

MOROCCO

**EDUCATION, TRAINING AND EMPLOYMENT
DEVELOPMENTS 2021**

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KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT

Prior to the COVID-19 crisis, the skills and labour sector received renewed interest from the highest levels of the government, and practical actions visibly impacted its development. For example, the drop-out rate from education (particularly at primary level) has been in steep decline for almost a decade and the literacy rate has been increasing, all in a context where the Moroccan economy has been either stable or growing for almost a decade.

Key developments that occurred in line with the central policy directions set out in the education roadmap and following the adoption of the Framework-Law on Education in 2019 include a new vocational education and training (VET) framework-law to consolidate the coordination of the various strands of education. The strategy also includes the setting up of multifunctional training centres in each province; construction began on the first skills and jobs hubs, and the centre in Souss-Massa opened its doors in September.

At a more macro policy level, in May 2021 a New Development Model was unveiled to consolidate achievements and guide the work of line ministries for the years to come. The strategy explicitly aims to improve both education and employment. For example, its first priority is to achieve a 'diversified economy that creates value and quality jobs', and its second to 'strengthen human capital and better prepare the future'. A range of actions are planned for both axes to directly address these needs and reiterate a vision whereby 'enhancing the human resource capital is also a must in view of the following the central role of learning and knowledge as key determinants of economic growth, in a context of sweeping technological change that requires new skills and qualifications for their ownership.'

Currently classified by the World Bank as an upper-middle-income country, Morocco has made undeniable progress over the past 15 years and has successfully narrowed the standard-of-living gap with southern European countries. Improved fiscal management and economic diversification – through more strategic global partnerships in the transport and renewable energies sectors, for example – have strengthened the resilience of Morocco's economy. As a result, after continuous improvements, primary education is now universal (according to UNICEF, 99.1 % of children aged 6 to 11 attended primary school in 2016/2017 – UNICEF, 2019) and poverty has significantly decreased (17.1 % in 2019, according to the HCP).

However, ever since it began in early 2020, the COVID-19 crisis and the necessary mitigating measures have largely dominated the policy agenda and dialogue regarding human capital development. The entire education system was quickly shifted online to allow for distance learning during periods of lockdown, including in 2021, and the functioning of schools was significantly disrupted. The Ministry of Education set up an e-learning platform to ensure continuity in teaching and learning. Public television and radio also broadcast pedagogical content. However, issues of access, inclusion and quality continue to be of concern. For example, the return to school in September 2021 was postponed by a month at all education levels due to the sudden increase in transmission rate compounded by a delayed youth vaccination campaign, and distance learning was not utilised.

The already fragile employment situation was also affected, particularly for women and young people. A special fund of approximately EUR 2.8 billion was set up to manage the economic effects of the pandemic. During the repeated lockdowns in 2020, employees registered with the social security system received a monthly allocation of approximately EUR 200 and benefited from a temporary suspension of loans, as well as consumer credit reimbursements. Citizens operating in the informal economy also received one-off financial support in 2021 and firms were granted a temporary tax break.

The Moroccan economy, in line with global patterns, felt the effects of the global economic contraction. These circumstances came at a time when Morocco was already dealing with an agricultural sector impacted by chronic drought (except for 2021, which saw a particularly good harvest), meaning that the

current underemployment situation is not likely to improve rapidly. However, observers, including international financial institutions, are confident that the economy will rebound in 2022.

1. KEY DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

▪ Political developments and health

Given its good geographical location and comparatively sound infrastructure, Morocco aims to position itself strategically as an economic and financial nexus between Europe and Africa. To this end, Morocco has initiated a strategic South-South partnership, founded on co-development and closer cooperation with southern and regional neighbours to make the most of its geographical location and its historical relations with its European and Mediterranean trading partners. This includes notably exchanges of peers and expertise addressing skills development and climate actions (Hekking, 2020). The geopolitics of the Western Sahara issue dented this ambition during 2021, with a reactivation of diplomatic hostilities between Algeria and Morocco.

The party previously in power, the PJD (*Parti pour la Justice et le Développement*, often compared to a moderate version of the Muslim brotherhood in the region), lost most of its parliamentary seats in the 2021 general election. The new prime minister, billionaire businessman Aziz Akhannouch, announced that he would implement a break from the previous government with a greater focus on reducing poverty. The Economist Intelligence Unit classifies Morocco as a 'hybrid democracy' and its democracy index has been steadily increasing for 15 years.

As October 2021, Morocco had fully vaccinated over 60 % of its population (WHO, 2021), a remarkable regional achievement compared to its southern neighbours. At the time of writing, this has translated into a continuous decrease of cases, hospitalisations and deaths.

▪ Demographics

Although both the fertility and mortality rates in Morocco are continuing to decrease, the population is gradually growing, by approximately half a million people every year. It rose from just over 32 million in 2012 to 37 million in 2021 (HCP, 2021b).

The upwards trend in the Moroccan population will continue, although projections suggest that growth will slow down over the next three decades and stabilise around 2050 (CERED, 2017). The age distribution is also changing, with the pre-school and school-age populations projected to shrink and the active population expected to grow until 2050. This means that the demographic trend in Morocco – like those of its regional neighbours and following on from the 'youth bulge' of the 2000s – is one of an increasingly urban, ageing population, which is likely to result in a shift of pressure from the school system towards the labour market and social security systems (Engelhardt-Wölfler et al., 2018). The latter will be particularly affected by the growth of the senior cohort (aged 60+), which is expected to more than double over the next three decades, rising to 23.2 % of the total population in 2050, compared with just 9.4 % in 2014. The current share of young Moroccans (15 to 24 years old) in the population is 25 %, which is the SEMED average (ETF, 2021a).

Morocco has a long history of emigration, with 8.6 % of Moroccans living outside Morocco (ETF, 2021a). Moroccan migrants have historically had low to medium skill levels, but in 2019, over a third of them had a tertiary education (HCP, 2021b). For this reason, a possible brain drain is now given more consideration in human capital development policies. The substantial number of outward migrants mostly comprises men seeking employment abroad. Women are more likely to move from rural to urban areas, in most cases as a result of their spouse's departure. The yearly number of working migrants has increased continuously, from 53 000 in 2000 to 98 600 in 2019 (UNDESA, 2019). The majority of migrant workers move to the EU (70.7 % to France and 24.4 % to Spain), but some make their way to the United Arab Emirates (3 % – MTIP, 2017). The main driver behind this is work, which accounted for 47.4 % of migrants in 2019 (ETF, 2021a).

Morocco is the second-largest recipient of remittances among developing countries in the region. Despite the heavy concentration of expatriates in Europe, the United States leads the list of countries from which remittances are sent (14 %), followed by Saudi Arabia (12 %) and France (10 %) (KNOMAD, 2021).

▪ Economic developments and informal economy

On the economic front, according to the World Bank (2021), after a 6.3 % contraction in growth in 2020 (although similar findings in other countries show that this is far from exceptional), the economy posted a 1 % year-on-year growth in real GDP during the first quarter of 2021, boosted by an agricultural rebound following abundant rainfall. The service sector has yet to fully recover as the comparatively large tourism industry continues to be hindered by the pandemic.

