Labor Market in the Maghreb Countries
Structures, Institutions and Policies
Rabat, 28-29 January 2010

Summary

Opening session

President: Lahcen Achy

- Welcome note by Tarik Malki from the Moroccan Association of Young Economists
- Address by H. E. Jamal Rhmani, Moroccan Minister of Employment and Vocational Training
- Introduction of the workshop by Lahcen Achy from the Carnegie Middle East Centre

Welcome note by Tarik Malki

« First, on behalf of the Moroccan Association of Young Economists, I would like to thank H.E. Mr. Jamal Rhmani, Minister of Employment and Vocational Training, for being present at this opening session of the workshop entitled “Labor Market in the Maghreb Countries: Structures, Institutions and Policies”. Your Excellency, you were truly determined to be here this morning, despite your busy schedule. Your participation today highlights your interest in employment, as a decision-maker in charge of that issue, and in scientific research and development in our country and the Maghreb countries in general.

I would also like to thank Mr. Achy, from the Carnegie Middle East Center, for organizing this seminar with professionalism, perseverance and determination. With the little experience I have, I realize that organizing such a major event is no
easy task. In this regard, I would like to congratulate Mr. Achy, for his tireless efforts to make this workshop possible.

Last but not least, I would like to thank the International Development Research Centre for its financial support and all panelists present today, namely those who came from Algeria and Tunisia. Also please allow me to thank the members of the General Confederation of Enterprises of Morocco (CGEM), the labor unions from Morocco and other Maghreb countries, universities and all participants.

Allow me for a moment to introduce the Moroccan Association of Young Economists and briefly explain our mission and objectives to give you all a clearer idea of our contribution to this workshop. In March 2008, a group of young executives both from the private and public sectors and academics established the Association. Our initiative was based on a simple observation: there were no sufficient platforms promoting the exchange of ideas among young intellectuals driven by general interest. For the last twenty years, this has led to a slowdown in the regeneration of economic thought in Morocco. In fact, universities, once viewed as laboratories producing innovative ideas, have ceased to fulfill their role, i.e. the renewal of elites and thought. Teaching and socio-economic research are generally mere pools of outdated and isolated economic theories, disconnected from the changing economic and social status of the country. Our Association was created to modestly attempt to bridge this gap, as it was conceived to be a forum for exchange and interactive debate allowing young researchers with a common interest for economics, to participate in the development of research in economics and social sciences.

The Association has three major objectives or rather missions. The first objective is to contribute to the democratization of public debate on the economy in Morocco. In fact, major economic choices and orientations in Morocco for the next 20 or 30 years were adopted with almost no debate. Instead, this debate seems to be blocked and largely monopolized by decision-makers and a closed circle of experts around them. Social actors, on the other hand, only have weak autonomous expertise tools. Finally, structures, once created to harbor exchange and dialogue, are failing to play their role effectively. Though the Association
does not intend to replace existing institutional structures, it proposes to take part in the debate by allowing young researchers to publicize their work, to assert their scientific views on present or future economic policy choices, to update current issues, and initiate and propose new thinking on a number of complex issues which must not be restricted to a closed elite circle. The Association rejects the domination of a single way of "thinking" and the "fait accompli" as a modus operandi.

The second objective is to contribute, through our activities, to the emergence of a new elite of economic thinkers in Morocco. A country has a need for engineers as much as for economists or managers. Therefore, we are deeply convinced of the need to find a balance between these sectors, which is acceptable to all. In fact, talents are available, scattered across and outside universities. We want to unite these talents to eventually create a business incubator of young intellectuals embodying a new generation and sharing common values and principles, and thus able to influence futures choices of policymakers. As such, our ambition, and perhaps what makes our association different from others, is to become a permanent laboratory and hub of innovative ideas, but mainly a force that puts forth suggestions to decision-makers.

