

**International Conference on  
Employment Guarantee Policies : Theory and Practice  
Levy Economics Institute of Bard college**

**Promotion Nationale :  
45 Years of Experience of Public Works in Morocco**

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# Outline

- 1. Brief reminder of the Moroccan context**
- 2. PN presentation**
- 3. PN programs**
- 4. PN achievements**
- 5. Funding**
- 6. PN expenditures impacts on the population**
- 7. Main Difficulties**
- 8. PN limitations and constraints**
- 9. Conclusion**

# What is the current situation like ?

## Important Budget effort in social sectors :

- 55 % of State General Budget 2006 versus 41 % in 1992.
- Geographic disparities in spite of the improvement of rural infrastructures :
  - ✓ 73,5% of rural household have access to drinking water in June 2006 versus 14% in 1994 (PAGER) ;
  - ✓ 84% of the rural population has electricity in June 2006 versus 17% en 1996 (generalization in 2007) (PERG) ;
  - ✓ 1500 km of rural roads a year versus 1000 km during the previous program making the access rate reaching 82%. (PNRR 2).

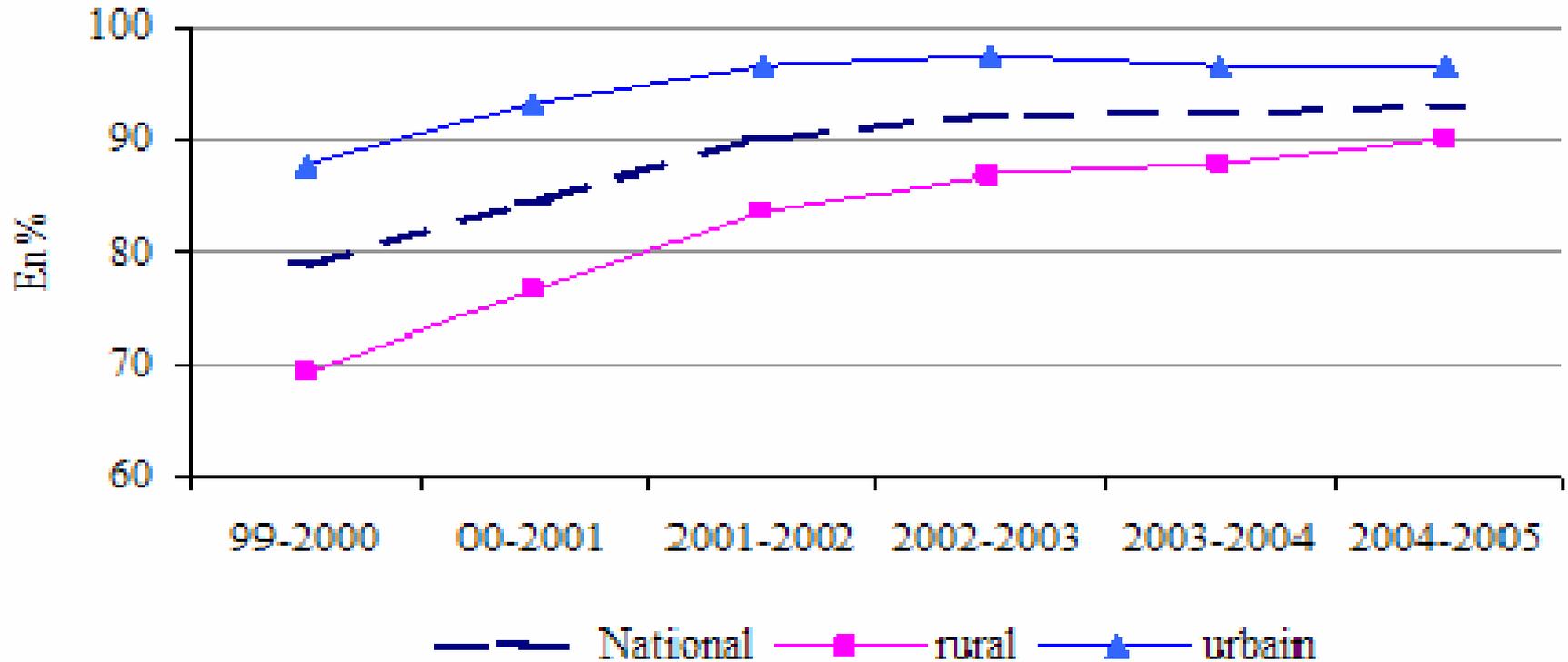
# What is the current situation like ?

## Persistent social deficits with geographic disparities

- **Poverty** : 14,2 % in 2004 versus 16,5 % in 1994.  
The average annual expenditures in urban zones (10.624 Dh) is twice more important than in rural zones (5.288 Dh).  
Poverty remains a rural phenomenon since 74,5% of the poor population is concentrated in rural areas.
- **Mother mortality** : 228 deaths for 100.000 births in 2003 (267 deaths rural versus 187 deaths urban)
- **Child mortality** : 40 for 1000 alive births.