The recent assessment of the reforms identified in the SME Policy Index (OECD/EU/ETF, 2018) suggests that Morocco could inspire other economies in the region to improve their policies towards SMEs. For example, since 2002 it has had an operational SME Law (*Charte de la petite et moyenne entreprise*), which determines the most important policy principles including the establishment and responsibilities of an SME agency, the recognition of associations for the support of SMEs at the local, regional and national levels, and support mechanisms. However, many challenges remain, such as a reliance on low value-added activities, the informal economy, under-employment and unemployment. There is a need to step up regional development efforts and to continue working on creating conditions that will allow entrepreneurs to prosper.

Small and medium-sized enterprises make up 99.7 % of Moroccan businesses; they create 37.8 % of the value added and represent 73.7 % of declared employment, according to the 2021 yearly report by *l'Observatoire Marocain de la TPME* (OMTPME, 2021).

Morocco has one of the most stable investment climates and diversified economies in the region. In 2019, 57 % of the value added was produced by the services sector, which is a major contributor to the economy. Tourism accounts for 12 % of GDP and 12.9 % of total employment according to the World Travel and Tourism Council, and it is a major source of growth. However, COVID-19 has brought tourism to a halt and it is difficult to predict how the sector will evolve after the pandemic (AfDB, 2021).

The government initiated the rollout of the economic roadmap announced by King Mohammed VI in July 2020. At the time of drafting, the government had reformed laws (adopted in February 2021) to strengthen social protection and public health outreach to the entire population, and had established the Mohammed VI Fund, which supports these services and SMEs through PPPs.

In the World Bank's *Doing Business* report for 2020, Morocco moved up seven places and is now ranked 53rd. Areas that have improved include paying taxes (less costly), dealing with construction permits (streamlined administrative procedures) and trading across borders (easy to import/export, including paperless customs clearance).

A recent ILO publication (2018), which is the only source of statistics for the informal economy in Morocco and is based on 2017 data, claims that almost 80 % of employment is in the informal economy.

In May 2021, a New Development Model was unveiled, prioritising: (i) structural reforms to boost competitiveness and private sector development; (ii) improving the quality of education and health services to boost human capital; (iii) accelerating the decentralisation process; and (iv) preserving natural resources. Notably, one of its first priorities is establishing an education and training system focused on the learner, based on empowerment and activation of stakeholders to train citizens who are agents of economic and social change⁷.

2. EDUCATION AND TRAINING

Great efforts have been made to reform the education and training system in Morocco, starting with the Vision for Education 2030 and the National Strategy for Vocational Training 2021 (adopted in 2016). The former emphasises education as a gateway to social and personal development through fairness, equality of opportunity and quality education for all. The main objective of the VET strategy is 'quality VET for all and throughout life, to support development, to increase the value of human capital and boost competitiveness'. Furthermore, the Framework-Law on Education was adopted in July 2019, and practical progressive measures continue to be rolled out (e.g. mandatory medical coverage for all students, monetary transfers to vulnerable families, an expansion of pre-school establishments and increase in enrolments, high-speed internet for tertiary establishments, etc.). At the national level, the Higher Council for Education, Training and Scientific Research issues its opinion on public policies in education and evaluates related public policies and programmes. However, the policies mentioned above have not been formally assessed by an external entity.

In 2018, King Mohammed VI called for reforms and actions in the field of education and training of young people in order to ensure their economic and social integration. The prime minister, together with key public institutions – the Ministry of National Education, Vocational Training, Higher Education and Scientific Research, the ministries of labour, youth, agriculture and culture, and the main public VET provider (*Office de Formation Professionnelle et de la Promotion du Travail*, OFPPT) – presented the new roadmap in 2019. One key new initiative is the establishment of state-of-the-art skills and jobs hubs covering all regions and offering an innovative approach to skills development in terms of both skills identification and pedagogical methods. Construction has already started as at the time of drafting, with the hub in Sous-Massa being complete and welcoming learners already.

After many years of delay owing to employers' dissatisfaction with how funds collected through the VET tax were being managed, in 2019 the Law on Continuing Vocational Education was adopted. The law regulates the functioning and organisation of continuing training. It encompasses more beneficiaries and covers almost all stakeholders, from employees in the private sector to public enterprises. All employees are now entitled to a training allowance of three working days per year. The law also introduces a system for recognising prior work experience.

The most recent overarching national strategy addition is the very ambitious 'New Development Model', which complements the previous set of national strategies and policies and aims to elevate Morocco up to the top third of the various global rankings by 2035, allowing it to further strengthen its ambition to be a regional role-model. Objectives include doubling per-capita GDP by 2035, ensuring that more than 90 % of pupils master elementary skills and competencies by the end of primary school, bringing the informal employment rate down to 20 %, boosting the participation rate of women from 22 % in 2019 up to 45 %, and achieving a satisfaction rate of over 80 % among citizens with respect to the administration and public services.

2.1 Trends and challenges

▪ Education expenditure, access, participation and early leaving

By 2020, the average time spent in school had risen to 14 years, following a continuous increase since the year 2000. Similarly, the number of adolescents not regularly attending school has been decreasing continuously and is currently 130 000, half as many as in 2010 (HCP, 2020).

Moreover, literacy has significantly improved over the last two decades, with notable generational differences. For example, in 2018 (last available data), 97.73 % of young people aged 15–24 were literate, while the percentage of women aged 65 and over who were able to read and write stood at 19.02 % (compared with 34.11 % for men of that age group). This improvement is remarkable considering that the figures were hovering at around 50 % in the year 2000 (UNESCO, 2021).

Despite these commendable achievements, significant challenges remain and considerable political attention has been given to the issue.

The question of financing education is essentially the responsibility of the State as regards equipment, training, maintenance and management. Information on the share of public expenditure on education as a percentage of GDP is available only for 2019, when it was 6 % . VET expenditure was 0.2 % of GDP in 2015 (CdC, 2017) but no data is available for subsequent years. VET Funding derives from a variety of sources, such as VET tax (23 %), the state budget (38 %), households (23 %) and enterprises (14 %).

In a recent report from 2019, the Higher Council for Education, Training, and Scientific Research published decreasing but nonetheless alarming figures on the rate of school dropouts in Morocco. 431 876 students dropped out of public schools in 2018 without obtaining school certificates. Morocco has succeeded in lowering the primary school dropout rate to 2.2 % in cities and 4.8 % in urban regions. However, the rate of learners leaving education 'without obtaining school certificates' increased in secondary education, reaching 12.9 % in urban centres and 16.8 % in rural areas (Alaoui et al., 2021).

Former Minister of Education Saaid Amzazi said in an interview (Kasraoui, 2021) that school dropouts at three stages of education in Morocco were limited to less than 55 200 students. More specifically, the percentage of students who dropped out of primary school decreased from 2.7 % to 2.1 % between the 2018 and 2020 academic years. During the same period, the percentage of students who dropped out of secondary education went from 12.1 % to 10.4 %, and students dropping out of further education fell from 8.8 % to 7.4 %.

Net secondary school enrolment has been increasing for over a decade. From a rate of 50 % in 2010, it reached 68.5 % in 2020, and is even slightly higher for girls, at 69.3 % (UNESCO, 2021).