Our last mission is to provide a forum for debate and reflection, that is an Autonomous and Demanding forum. We are unyielding on these two values, which are the basis of our credibility, our guarantee of survival. Why did we highlight the need for an Autonomous forum? Because a fruitful debate cannot be guaranteed if the Association falls prey to a closed circle of like-minded thinkers. The Association should adapt to the era, while ideological disputes and clan clashes are now obsolete and restricted to totalizing visions. The Association belongs to all its members, whoever they are, young and old, provided they share common ideals and a common direction and vision for Morocco, for public affairs and for the Maghreb countries, based on progress, equity, redistribution, solidarity and social justice. Our second value: a Demanding approach. Guaranteeing the quality of debates and outcomes requires full attention to facts and to rigorous analysis, which distinguishes our association from others.
Based on its principles, positions, and activities, our Association is meant, through the different aforesaid objectives, to continuously contribute to the drafting of a global proactive and bold economic strategy in the Maghreb and Euro-Mediterranean countries, taking into account the sociological reality and the concerns of all categories of people. Basically, this growth model is structured around the following pillars: developing supply by improving the competitiveness of the Moroccan economy and business productivity, and the productive diversification of supply towards high added-value sectors; boosting demand through the definition of an active employment policy, an income and purchasing power policy, and investment to develop a high-quality education system; achieving regional development through the establishment of regional poles of competitiveness and promoting a new urban planning policy; strengthening the role of government, both as a strategist and regulating authority, to guarantee a just, harmonious and balanced development, and finally, achieving regional economic integration from a Maghreb perspective. Indeed, no national development strategy is viable if it ignores the regional dimension.

The theme of this seminar, i.e. the dynamics of the labor market in the Maghreb countries, is of special interest to our Association. It is also of special interest to governments, both in developed and developing countries, as we face an unprecedented crisis. As a result, the situation on the labor market has significantly deteriorated: rising unemployment, growing job insecurity, extended unemployment, development of informal employment, etc. The analysis of the labor market in the Maghreb countries shows that unemployment is structural rather than cyclical. This is the result of a number of factors related to economic structures not generating enough "surplus" and not sufficiently competitive and diversified to be able to absorb relevant public policies, in addition to factors related to educational systems that do not meet the needs of the private sector, and factors related to economic policy distortions. Curbing unemployment in the Maghreb countries requires, in our opinion, two levels of response. First, locally, production systems should be redirected towards...
an "upsale" of production, and should be diversified to allow the immunization of economies against external shocks and the creation of skilled jobs in high value-added growth sectors. Therefore, scientific research should be developed, as was the case in Asian countries since the 1970s, and education systems should be reformed to be in line with the expectations and needs of the labor market. Morocco is trying to explore this route and has then introduced the new industrial strategy based on developing “new business” in Morocco, and started reforming of the education and training system. The second response lies in regional integration, through the development of joint and integrated projects that may eventually lead to economic union. Economic integration in the Maghreb, stalled for several years now, would generate the equivalent of 2 to 3% of GDP growth per year. One can imagine the loss of profit to our economy in terms of job creation. The creation of a wide single market for the five countries, similar to what has been achieved in Europe since the 1950s, is likely to liberate economies and provide suitable conditions for growth.

I am confident that this meeting will provide the opportunity for different stakeholders to exchange views and experiences on critical issues related to economic activity, unemployment and employment and redistribution policies in the Maghreb, and discuss tracks and options to explore, in order to effectively overcome unemployment, which threatens the cohesion of our societies. In conclusion, this seminar provides an opportunity to discuss all issues concerning the greatly fragile social situation of the Maghreb. »