# Education geographic disparities

Evolution du taux de la scolarisation  
-Cycle primaire-

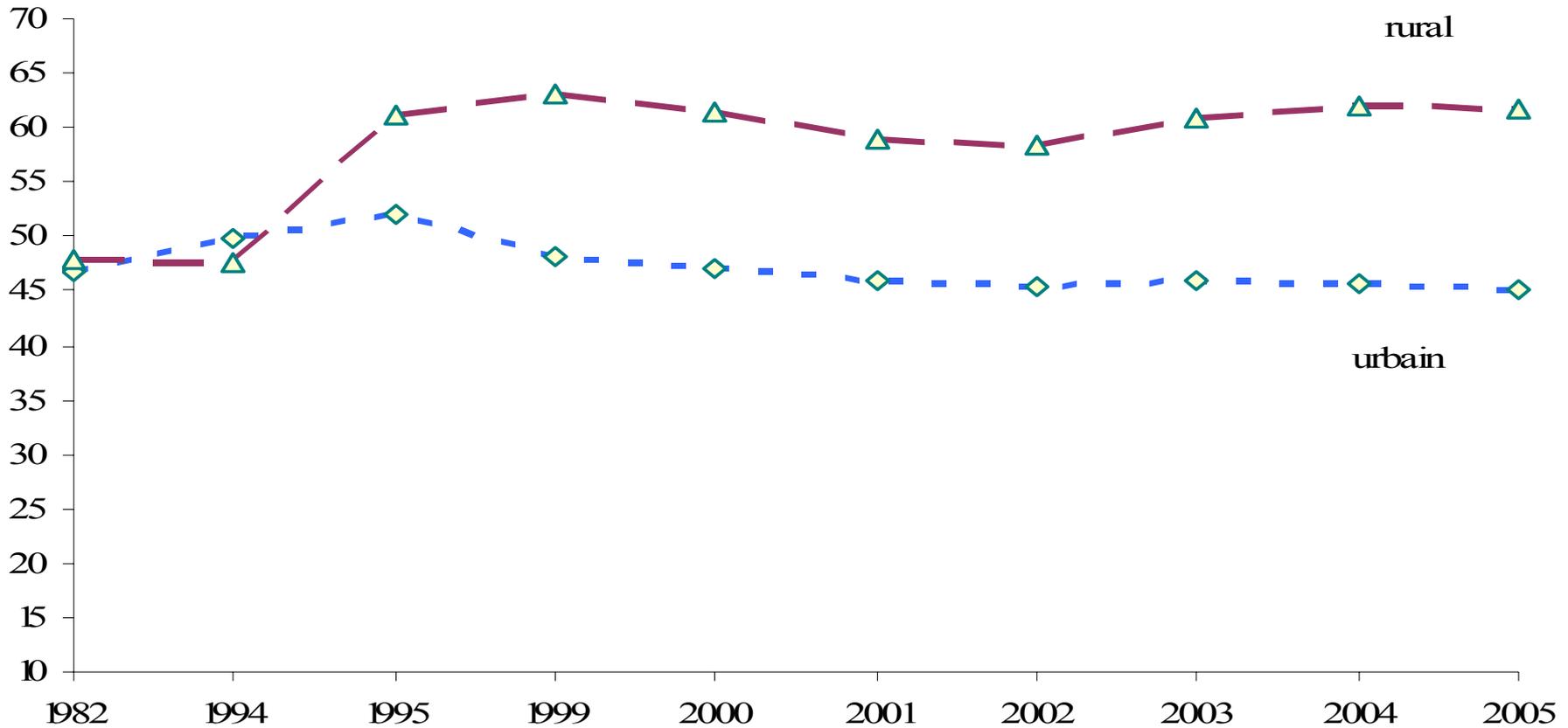


**Illiteracy** : 43 % in 2004 versus 54,9 % in 1994 (6% of GDP education).

**Net education rates (basic education)** : 93% national level, in the rural area : 89,6 for boys versus 84,4% for girls en 2005.