▪ **PISA results**

The most recent PISA test was conducted in 2018. In reading literacy, 15-year-olds in Morocco score 359 points compared to an average of 487 points in OECD countries. On average, 15-year-olds score 368 points in mathematics compared to an average of 489 points in OECD countries. The average performance in science was 377 points, compared to an average of 489 points in OECD countries. The average difference between advantaged and disadvantaged students in reading is 51 points, compared to an average of 89 in OECD countries. However, 13 % of disadvantaged students are academically resilient, compared to the OECD average of 11 % (OECD, 2018).

▪ **Young people not in employment education or training (NEETs)**

The MENA region historically performs worse than many other regions and, although its peers are not performing particularly well, Morocco has even higher NEET rates than most. In 2017, Morocco was the worst performer among MENA countries (except for countries in conflict) with a NEET rate estimated at over 30 % (Alfani et al., 2020).

Using 2019 data, Morocco's National Observatory for Human Development (ONDH, 2021) showed that 28.5% of people aged 15 to 24 are unemployed, not in education and not receiving vocational training. Furthermore, young women make up 76.4 % of these, 36.1 % of whom come from rural backgrounds. In fact, 54.3 % of NEETs in Morocco have been identified as rural housewives with family responsibilities.

▪ **Education during the COVID-19 pandemic**

As an immediate response to the COVID-19 crisis and the subsequent lockdown, the Ministry of Education, Vocational Training, Tertiary Education and Scientific Research set up an e-learning platform to ensure continuity in teaching and learning. This measure, although commendable, was limited to learners with equipment and broadband access. For this reason, public television and radio also worked

with the ministry to broadcast pedagogical content for students (ETF, 2020). Most teachers also used WhatsApp for its convenience and superior outreach. At the time of writing, pupils have been returning physically to school for the academic year 2021–2022, albeit with strict preventive measures in place to limit the spread of infection.

Moroccan women and men have unequal access to education, and there is also inequality between cities and villages. COVID-19 worsened the situation by widening social inequality between the rich and the poor and increasing levels of poverty and unemployment, which eventually affect the ability of families to educate their children.

The 2019 Framework-Law on Education stipulates the need for digital and equitable education to be at the centre of a reform of the educational system. For example, in Article 33, it explicitly refers to ‘strengthening ICT and quality’ and ‘developing distance learning as complementary to campus learning’. The pandemic hit Morocco immediately after the law was adopted and Decree No 2.20.474, dedicated to consolidating progress on distance learning, was approved in July 2021 by the Government. It includes a legal framework, definitions of distance learning, roles and responsibilities, and a concrete timeline for academic content to be shifted online.

2.2 VET policy and institutional setting

▪ Strategic and legal framework for VET and adult learning

Government policy is contextualised in the 2015–2030 Strategic Vision for Reform, addressing four major purposes: equity and equality of opportunities, quality for all, promotion of the individual and society, and efficient leadership and renewed attainment of change.

The main focuses of the 2015–2030 Strategic Vision for Reform (i.e. integration and consolidation of the VET centre network) have been translated into the Framework-Law on Education. This law safeguards the integrity of the Strategic Vision from political and institutional risks, represents a national pact that is binding for all parties, and provides a legal basis for further development and implementation. This was then further supplemented by the roadmap approved by King Mohammed VI in April 2019, dedicated to improving VET.

As explained previously, the most recent overarching national strategy addition is the very ambitious ‘New Development Model’, which complements the previous policy body and aims to elevate Morocco up to the top third of the various global rankings by 2035, allowing it to further strengthen its ambition to be a regional role-model. Objectives include doubling per-capita GDP by 2035, ensuring that more than 90 % of pupils master elementary skills and competencies by the end of primary school, bringing the informal employment rate down to 20 %, boosting the participation rate of women from 22 % in 2019 up to 45 %, and achieving a satisfaction rate of over 80 % among citizens with respect to the administration and public services.

In terms of performance review, the 2015–2030 Strategic Vision for Reform has led to the development of a national assessment framework to be utilised regularly in order to record progress related to the reform’s objectives. This is now being followed up by evaluations at regional level (CSEFRS, 2021a). For this purpose, a ‘regional index for education development’ has been drawn up by the education council, which is responsible for monitoring the reform. The composite index brings together 157 indicators organised into three dimensions, which correspond to the reform’s objectives, i.e. equity, quality and promotion.

▪ VET governance and financing arrangements

As at 2020, there are over 2 000 VET centres in the country; almost a quarter are in Casablanca and 72 % are operated by the private sector (this proportion has been increasing for a number of years now). The share of VET students in secondary education has consistently increased over the past decade. For the 2019–2020 academic year, nearly 400 000 learners are currently attending VET courses

throughout the country (DFP, 2020). This represents 15 % of secondary level students and is therefore still comparatively low. The figure was just over 300 000 in 2015 (DFP, 2015).

▪ **Quality and quality assurance**

The Ministry's Department for Vocational Training has sole responsibility for the quality assurance of the training system, from designing quality assurance measures to implementing them in close collaboration with all concerned stakeholders. Some notable measures include sectoral studies in certain sectors to ensure labour needs are regularly and systematically collected (since 1987), while specific QA rules and guidelines are being designed and adapted for each type of VET provider (public/private, etc.). The education roadmap and the Framework-Law on Education provide for the establishment of a strengthened quality assurance system with procedures that will be set out in the implementing legislation currently being prepared. Moreover, training programmes are being developed using a skills-based approach.

At the level of vocational training institutions, quality assurance is conducted using a range of mechanisms:

- ISO certification of the management processes of certain establishments falling under the OFPPT.
- A self-assessment system established by the Department for Vocational Training in 2019. This covers a range of areas of assessment to help decision-makers at the school level take corrective measures based on regular performance updates. The system is gradually being rolled out to all VET centres throughout the country.
- Since 2019, the National Qualification Framework has been checking the quality of qualifications through the governance and operationalisation bodies. The qualifications forming part of the National Qualification Framework are subject to a predefined quality assurance process.

▪ **Work-based learning arrangements**

Appropriate laws and administrative frameworks provide the governance arrangements at national, regional and local levels required to optimise work-based learning (WBL) experiences and secure their benefits. These frameworks demonstrate government leadership and can provide mechanisms to engage social partners, workplaces, students, and their parents. They can also be used to establish and support working relations to allow VET institutions to engage with the local community (e.g. advisor committees) and to provide relevant technical vocational education and training (TVET) provisions, including accessible and productive WBL arrangements (UNESCO, 2021).

However, despite these commendable institutional achievements, in practice apprenticeships still lag behind in terms of uptake. For example, of the 191 122 (public) VET students who graduated in 2019, only 22 072 of them had done an apprenticeship. Morocco spends little on WBL compared to OECD averages; moreover, WBL in Morocco includes both WBL and sandwich courses, and each path is governed by a different law and set of bylaws (Law 12.00 and Law 36.90 respectively – GIZ, 2020). This split hinders harmonisation and broad reform efforts. Furthermore, WBL is mostly funded by the state fund, whereas the sandwich courses are mostly funded through the tax levy (1.6 % from total salaries). In both cases, the OFPPT manages the funds and the implementation, with issues of transparency and coordination having been raised. Finally, the legal texts exempt three sectors from contributing to the tax levy (agriculture, crafts and mining). These sectors employ a sizable proportion of the labour force and mainly produce exports. Other hindering factors relate to insufficient private sector engagement and limited career guidance.