**Address of H.E. Mr. Jamal Rhmani**

« Mr. President

Honorable professors, researchers and experts,

Distinguished representatives of employers and unions,

Ladies and gentlemen,
The Moroccan Association of Young Economists and the Carnegie Middle East Center have kindly invited us to this workshop on the “Labor Market: Structures, Institutions and Policies”. I would like to thank and congratulate them both for their wise choice of topics to be discussed during this two-day workshop. This choice is especially significant as the economic crisis, particularly on the labor market, continues to challenge all players. As such, the latest International Labor Office (ILO) report of 2009 provided growing figures of global unemployment, reaching 6.6%, i.e. a record number of 212 million people, without mentioning, however, large regional disparities in this area. Also allow me to extend my deepest gratitude to all participants who have traveled massively to contribute to the enrichment of our debate. Needless to say, ladies and gentlemen, that such a meeting tackles several interesting topics, allowing us namely to reflect together on issues that concern our region in the future. Employment is one of these issues and definitely not the least significant. I am convinced that, bearing in mind this interest, you all decided to take part in this important workshop, which coincides this week in Morocco, with meetings of the bodies responsible for the promotion of employment, labor market regulation and market assessment.

- On Tuesday, January 26, 2010, the Superior Council for the Promotion of Employment held a meeting, including government representatives and representatives of our economic and social partners. This meeting was an opportunity to review the labor market in Morocco for 2009.
- The other meeting will take place tomorrow, Friday, January 29, 2010, for the Board of Directors of the National Agency for the Promotion of Employment and Skills (ANAPEC) to take stock of employment initiatives and prospects for 2010.

Ladies and gentlemen,
The dynamics of the labor market highlight the importance of the workshop, given the challenges ahead namely the need to create more jobs while ensuring
decent work, in addition to overcoming the divergence between our education system and the changing labor market.

For this, we believe that constant monitoring of the labor market remains a prerequisite to support employment policies and regulate labor supply and demand. Also, it would be beneficial for participants to reflect on our experiences and those of developed countries in the areas of labor market analysis and assessment of the impact of different measures taken to promote employment and labor regulations on employment and unemployment rates.

You undoubtedly agree that questions relating to employment and labor market policy are the foundation of economic and social regulations in our great Maghreb.

One can definitely imagine all the potential uncertainties and risks threatening these systems if these issues are not addressed scientifically, but also if the analysis of stakeholders concerned by employment and labor market policies is not included in this approach.

The involvement of economic and social partners in this process is also important. In this regard, I particularly welcome their presence here today which would certainly support this global approach.

I already mentioned that the labor market must be at the heart of issues that lead us into the future, for the great Arabic Maghreb, I emphasize, is facing a major challenge of job creation, social protection, and struggle against precariousness and informality.

According to some estimates, the Maghreb countries, given the growth of their workforce, should create nearly 8 million additional jobs between 2010 and 2020 for new entrants to the labor market.

Given the level of unemployment, according to the same estimates, creating a total of 11 million jobs for the same period would be necessary for both the unemployed and new entrants.

In social protection, the Maghreb countries, although at different levels, must double their efforts to broaden, from a universal perspective, both personal and material fields of social coverage. Deficiencies resulting from shortfalls can be
frustrating if not embarrassing, for the labor market and systems of social cohesion in the Maghreb.

Moreover, it is imperative to carry out a critical analysis of all modes of access to social protection in countries of the Maghreb to face the changes affecting the labor market. The objective is to highlight the social protection system to make it a real player in the economic and social development policy in our region.

In the globalized world today, labor economists underline the role played by labor market institutions in economic growth, particularly through the creation of a proper business climate and the adjustment of labor services to external shocks. We are aware that a flexible labor market would strengthen the adaptability of businesses and public authorities to deal with these shocks.

In this regard, it is important to note that workplace regulation must take into account in a balanced manner the interests of both workers and employers. These are challenges that should be addressed. Significant efforts are conducted in each of the Maghreb countries; similar approaches and initiatives do exist, but differences too. It is necessary to examine these initiatives with the aim to capitalize on the best and readjust the least effective.

We hope that this workshop will not be limited to a simple exchange of viewpoints, always useful and welcome, but will rather take full advantage of the skills of the panel of researchers and experts, to propose courses of action to Maghreb policymakers.

