

The Social Protection System

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Morocco

Part 1: A review

1. Social protection in the Moroccan constitution

The constitutional document ratified by the Moroccan people in July 2011 is considered a quantum leap in the Moroccan constitutions history, since several chapters were dedicated to consecrate many rights including the social and economic rights which should be provided to the citizen by the state.

In this context, chapter 31 of the aforementioned constitution affirms that the state, public institutions and local communities work to concentrate all available means in order to facilitate the citizens' benefit reasons equally such as the right to treatment and health care, social protection, health coverage, mutual solidarity or organized solidarity from the heart of the state (...).

At the institutional level, the constitution has created institutions and mechanisms to manage and operate these rights, consisting of setting up discussion bodies in order to involve different social activists in developing, activating, implementing and evaluating public policies.

Thus, the constitution created a body for equity and fighting all types of gender based discrimination. Moreover, it created the advisory council for youth and collective work as a frame for discussing and proposing youth directed general initiatives and policies.

Morocco is organized in tri-composed mechanisms that were established according to legislative or other organizational texts, including the Environmental, Social and Economic Council, which is widely expanded and includes experts and representatives of employers' professional organizations, syndicates and civil society organizations as well as some public institutions.

Morocco has also other representative authorities such as the Collective Negotiation Council, the Work Medical and Professional Hazards Protection Council, the Higher Council and Regional Councils for employment animation and the Higher Solidarity Council.

The abovementioned rights consecration

was accomplished so deeply in the Moroccan constitution as a response to the strong social justice demand that was one of the people movement main slogans, which was experienced in Morocco in the frame of what was named the Arab Spring.

In fact, this demand was among the main preoccupations and demands of the several democratic parties and representative syndicates as well as civil society organizations, who confronted the economic and social public policies in Morocco for more than half a decade of independence, the fact that did only lead to widening the gap between the social groups and geographical fields.

2. An overview of the social policy in Morocco

Going back to the public policies history in Morocco, we notice the absence of a social policy as defined during the Social Development Nations Agencies discussions, being a mechanism for building societies governed by justice and stability as well as having the sustainability requirements. The purpose thereof is to alleviate poverty and social exclusion as well as cooling the social tension holes and improving the general well being for all groups of citizens.

After getting its independence, Morocco started building and preparing its infrastructure such as ports, dams and roads depending basically on loans from the granting bodies (the International Monetary Fund, World Bank, ...). The efforts were mainly focused on the economic side, according to the instructions of these granting bodies, without caring for the other important sides in development such as the cultural and social sides.

The kingdom social interventions after the independence took a non-efficient economic trait in addition to the absence of social justice, despite the many initiatives consisting of a wide base of institutions, whose interventions suffer from insufficiency, lack of coordination, short sightness, in addition to their circumstantial nature (national reanimation) and their quantitative and technical approach (fighting poverty through material aids).

The Clearing Fund is considered part of this base. It was established in 1956 to support citizens' consumption incapacity, as well as the National Collaboration Institution established in 1957, the National Reanimation Program for temporary employment of the special skilled groups in the times of weather crisis since 1961. Moreover, since 1961, with the support of the National Food Program, school restaurants were established in the northern regions at first, then were expanded to all Moroccan regions at a later stage.

In this context, many institutions were established and were entrusted with the tasks related to social protection such as a social security system that was founded since 1959 for example.

However, in light of the loans interest size growth and weak national economic competitiveness, the national economy defect symptoms started to show, a fact that entailed an economic and social reality full of defects. This reality was consecrated by implementing the Structural Correction Program that was launched since 1983, with the parallel privatization of the main public sector institutions, and the shrinking of the government's role in investment and social services, leading to a great decline at the level of meeting the basic social and economic rights.

In the early nineties, Morocco took several other social measures including the Social Priorities Program in collaboration with the World Bank, that encompassed some authorities in the country and focused on basic education support programs, the National Reanimation Program and supporting basic health programs.

With the beginning of the third millennium, a new approach to social issues appeared and occurred amidst the ruling transfer to the new King Mohamed VI, when international consensus was formed on the necessity to focus on the widely spread poverty phenomenon. As a result, Copenhagen Convention was held in 1995, followed by the United Nations Millennium Convention which resulted in the commitment of the 147 participating states to the UN Development Goals to be achieved by 2015.

Morocco had to raise the stakes and work to achieve these goals which consider the social

issue among their main priorities. In this context and with the beginning of 1999, the Social Development National Agency was established as a mechanism to manage social programs, in order to decrease social privatization.