▪ **Digital education and skills**

The MENA region lacks digital competences. McKinsey reports in its 2017 *Future of Work* study that only 1.7 % of the entire workforce have digital skills for employability.

Maroc Numeric 2013 and Maroc Digital 2020 are the two comprehensive strategies aiming to strengthen the digital economy in Morocco. Despite many initiatives (systematically presented by Khalfi, 2021) to integrate digital skills in schools, the domestic evaluation of progress with regards to ICT skill acquisition by students remains poor (ILO, 2019), and teachers' professional development has not improved substantially (CSEFRS, 2014). Structural obstacles were identified and addressed within the education and training system, as were the policies that govern the subject. Nearly all universities are adequately equipped, but the cultural barrier related to the perceived roles of learners and teachers and making full use of the available tools has proven to be a major impediment.

Notable interventions include the ANAPEC (Morocco's National Agency for the Promotion of Employment and Skills), which has developed a digital strategy based on web-based, telephone and digital media tools to increase the quality of services and the number of young users. Moreover, MARWAN (the Moroccan wide area network) seeks to interconnect all Moroccan universities and educational establishments. The project is dedicated to education, training and research. Its latest version offers universities access to high-speed internet (between 2 and 100 Mbps) thanks to its connection to the 'GEANT' network, which is reserved for academic traffic.

▪ Donor support for education and VET for young people and adults

The EU initiated its most significant support programme for the VET sector in 2016 with a package worth EUR 60 million, which was split between a EUR 52 million budget support programme, a technical assistance component (EUR 4 million) called FORCAP, intended to strengthen governance, build capacity and increase inclusion within the VET department, and a grant to the British Council to support and pilot VET governance models in the Tanger-Tetouan-Al Hoceima region (EUR 2.5 million). The Kafaat Liljamia project supports VET sector reform and socioeconomic development at the regional level, in line with the regional development strategies. The project addresses local development by helping build the capacity of multi-stakeholder working groups, which engage with institutional bodies at regional level for better-quality and more relevant skills offerings. The FORCAP programme is reaching its conclusion and has produced noteworthy results. Multiple interventions have targeted the institutional capacity of the VET department, strengthening the participatory approach in order to shift away from a vertical hierarchy, introducing collaborative working methods, and establishing procedures and training in online collaborative work environments. The Budget Support component has not yet been subject to a final operational evaluation, but the European Court of Auditors suggested a number of improvements (ECA, 2019) to mitigate what it perceived as weaknesses in targeting and implementation.

The current programme is referred to as the PIAFE programme (*Programme intégré d'appui à la formation et à l'éducation*) and is also split between a budget support programme of EUR 140 million and a technical assistance programme of EUR 6 million. Implementation of both components was delayed by COVID-19 but they have now started and will contribute to implementing the provisions of the Framework-Law on Education.

The **Millennium Challenge Corporation** (mostly funded by USAID) has a VET support programme of USD 80.42 million, which focuses on two components: establishing the Charaka Fund dedicated to supporting financing for the creation or expansion of VET centres managed within the framework of PPPs, and the reconversion of existing public VET centres from a classic state-led management model to a model driven by private sector demand and managed through a PPP. Moreover, it also generally supports reform of the TVET sector with other smaller initiatives.

The World Bank provides financial assistance to a number of sectors of the Moroccan economy. For the purposes of this report, the following examples are limited to initiatives aiming to strengthen human capital. They broadly focus on improved access to quality early childhood development services, and improved quality and effectiveness of education systems. Examples include 'Accessing Overseas Employment Opportunities for Moroccan Youth', 'Noor Solar Power Project', 'Financing Innovative Startups', 'Supporting the Economic Inclusion of Youth', 'Education Support Program' and 'Morocco

Green Generation Program-for-Results'. The World Bank favours large budget support and loans to channel its support.

The French *Agence Française de Développement* intervenes through its ASTRE programme, which aims to strengthen foreign languages in secondary education and support mobility within the training system between VET and the tertiary level.

The German *Gesellschaft für Internationale Zusammenarbeit* has multiple aid interventions focused on improving VET, particularly the WBL dimension.

UNESCO works on youth employability at the regional level and is implementing the EU-funded Youth Employment in the Mediterranean project. UNICEF also implements a diverse package of interventions, all aimed at improving inclusion of ethnic minorities and people of disabilities while also promoting preschool attendance.

The European Investment Bank is funding the establishment of 150 new community schools.

3. LABOUR MARKET AND EMPLOYMENT

3.1 Trends and challenges

Although employee income has doubled between 2000 and 2018 and the poverty rate has been divided by three during the same period, new job generation has not been sustained, and inactivity is a continued obstacle to a thriving society. The Moroccan labour market is characterised by three key challenges: lack of inclusion (women and young people are less integrated into the labour market than adult men), slow job growth, and the prevalence of low-quality/low-skilled jobs. Despite numerous public policies relating to employment, economic growth has not translated into the creation of decent jobs. According to the World Bank, only 129 000 jobs are created annually, while the working-age population increases by 300 000 each year (Díaz-Cassou et al., 2021).

In 2021, the situation in the labour market was exacerbated by two significant additional challenges: COVID-19 and drought. The number of jobs decreased, the number of hours worked dropped significantly, and unemployment and under-employment both increased. Morocco has had a positive number of new jobs in the past few years, but the 2021 figure is the lowest in over a decade (145 000 jobs – HCP, 2021). In addition to the loss of jobs, the 2020 data also shows that the number of hours of work per week that year decreased by 20 %, which corresponds to over 2 million full time jobs (HCP, 2020).

Job creation therefore remains insufficient as unemployment abounds and 300 000 new graduates seek to enter the labour market yearly (Díaz-Cassou et al., 2021). Formal employment is concentrated in older and larger firms, while SMEs face numerous constraints in operating and expanding. The agricultural sector absorbs a large proportion of workers (approximately 38 %). The growth of non-agricultural employment has been slow, and employment in the services sector is concentrated in low-skilled areas, hence productivity is low.

▪ Labour market and employment challenges

The Moroccan labour market faces three broad challenges:

Lagging inclusion: young people, and particularly young women, are much less integrated than the rest of the population. The activity rate for young women is particularly low, even by SEMED standards; in 2020, there were 252 063 inactive young men (25–34 years old) compared to 2 117 469 inactive young women in the same age group, eight times as many (HCP, 2020).

Slow job growth: the number of new jobs is well below the number of new jobseekers who graduate yearly. Moreover, the majority of employment is in large firms, since SMEs find it difficult to develop and therefore create jobs.

Lack of decent jobs: the labour market is largely dominated by informal employment. The non-agricultural jobs are comparatively slow to grow and jobs in the services industry are generally low skilled. Moreover, while Morocco is one of the more advanced countries in the region in terms of social dialogue and good cooperation between the business sector and VET, action to further improve this collaboration is necessary.