Allow me to announce as of this moment, that any proposal that will help us meet these challenges is welcome.

We are actually looking for an integrated approach to help us develop labor market policies to achieve three objectives:

- A sustainable creation of jobs;
- The ability of businesses to adapt to economic changes and remain competitive;
- A right to decent work guaranteed to all workers.

This last objective, which is particularly important for us, requires in the first place a policy of effective and inclusive social dialogue.
Experience has shown that dialogue is essential to ensure an effective and sustainable response to major potential challenges.

In our social dialogue policy in the Kingdom of Morocco, we have begun the implementation of at least four major reforms: The Labor Code, the mandatory health insurance (AMO), programs to promote employment (IDMAJ, Taahil, MOKAWALATI), in addition to reforming the social security system and the establishment of a suitable mechanism, to tackle the repercussions from the global financial crisis, in order to save jobs and ensure the competitiveness of enterprises.

We will continue to implement this key mechanism to achieve other equally important projects, including compensation for loss of employment, reform of pension systems and promotion of decent work.

But it is also important to note that cooperation is essential in Maghreb to meet these challenges. I seize this opportunity to reiterate the call of Morocco to accelerate the integration of the Maghreb countries and lift any “artificial” obstacle likely to further delay the integration. This is not wishful thinking, but an increasingly urgent necessity because the future of our region depends on it.

**Ladies and gentlemen,**

I cannot conclude this brief address without prompting you to pay special attention to questions of macro-economic policies and active labor market policies in the Maghreb.

It would be very useful to take a critical look at these policies to be able to strengthen their impact on the functioning of labor markets in our region.

I also have no doubt that you will give due weight to the issue of governance of the labor market in the Maghreb region. The experiences of each country need to be analyzed in depth to enrich each other. This review should pinpoint inefficiencies and distortions that are likely to hamper optimal market functioning.

**Ladies and gentlemen,**

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It is with great interest that I am looking forward to hearing your conclusions that would, undoubtedly, contribute to laying the foundations of a long-awaited social charter for the promotion of decent work in Maghreb.

Thank you for your attention and I wish you all the success in your workshop, our workshop actually. »

**Introduction of the workshop by Laheen Achy**

« First, I would like to thank His Excellency for his presence here today. I would also like to extend my appreciation to the Association of Young Economists for their contribution in organizing this event, and to participants, from Algeria, Tunisia and Morocco. I would also like to express my gratitude to the International Development Research Centre (IDRC Canada) for its generous financial support in organizing this meeting. The Centre is, in fact, a strategic partner and not just a donor.

This two-day meeting in Rabat on "Labor Markets in the Maghreb Countries: Structures, Institutions and Policies" is part of my research program as a resident scholar at the Carnegie Middle East Center. In the folder that has been distributed, you will find a brochure about the center and its activities. The Carnegie Middle East Center is a regional think-tank created in 2006 and based in Beirut. The center focuses on strategic and economic analyses of countries in the Middle East and North Africa. It produces research papers and policy briefs for policy-makers and economic decision-makers inside and outside our region. In the latest ranking of the best think-tanks released a few days ago, the Carnegie Middle East Center has been ranked first out of 273 think-tanks now operating in the region.

This meeting, initiated by the Carnegie Middle East Center, intends to launch discussion and exchange between different social partners on key issues related to economic activity, unemployment and employment and redistribution policies in the Maghreb. The aim is to highlight similarities and differences and
provide options to policy-makers, based on the realities of the Maghreb countries but also on international experiences in this field.

During the first theme of the workshop, "Key Trends in Activity, Employment and Unemployment in the Maghreb", participants will examine trends in general demographics and labor market demographics, i.e. the pace of new entrants into the labor market. The second theme on "Precariousness, Informality and Employment Quality" raises the issue of job quality. For years, employment policies have primarily sought to achieve quantitative targets, aiming at creating as many jobs as possible. However, the question now is not restricted to the quantity of jobs but also extends to their quality, i.e. the key issue of decent work.