In parallel to this institution work, "Mohamed V solidarity institution" was established, which uses its resources for different programs aiming at supporting those in difficulties and providing humanitarian intervention in natural disasters, backing-up associations and contributing in sustainable development through building and equipping social institutions and infrastructure.

In addition to this important base of social mechanisms and institutions, in 2005 the National Initiative for Human Development was launched and was announced by King Mohamed VI, for which a big budget was allocated, and the state potentials were dedicated. It had general goals consisting of fighting poverty and social exclusion and social vulnerability.

In the same context, we can highlight the creation of the sickness mandatory insurance system as well as the Medical Assistance System, pursuant to law number 65-00 which is considered a translation of the Moroccan state commitment as to consecrating the principal of right to health as stipulated in the international conventions.

3. Morocco's international commitments in the field of social protection

It seems that Morocco is in the process of ratifying Convention number 102 concerning the minimum standards of social security adopted in Geneva on 28 June 1952. During the 35th session of the General Convention of the International Labor Organization, the Cabinet approved on 31 May 2012 draft law number 47-12 presented by the Minister of Foreign Affairs and Collaboration, and consequently agreed to this Convention.

A comparison between the social security or social protection system in Morocco and the requirements of Convention 102 issued by the ILO shows that all the stipulated articles in the Convention are implemented in Morocco except for unemployment remuneration which is still being developed, awaiting the implementation

regulations. These regulations aim at providing remuneration for the loss of employment to the private sector workers who unvoluntarily lose their jobs. The amount of remuneration shall be set to 70% of the reference salary without surpassing the minimum salary, for a period of 6 months maximum and shall be paid by the National Social Security Fund (NSSF).

Thus, the last few years (more than a decade) experienced main steps in the field of human rights situation upraising in general, during which public authorities concerns were developed to encompass social and economic rights in a more rightful way in compliance with Morocco's international commitments in this field.

4. Tangible results measures, however...

The general assessment of these measures can be summarized in the fact that they were not fruitful as to achieving their goal consisting of social development such as decreasing unemployment, alleviating poverty and vulnerability as well as fair wealth distribution. The last African Development Bank report affirmed, in Morocco, the increase of unemployment rate, the widening of the social gap and the non-profit of social sectors, atop of them education and health, from the country economic growth.

On the other hand, the HCP report stated that unemployment rate "increased from 9.4 to 10.2% during the period between the first quarter of 2013 until the first quarter of the present year, thus achieving an increase of 0.8 point at the national level".

As to the World Bank last report, concerning the causes of poverty and the means to eradicate it (2013), it stated that 40% of the Moroccan population, i.e. 13 million people are living on the poverty threshold and struggle to survive. The report added that 5 million people in Morocco suffer from all kinds of poverty and constitute 15% of the population, while 25% live on the poverty threshold or below poverty line, i.e. about 8 million people.

As to social protection, benefit is still limited despite the tangible efforts that were exerted in this field.

5. Women and social protection

Despite all the efforts exerted by Morocco to guarantee gender equality, be it at the family legislation level and all legislations and rules, or its ratification of the International Convention for the eradication of all kinds of discrimination against women among a group of agreements guaranteeing the human rights of all generations, the Mandatory Health Security System reflects the kind of women integration in the labor market, since large groups of working women are not included in the system such as housewives and housekeepers. Moreover, working women in the traditional sector do not have any social or medical coverage, noting that the rate of benefiting individuals from mandatory health security does not surpass 30% only for women while it is 70% for men (see the document of the Ministry of Labor and Professional Formation about gender in work, professional formation and social protection).

In order to prevent the forms of discrimination and guarantee equality in work, employment and social security, in its 2012 report, the Environmental, Economic and Social Council urges to:

√ Launch a negotiation process, with the collaboration of the employees and employers unions, in order to reach a national framework agreement aiming at eradicating all kinds of discrimination against women in the labor field,

√ Eradicate all forms of discrimination against women in the fields of retirement services and widow remuneration as well as ratifying the method of counting the mother's pre and post delivery period in the assessment of her right to pension.

The same report called for launching a work plan for rural women's right to equality.

6. People with disabilities and social protection

The national disability research in Morocco for the year 2004 showed that the rate of disability in Morocco reached 5.12% equivalent to 530 thousand citizens.

In its 34th chapter, the Moroccan constitution

stipulates that “the public authorities shall set and activate policies oriented to special needs groups and people...” Moreover, Morocco was one of the first countries to sign the special needs people’s convention on 30 March 2007, which was ratified on 8 April 2009.

However, the adopted texts in this field in Morocco remained general principles far from being accurate whether at the formulation level or the rights and implementing authorities definition level. Also, they do not include all the disabled people’s rights in addition to being set from a caring point of view, not a rightful one.

