¹ found that 74% of Moroccan businesses, regardless of their size, believe that lack of financing hampers investment. Similarly, 40% of Moroccan SMEs consider access to financing a severe obstacle. Beyond this specific segment, 58% of business leaders across all sectors are dissatisfied with the services provided by financial institutions. The high-interest rates (according to 40% of respondents) and the collateral requirements imposed by banks (34%) are the main obstacles identified. Interestingly, the survey reveals that a significant portion (33% of companies) avoids bank credit for religious reasons, indicating a latent demand for participatory financing, which still struggles to fully develop for businesses.

'Every time we try to deal with the social problem by announcing job prospects, more or less aided, supported or subsidised, without any productive basis, there is an air draught. And all those who don't normally enter the job market will enter it, because they are attracted by these advertisements that give them hope of getting a job. People who were discouraged by the job market are coming back, and people who are still in education (high school or university) are also entering the market without waiting to finish their schooling or studies, especially when they see that young graduates are still unemployed. This adds to the number of unemployed due to the lack of a solid structural offer that can absorb this new mass of job seekers ...'

– Lahlimi Alami Ahmed, High Commissioner for Planning

In this context, a recommendation would be to provide the necessary means and institutional framework for alternative modes of financing and solidarity-based entrepreneurship, such as crowdfunding, to become genuine drivers of professional integration, value creation and employment, as well as financing projects undertaken by vulnerable populations, youth, and small and microstructures.

Governments, private industry and civil society each have significant roles to play in promoting crowdfunding as a viable financing option for SMEs. Here are several actions that these stakeholders can consider:

- **Supporting an enabling regulatory framework:** governments can create a regulatory environment that supports crowdfunding by developing clear and favourable legal frameworks. This involves establishing specific regulations and guidelines that facilitate crowdfunding activities, while ensuring investor protection and minimising risks. Additionally, governments can explore options such as offering tax incentives or grants to incentivise individuals and organisations to invest in SMEs through crowdfunding platforms.
- **Increasing awareness and fostering financial literacy:** raising awareness about crowdfunding among SMEs and potential investors is crucial. Governments, private industry and civil society can collaborate to organise workshops, seminars and training programmes aimed at educating SMEs about the benefits and processes of crowdfunding. Furthermore, these stakeholders can work together to develop financial education programmes that help SMEs understand the intricacies of crowdfunding, including risk assessment, financial planning and compliance requirements.
- **Encouraging collaboration and partnerships:** governments should encourage the development of dedicated platforms by offering financial and resource support, while also fostering partnerships between these platforms and SME support organisations. Such collaborations can expand the reach of crowdfunding initiatives and streamline processes. Additionally, governments and civil society organisations can establish mentorship programmes connecting SMEs with crowdfunding experts to enhance their crowdfunding efforts and facilitate knowledge sharing within the industry.

Figure 4.6: Leveraging on crowdfunding.



Source: Author's elaboration

KEY AREAS OF EDUCATION TRANSFORMATION

Investing in human capital and improving the education and skills training systems is crucial to equip the workforce with the necessary capabilities to promote structural transformation. Active labour market policies, such as vocational training programmes and job-matching services, can also play a vital role in facilitating the transition and ensuring that the workforce is equipped with the skills demanded by emerging sectors.

‘The solution lies in implementing a multi-sectoral approach involving both the public and private sectors, at national and local level, and focusing particularly on the situation of girls and women, especially in rural areas. It is also important to promote quality education that is accessible and capable of alleviating this social phenomenon (NEET), which represents a socio-economic loss.’

– Ted Chaiban, UNICEF Regional Director for North Africa and the Middle East

Education and skills development and their role in building a prosperous and flourishing nation have always been top priorities on Morocco’s political and development agendas. Years of consistent and renewed efforts in reforms have led to significant achievements in the education system, including increased literacy rates, improved access to education and progress in learning quality.