The third theme focuses on "Assessment of Employment Policies". The three countries invest relatively large budgets in employment policies. There are different experiences that would be interesting to examine to see how we can improve the performance of such policies.

The fourth and final theme focuses on "Social Negotiations, Flexibility and Rigidity of the Labor Market". In the employment relationship, there is often tension between the economic imperative i.e. the competitiveness of enterprises, and the social imperative, equally important, that requires the labor factor to be paid its fair value. Finding a balance between these two imperatives is then necessary. Flexibility should not be adopted at the expense of employees, but an exaggerated rigid policy is not also adequate and is sometimes only visible in regulations without actually being translated in reality. This requires the establishment of a sustainable compromise for both workers and employers.
Theme 1: Key Trends in Activity, Employment and Unemployment in the Maghreb

President: Habib El Malki, President of the Moroccan Centre for Business Conditions

Speakers

Mongi Ben Chaaban, Professor at the University of Tunis

Rafik Boukli-Hassane, Professor at the University of Oran

Mohammed Bensaïd, Professor at the University Mohamed V-Agdal, Rabat

Discussion

Mongi Ben Chaaban

«In recent years, the labor market in Tunisia has been marked by a structural transformation mainly caused by demographic and cultural progress. The rate of natural increase has severely declined following the implementation of the family planning program, while the female activity rate sharply increased at the expense of the male activity rate. In this sense, an increasing female emergence is expected as universities are predominantly female (60% of students are female). Pension funds may also be deficient because of increased life expectancy and the negative difference between the entrances and exits from the labor market."

Evolution of activity rate – Total – Men – Women

1 Presentation by Miloudi El Ghobentini
The analysis of the employment rate shows that this rate increases by an average of 2% per year, while noting large fluctuations from one year to another. There is likewise a decrease in jobs for the age category above 60 years. As of 1991, increased employment rate surpassed demographic growth. Moreover, the GDP per capita and GDP per job significantly increased.

The analysis of unemployment rate, which recorded a slight decline between 2002 and 2008 from 15% to 14%, shows the existence of remarkable categorical disparities that disadvantage women and young graduates (who are predominantly female). This poses challenges for newcomer integration, given that 40% of the unemployed are first-time job-seekers, as well as issues concerning gender inequality. Unemployment among young graduates also raises questions about the guidance of students during their school years, as some sectors are more affected by unemployment than others. Indeed, higher education graduates represent more than one quarter of the unemployed (19 to 20%) and educated women are most affected by unemployment (among graduates, 28% of women are unemployed while 13% of men are unemployed).
Unemployed higher education graduates – Senior technicians and related workers – Holders of Master’s Degree in Human Sciences – Holders of Master’s Degree in Law, Economics and Management - Holders of Master’s Degree in Exact Sciences (Maths, Physics, Chemistry) – Other Master’s Degree and Related Degrees
Evolution of unemployment rate according to age categories

The labor market is characterized by an intense rate of job creation, a service-based economy with most jobs created in the service sector, the generation of new jobs requiring high education levels and the satisfaction of over 90% of the additional demand for jobs.

Annual evolution of job creation

Structure of labor force according to education level – No education – Primary education – Secondary education – Higher education
The 20-year forecast shows a continuing pressure on the labor market until 2016, an increasing emergence of women, an increasingly aging workforce (dominance of the age category from 30 to 49 years) and a 1.5-point decrease of unemployment by 2014.