A recent analysis by Bank Al-Maghreb, Morocco's central bank, shows three distinct stages in the development of the shadow economy: (i) over the first period, from 1988–1998, it is almost stagnant at around 40 % of GDP; (ii) during the second period, from 1999–2008, it decreases to 32–34 % of GDP; (iii) during the last period, from 2009–2018, the declining trend continues but at a more moderate pace, reaching a level just below 30 % of GDP. These results suggest that the strategies implemented by national authorities since the early 2000s to improve the institutional, economic and financial environment contributed to reducing the size of the shadow economy (Lahlou et al., 2020).

The Moroccan labour market is characterised by a high level of informality; recent estimates by the ILO claim that, in 2018, informal employment represented 81 % of total employment in Morocco (ILO, 2020b).

According to the World Bank, the high level of informality not only undermines the protection and income available to workers (formal workers earn three times as much as informal workers with the same level of education), it also increases dissatisfaction: 23 % of employed people surveyed expressed a desire to change their employment for better pay, working conditions or stability (Díaz-Cassou et al., 2021).

Moreover, the incidence of vulnerable employment is high, at 48.1 % in 2016. According to survey data (Kamal, 2016), young people face a significant level of precariousness and fragility on the labour market: 73.3 % of active young people aged 15–29 work without a contract and are not registered in any medical insurance system.

A study by the National Statistics Office (HCP, 2018) measured the mismatch between education level and type of employment, providing details for each type of qualification. Overall, it appears that 46.7 % of the active population is in employment above its qualification level. This high percentage indicates a significant need for training to enhance the efficiency of the workforce and enable it to contribute to the country's economic competitiveness.

▪ **Employment**

In 2020, the labour market situation was affected by both COVID-19 and the drought, which resulted in a drastic loss of jobs and a decrease in the number of work hours. This in turn led to a decrease in employment and increase of inactivity. 322 000 new jobseekers were registered, bringing the total number up to 1 429 000, reaching an unemployment rate of 11.9 % for that year (compared to 9.2 % for the previous year). Sectors where most jobs were created are services and agriculture, followed by construction (HCP, 2020).

After the COVID-19 related drop in the employment rate, the 2021 national Q3 average is 39.8 % (47.7 % in rural areas, 35.6 % in urban areas, 63.1 % for men and 17.1 % for women). The overall trend is a return to pre-pandemic levels (40.7 % in 2019 – HCP, 2021), and the exceptionally low activity rate for women remains a serious concern. The integration of women into the labour market and their ability to benefit from opportunities there has often been hindered. Morocco's female labour participation has remained one of the lowest in the world and is even lower than it was two decades ago, despite higher GDP per capita, a lower fertility rate, and better access to education.

A recently published tracer study by the Education Council (CSEFRS, 2021b) was based on graduates from 2014 and followed up with them until 2018. The study shows that the transition from school to work takes an average of 10.8 months, and that VET graduates make up 83 % of all unemployed that were traced. This is a compelling argument for an improved evaluation of the system's performance.

▪ **Unemployment**

Prior to the COVID-19 crisis, the total unemployment rate remained fairly stable (dropping very slightly from 9.2 % in 2013 to 9.1 % in 2019). Since COVID-19, unemployment has been steadily increasing, illustrating the substantial economic impact of the lockdowns and the global contraction. The last available figure covering the second quarter of 2021 (HCP, 2021) is 12.1 %. This increase affects all segments of the population. However, a noteworthy observation is that women are more prone to unemployment: 5.9 % compared to 11 % for men. Unemployment is three times higher in urban areas (15 %) than in rural areas (5 %). For young people aged between 15 and 24, the rate is just over 30 %. Moreover, the rate increases with educational attainment, and when unemployment is measured for young people with diplomas, the highest rate is for tertiary-level graduates (26 % – HCP, 2020).

Rising inactivity combined with persistent unemployment suggests that many discouraged Moroccans have given up on job searching. Even though unemployment has been relatively stable since 2009,

inactivity has been rising, leading to a very high rate of joblessness. The inactivity rate in Morocco increased from 47 % in 2000 to 54 % in 2019; more than half of Morocco's working-age population does not work and is not even looking for work. Morocco's rate of labour force participation is low even by the standards of the MENA region, which has the lowest participation rates internationally.

Vulnerable workers, particularly those operating in the informal economy, are disproportionately affected, with 66 % of them having lost their income. State aid has managed to support 20 % of families in this situation (OECD, 2020).

▪ **Statistical data collection and labour market information**

The ETF observes that much more information has been made available on its website in the recent past, including statistics from the previous year. From that perspective, there is a significant improvement.

After a slow launch of activities, the National Labour Market Observatory is now fully operational, with a multidisciplinary team of 25 staff, a dedicated budget and its own premises. It is contributing to the ongoing construction of an integrated observation system for the labour market, with a network of observatories at central, sectoral and regional levels. The observatory publishes regular reports on the labour market, themed monthly newsletters, bulletins and technical papers.

The EU PIAFE aid programme includes a substantial technical assistance component; one of the ongoing activities is to support the Ministry of Education in strengthening its data management capability and to establish an information management system that enables tracking of learners and graduates and their integration into the labour market.

▪ **Poverty**

A study by the National Human Development Observatory (ONDH, 2021) claims that half of Moroccans consider themselves 'poor' based on data collected between 2012 and 2019 (i.e. before COVID).

The social and economic impact of COVID-19 has been enormous and affects vulnerable and poor communities the most. The National Statistics Office estimates that the percentage of citizens vulnerable to poverty in Morocco has increased from 17.1 % in 2019 to 19.87 % in 2020 (this represents 1 million additional Moroccans in poverty for that year).

3.2 Employment policy and institutional setting

▪ **Strategy and legal framework in the employment policy field**

The National Employment Strategy, which prioritises young people and women, was developed by the Ministry of Labour and Professional Insertion and adopted by the Government. It aims to create at least 200 000 jobs per year between 2015 and 2025.

The Strategy's programme had achieved 55 % of its objectives by 2020 (over 200 000 jobs created) before the COVID-19 pandemic disrupted all planned actions. However, the lack of a performance-based evaluation system makes it difficult to assess effectiveness over time (ONMT, 2020).

The National Employment Strategy was reviewed in 2021 and now includes a government programme and a national action plan that both run until 2026 and will be reviewed in 2025. The current version proposes making progress on human capital development (including increasing WBL and language skills), labour market governance, job creation and improving activation programmes.

▪ **Initiatives to boost employment**

Over the last three decades, an increasing number of initiatives have been rolled out to boost employment in Morocco, primarily to address the country's inability to deploy its labour force in a growing economy. However the number of evaluations of these policies and measures remains limited. Despite Morocco's introduction of the principles of public policy evaluation into its constitution in 2011, institutional progress has not translated into the establishment of a systematic assessment ecosystem (Chatri and Ragbi, 2021).