The draft law 97-13 related to disabled people’s rights which was ratified by the Cabinet, raised the fury of all organizations working in the disability field since it is not compliant with the disabled people’s rights International Convention and does not guarantee their rights as they aim for, in addition to not involving them in the drafting of this project.

This was at the legal level. At the public policies level, despite the governmental declaration commitments, access to employment for disabled people remained very limited. And disabled children practically do not benefit from the same rights as other children. The same can be applied to the right to decent living and participation in the political, social and economic life as well as fighting stereotypes and forms of discrimination.

Concerning the social protection for the disabled, the subscribers at the NSSF or cooperative insurance do not surpass 12% only out of the disabled people in Morocco according to the above mentioned national research.

Moreover, access to health services is still very weak, since one out of five people has never visited a health care institution and the situation in the rural areas is very difficult.

Thus, it seems that Morocco’s signature of an international convention about the disabled people’s rights and constitutionally consecrating this group’s rights is not enough. However, laws shall be enacted and relative procedures shall be set in a way to translate the Moroccan government practical commitment in all the International Convention articles for the disabled

people at the level of binding national laws and the public communication for more awareness and sensitivity to change negative representations and mentalities.

Part 2: Social Protection systems

Since its independence, Morocco gave great importance to social protection, and established a dual system: mandatory and optional.

A) Mandatory systems

1.The Moroccan Retirement Fund. It is the first institution offering social security for public sector employees. It manages the pensions systems such as civil pensions system, military pensions system and a complementary retirement system in addition to the non contribution systems.

2.Collective system for retirement wages payment. It is an institution working in the field of social reserve having a moral personality and financial independence, established according to law number 216-77-1 issued on 4 October 1977. It is operated by the Fund of Deposit and Management. The collective system mission is reflected in guaranteeing the subscriber’s personal rights or the beneficiaries of their rights through defining the risks of aging, retirement and death. In order to carry out this mission the collective system is constituted out of a public system and a complementary system. The collective system guarantees the rights to old age, retirement and death pensions, as well as family remuneration and rights transfer.

The public system shall be applied to temporary employees, daily workers and occasional laborers with the state and local communities as well as contractual employees benefiting from the public right and the employees of authorities subject to the financial control stipulated in royal decree number 1.59.271 issued on 17 Shawal 1379 (14 April 1960).

Concerning the complementary system, it is a contractual system. It shall be applied to subscribers in the public system who receive salaries above the annually set salary ceiling by the collective system as well as those working for an employment body that has signed the

agreement of joining the complementary system.

3.The National Fund for collective reserve organizations. It is a union including eight cooperatives for employees working in the public sector. It is also the first supervising institution for illness mandatory insurance for employees in the public sector.

Since law 65.00 was put into force as the main health care coverage memo, the mission of managing mandatory insurance for illness was given to the fund for the benefit of the public sector retired and active workers. As to cooperatives, they provide ordinary treatment in the frame of mandatory security on illness according to the management assignment agreement signed between the fund and cooperatives since 2006 in addition to continuing to manage the complementary system.

4.The National Social Security Fund: The NSSF is considered a public institution having a civil personality and financial independence. It is directed by a tripartite administrative council constituted of the management representatives, employers and employees. The members of the council shall be elected for a three years term.

The social security system was founded in 1959 for the benefit of employees in the sectors of industry, trade and independent businesses. Its management was assigned to the NSSF which provides the protection of the secured people against the risks of income loss due to sickness, maternity, retirement and old age. Thus, it gives them family and death remuneration as well as deceased people pension.

This system is financed through the contributions of employers and employees similarly and based on the worker's net monthly salary basis. Moreover, the Fund deposits the non-necessary available money for management at the Deposit and Management Fund.

This system was first implemented on 1 April 1961, and reached later on the sectors of ploughing and traditional industry.

B) Optional systems

It is about cooperatives i.e. complementary systems, the Moroccan professional retirement

Fund and insurance companies. The last two are available in basic systems and other complementary systems. Moreover, they provide medical services and life insurance as well as death remuneration, like all other systems, in addition to several other services.

The social security mandatory system includes about 4.5 million employees while illness coverage includes about 15 million people working in both the public and private sectors, students and groups in need.

Part 3: The major services of social protection systems

1. Health coverage

The health coverage system is considered one of the main social reserve public system pillars in Morocco. In this context, the state and public authorities as well as insurance companies provide a part of health coverage, consisting of bearing the fees of treating and hospitalizing public and private sectors employees as well as the rights holders therein.