**Prospective evolution of unemployment rate**

**Habib El Malki**: «The facts presented show great similarities with the Moroccan labor market. Two issues can be raised: the first is the feminization of the workforce, which can be considered a trend in the Maghreb countries. It is an underlying trend with very strong implications in the years to come. This is the result of several economic, social and cultural factors. The Maghreb societies are deeply changing. Despite, or perhaps because of, the feminization of the labor market, the mode of operation of the market is discriminating and the rights of
women are not respected as much as men’s. This phenomenon is not specific to the Maghreb, as this discrimination in access to the labor market is widespread, even in several European countries. The second interesting idea is perhaps the paradox of the labor market. In fact, the higher the degrees one has, the lesser the tools to fit in the market. For some, this depends on the level of training and type of degree. However, higher education is not always a condition for easy access to employment. There is a kind of rigidity at the top and high mobility at the bottom. Thus, the less qualified one is, the more fluid is the market. It is a paradox that we should discuss and explain its underlying reasons.

**Rafik Boukilia-Hassane**

«In Algeria, the workforce is aging. However, it remains sizeable, exempting the country from issues related to the financing of pension funds. Indeed, the dependency ratio, which is the ratio of non-working population on the workforce, should decline by 5 % by 2025, decreasing from 52% in 2005 to 47% in 2025. This decrease can be seen as an asset, since it eases off the burden on national funds, but also as a challenge, given the additional pressure on the labor market.

**Demographic transition**

The participation rates of men, and especially women, are considered weak and relatively low compared to international rates. However, the assumption that the female participation rate would recover suggests that it should increase from 15%
to 24.5% by 2025. The workforce increase will be then mainly driven by the female workforce.

The assumptions on the unemployment rate state that it should fall from 11.3% in 2008 to 10% percent in 2010 and 7% in 2025, thus the need to create 329,000 jobs in 2010 and 241,000 jobs in 2025.

Two opposed movements conflict on the labor market. On one hand, the demographic movement, with its downward trend, pulls the labor demand downwards. On the other hand, a counter movement, which is the rising female participation rate, increases the pressure on the labor market. Labor supply comes mostly from a predominantly male young workforce (between 15 and 29 years). As the demand for labor, it is mainly driven by the administration, public buildings and works, and services. It is noteworthy that administration and public buildings and works contribute to 57% of total employment. It therefore appears that the Government is always the employer of last resort, which raises the question of sustainability of the job creation process.

The unemployment rate has been halved from 21.4% in 1987 to 11.3% in 2008, after having peaked in 1999 at 29.2%. However, this decline was accompanied by a restructuring of the unemployed population. Indeed, between 2001 and 2008, the share of young unemployed increased. We may likewise observe that women suffer more unemployment than men. In addition, graduates are less likely to find a job than those without degrees. Moreover, informal employment becomes dominant, as informal job creation exceeded structured job creation in 2004.

Unemployment and education levels - No education or primary education - Higher education

The informal sector in net job creation (agriculture, industry, public buildings and works, services, administration, informal sector)
To promote the labor market, the government has set several goals focused primarily on reducing the unemployment rate to 8% and reducing by 5% the informalization rate to reach 20% by 2015. According to the study, this would require the creation of 350,000 formal jobs, and consequently a 30-percent investment rate that should be driven by the private sector, whereas the public sector dominates economic activity in Algeria through the hydrocarbon sector. On the other hand, this goal would require an increase in economic efficiency and improved productivity factors».

Mohammad Bensaid

«Trends and structures of the Moroccan labor market have undergone several changes, due to major economic choices made by the country after independence. Although these choices had positive effects, they have also left negative impacts causing imbalances on many levels.»
Indeed, the labor market suffers from a socio-demographic imbalance largely related to gender and age differences, and pertaining to unemployment, activity and employment. These disparities are exacerbating with time, at the expense of young people and women who suffer from very high rates of unemployment. The analysis of employment according to professional status shows the dominance of the job of “visiting homemakers” for women in rural areas, with a rate covering 74.6% of all women working in these areas.