The current policy landscape for this sector (MTIP, 2015) is composed of the following strategies:

- The National Employment Strategy, which has set the central objective of promoting decent employment through growth with a high proportion of productive and quality jobs, increasing the participation of young people and women in the labour market and strengthening equality in employment, alongside access to jobs and the reduction of territorial employment disparities.
- The corresponding action plan for 2021, referred to as Mumkin, which supports job creation through a range of concrete actions. For example, large investors are given tax exemptions if they recruit local youth, public investments are screened for labour market impact before being approved, skill forecasting mechanisms are being reinforced, and support is being given to self-employment and to Civil Society Organisation (CSO) for its job potential. The action plan also works to improve the skills match on the labour market by deploying specific VET training modules on self-employment and navigating the labour market, increasing foreign language learning, increasing WBL, and training at least 50 000 new VET graduates during the 2021–2022 school year. The action plan also foresees the strengthening of active labour market policies (ALMPs). For example, the Ministry of Labour and Professional Insertion is establishing a 'skills passport' to support young graduates in acquiring all required skills and to speed up their transition to work. It is also planning the establishment of a number of forms of WBL to ensure that all population segments can benefit from it, particularly NEETs. This is in addition to large investments in supporting entrepreneurial skills and support to start-ups. When it comes to improving labour market efficiency, actions for 2021 include improving the legislation related to the right to strike, social protection of employees and labour inspections. It is also taking measures to simplify labour contract termination and studying legal change requirements to ensure that Morocco can benefit from new forms of work (e.g. platform work).

▪ Initiatives to increase the capacity of the public employment services

With regard to international cooperation, the bulk of support programmes are designed and implemented with the OFPPT (public VET provider) and the ANAPEC (mediation between employers and jobseekers – Deau, 2021).

The National Agency for the Promotion of Employment and Competencies is a public service company that supports jobseekers looking to enter the labour market. It is an active intermediary in the labour market and currently implements four ALMPs: the Taehil programme, which aims to increase employability through training (238 600 beneficiaries between 2017 and 2019); the Idmaj programme, which supports the transition of young people from school to work through placements in companies (900 000 beneficiaries between 2016 and 2019); the Moukawalati programme, which supports self-employment through the creation of micro-enterprises (2 066 enterprises established and 3 656 jobs created in 2019 alone); and the Tahfiz programme, which aims to promote employment through incentives to enterprises and newly created associations (9 508 employees and 3 290 enterprises were supported in 2019 – ILO, 2021).

The establishment of the Professional Sector Observatory in October 2017, funded mainly by the VET tax, has been an opportunity to foster collaboration with the private sector. It largely operates as a sector-specific skills council and, as such, it can help identify skill needs in the priority economic sectors, with a focus on local needs. Since its founding, dozens of initiatives have been deployed yearly, with the observatory supporting skills sectors through methodological tools and technical assistance in reviewing trends in skill requirements in their respective sectors.

The economic measures taken by the government to mitigate the impact of the pandemic on the labour market can be divided into four main groups of activities. An economic monitoring committee was established and a special COVID-19 fund was created with a budget of MAD 34 billion to support large employers. Grants of around MAD 2 000 per month were distributed to employees who were furloughed as a result of the lockdowns, and they were made exempt from social contributions during that period too. A range of loans with favourable conditions were offered to SMEs, and pre-COVID loan repayments were suspended. Families in need were given up to MAD 1 200 during the lockdown periods (ILO, 2021). Despite these commendable efforts, as stated previously, the economy has yet to fully recover.

▪ **Donor support to the employment policy field**

Other donor-driven initiatives are listed in the table below:

Name	Promoter	Purpose and beneficiary
Support for vocational training	AFD	Construction of sector-based training centres ANAPEC, Ministry of Employment
Promotion of employment of rural youth	GIZ	Integrated approach to promoting employment in pilot rural provinces Ministry of Employment and Vocational Training, ANAPEC, Ministry of Agriculture
Support for Education Reform through Competency-Based Approach	Canadian Cooperation	Improving access to training using a competency-based approach OFPPT, Ministry of Employment and Vocational Training*
Forsa	UNICEF	Multi-sector programme for protection and reintegration of vulnerable youth Ministry of Employment and Vocational Training, Ministry of Education, Entraide nationale, Mohammed VI Foundation for the Reintegration of Prison Inmates

The ILO has supported the Government of Morocco in formulating the first comprehensive national employment strategy for the period 2015–2025, which has involved a wide array of actors at both central and local levels, including the social partners. The Spanish Agency for Development Cooperation, the Canadian International Development Agency, the Swedish International Development Cooperation Agency and the ILO’s Regular Budget Supplementary Account have supported the implementation. The African Development Bank also supports this endeavour, but mostly through credit lines and investments.

The Millennium Challenge Corporation supports the employment sector, with a budget of some USD 27 million, with the aim of improving monitoring of the labour market and promoting inclusive employment. This activity has three components: (i) the promotion of inclusive employment for young people in difficulty and women who are unemployed or economically inactive, through financing based on the outcomes of benefits and programmes designed to support their integration; (ii) support for impact assessment of employment and labour market policies; and (iii) support for the promotion of gender equity in the workplace.

The World Bank operates many grants and loans in Morocco. With regard to employability, it promotes job creation in the private sector through creating a more efficient environment for business and competitiveness, increasing opportunities for private sector growth, with a focus on micro-enterprises and SMEs and youth employability, and increasing access to finance.

Employment and sustainable and inclusive growth features as one of the three priorities of the EU’s current support framework for Morocco (it initially expired in 2018 but was extended to 2021). The indicative total budget is EUR 1.6 billion. This is one of the key interventions currently.

The table below gives an overview of other interventions with similar objectives.

Name	Promoter	Purpose and beneficiary
youth@work	ILO, Canadian Cooperation	Strengthening the capacity of the OFPPT and NGOs Ministry of Social Development, OFPPT, ANAPEC
Promotion of productive and decent employment for young people	ILO, Spanish Cooperation	Technical assistance for regional policies, Ministry of Employment and Vocational Training *
Program to support suitability of training for employment	BAD, World Bank, AFD	Budgetary support and technical assistance to increase the employability of young people with degrees, Ministry of Employment and Vocational Training*
Accessing overseas employment opportunities	World Bank	Promotion of overseas careers ANAPEC
National employment observatory	EU and ILO	Creation of a national job-creation observatory, Ministry of Employment and Vocational Training
E4E Initiative for Arab youth	EU	Awareness of labour rights and improved inclusion CGEM, ANPME, Ministry of Employment and Vocational Training
World Bank employability and skills programme	World Bank	Improving tourism centre training courses Ministry of Tourism
Supporting vocational training	AFD	Supporting the creation of an apprenticeship training centre in the automobile sector OFPPT, Ministry of Employment and Vocational Training
EconoWin	GIZ	Increasing involvement of women in the labour market through training and advocacy Universities and NGOs
FORSATY	USAID	Education, professional integration and boosting the capacity of youth organisations Local NGO's, vocational training centres
Graduate Employability	British Council	Improving the employability of graduates and their competitiveness at international level Delegate Ministry of Higher Education
Connecting classrooms project	British Council	Strengthening of language and teaching skills for English language teachers Ministry of Education
Increasing income for single mothers	Codespa Foundation	Hairstylist training for single mothers at the 100% Mamans association in Tangier
Integration for vulnerable persons	Codespa Foundation	Guiding young people towards non-formal education and apprenticeships Ministry of Education
Micro-entrepreneurship for disadvantaged young people in the informal sector	World Bank	Awareness and entrepreneurship training for young people aged 15–30 Ministry of Youth and Sports
Entrepreneurship for rural youth	Codespa Foundation	Support to NGOs training rural youth in entrepreneurship <i>Fondation OCP</i>
SEDPL2	World Bank	Ensuring training is suitable for employment, entrepreneurship and guidance Ministry of Employment and Vocational Training, Ministry of Education, Delegate Ministry of Higher Education

