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Social protection hampered by bad governance

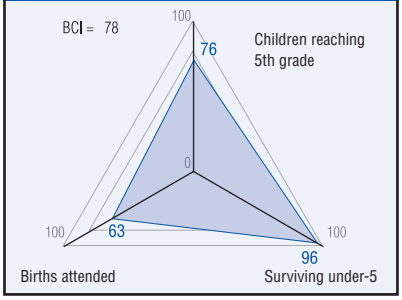
It is essential to overhaul decision-making and management mechanisms and re-launch public programmes to make them more efficient, and to create a synergy among the various components of the systems that provide services. There must be transparency to promote a climate of confidence among the different social actors, and to protect the people from economic and social risks.

Espace Associatif
Larbi Jaïdi

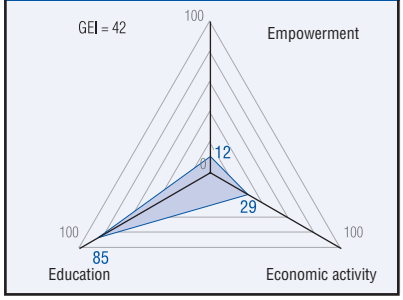
To produce this report, Espace Associatif[1] used a participative methodology based on a scheme proposed by an expert in this field, Larbi Jaïdi. A panel of 10 organizations[2] was set up, each from a different thematic area of social protection, and each organization completed an e-mail questionnaire giving its point of view in function of its own activities and objectives. Then there was a meeting at which representatives from the organizations exchanged views, and Larbi Jaïdi was able to check and complete the report. The organizations subsequently made amendments, and approved the final version at a second meeting with Larbi Jaïdi.

In October and November 2007, there will be a process of reflection, and proposals will be presented to involve more Moroccan social actors and NGOs and mount campaigns to promote change and raise awareness about social security in the country.

Basic Capabilities Index (BCI)



Gender Equity Index (GEI)



At the start of the 21st century, Morocco is finding it difficult to achieve prosperity and social cohesion, partly because of backwardness in many areas of social development. A package of reforms was implemented more than 10 years ago and some notable progress was made, including an obligatory illness insurance law and reform to the Family Code, but major problems remain. Illiteracy is becoming more widespread, progress is not uniform or harmonious, and there is still gender inequity and great differences in development levels in different regions. In 2006, the UNDP Human Development Report ranked Morocco at 123rd in the world, which is very low. The reforms have still made hardly any visible impact on conditions of life in the country, and the greatest challenge facing the administration is to improve the governance of these social programmes.

Morocco has entered into numerous international commitments, including the United Nations Millennium Declaration, which binds the country to adopting human rights and gender equity approaches in public policies. This means the state must strengthen its capacity to ensure the promotion and protection of human rights, taking account of people's ability to have their rights recognized, and also to establish mechanisms to follow up and evaluate public action to make sure that these rights are completely satisfied. It is true that Morocco has taken some measures to improve the situation of women, including officially adopting the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), but the institutional dimension of the gender focus has not yet been consolidated.

Access to health: dysfunctions that jeopardize equity

Morocco has also made international commitments to provide national health care services for the whole population. However, in many cases people find they are hindered from actually accessing health care, and this is due to various dysfunctional weaknesses in the health system, including the following:

The fact that the general state of health of the people is still unsatisfactory. The maternal mortality rate is high, as are mortality rates among newborn babies and children under five years old; contagious illnesses still persist (there are 30,000 cases of tuberculosis per year) and so do maternal and perinatal health problems (27% of children born in rural areas and 13% in urban areas suffer stunted growth, and 12% of children in rural areas and 3.3% in cities are underweight); and non-contagious illnesses due to changes in people's ways of life have emerged (17.4% of the total of years of life lost through premature death are due to circulatory system diseases, 6.7% to tumours and 4.6% to respiratory diseases). There is also the problem of HIV/AIDS, which is still on the rise, especially among women, who account for 50% of cases in the last five years in contrast to the 1986 to 1990 period when only 20% of HIV/AIDS cases were women (Ministry of Health, 2005a).

Inequalities in the offer of and access to health care. In spite of the efforts that have been made, the health system still has numerous shortcomings including insufficient infrastructure and equipment[3] and geographical access problems in some parts of the country: around 31% of the population lives more than 10 kilometres from a health centre (Ministry of Health, 2005b).

Mechanisms to finance the health care system are underdeveloped, and only a totally inadequate 5% of the general state budget is allocated to this sector. To make matters worse, a massive 70% of the total health budget consists of operating credits; there is a lack of coordination between resource allocation criteria and areas of expenditure (the hospital

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3 At the present time there is one basic health care post per 14,012 inhabitants, which amounts to one hospital bed per 1,060 persons (Ministry of Health, 2005a).

network, outpatient services, training, etc.); there is scant financing from public sources;[4] services are of poor quality with long waiting times, examinations that are only superficial, illogical prescriptions, shortages of medicines and low health insurance coverage that provides protection for only 15% of the population (Ministry of Health, 2003).