# Activity Rate by zone (urban-rural)

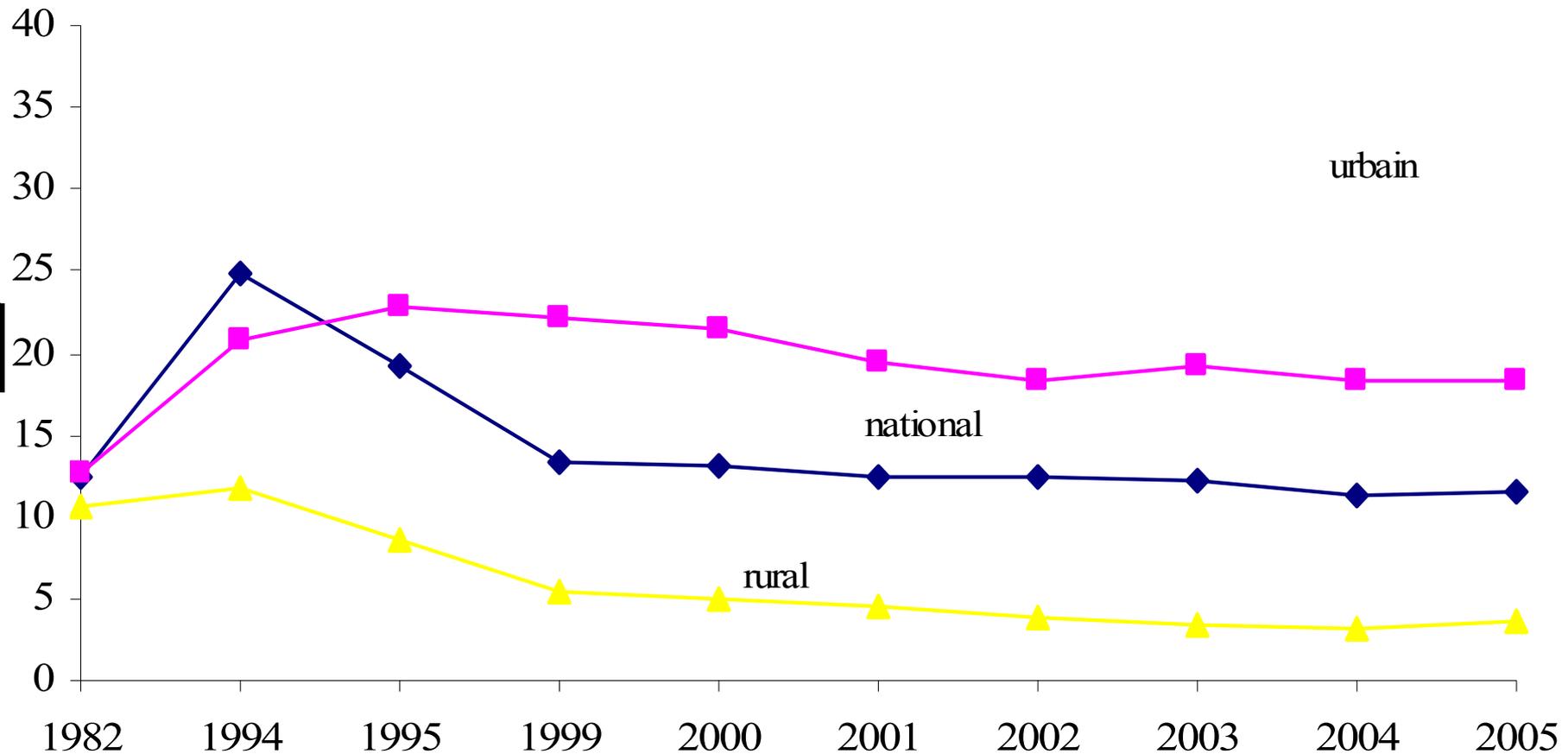
Evolution du taux d'activité par milieu de résidence



The socio-professional status of rural employment reveals predominance of under employment and non paid employment : 50% of the rural population is employed as family assistant or trainees.

# Unemployment

Evolution du taux de chômage par milieu de résidence



(11% national, 3,6% rural, 18,3 urban). The weakness of the rural unemployment rate hides under-employment and people working in their own farms and getting no salaries.

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## 2. PN presentation : Objectives

Created in 1961, PN objectives are based primarily on the intensive use of labour. PN, aims to:

- Mobilize the labour force of the poor rural population, in order to face unemployment and attenuate the rural migration;
- Widen the field of its action and to privilege the choice of more profitable and less expensive projects;
- Direct its intervention in the rural zones through the construction of water supply channels and cisterns, the digging of wells, the construction of tracks and the reforestation...;
- Take part in the urban zones in cleaning, maintenance of parks and the improvement of the quality of life and environment;
- Support sector projects carried out within the framework of the social development strategy.

## 2. PN presentation : Objectives

- **In rural areas**: the PN acts by providing employment through construction and development of sites during limited duration especially for men recruited at the local level.
- **In urban areas**: the PN supports the community by recruiting secretaries, cleaners, nurse's aides or instructors for specialized centers (for handicapped, orphan, abandoned children...), hospitals and health structures. The PN also provides employment for the maintenance of gardens and parks (often men).
- **Manpower employed turn around 50.000 persons on average per year currently. Women represent nearly 20% of the total employed.**

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### 3. PN programs

PN acts through the following 6 main programs :

- ***Communities Program*** : This program is intended for employment, as well of agents working in public services lacking personnel, as of subordinate agents (drivers, caretakers, cleaners, nurse's aides...).
- ***Equipment Program*** :
  - In urban areas, the PN takes part in the improvement of cities environment through cleaning and maintenance of parks.
  - In rural areas, the actions particularly aim at providing the communities with a minimum of equipment and at fighting unemployment and the rural under-employment, while trying to reduce regional disparities.