 Likewise, the young are particularly affected by unemployment accounting for 54.6% of the unemployed who have never worked (56.6% in urban areas). Long-term unemployment affects 73% of young unemployed, with 79% of the unemployed aged between 25 and 34 years. Unemployment of more than 3 years affects 31.3% of the 15-24 years category and 54.2% of the 25-34 years category.

 The market has also experienced a territorial imbalance in two dimensions. The first dimension is linked to the nature of the rural or urban environment. Indeed, the urban environment is marked by a declining, yet relatively high unemployment rate. The countryside is characterized by a very high share of unpaid work. The second dimension is related to the regions. Indeed, according to regions, activity rates vary between 40.2% and 59.5%, while employment rates
vary between 32.9% and 54%, and unemployment rates are between 4.3% and 22%.

Unemployment rate according to area of residence – Urban area – Rural area

Economically, we should distinguish between private and public employment, informal and formal employment, graduates and non-graduates, vulnerable economic sectors, and low growth that creates few jobs.

When comparing jobs between the public and the private sectors, we note that the private sector is the engine of employment in Morocco providing up to 81.2% of jobs in 2008.

However, the increase in private employment is partly driven by the informal sector. Thus, in 2007, the informal sector represented 37.3% of total nonagricultural employment. In trade, the informal sector employs 8 people over 10. Informal employment is dominated by precarious employment and low productivity. In 2007, wage-earners represented only 15.8% of informal employment against 66.7% for overall non-agricultural employment.

There is a negative relationship between the educational level and unemployment rate. In fact, higher education graduates are most affected by unemployment. Two reasons may explain this phenomenon: first, the system of education and training still fails to meet market needs in skills, and second, the production system, in which the demand for qualified and highly-skilled personnel is mostly low.
The Moroccan economy suffers from low-productivity and vulnerable specializations and a vulnerability to the vagaries of climate and to cyclical and structural developments in the global economy.

Finally, economic growth in Morocco seems to generate little employment.

Unemployment rate according to degree for 2008

The labor market in Morocco also suffers from institutional deregulation. The information system is fragmented and incomplete, limiting the possibilities of labor market diagnosis, development of employment policies and monitoring and
evaluation of such policies. Others institutional failures include low coverage intermediation, a selective employment policy, a lack of territorialization and low social protection».

**Discussion**

**Questions**

- Why is there a lack of data on the two other Maghreb countries Libya and Mauritania? Why does the State remain a major employer in Algeria?

- The paradox of Tunisia: high growth but also high unemployment.

- The problem of concepts, employment measures and sources of information on employment. In Morocco, there is only one source of information, the Haut Commissariat au Plan (HCP). The participant asked: "If we were to carry out a gender analysis, we should not be limited to the findings. We must know the causes behind gender distinctions? Are these economic, social, or cultural causes? Why is there horizontal and vertical segregation?"

**Answers**

- **Rafik Boukilia-Hassane**: To answer the question of the State being an employer of last resort in Algeria, we must review history. The economic policies implemented during the 70s and 80s were different from those implemented by Morocco and Tunisia. These two countries had begun early economic reforms, while Algeria only started reforming its heavily protected economy much later in the 1990s. Another cause is that Algeria’s natural resource, i.e. oil, is managed by the State and has a very significant impact on the economy. This resource affects the nature of decisions, the type of governance and institutions.

- **Miloudi El Ghobentini**: In Tunisia, the State no longer creates many jobs (8 to 10% of jobs only). The State has privatized almost all enterprises producing goods and services and has fully withdrawn from the market. The paradox between the unemployment rate and the level of growth may lie in the definition of concepts and not in the structure of unemployment itself.