The employee and worker in the public sector benefits from the basic mandatory insurance system services on illness which was established according to law 65.00 and its application texts.

The sickness mandatory insurance management in the public sector was granted to the National Fund for social reserve organizations, and the mandatory insurance on illness in the private sector was given to the NSSF. Moreover, the private insurance companies shall cover some groups such as the assistants of authority, mosques Imams and responsables, ancient resistance members, liberation army and other groups.

The Fund sealed an agreement consisting of assigning the management to eight cooperatives in order to take care of ordinary treatments or what is known as illness files, while it takes care of providing services, as well as managing chronic and expensive illnesses files, hospitalization and expensive medicines.

Currently there are 8 cooperatives caring for employees and assistants as well as the retired of the same sectors. They also provide ordinary

treatments for those included in the illness mandatory insurance in the public sector.

The services provided by the social reserve organizations National Fund, cover health insurance services in a percentage between 70% for medicines and 100% for hospitalization in the public sector and expensive medicines cost. On the other hand, these services can be enjoyed in return for performing the subscription duties (5%) born equally by the employee and employing party.

The Royal Armed Forces Cooperative had preserved its own system for those benefiting from its services.

It is noteworthy that cooperatives ensure the management of complementary coverage and some other services such as death remuneration, retirement pension and reference to several treatment and hospitalization institutions.

Moreover, before 2011, the work with RAMED (Regime d'Assistance Medicale) started; the system that was dedicated to support the groups suffering from vulnerability and poverty, after a sample experiment in Tadla-Azilal that was launched in 2008.

The studies made by the state defined certain standards indicating that the number of Moroccan people in need who have right to benefit from this system are 8.5 millions and that the annual cost of the health care is estimated at 2.7 Billion Dirhams.

2. Remuneration for damages caused by professional risks (work accidents)

Private sector employees, local communities assistants and public institutions employees are subject to Royal Decree number 1.60.223 issued on 6 February 1963 amending in form the Royal Decree issued on 25 June 1927 related to work accidents remuneration, through a set of organizational texts dedicated for its implementation. This Decree is based on the principle of employers' responsibility or the job provider, according to the law, to compensate all damages resulting from work accidents affecting employees and workers.

This Decree guarantees for the affected people

by work accidents or their rights holders in case of death, a set of remuneration, expenses and revenues for the victims of work accidents (treatments, medical, surgical and pharmaceutical needs, hospitalization, equipment, funeral services, daily remuneration and age-based revenues ...)

3. Pension services

All retirement Funds guarantee for their subscribers once they are retired, a monthly allimony which the subscriber can benefit from for life, as well as other services such as retirement pension, death pension, transferring salaries to the right holders as well as other rights.

The Moroccan retirement Fund

The civil pensions system is considered a mandatory retirement system based on the distribution of certain services as annual installments. In order to provide these services, the system collects subscriptions that are calculated according to the basic salary in addition to housing indemnity and other regular due indemnities.

Since 2006, the contributions rate reached 20%, equally paid by the employer and the subscriber each bearing 10%.

The pension shall be liquidated according to the regular wage that the subscriber collected before retiring. 60 years old is considered the legal age of retirement for all subscribers except for some groups of employees (high education teachers: 65 years old, as well as some judges who can pursue their work till the age of 66 (adding 2 years three times).

Moreover, the system allows the possibility of retirement before reaching the legal age (early retirement, in case the employee could not work anymore or after 15 years of effective service for women and 21 years for men).

The annual installments average is 2.5% for each year borne by the system as a maximum of 40 installments per year. This average shall be decreased to 2% in case retirement was done before the legal age meaning decreasing 20% of the value of the pension.

In case of death, the pension shall be transferred to the spouse in the percentage of 50% for their whole life and 50% of the pension shall be transferred to orphans until they are 16 years and 21 years for student orphans. In the case of permanent and total disability, the pension shall be paid to the subscriber for the whole period of their disability to work.

In addition, the Fund pays death and disability pensions, knowing that the burden of these services is assumed by the employers exclusively, where the system manages it for them.

National Social Security Fund:

The NSSF provides the following services:

- Family allocations
- Short term services related to daily remunerations for illness or risks not covered by the law related to work accidents and professional diseases, as well as maternity allocations, death remuneration and delivery permits;
- Long-term services: which are disability, old age and right holders' pensions.