### 3. PN programs

- ***Development of Saharan provinces Program*** : This program contributes, since 1976, with the development of the Saharan areas to mobilize the labour force available in these provinces.
- ***Social Priorities Program (BAJ1)*** completed in 2003 : was composed of 3 projects targeting 14 most underprivileged provinces : basic education, basic health, National Promotion and coordination/follow-up of the social programs.
- ***Employment promotion in the South provinces Program*** In addition to its traditional activities in the Saharan provinces, the PN is also in charge of engaging specific actions to promote employment in the Southern provinces .
- ***Social proximity action Program*** : This program gathers social proximity action (actions in favour of young people, organization and housing of mobile merchants, the elimination of adult's illiteracy, the program “holidays for all”...).

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## **4. PN achievements**

The various works launched by PN allowed the creation of 13,559 million working days in 2002, 12,263 million in 2003, 13,834 million in 2004 and nearly 14 million in 2005.

➤ **Achievements of the Equipment Program** : include Development Works (restoration of the grounds, the reforestation, parks, well sinking, construction of irrigation channels, cisterns, fountains and sources), the Development of local infrastructures (opening tracks, construction of structures), Social Equipment (social housing, boarding schools, youth houses, woman houses, classrooms, latrines within schools, sports grounds, dispensaries, drinking water conveyance and cleanse networks), and Urban zones equipment (cleaning, parks maintenance...).

## 4. PN achievements (cont')

- **Communities Program:** The total working days carried out for the period 2002-2004 reached 5.928.096 working days.
- **Promotion Employment in the South Provinces Program:** generated 10.609.871 working days, from 2003 to 2005.
- **Saharan Provinces Development Program:** The total working days carried out during the period 2002 - 2004 rises at 18.970.564 working days.

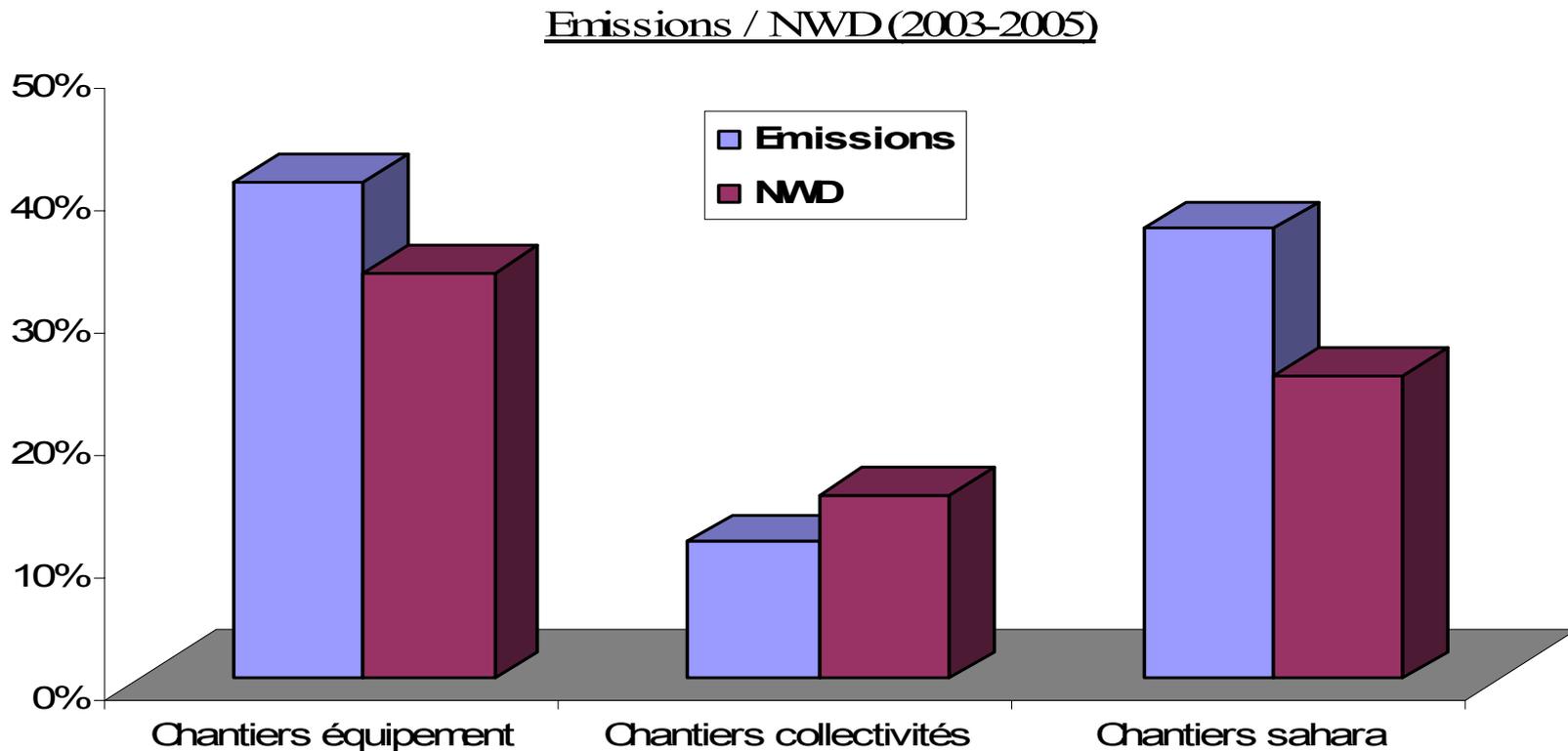
## 4. PN achievements (Cont')