Min Ajliki	Belgium	Development of female entrepreneurship in Morocco (awareness leading up to creation and development) ANAPEC, Ministry of Education, NGOs, including AFEM
Results-based financing employment programme	Millennium Challenge Account - Morocco	Development of a performance-based approach to support private intermediation Companies and NGOs
FORCAP	EU	Strengthening professional training and inclusivity of vulnerable populations Department of Vocational Training

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STATISTICAL ANNEX, REFERENCES AND DEFINITIONS – MOROCCO

This Annex includes annual data from 2010, 2015, 2019 and 2020 or the last available year.

	Indicator	2010	2015	2019	2020	
1	Total population (,000) ⁽¹⁾	32 343.4	34 663.6	36 471.8	36 910.6	
2	Relative size of youth population (age group 15–24 and denominator age 15–64, %) ^{(1) C}	29.2	26.4	24.5	24.1	
3	GDP growth rate (%)	3.8	4.5	2.5	-7.1	
4	GDP by sector (%)	Agriculture added value	12.9	12.6	12.2	12.2
		Industry added value	25.7	26.1	25.3	25.3
		Services added value	51.0	49.7	50.9	51.2
5	Public expenditure on education (as % of GDP)	M.D.	M.D.	M.D.	M.D.	
6	Public expenditure on education (as % of total public expenditure)	M.D.	M.D.	M.D.	M.D.	
7	Adult literacy (%) ⁽²⁾	M.D.	M.D.	73.8 (2018)	M.D.	
8	Educational attainment of adult population (aged 25–64) (%) ^{(3) (4) (5)}	Low	82.5	81.7	M.D.	M.D.
		Medium	9.6	10.5	M.D.	M.D.
		High	7.5	7.9	M.D.	M.D.
9	Early leavers from education and training (aged 18–24) (%)	Total	M.D.	M.D.	M.D.	M.D.
		Male	M.D.	M.D.	M.D.	M.D.
		Female	M.D.	M.D.	M.D.	M.D.
10	Gross enrolment rates in upper secondary education (ISCED level 3) (%)	48.0	M.D.	62.4	M.D.	
11	Share of VET students in upper secondary education (ISCED level 3) (%)	12.2	M.D.	16.0	M.D.	
12	Tertiary education attainment (aged 30–34) (%) ⁽⁶⁾	9.7	10.0 ⁷ (2014)	M.D.	M.D.	
13	Participation in training/lifelong learning (aged 25–64) (%) ⁽⁸⁾	Total	M.D.	1.0	M.D.	M.D.
		Male	M.D.	1.0	M.D.	M.D.
		Female	M.D.	0.9	M.D.	M.D.
14	Low achievement in reading, mathematics and science – PISA (%)	Reading	N.A.	N.A.	73.3 (2018)	N.A.
		Mathematics	N.A.	N.A.	75.6 (2018)	N.A.
		Science	N.A.	N.A.	69.5 (2018)	N.A.
15	Activity rate (aged 15+) (%)	Total	49.6	47.4	45.8	44.8
		Male	74.7	71.5	71.0	70.4
		Female	25.9	24.8	21.5	19.9
16	Inactivity rate (aged 15+) (%) ⁷	Total	50.4	52.6	54.2	55.2
		Male	25.3	28.5	29.0	29.6
		Female	74.1	75.2	78.5	80.1
17	Total	45.1	42.8	41.6	39.4	

	Employment rate (aged 15+) (%)	Male	68.0	64.8	65.5	62.9
		Female	23.4	22.2	18.6	16.7
18	Employment rate by educational attainment (% aged 15+) ⁷	Low	47.7	M.D.	M.D.	M.D.
		Medium	36.9	M.D.	M.D.	M.D.
		High	53.4	M.D.	M.D.	M.D.
19	Employment by sector (%)	Agriculture	40.3	39.0	32.5	31.3
		Industry	22.1	20.5	22.5	22.9
		Services	37.5	40.3	44.9	45.9
20	Incidence of self-employment (%)		53.8	51.0	47.3	46.6
21	Incidence of vulnerable employment (%)		51.0	48.8	44.9	44.6
22	Unemployment rate (aged 15+) (%)	Total	9.1	9.7	9.2	11.9
		Male	8.9	9.4	7.8	10.7
		Female	9.6	10.5	13.5	16.2
23	Unemployment rate by educational attainment (aged 15+) (%)	Low (ISCED 0–1)	6.7	5.9	5.1	7.9
		Low (ISCED 2)	16.4	15.4	12.1	15.9
		Medium	17.7	19.3	17.2	19.5
		High	17.4	21.1	20.9	23.4
24	Long-term unemployment rate (aged 15+) (%)		5.7	6.3	M.D.	M.D.
25	Youth unemployment rate (aged 15–24) (%)	Total	17.6	20.8	24.9	31.2
		Male	18.1	20.6	22.0	28
		Female	16.1	21.4	33.4	41.2
26	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	Total	31.4 ⁽⁷⁾	27.9	26.5	26.6
		Male	M.D.	11.4	11.6	13.9
		Female	M.D.	45.1	41.7	39.7

Last update: September 2021

Sources:

3, 4, 6, 7, 8 - The World Bank, World Development Indicators database

5 - World Economic Forum

1, 2, 11, 15, 17, 19, 20, 21, 22, 23, 25, 26, 28, 31, 32, 34, 35 - State Statistical Committee of the Republic of Azerbaijan

16, 33 - OECD Statistical database

24, 27 - ILOSTAT

Legend:

N.A. = Not Applicable

M.D. = Missing Data

Note:

(1) Values refer to active population

(2) Low = Primary education, Main education; Medium = Secondary education, Vocational education, Secondary specialized education; High = Higher education

(3) Preliminary data

(4) Data refer to small entrepreneurship subjects that include enterprises with an average number of employees of up to 25 and an annual revenue of EUR 100 000

(5) ETF calculation

(6) Based on the average annual number of employees

ANNEX: DEFINITIONS OF INDICATORS

	Description	Definition
1	Total population ('000)	The total population is estimated as the number of people having their usual residence in a country on 1 January of the respective year. When information on the usually resident population is not available, countries may report legal or registered residents.
2	Relative size of youth population (age group 15–24) (%)	This is the ratio of the youth population (aged 15–24) to the working-age population, usually aged 15–64 (74)/15+.
3	GDP growth rate (%)	Annual percentage growth rate of GDP at market prices based on constant local currency. Aggregates are based on constant 2010 US dollars. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.
4	GDP by sector (%)	The share of value added from Agriculture, Industry and Services. Agriculture corresponds to ISIC divisions 1–5 and includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources. The origin of value added is determined by the International Standard Industrial Classification (ISIC), revision 3 or 4.
5	Public expenditure on education (as % of GDP)	Public expenditure on education expressed as a percentage of GDP. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations (transfer to private households and enterprises). Both types of transactions together are reported as total public expenditure on education.
6	Public expenditure on education (as % of total public expenditure)	Public expenditure on education expressed as a percentage of total public expenditure. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations (transfer to private households and enterprises). Both types of transactions together are reported as total public expenditure on education.
7	Adult literacy (%)	Adult literacy is the percentage of the population aged 15 years and over who can both read and write a short simple statement on his/her everyday life, and understand it. Generally, 'literacy' also encompasses 'numeracy' – the ability to make simple arithmetic calculations.