At the long-term services level (disability, old age and right holders pensions), the contributions shall be borne by the employer by 2/3 and the employee 1/3. They shall be calculated based on a total rate estimated to 11.89% of the net wage within the limit of maximum 6.000 Dirhams per month. Active employees subject to the Social security system benefit from the social security pensions, provided that:

- √ They are 60 or 55 years for the mine workers who prove that they had spend at least 5 years of work under the ground;
- √ They stop all paid activities
- √ They have at least 3240 days of subscription

The pension amount equals 50% of the monthly salary subject to subscription for the insured

person having 3240 days of subscription. 1% shall be added to this amount for every additional 216 days to the 3240 without the percentage surpassing 70%. As to the minimum monthly amount for the old age wage, it was set at 1000 Dirhams as of the beginning of July 2010.

In case the retired party died, the Fund pays a pension to the spouse and children below 16 or below 21 if they were pursuing their education or below 18 in case they were receiving vocational training.

The granted pension to the spouse or orphan children from the father or the mother constitutes 50% of the pension that the subscriber was entitled to when they passed away. As to the orphan of both mother and father, the pension percentage shall be 25%.

Collective retirement wages system

The Collective retirement wages system in its part related to the public system, is considered a mandatory system mixing the distribution and capitalism bases. The employee contributes 6% to it while the employer contributes 12% equally distributed between capitalization 6% and distribution 6%. Contributions are calculated according to the basic salary with a maximum limit reaching four times the system medium salary which is annually increasing. The maximum salary reached in the beginning of January 2012 the amount of 14.670 Dirhams.

Terms of eligibility

- Duration of correct service: it shall be equal to or more than 3 years.
- Age of the subscriber:
 - 60 years: to be eligible to the ordinary retirement pension
 - 55 years or more: to be eligible to the retirement pension before its due date;
 - There are no conditions concerning the age of the subscriber willing to benefit from proportional retirement after completing 21 years or more of service under the retirement salaries collective system.

Pension rate represents the total of the following

percentages:

√ 2% for each year of correct service (enrollment, services correction, transfer and taking back)

√ 1% for each year of correct service in the frame of correcting previous services when the pension rate surpasses 60%.

The proportional retirement pension shall be given only in the context of the public system. It is withdrawn like the ordinary retirement pension with the application of a 24% abatement.

The early retirement pension is calculated in the same way as the ordinary retirement pension with the application of a 0.4% abatement rate for each month of profit before the age of sixty, within the limit of 5 years maximum which is eventually equal to 24% as a maximum abatement rate.

An age retirement pension is eligible to every subscriber who was obliged to stop carrying out their tasks because of a total and permanent disability. In case of death, their pension shall be equally distributed to their spouses, while orphans' pension shall be granted to the children until they are 16 years old (21 if they are continuing their education). In case the orphan suffered from a permanent disability, pension becomes permanent.

The Moroccan professional retirement fund

The system managed by the Moroccan professional retirement fund is considered an optional complementary pension system depending on defined subscriptions according to the points system. The Fund proposes two methods to pay the dues: either abandoning and retaking the capital or abandoning and preserving the right to a permanent pension. Pensions value shall be reviewed according to a resolution issued by the Fund BOD.

The Fund gives subscribers two options:

- The “complete” product with equal subscriptions between the employer and employee calculated on the base of total salary by 3 and 10% rates, while the employer's contributions are subject to a 30% increase without rights;
- The “appropriate” product, in which the

employers and employees' subscriptions vary between 6% and 12% and similarly to the “complete” product, the employers' subscriptions are subject to a 30% increase that are liquidated on the basis of a salary surpassing the NSSF system ceiling (currently defined by 6.000 Dirhams).

Every year, the Fund grants contributors a number of points that are calculated based on the total resulting from dividing the employees and employers contributions (except for those without rights) on 6 times the reference salary. The total points received by subscribers during their contribution period, is considered the principal base to calculate the “due pension” when they retire. The reference salary is considered an indication reflecting the evolution of the average salary for all contributing subscribers in the Fund.

A retired person's death gives the right to the widowed spouse to benefit from a pension calculated based on half of the earned points. This pension shall be paid when the widow spouse reaches the normal age of retirement, and ten years before that for the widow wife. The spouse taking care of a minor child can benefit from the pension. The benefit time can be brought ten years earlier if the decrease criteria are applied.

The orphans from the mother and the father benefit from a pension calculated based on 20% of the points that the deceased person received without surpassing 100%. They shall benefit from this pension until they reach the legal age or until they are capable of managing their money.

In addition, the fund does not immediately grant the disability pension. However, it compensates for it by granting free points added to the beneficiary's account. The right to pension is not paid until the beneficiary reaches the ordinary retirement age or when proportional retirement is allowed.