### PN achievements in terms of working days (NWD)

| <b>Programs</b>                                    | <b>Year 2003</b> | <b>Year 2004</b> | <b>Year 2005</b> | <b>Total achievements</b> | <b>2006 (forecast)</b> | <b>2007 (forecast)</b> |
|--|------------------|------------------|------------------|---------------------------|------------------------|------------------------|
| <b>Communities</b>                                 | 1979910          | 1959663          | 1956540          | 5896113                   | 1952292                | 1952292                |
| <b>Urban zones's equipment</b>                     | 3404744          | 4768634          | 4866440          | 13039818                  | 4345348                | 6094950                |
| <b>Employment promotion in the South provinces</b> | 3855805          | 3377033          | 3377033          | 10609871                  | 3428729                | 3377033                |
| <b>Saharan Provinces</b>                           | 2821368          | 3196729          | 3711952          | 9730049                   | 3819012                | 3819012                |
| <b>Total</b>                                       | 12061827         | 13302059         | 13911965         | 39275851                  | 13545381               | 15243287               |

Source : PN

## 4. PN achievements (cont')



The following graph emphasizes expenditure versus number of working days (NWD) generated. We note that Communities Program generates the most NWD compared to the credit allocated.

## 4. PN achievements (cont')

### *The importance of the executed programs*

During the Sixties, infrastructure works occupied the most significant part of PN activities, taking into account the important needs of Morocco : opening of tracks, improvement of mountainous zones access ...

Equipment occupied a less important place during this period, for two reasons:

- ✓ Uncertain profitability of some works
- ✓ Priority given to the rural areas development.

Currently, it is no more the case since the equipment takes the first place.

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## 5. Financing

**The funding of PN works is ensured by the State Budget through a Special Appropriation account (CAS). This account entitled “Funding of equipment expenditures and alleviating unemployment” aims at accounting operations related to PN programs.**

**From 1990 to 2002, 7,151 billion Dirhams were assigned to this CST account. Those expenditures represented 0,2% of the GDP in 2002.**