The general census of the population and housing shows that the illiteracy rate among individuals aged 10 and above has been declining steadily. In 2004, it was at 43.2%, which dropped to 32.2% by 2014. The rate is estimated to be around 29% in 2017, as reported by the National Agency for Combating Illiteracy.¹²

In terms of education, significant progress has been made in achieving universal access to primary education. Back in 2000–2001, the primary school enrolment rate stood at 84.6%, according to the Ministry of National Education, Preschool and Sport. Additionally, enrolment rates for children aged 12–14 and 15–17 (secondary school) were around 60.3% and 37.2%, respectively, during the same period. However, these rates have since exceeded 95% and 72%, demonstrating substantial improvements in access to education.

Furthermore, the efforts to reduce school dropout rates have been fruitful. Currently, the dropout rate is around 2% at the primary level, 8% at the middle school level (5.2% for girls) and 7% at the secondary level (5.5% for girls). These figures are significantly lower than the rates recorded in the early 2000s, which were over 10%, 15% and 17%, respectively.¹³

Preschool education has also seen positive advancements. According to the Ministry of National Education, Preschool and Sport, the enrolment rate now stands at approximately 76% (66% for girls and 65% for those in rural areas), compared to 53% in 2000 (45.3% in 2017–2018). This expansion indicates a growing commitment to providing early education opportunities for children.

With regard to education quality, remarkable improvements have been seen. Recent editions of international tests like TIMSS (Trends in International Mathematics and Science Study) and PIRLS (Progress in International Reading Literacy) demonstrate significant progress in Moroccan students’ learning outcomes. Their proficiency in mathematics and science has increased by 40 points compared to the early 2000s. Similarly, 4th-grade students’ language skills have improved by 20 points between 2001 and 2022. These results show encouraging advancements in the academic achievements of Moroccan pupils.

However, progress and outcomes remain inadequate. Let’s not forget that the Covid-19 pandemic has exacerbated the learning crisis. Presently, about 70% of 10-year-old children are facing learning poverty, and Morocco is facing similar challenges.¹⁴ After the Covid-19 pandemic, learning poverty increased by approximately 33% in low- and middle-income countries, leaving around 70% of 10-year-olds struggling to understand basic written texts, which has widened socio-economic and territorial gaps. With these numbers in mind, there are growing concerns about the long-term impact of the pandemic on education.

At another register, the proportion of individuals lacking basic skills remains significant, both at the primary and secondary levels (middle and vocational schools). These proportions exceed 50% among schoolchildren in reading, mathematics and sciences, as indicated by the latest TIMSS 2019 and PIRLS 2021 assessments. Among high school students, these proportions reach around 70% in sciences and hover around three-quarters in reading comprehension (74%) and mathematics (78%), according to the OECD Programme for International Student Assessment (PISA) 2018 results. Consequently, as the number of young people is set to increase in the coming years, the quality of education is not sufficiently preparing them to enter rapidly changing labour markets. Still, approximately half of the working population lacks formal qualifications.¹⁵

Then, there are several reasons for the transformation of education, including the need for accompanying the suitable economic changes, a significant portion of the population lacking basic literacy or skills, employers expressing concerns about the relevance of training programmes, an uncertain future and the green and digital transitions requiring reskilling and upskilling, among others.

The Summit on Education Transformation in 2022 identified five main areas of transformation: schools, the creation of lifelong learning ecosystems, the teaching profession, digital connectivity and education financing. In the case of Morocco, the transformation of the teaching profession appears to be of crucial importance. Currently, the vast majority of primary school teachers lack the academic and pedagogical skills required for teaching both French (less than 1%) and Arabic (4.2%). In mathematics, this percentage does not exceed 4%.

In this context, it is necessary to invest more in the education workforce. Teachers need to be equipped with the tools and capabilities that could enable them to contribute to the transformation of education. Moreover, the professional skills of transformative teachers need to be rethought.

One recommendation is to provide upgrading training for the existing stock of teachers, particularly in scientific and pedagogical domains. Indeed, the majority of teachers hold bachelor's degrees in fields other than education. Upgrading training can be conducted in training centres or through distance learning, utilising digital tools and massive open online courses (MOOCs). However, evaluation for certification should be a requirement. Incentives should be in place to ensure the quality of training and consider it in teachers' professional advancement.