Part 4: Social protection challenges and horizons in Morocco

The social security system encompasses only 1/3 of the active population amounting to around 12 millions, which makes the majority of the workers in the non-structured sector excluded from any social care. Moreover, the social security systems

suffer from dispersion, which leads to unequal social protection reaching maximum 35% only. Also, the majority of retirement funds suffer from financial balance defects, which will negatively reflect on the retired people's pensions and will threaten the continuity of retirement fund as a whole.

The active group amounts to 11.54 million people, while the working active group is 10.54 million people and the non-employed workers without coverage amount to 5.95 million people. The basic health coverage rate does not surpass 53% in which the RAMED system contributes by 18% and the NSSF by 13%, the social reserve organizations national fund by 9% in addition to the contributions of the insurance companies and cooperatives with the internal funds and the Royal armed forces cooperative. The weakness of social coverage in Morocco is attributed to two problematics encompassing all the public sector employees and the non-employed workers. (See the NSSF GM declaration Mr. Said Ahmidosh, the National gate website, 19 June 2014).

Raising the Social protection system capacities requires at least setting a clear vision for social coverage for all groups of the population in the private sector (independents, housekeepers, students, non-employed craftsmen)...it is also required to improve the current services level and to work on providing new products.

At this stage, we will just tackle the health coverage and retirement systems, given their importance in the social protection system and since they are atop all the social and political activists concerns in Morocco.

Health coverage

Despite the exerted efforts to generalize health coverage in Morocco, 50% of Moroccans still do not benefit from it and 53% of treatment costs are paid by families. Moreover, the 50% benefiting from health coverage do not use it properly given the slow treatment processes, the lack of medical equipment and other issues (See Hazem Jilali's report, the Health Insurance National Agency GM on www.annahar.ma on 8 April 2014).

Certainly, Morocco has achieved great strides in issuing laws and signing agreements. However,

implementation is a far cry because of the lack of respect to these stipulated agreements especially in the private sector as well as the lack of governance, management and provision mechanisms.

Health coverage suffers from several inconsistencies such as weak cards issuing. Also, 400 health areas have neither medical personnel nor the right equipment, according to the same official. Thus, they cannot oblige patients in rural areas to access centers that lack the necessary equipment.

The RAMED medical assistance system, which was widely implemented in 2011, has seen several inconsistencies, mainly represented in double dipping where more than 200 thousand cases were discovered to be registered in both systems (RAMED system and the basic health coverage system), disrespecting the need to go through relevant healthcare centers, the weak cards issuance rate by the vulnerable segment and the benefit renewal rate for the two groups in addition to the weak funds collection concerning the vulnerable people contributions (32%) and a partial financial collection of the local communities contributions (13%), with the lack of contracting with hospitalization institutions.

Existing obstacles include the absence of adopting good governance principles used in financing which requires the fund's independence from treatment providers, i.e. the Ministry of Health. This issue requires a legal structure in the framework of a draft decree until the Health Insurance National Agency, entrusted with the management of this system, has sufficient funding allowing it to sign contracts with certain hospitals to abolish any pretexts for not treating beneficiaries.

Benefiting from health coverage in all its forms remains tributary of reforming the Moroccan health system. Moreover, universal access to health benefits requires the establishment of a health coverage system for higher education students and independent workers, freelance workers as well as all other unremunerated workers.

The Ministry of Health sectoral strategy 2012-2016 included several measures to achieve this

universal access and improve health coverage services; however they still need to be activated.

Retirement systems

The current retirement system in Morocco is characterized by the following:

- Systems multiplicity and inconsistency
- Multiple governance systems
- Weak coverage rate: about 33% only of the total active population benefit from retirement coverage
- Structural defects in some systems and their unsustainability by 2060 since total debts not covered in different systems by 2011 amount to 813 billion Dirhams. It is expected that the Moroccan retirement fund suffers fiscal deficit as of 2014, the NSSF since 2021 and the Retirement Salaries Collective System since 2022.

The diagnosis of all retirement systems revealed several defects, most importantly the numerous authorities, such as the Accounts Higher Council which presented a vision for reforming the retirement systems, based on which the government presented its vision for reforming the Moroccan retirement fund (See more details in the Accounts Higher Council report published on its website).

In this context, and in order to solve the civil pensions system crisis for the Moroccan retirement fund, Moroccan authorities made proposals to the Environmental, Social and Economic Council to give its opinion. It seems that the Council faced difficulty to reach a decision during its last meeting and was postponed.

The most important components of this proposal are:

- * Raising the retirement age to 62 years as of 1 July 2015, and raising it every year by 6 months to reach 65 years as of 1 July 2021
- * Increasing salaries deduction percentage to finance the retirement fund by 4% (2% on 1 July 2015 and 2% on 1 July 2016) in order to reach 14% instead of 10% currently with a similar contribution by the state.