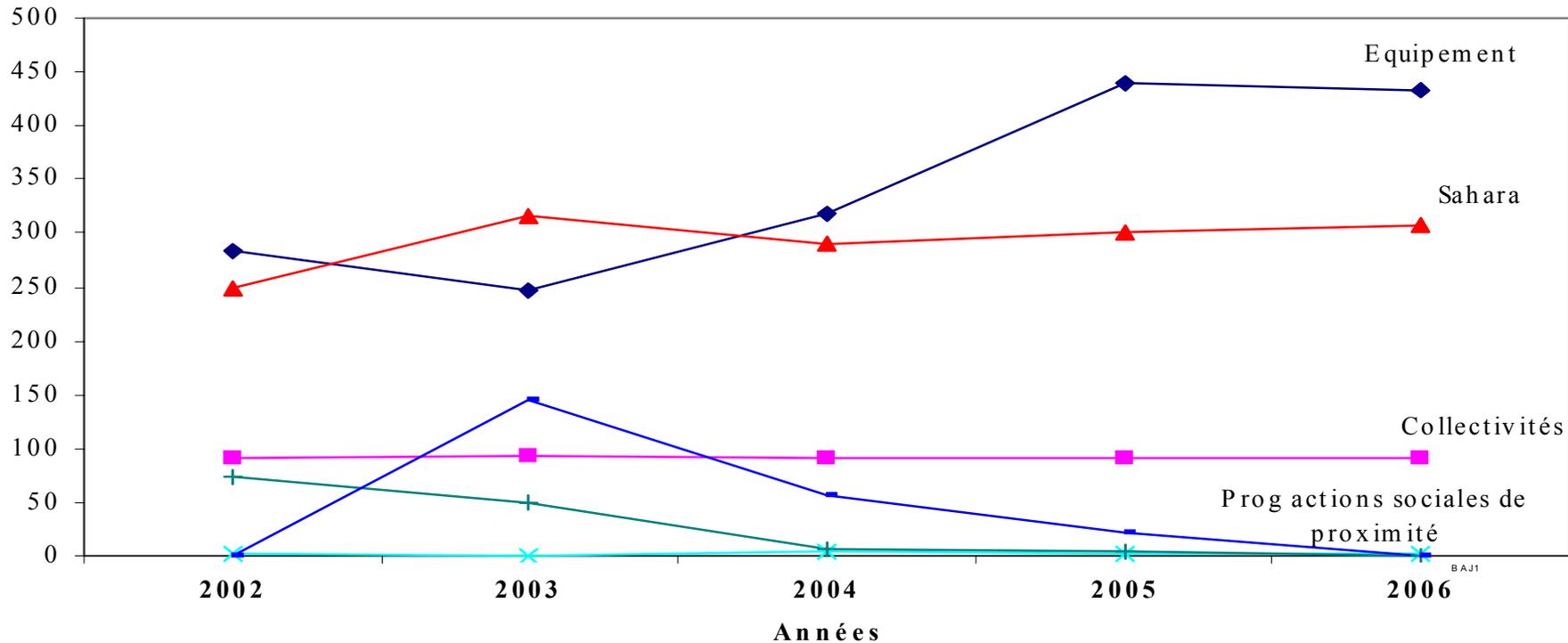
## 5. Funding

### Expenditures achieved by PN (in Million Dirhams)

| <b>Financed Projects</b>           | <b>Y2002</b> | <b>Y2003</b> | <b>Y2004</b> | <b>Y2005</b>  | <b>2006<br/>(Forecast)</b> | <b>Total</b>    |
|------------------------------------|--------------|--------------|--------------|---------------|----------------------------|-----------------|
| Equipment program                  | 284,4        | 246,1        | 317,3        | 438,35        | 433,82                     | 1 720,00        |
| Communities program                | 91,7         | 92,7         | 90,7         | 91,01         | 90,60                      | 456,83          |
| Saharan provinces                  | 250          | 316,5        | 289,9        | 300,60        | 307,24                     | 1 464,22        |
| Supervision                        | 2,3          | 0,1          | 4,2          | 1,14          | 1,20                       | 8,93            |
| Social Priorities<br>Program BAJ1  | 74,2         | 49,3         | 7,1          | 4,59          | 0,00                       | 135,20          |
| Social proximity<br>action program | -            | 144,9        | 56,7         | 21,66         | 0,00                       | 223,22          |
| <b>Total</b>                       | <b>702,6</b> | <b>849,6</b> | <b>765,9</b> | <b>857,35</b> | <b>832,85</b>              | <b>4 008,41</b> |

## 5. Funding (Cont')

Dépenses réalisées  
(En millions de dirhams)



Expenditures carried out benefit to 3 main programs. Equipment program receives the greatest part of the credits and its share increased since 2004. Sahara program arrives in second position. The share allocated to Communities P. is stable these last years and the other programs are almost completed.

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## **6. PN expenditures impacts on the population**

The advantages really generated by PN works are either direct (immediate benefit of the work, for the area or the nation) or indirect (later economic effects, induced effects...).

### **The direct effects :**

- **The acceleration of the national economy monetization. The circulation of the currency was very weak in some areas dominated by barter from the Sixties to Seventies.**
- **Improvement of the purchasing power of the marginal zones : In 1969, the distributed wages represented almost the half of monetary incomes of the farming population, which means that their purchasing power was increased by 50% through PN works**
- **Improvement of the human development with the increase in schooling the children.**

## 6. PN expenditures impacts on the population

- Reduction of the realization cost of the hydro-agricultural works allowing to increase the Country total capacity of investment (the realization of hydro-agricultural works by PN works, was 30% less expensive compared to an execution by a company).
  - Deceleration of the rural migration towards the cities, while allowing to fix the population and to get incomes on the spot to them.
  - Improvement of the environment which was strongly deteriorated in certain rural zones.
- NB : The general administrative expenses are very low: on average, the exploitation costs represents only 6% of investments costs, which is definitely lower than the average costs of the public administration.**

## 6. PN Geographic Poverty targeting

The examination of the expenditures of PN programs at provinces level shows, a strong concentration in some provinces which are not among the poorest.