In addition to addressing the existing teacher stock, the selection of new teachers should be guided by standards that promote excellence. To attract excellence, the attractiveness of the teaching profession should be enhanced in terms of salary, benefits and career advancement opportunities. It is also crucial to institutionalise continuous training on an annual or semi-annual basis. Training should lead to certification that is taken into account in teachers' professional progression.

An important aspect is to overcome extreme overcrowding situations and recruitment is necessary to ensure adequate teacher-student ratios. This will help create a conducive learning environment, where teachers can effectively engage with each student and provide personalised attention.

Furthermore, it is essential to provide teachers with a comprehensive pedagogical toolkit that has been scientifically validated. This toolkit should encompass a wide range of teaching strategies, methodologies and resources that have been proven effective in enhancing student learning outcomes. By equipping teachers with such a toolkit, they will have the necessary tools to deliver high-quality instruction and cater to the diverse needs of their students.

In addition to pedagogical resources, teachers should be provided with appropriate technological equipment and digital resources that have been verified and supervised by a certified digital laboratory. This ensures that the technology used in the classroom is reliable, up to date and aligned with educa-

tional objectives. The integration of technology can enhance teaching and learning experiences, promote interactive and engaging activities, and facilitate access to a wealth of educational materials.

Granting teachers greater autonomy in managing learning rhythms is another important aspect. Teachers should have the flexibility to adapt their teaching approaches and pace to the specific needs and progress of their students. This allows for differentiated instruction, personalised learning and the optimisation of student outcomes. Empowering teachers with the autonomy to make informed decisions regarding instructional strategies and assessment methods can significantly contribute to the overall effectiveness of the educational process.

Lastly, it is crucial to accompany and listen to teachers who have expressed their needs and concerns. Regular communication, feedback mechanisms and professional support systems should be in place to foster a collaborative and supportive environment for teachers. By acknowledging and addressing their needs, educational stakeholders can create a space where teachers feel valued, motivated and empowered to continuously improve their practice.

Figure 4.7: Investing in educating workforce and education transformation.



Source: Author's elaboration

THE NEED FOR GENDER-INCLUSIVE POLICIES AND INITIATIVES IN THE CONTEXT OF THE GROWING FEMINISATION OF THE POPULATION

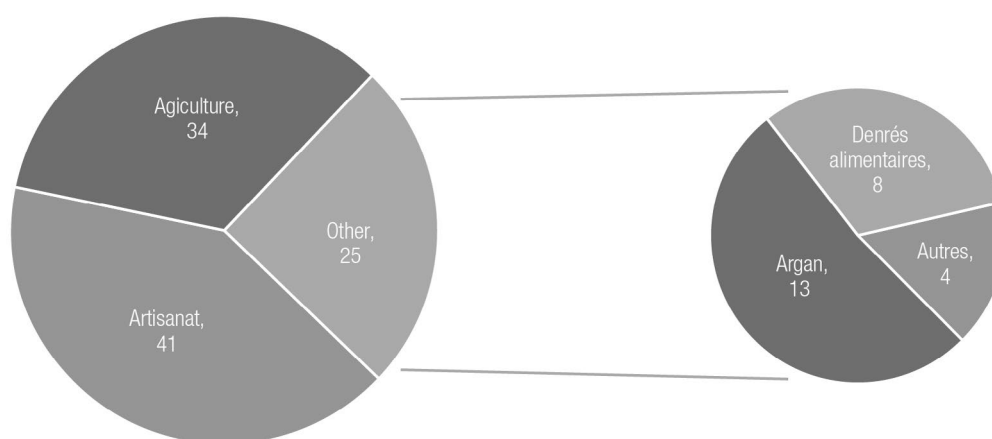
Women constitute half of the Moroccan population. However, their labour force participation rate has been continuously declining for over 20 years. The participation rate of women has dropped from around 30% in 2000 to less than 20% in 2022.¹⁶ In addition to this decline in participation, employed women are more exposed to unemployment, with a rate of approximately 17% compared to 10% among men.¹⁷ Furthermore, more than half of working women occupy vulnerable employment positions.