The new Compulsory Health Insurance law (AMO) means a whole change of perspective for most people. It encompasses all public and private employees and is based on principles of solidarity and equity, coverage for everyone, and no discrimination for reasons of age, sex, type of activity, level of income or medical background. However, the evolution of health care and the rate of coverage are still subject to restrictions imposed by the financial equilibrium of the system.

The state, in cooperation with the banking system and micro-credit organizations, has set a series of initiatives in motion to provide coverage for self-employed workers in the expectation that AMO coverage can be expanded to include these specific categories. A bill is being prepared to enable economically vulnerable population sectors that are without coverage to benefit from a health care system (RAMED). But this project has run into difficulties in the implementation phase due to problems with identifying the beneficiaries, partial contributions from certain population groups, hospital reform and the participation of local communities in providing finance.

Limited retirement pension coverage

The retirement pension sector is made up of 10 different systems, and total coverage is still limited. In 2005, the four biggest retirement pension funds provided coverage for 25.6% of the economically active population (Ministry of Finance and Social Security, 2003). There is a generalized notion that these systems are generous, but in fact the average benefit per person is very meagre, indeed it is less than the minimum salary in the country. The retirement pension system has problems that undermine its financial stability and have a negative impact on its efficiency and future viability. These can be briefly summed up as follows:

- The retirement pensions sector is not organized in any legislative framework.
- There is not enough control or supervision.
- Contributions are low (5%) compared to other countries (Portugal 35%, Brazil 30%, Turkey 20%) and are increasingly insufficient to finance benefit payments.
- There is weak governance in the pension funds.
- The pension systems are not coherently coordinated (Ministry of Finance and Social Security, 2003).

The whole equilibrium of the system is at grave risk because the demographic balance essential to pension provision is expected to deteriorate over the next 30 years. Demographic projections cast doubt on the sustainability of the system, and people do not think it will be able to meet its commitments in the years ahead. In the long term, it will only be possible to counter the negative consequences for this sector if Morocco can achieve a good and long-lasting rate of economic growth. The traditional forms of solidarity and mutual support among people are disappearing, so the retirement pension system will have to be expanded, and there will have to be a change of mentality so that old age pensions come to be seen as a human right.

The condition of poverty

In 1999, there were approximately 5.2 million people (19% of the population) living below the poverty line. Rates were much higher in rural areas than in the cities (27.4% and 12%, respectively). The poor tend to have large families (70% have more than five children), low levels of education, a lack of assets and, most serious of all, they do not have land that can be cultivated. The unemployment rate is high in this population sector, reaching 30% in urban areas. An estimated 44% of children under 15 years old are living in poverty, while distribution by gender shows an increasing trend towards the feminization of poverty (Ministry of Economic Security and Planning, 2000).

There are various vulnerable groups in society that require attention, above all:

- Children: It has been calculated that there are 600,000 child workers, many of whom live on the street and are exposed to physical and sexual violence. About half a million children are beggars.
- Widowed, divorced and single mothers who are heads of households: Women in these categories who are more prone to poverty, in part because Moroccan legal statutes and inheritance laws discriminate against women and make them more vulnerable.
- People with different abilities: In 4.3% of households that are below the poverty line, the head of the household is disabled or ill (Ministry of Economic Security and Planning, 2000).

At the end of the 1980s, the government implemented a social strategy to combat poverty that was geared to expanding access to basic social services to include people in situations of disadvantage, increasing the number of jobs available for these groups and strengthening social care and protection programmes. The programmes to combat poverty, which were intensified between 1995 and 2005, have been aimed at promoting activities to generate income and foster youth employment. However, in many cases the plans to provide education, vocational training, basic health care, potable water, electricity and social housing have been distorted. Public effort in these areas has been dispersed, the programmes are not sufficiently coordinated, local communities are only involved to a limited extent, and follow-up and evaluation are lacking, all of which has tended to limit the impact of these programmes.

In May 2005, the government launched a National Initiative for Human Development, which shows that there is political will to tackle the problems of the needy, above all in poor urban neighbourhoods and disadvantaged rural communities. It is still too early to gauge the impact of this initiative, but already some flaws have become evident: the projects are slow to go into operation, there are no clear criteria for allocating funds, there is more concern with statistics and numbers than with actual concrete results, and there is friction between institutions as a result of the trend for human development committees to take over the role previously played by elected councils.

One measure in operation is a system of micro-credits, and while it is too early to tell whether this has been effective in combating social exclusion, the beneficiaries' living conditions have clearly improved and the scheme is expanding rapidly thanks to the opportunities it offers. At the end of 2006, the micro-credit sector represented a portfolio of 1,034,162 clients, most of whom were women (66%).[5] Micro-credits are clearly having a positive impact since most of the beneficiaries enjoy a rise in income, and participation in the programme fosters the diversification of activities. However, there is evidence that micro-credits basically serve as circulating assets, and that there is no particular focus on pockets of poverty.