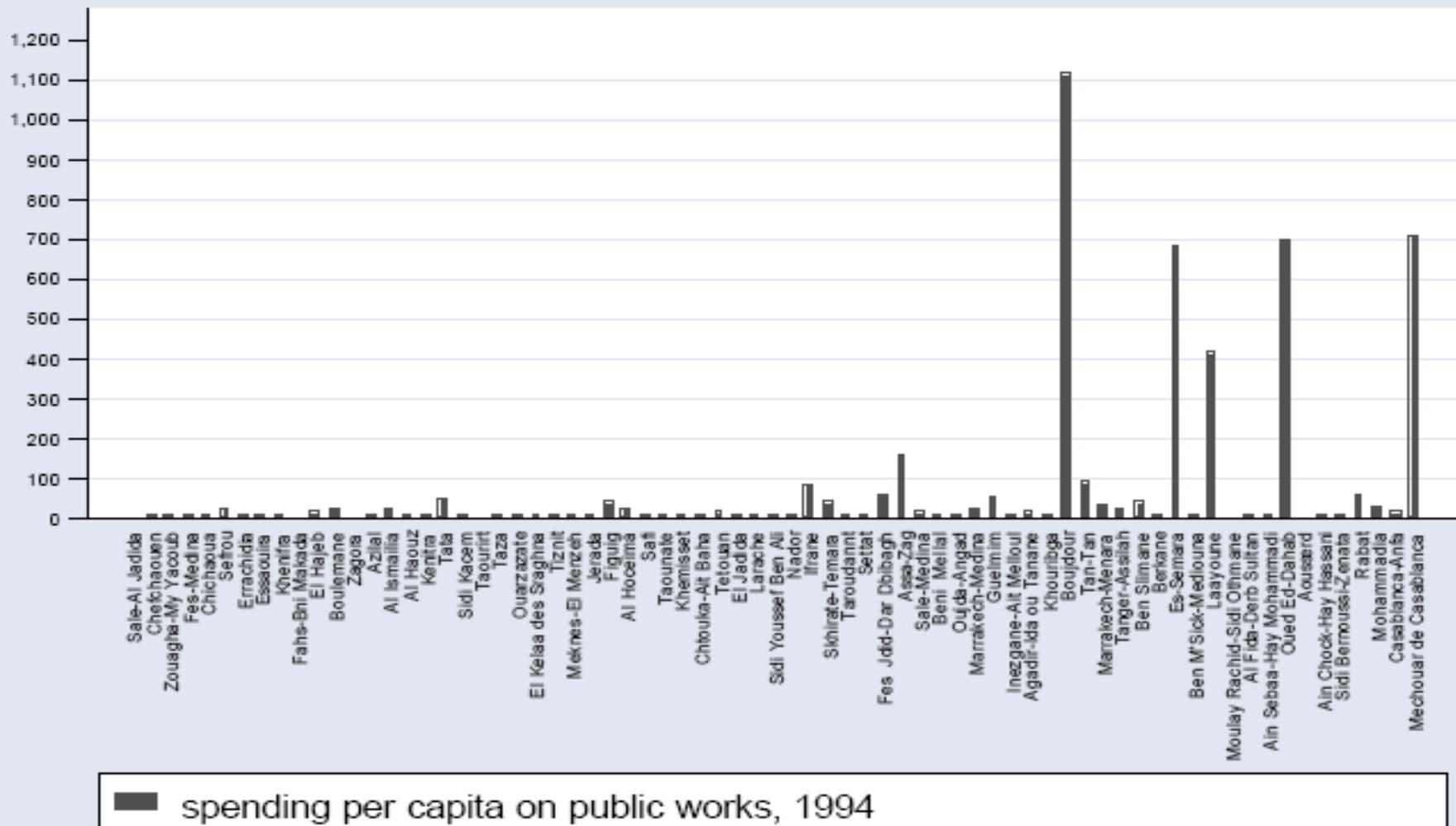
According to the PN provincial expenditures analysis from 1994 to 2002, it appears that the expenditures per capita at the provincial level is not correlated with the incidence of poverty nor at the unemployment rates.

For many provinces, the amounts per capita are relatively the same ones. The average receipt was 77 Dh per capita. But there is also the aberration of certain rich provinces which receive 15 times as much.

The situation did not really change between 1994 and 2002.

# 6. PN Geographic Poverty targeting

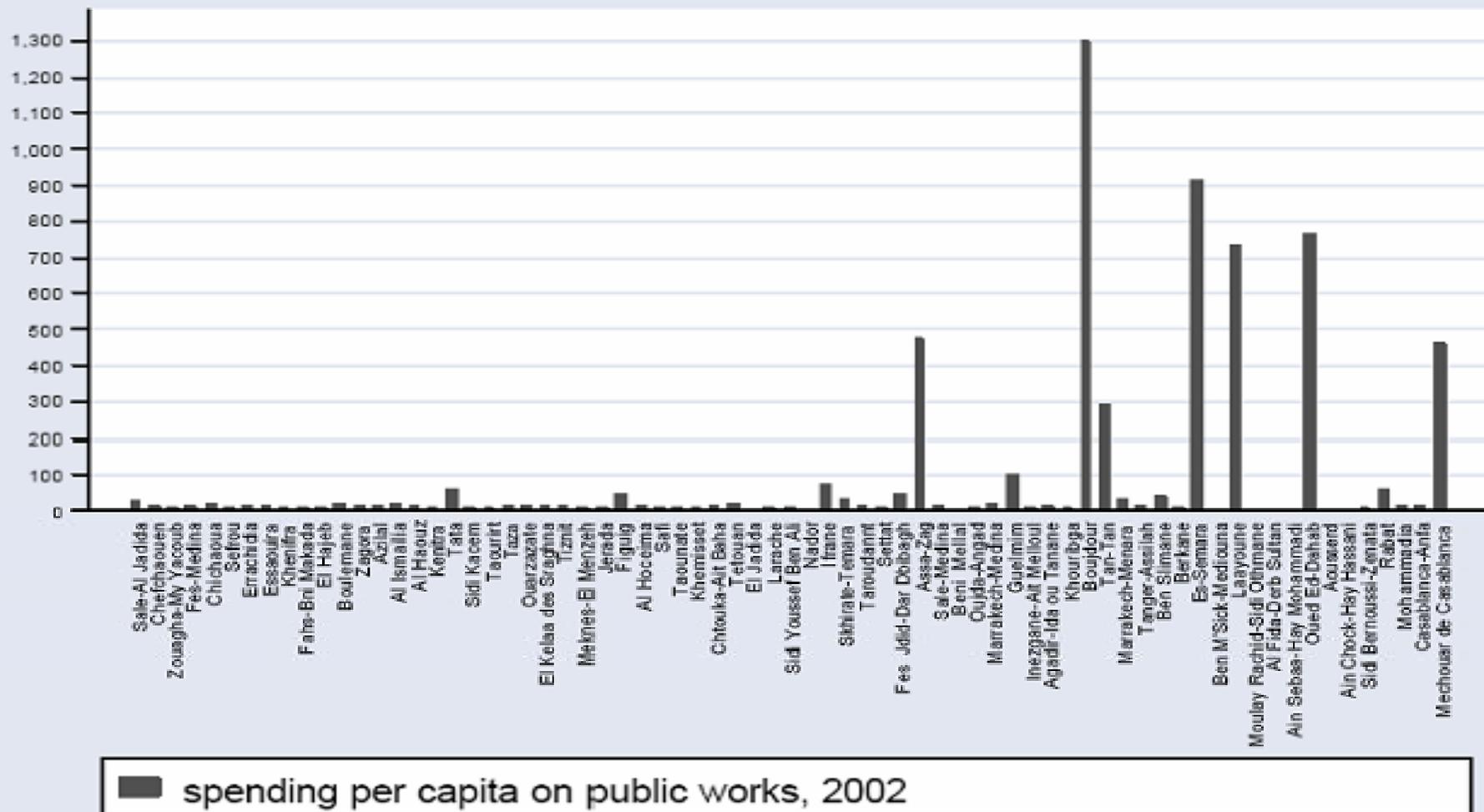
## Expenditures per capita allocations classified by poverty incidence 1994