* Decreasing retirement pension value through two mechanisms, the first is calculating it based on the last eight years salary average instead of the last current salary and the second is replacing the 2.5% rate of each work year salary by 2% only.

* Increasing work period and allow eligibility for the proportional retirement right (with management permission and for a limited number of positions), from 21 years minimum for men and 15 years for women to 26 years for men and 20 years for women as well as raising the unconditional proportional retirement pension right to 36 years instead of 30 years as it is now. All this is accompanied by a decrease of the proportional retirement pension value by calculating it based on 1.5% for each year of work instead of 2% as it is now.

This proposition was greatly rejected by syndicates and unions, which united in their majority and completely refused it, reaffirming the importance and need to include the reform of all retirement systems without prejudice to the subscribers' earned rights.

In this context, the three syndicates: the Moroccan labor union, the Democratic Labor Confederation and the Democratic Labor Federation, issued a memo "in line with their historical responsibilities, in harmony with the common struggle steps and as a reply to the government propositions concerning the Moroccan retirement Fund, civil pensions system reforms presented by the Premier at the meeting of the National committee for retirement systems reform on 18 June 2014" as was mentioned in this memo.

The memo indicates the weakness of social coverage rate and the non-compatibility of retirement systems, reaffirming that the objective diagnosis proves that the retirement system in Morocco is characterized by:

- 1- Weak social coverage rate: 2/3 of the active population does not get any social protection and is not included in any retirement system.
- 2- Multiple and non-coherent retirement systems: each one of the retirement systems was established in special circumstances for a certain group and

under a certain legal framework. Those systems are managed according to different measures.

- 3- The absence of any links among these systems, which hinders employees transfer between public employment and semi-public sector themselves and with the private sector. Moreover, this absence causes the loss of several rights earned by the employees when they change their work.
- 4- Financing: it is known that pension systems in Morocco are financed first by subscriptions (employees and employers) and by the Investment Funds reserve money. Therefore, these systems' fiscal balance and sustainability does not only depend on the subscriptions level, but also on the result of their reserves investment.

In addition, syndicates indicated that Retirement Funds in Morocco, including the Moroccan Retirement Fund, suffer from employing their fiscal reserves as well as the state's inability to honor its payments for several decades. The problem lies in the unequal treatment of subscribers and the state in its capacity as employer, sponsor and manager of the retirement system.

As indicated by the three syndicates, public employment decreased and positions transfer from the public to the private sector increased, leaving negative impacts on professional relations (vulnerability) and on retirement systems fiscal balances, especially that social protection including retirement, is based - in systems based on distribution- on two types of solidarity: solidarity between generations and solidarity between professions and sectors.

Thus the problem lies in the adopted policies in the employment field and consequently the accounting approach will not be able to solve the demographic worker's problem because he is the result and not the cause.

The three syndicates also find that the government proposals will entail negative results in the labor market, by increasing unemployment among the people qualified for public employments, obliging

several employees who no longer have the moral or medical ability, to continue working after the age of 60, thereby decreasing productivity and leaving a negative impact on the subscribers' purchasing power.

Concerning the Moroccan Retirement Fund, the three syndicate centers proposed: maintain the legal retirement age at 60 years old and considering working after 60 an optional choice, provided that it does not exceed 65 years. Moreover, the state shall bear any increase in contribution without affecting the pension value's calculation method.

Concerning the collective system for retirement pensions payment, the three syndicate centers memorandum proposes reviewing the pension calculation method and adopting the average of the last 5 years instead of the salary average, as well as amending the complementary system to adopt the contribution from the beginning by 6% (3% for the establishment and 3% for the employee) instead of the current contribution above the public system ceiling. Concerning the retirement age, it mentioned that several subscribing establishments in this system have their own bylaws. However, until the two systems are brought closer, the possibility of working until 65 years old can be made available as an option.

This was for the first stage of reform. However, the second stage can be summarized in reviewing the adopted measures after evaluating the results of the first stage in order to bring the two systems closer. As to the third stage, it consists of achieving the general swivel.

The syndicate centers proposed accompanying measures such as reviewing the fiscal reserves management for all retirement funds in a way that respects the main principals of outputs, security, money, social and economic benefit as well as strengthening the legal and organizational armour for guaranteeing the social protection expansion, which is important for the NSSF initially in addition to fighting vulnerability in the work field.