Unemployment and lack of job stability

Some 1.5 million people are unemployed, and this problem is getting worse every year. In 2004, overall unemployment stood at 11.2% but there were big differences between the rural and urban rates, and also differences depending on gender and educational level. Long-term unemployment (more than 12 months) and 'recurrent' unemployment have become the main factors underlying social exclusion. The unemployment rate is higher for women (25.8%) than for men (17.4%), and unemployment among young people is increasing and causing serious concern. The percentage of young people who drop out of the educational system before graduating and therefore have poor qualifications is high, and this makes them more vulnerable to labour and social exclusion. Even young people with professional training find it difficult to enter the labour market. The relative weight of unemployed young people who have completed their studies is increasing because company recruitment practices tend to be very selective (Ministry of Economic Security and Planning, 2005).

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4 The main source of finance for health expenditure comes from households, whose direct contributions account for 53% of the total. National and local fiscal contributions account for only 25% of insurance payments and only 16% of treatment costs. Other sources of finance make very small contributions: 4% from employers (excluding the State and local communities) and 1% from international cooperation agencies (Ministry of Health, 2003).

5 FNAM: <www.fnam.ma/article.php3?id_article=180>. See also the website of one of the biggest micro-credit associations, Al Amana <www.alamana.org> and an evaluation of the contribution Al Amana makes to the development of its micro-enterprise clients.

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Morocco has no overall system for combating unemployment, and an analysis of the employment measures in place shows they are highly unsatisfactory. Since 1993, only 29,000 people have participated in work experience programmes, and the so-called 'action-employment' scheme has performed no better. Only 66,000 young professionals entered the labour market during this period (Ministry of Employment, 2006).

In the new labour code some changes were made to labour regulations (the minimum period to approve the closure of a factory, the setting of indemnity rates, etc.) but in real terms the prevailing legislation in this field is frail because many categories of employees are not covered and most enterprises ignore the law when drawing up temporary contracts, granting vacation time, or when a factory partially or completely closes down. To make matters worse, the official bodies in charge of enforcing current legislation do not have the means to do their job effectively.

In the informal sector, which accounts for 20.3% of jobs in the country, there is even less protection. Some 12.4% of the production units in the informal economy are run by women, and only 2% of workers in this sector are contracted employees. Nearly half the production units (46.8%) ignore labour regulations, and 61% pay wages that are below the official minimum salary (Department of Economic Security and Planning, 2003).

Challenges and the future of social protection

The country's largest social protection scheme depends on the National Social Security Fund. Many enterprises have managed to stay outside the system and are unregistered. More than 67% of members are micro-enterprises with five or less employees, and only 38% of registered businesses work for 12 months of the year. Social security contributions from private sector enterprises in the National Fund regime amount to only 1.6% of the wealth produced in the country (Centre Marocain de Conjoncture, 2003). It is difficult for the system to make headway in rural areas and among self-employed workers. The Fund is hindered in its operations because benefits are paltry and wages are low, and quite apart from that it does not have an image of efficiency. Therefore it is important to improve the governance of the system, not only as regards democratic processes in the political sphere but also in the institutions that make up the social security system, since this is where many of the day-to-day decisions are made.

The question of social protection goes beyond the role of the state and public institutions; it involves all the components of society. The 'social question' should be taken into account by all the actors involved, and the necessary conditions for excluded sectors of the population to be reinserted should be created. Civil society must intervene more actively, and indeed it is clear that a new generation of non-governmental actors are emerging in Morocco. Relations between civil society organizations and the state are evolving and mutual distrust is now giving way to the recognition that some kind of synergy is possible. However, there are still obstacles to be overcome before civil society can be fully involved in strategic alliances for development. What is needed is a political and legal framework that is more favourable to increased autonomy for NGOs, and greater participation on the part of these organizations in the process of designing, implementing and evaluating decisions that can have an effect on the most disadvantaged sectors of the population. ■

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- The basic necessities of food, clothing, shelter, education, security and health services need to be delivered urgently with a long-term focus on sustainable livelihoods. ■

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Other significant factors include the subjectively perceived need for a provision and the anticipated transaction costs. A certain degree of non-take-up appears to be inherent in provisions: people decide not to submit a claim because the process is too complex, especially where the amount they stand to receive is small and they feel that they can manage financially without the benefit. As long as entitlements to a given grant or benefit continue to be dependent on the claimant's income and assets, and the initiative for take-up of provisions is left with the client, non-take-up appears to some extent to be inevitable. Transferring a minimum amount to identified clients' accounts could reduce non-take-up (Hoff and Schut, 2007). At the same time, greater emphasis obviously needs to be placed on informing people of their rights. ■

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