Note: Provinces ranked from poorest to least poor.

# 6. PN Geographic Poverty targeting

## Expenditures per capita allocations classified by poverty incidence 2002



Note: Provinces ranked from poorest to least poor.

## 6. PN Geographic Poverty targeting

- **PN programs do not seem to reach the rural poor zones effectively. Indeed, the distribution of the budget (except BAJ) of the PN seems to go to the urban non poor zones.**
- **The phenomenon could be explained owing to the fact that the program has today a set of objectives more complex than during its establishment.**
- **Its mandate today exceeds the public-works programs to strong intensity of labour, which had been conceived initially to provide work to the rural households during difficult periods of the year.**
- **Currently, 40% of the PN budget is affected to urban households within permanent employment programs.**

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## 7. Main Difficulties

**Technical supervision** : During 60–70, Morocco suffered from the insufficiency of the technical supervision. This is no more the case actually.

**Human resources** : PN quickly faced H management problems :

- Absence of a legal statute of the personnel employed.
- Requests for establishment (permanent staff status), complaints of welfare benefits (family benefits...) and demand of social protection (insurance, retirements...).
- Difficulties of exit of the personal employed especially in urban zones (employment in the communities, orphanages, health centers...) and thus, drop in the people employed **turnover**, which is completely conflicting with the initial vocation of the PN which aims at creating provisional job.

## 7. Main Difficulties (cont')

- Difficulties of acquired rights arise which one cannot touch any more with sometimes the employment of whole families.
- There is more employees movement in rural zones.

### One of the solutions :

PN intends to integrate the beneficiary of the employment programs within the framework of the insurance system disease for economically stripped (RAMED) which will be set up in 2007 to ensure a medical insurance to them.

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## 7. PN limitations and constraints

Public institutions which implement specific social actions to fight against poverty, such as PN, are facing generally three principal limits today:

- limits of the public financing;
- the reduction or suppression of certain forms of bilateral or multilateral assistance;
- Repercussions of a centralized public management of the programs in terms of insufficiency of the motivation of the personnel executing the projects, and in terms of some inflexibility in the administration of these programs...

**NB : PN works should not become a source of permanent incomes; otherwise the farmer will give up his land and work in PN projects.**

## 8. Conclusion

- 45 years after its installation, the PN has at its credit an important and single assessment regarding reducing unemployment with weak management costs. In spite of certain difficulties and limits, PN programs remains one of the most efficient mechanisms of social protection of the country.
- The distribution of PN budget seems to target the non poor urban zones : the phenomenon could be explained by the fact that PN has today a set of more various and complex objectives related to social, political and security issues.
- Its mandate now exceeds the public-works programs with high labour intensity, which had been conceived to provide work to the rural households during difficult periods of the year. In addition, that can also be explained by the existence of pockets of poverty in the sub-urban zones

## **8. Conclusion (cont')**

**To reduce unemployment and contribute to the development of the poor zones we can make the following recommendations :**

- Modernize the information S by disaggregating by sex data related to the beneficiaries to allow gender analysis of PN actions.**
- Remove constraints which weak the turnover of the beneficiaries in urban areas and fight against the acquired advantages (more transparency and equity of the programs).**
- To encourage the Local Communities to deal with the staff costs which weigh the PN budget down and to reallocate the Communities P. budget to the equipment of the rural areas;**
- To pursue the reduction of the credits allocated to the urban world and to increase allocations to the rural world in order to improve the targeting of the poor populations.**

**Thank You**