In this context, the activation of a suitable framework to enhance women's participation in the labour market is essential. This framework should address three groups of obstacles: the burden of domestic work (programmes to improve women's access to basic facilities and services, especially in rural areas, childcare services, etc.); preparation for active life (education, training, healthcare, etc.); and support for integration through wage employment as well as the development of entrepreneurship and cooperatives.

Considering the aforementioned social conversion factors, improving access to employment opportunities and promoting income-generating activities are two central pillars for promoting women's participation in the labour market.

Currently, the development of cooperatives represents a significant aspect of the growth of female labour and income-generating activities, particularly in rural areas. This has been achieved in recent years through various support plans and initiatives, primarily within the framework of the solidarity economy strategy (2010–2020). Data from 2010 indicates the existence of 7 726 cooperatives in Morocco. By 2014, this number had increased to 13 882, representing a rise of 6 156 within four years.¹⁸ Among these cooperatives, 66% are agricultural cooperatives, 14% operate in the craft sector and 9% in housing. In terms of gender distribution, 14.5% of the cooperatives are female, accounting for 34 877 members (an average of 18 women per cooperative). In terms of sectors, 41% of these cooperatives are in crafts, 34% in agriculture, 13% in argan production and 8% in food-related activities. By 2020, the number of cooperatives had reached 40 531, with 646 901 members. Some 17% of these structures are exclusively owned by women.

Figure 4.8: Women's cooperatives by sector in late 2014.



Source: Office for the Development of Cooperatives

As mentioned above, numerous women's cooperatives operate across various sectors in Morocco. These women typically possess low levels of education and skills, although some of them have access to smartphones. However, they face challenges in accessing valuable information to improve the management of their cooperatives and enhance production, as well as securing financing and opportunities for growth. Consequently, the establishment of an online platform that can assist them in enhancing their work and achieving their goals.

'Female entrepreneurship is also lagging behind; only 10% of entrepreneurs are women. They still face obstacles in this area and remain confined to small businesses or cooperatives. What's more, most of these women entrepreneurs operate in the informal sector.'

– Leyla Channawi, President of the General Confederation of Moroccan Enterprises'
Corporate Finance Commission

To initiate this process, a comprehensive diagnostic assessment of women's cooperatives in a pilot region is crucial. This assessment should encompass an in-depth analysis of their production, current suppliers and customers, as well as their potential for growth and financing. Moreover, it is essential

to study their geographical location and proximity to each other, along with the existing value chains between different cooperatives.

The subsequent step involves designing an online platform that caters specifically to the needs of women in cooperatives. A user-oriented approach must be adopted to ensure its effectiveness. Suppliers can utilise the platform to offer inputs and prices, while customers can browse the cooperative's product offerings and place online orders. Additionally, the platform should include a dedicated section for online training through MOOCs. This section will educate users on platform utilisation, management and accessing financing, as well as facilitate exchange and cluster formation among cooperatives.

The MOOC section should feature comprehensive courses covering the platform's usage, management and financing access. It should also provide opportunities for exchange and cluster formation, enabling women's cooperatives to share experiences and collaborate towards achieving their objectives.

The implementation of an online platform holds significant potential to address the challenges faced by women's cooperatives in Morocco. By conducting a thorough diagnostic assessment and subsequently designing a user-oriented platform with integrated online training, cooperative members can enhance their managerial skills, access necessary information and capitalise on opportunities for growth and financing. Empowering women through such platforms can contribute to the overall advancement of women's cooperatives and foster socio-economic development in Morocco.

Figure 4.9 : Empowering women's cooperatives through online platforms.



Diagnostic assessment of woman's cooperatives:

- In-depth analysis of production, suppliers, customers, and growth potent
- Study of geographical location and value chains between cooperatives



Designing a user-oriented online platform:

- Supplier and customer interaction for input offers and online orders.
- Dedicated section for online training through MOOC's
- Echange and cluster formation among



Features of the online platform:

- Comiprehensive courses on platform usage, management and finacing access.
- Opportunities for exchange and collaboration among cooperatives.
- Empower woman's coopera-tives for managerial skills and growth.



Potential impact of the online platform:

- Enhancing managerial skills and production capabilities.
- Accessing necessary information and resources.
- Capitalizing on opportunities for growth and finacing.

Source: Author's elaboration