In order to expand the social coverage for non-employees, the syndicate centers recommend carrying out the required field studies and using other experiences in order to guarantee for

these groups their earned stance as to social protection. Moreover, they recommended resuming the technical committee work to keep up with all the general swivel completion and the modality study through which the private swivel can be accomplished in the horizon of reaching a united organization for retirement for all the Moroccan people.

General conclusion

Morocco has consecrated the right to social protection in the new Constitution. The Social Protection Organization in Morocco witnessed during the last few years the inclusion of several structural reforms whether at the social reserve funds rehabilitation level or at the social coverage scope expansion level.

Moreover, the Health organization was reinforced by issuing law 65.00 as a memo for basic health coverage according to which a mandatory basic illness insurance system was created for the private and public sectors employees as well as a Medical assistance System (Regime d'Assistance Medicale) for low income people (RAMED).

Given the great importance of providing basic mandatory insurance for illness which is assigned to the NSSF and the private sector, efforts were mainly focused on reinforcing available possibilities for these two establishments to manage the mandatory basic illness insurance system and rehabilitating them at the organizational, technical and legal levels as well as expanding the treatments basket, generalizing coverage and expending it to reach other groups.

Thanks to these efforts, Morocco was able to improve the basic health coverage rate index that increased in the first stage from 15% to 30%, then in the second stage to more than 70% with the implementation of RAMED which targets 8.5 million people from the needy groups.

As to the retirement system in Morocco, available statistics indicate that around 30% only of the active population is registered in the retirement system. This weak rate is due to the growth of nonorganized sector and the absence

of a retirement system for the freelancers and independent workers.

Retirement funds are currently experiencing a difficult financial situation considering the socio-demographic developments entailing a raise in the number of retired people and a decrease of the active population, in addition to other reasons related to the management of these funds. Thus, it is necessary to reform the retirement system to meet the challenge of achieving current systems sustainability.

In this context, and since the government adopted first the participatory approach with socioeconomic parties to create a suitable system to ensure funds sustainability and provide a suitable income for the retired segment, it presented a complete proposal to the Environmental, Social and Economic Council for advice, which is the proposal refused by syndicates. It puts all reform burdens at the expense of the employees. Syndicates used several forms of protests to confront the government proposal which is based on putting the retirement funds crisis repercussions responsibility on the party that did not cause it, the subscribers, without the state assuming any share of the reform burdens and without holding accountable those responsible for the mismanagement of these social institutions. They decided to go ahead with the protest to the point of organizing a general national strike affecting the public sector, local communities and private sector in the same time.

On the other hand, the professional illness and work accidents system reform issue gets a special importance due to the vital role it plays in providing social protection for the injured by work accidents or to the right holders in case of death.

Moroccan workers social protection gained greater importance, given that Morocco had worked since the sixties on sealing social security deals with the receiving countries of the Moroccan workforce in order to guarantee social protection continuity for this group during their movement between the country of immigration and motherland.

Advancing social protection in Morocco

requires several practical measures, taking into consideration the developments experienced by the country at several levels especially the principles stipulated in the Kingdom Constitution. Some of these measures include:

√ Expanding the ability to benefit from the health coverage and social security services to include new groups of employees and active people;

√ Preserving and strengthening the outputs achieved in the field of illness mandatory insurance as well as retirement and work accidents field for the public and private sectors employees;

√ Stretching the mandatory health coverage and expanding its scope as well as completing its organization through the creation of a special system for private and public higher education students, in addition to another system for independant workers and freelancers.

√ Pursuing structural reforms at the social reserve funds and work funds management level.

√ Improving services provided to the subscribers.

√ Reforming the retirement system by adopting the deliberation method with all social and economic parties in order to guarantee the conditions of success and sustainability for the retirement systems as well as including the measures related to the Moroccan Retirement Fund reform in an integral approach for the retirement organization reform. Also, the fair pricing principle shall be respected as well as good economic management, a just division of contributions in compliance with international standards where the employee contributes in 1/3 while the employing state contributes in 2/3 as per international standards and the International Labor Office recommendations concerning the main systems as well as adopting a gradual approach extended to a proportionally long term in order to reach the target objective of retiring at the age of 65 while providing the employees with incentives to accept it.

√ Protecting women from all forms of discrimination, guaranteeing equality at work and employment and social security, eliminating all forms of discrimination against women in the field of retirement services and cashing the widow pension as well as endorsing calculating the prior and post delivery period in the pension right assessment and working on launching a work plan for equality to the benefit of rural women.

√ Reinforcing access to social protection and health coverage for disabled people, providing health care services and amending them to suit them as well as translating Morocco's constitutional and international commitments into laws with available implementation conditions in a way to serve the interest of disabled people and respect their rights.