	Description	Definition
8	Educational attainment of adult population (25–64 or aged 15+) (%)	Educational attainment refers to the highest educational level achieved by individuals expressed as a percentage of all persons in that age group. This is usually measured in terms of the highest educational programme successfully completed, which is typically certified by a recognised qualification. Recognised intermediate qualifications are classified at a lower level than the programme itself.
9	Early leavers from education and training (age group 18–24) (%)	Early leavers from education and training are defined as the percentage of the population aged 18–24 with at most a lower secondary education who were not in further education or training during the 4 weeks preceding the survey. Lower secondary education refers to ISCED 1997 levels 0–2 and 3C short (i.e. programmes lasting under 2 years) for data up to 2013 and to ISCED 2011 levels 0–2 for data from 2014 onwards.
10	Gross enrolment rates in upper secondary education (ISCED level 3) (%)	Number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.
11	Share of VET students in upper secondary education (ISCED level 3) (%)	Total number of students enrolled in vocational programmes at a given level of education (in this case, upper secondary), expressed as a percentage of the total number of students enrolled in all programmes (vocational and general) at that level.
12	Tertiary education attainment (aged 30–34) (%)	Tertiary attainment is calculated as the percentage of the population aged 30–34 who have successfully completed tertiary studies (e.g. university, higher technical institution). Educational attainment refers to ISCED 1997 level 5–6 up to 2013 and ISCED 2011 level 5–8 from 2014 onwards.
13	Participation in training/lifelong learning (age group 25–64) (%)	Participants in lifelong learning refers to persons aged 25–64 who stated that they received education or training in the 4 weeks preceding the survey (numerator). The denominator is the total population of the same age group, excluding those who did not answer the question on participation in education and training. The information collected relates to all education or training, whether or not it is relevant to the respondent's current or possible future job. If a different reference period is used, this should be indicated.
14	Low achievement in reading, maths and science – PISA (%)	Low achievers are 15-year-olds who are failing to reach level 2 on the PISA scale for reading, mathematics and science.
15	Activity rate (aged 15+) (%)	The activity rate is calculated by dividing the active population by the population of the same age group. The active population (also called 'labour force') is defined as the sum of employed and unemployed people. The inactive population consists of all people who are classified as neither employed nor unemployed.
16	Inactivity rate (aged 15+) (%)	The inactivity/out-of-the-labour-force rate is calculated by dividing the inactive population by the population of the same age group. The inactive population consists of all people who are classified as neither employed nor unemployed.
17	Employment rate (aged 15+) (%)	The employment rate is calculated by dividing the number of employed people by the population of the same age group. Employed people are all people who worked at least one hour for pay or profit during the reference period or were temporarily absent from such work. If a different age group is used, this should be indicated.
18	Employment rate by educational attainment (% aged 15+)	The employment rate is calculated by dividing the number of employed persons by the population of the same age group.

	Description	Definition
		<p>Employed persons are all persons who worked at least one hour for pay or profit during the reference period or were temporarily absent from such work. If a different age group is used, this should be indicated.</p> <p>Educational levels refer to the highest educational level successfully completed. Three levels are considered: Low (ISCED level 0–2), Medium (ISCED level 3–4) and High (ISCED 1997 level 5–6, and ISCED 2011 level 5–8).</p>
19	Employment by sector (%)	This indicator provides information on the relative importance of different economic activities with regard to employment. Data are presented by broad branches of economic activity (i.e. Agriculture/Industry/Services) based on the International Standard Industrial Classification of All Economic Activities (ISIC). In Europe, the NACE classification is consistent with ISIC.
20	Incidence of self-employment (%)	The incidence of self-employment is expressed by the self-employed (i.e. employers + own-account workers + contributing family workers) as a proportion of the total employed.
21	Incidence of vulnerable employment (%)	The incidence of vulnerable employment is expressed by the own-account workers and contributing family workers as a proportion of the total employed.
22	Unemployment rate (aged 15+) (%)	The unemployment rate represents unemployed people as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed people comprise those aged 15–64 or 15+ who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the 2 weeks following the reference week); are actively seeking work, i.e. had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, 3 months).
23	Unemployment rate by educational attainment (aged 15+) (%)	The unemployment rate represents unemployed people as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed people comprise those aged 15–64 or 15+ who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the 2 weeks following the reference week); are actively seeking work (had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, 3 months)). Educational levels refer to the highest educational level successfully completed. Three levels are considered: Low (ISCED level 0–2), Medium (ISCED level 3–4) and High (ISCED 1997 level 5–6, and ISCED 2011 level 5–8).
24	Long-term unemployment rate (aged 15+) (%)	The long-term unemployment rate is the share of people in the total active population who have been unemployed for 12 months or more, expressed as a percentage. The duration of unemployment is defined as the duration of a search for a job or as the period of time since the last job was held (if this period is shorter than the duration of the search for a job).
25	Youth unemployment rate (aged 15–24) (%)	The youth unemployment ratio is calculated by dividing the number of unemployed people aged 15–24 by the total population of the same age group.

	Description	Definition
26	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	The indicator provides information on young people aged 15–24 who meet the following two conditions: first, they are not employed (i.e. unemployed or inactive according to the ILO definition); and second, they have not received any education or training in the 4 weeks preceding the survey. Data are expressed as a percentage of the total population of the same age group and gender, excluding the respondents who have not answered the question on participation in education and training.

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LIST OF ACRONYMS

ALMP	Active Labour Market Programme
ANAPEC	Agence Nationale pour la Promotion de l'Emploi et des Compétences.
CSO	Civil Society Organisation
EU	European Union
GDP	Gross Domestic Product
HCP	Haut Commissariat au Plan
ICT	Information Communication Technology
ILO	international labour Office
MENA	Middle East and North Africa
NEETS	Young people not in employment education or training
OECD	Organisation for Economic Co-operation and Development
OFPPT	Office Formation Professionel et Promotion du Travail
PIAFE	Programme Intégré d'Appui à la Formation et à l'Education)
PISA	Programme for International Student Assessment
PJD	Parti pour la Justice et le Development
PPP	Private Public Partnership
SEMED	South and Eastern Mediterranean
SME	Small Medium Enterprises
UNESCO	United Nations Educational, Scientific and Cultural Organization.
UNICEF	United Nations Children Fund
USD	United States Dollar
VET	Vocational Education and Training
WBL	Work Based Learning
WHO	World Health Organisation

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