- **Kenza Oubejja**: The concepts and measures of unemployment can alone be the topic of seminars in order to align the definitions and draw
comparisons. The problem in Morocco is the lack of intermediary agencies providing information on the situation of the labor market, to be compared with official data. As for the employment of women, it is clear that we must go beyond the findings of the labor market to find explanations for this discrepancy between men and women. In addition to these imbalances, there are also regional disparities in employment. We must then develop more sophisticated indicators than simple unemployment rates by region. In fact, contrary to what one might expect, prosperous regions have high levels of unemployment, such as the Grand Casablanca region for example. This means that economic activity may generate a job or even a shift of population in search of work. So, a lower employment rate is to interpret with caution, as one must examine other indicators. Determining regional disparities in employment seems to be an important topic of research: What are the indicators? How can they be interpreted?

- **Habib El Malki**: Based on different experiences, the socio-economic factor can help unite the various Maghreb countries. We just noted that there were many similarities, and that problems were more or less identical, but the solutions remain national solutions. Solutions, especially in the socio-economic sector, are not very operational, regardless of the will of States. Results are not satisfactory, as the growth potential in the Maghreb is not yet effectively exploited. It is then necessary to move from nationwide policies to regional policies, i.e. Maghreb policies. The reality is distressing because no progress is made. Large entities, North of the Mediterranean, especially the EU, are currently widening and deepening, while our alternative model is not among the Maghreb countries themselves, but with the EU. However, regardless of the quality and closeness of our relations with the EU, we are unable to progress if we fail to lay the foundation for a Maghreb-specific strategy. The socio-economic dimension can further set enabling conditions to recover what unites us, i.e., build a true regional entity, the Maghreb. The socio-economic factor will compel the political factor to fulfill its responsibilities. This seminar is very interesting as it tackles these crucial issues.
Theme 2: Precariousness, Informality and Employment Quality in the Maghreb Countries

President: Kenza Oubejja, Professor, Mohamed V-Agdal University, Rabat

Speakers:

Nacer-Eddine Hammouda, Research Director at CREAD, Algeria
Touhami Abdelkhalek, Professor at the INSEA, Rabat
Fathi Elachhab, Professor at the Sfax University

Discussion

Nacer-eddine Hammouda

«The decline in unemployment rate in Algeria is a fact. However, it was not the result of structured job creation but informal employment. The decency of work is to be considered while explaining the decline in unemployment by job creation. We must therefore be cautious when using certain indicators.

In Algeria, no survey was carried out for the informal sector. Instead, studies were based on data and results of surveys on employment based on social affiliation.

These surveys showed the evolution of the rate of unaffiliated persons (25% in 1985 to over 50% in 2008), increased life expectancy at birth and decrease of the number of contributors among new entrants to the labor market. This latter finding may generate a risk of imbalance, not demographically, but highlights the fact that newcomers have increasingly precarious and informal jobs. This raises the issue of future management of pensions. In fact, the national fund for retirement is in deficit, with more than 50% of the employed not contributing.

Solutions to these structural problems were cyclical solutions. Among the solutions proposed: a higher contribution rate (34.5%) and an increase of the share allocated to pensions (16%). This has led to injustice as some had to
contribute more than others. Another solution was the introduction of retirement regardless of age and early retirement, to enable young people to integrate the system more easily and in larger numbers. Of course, these solutions did not lead to satisfactory results with over 50% of jobs left undeclared, and therefore not protected.

This situation partly stemmed from the fragmentation of the productive sector due to the structural reforms of the 1990s. This fragmentation is characterized by an increased share of the private sector in GDP (with a number of small private companies operating semi-legally) and a decrease of the public share. The reforms sought more flexibility hoping to create more jobs but, in fact, opposite results have emerged such as new forms of more precarious employment. Moreover, employment is increasingly driven by self-employment.

*Share of the private sector in GDP – Share of the public sector in GDP*

The question today is to determine the unemployment period and age group that drive people to the informal sector. Contributions are among the factors that come into play, before considering working in the informal sector, as it is crucial to enter the formal market before the age of 30 to have time to contribute for the mandatory period of 32 years provided by law before going into retirement.

Available data show that the affiliation problem arises especially for the employed in agriculture. They also show that, in general, the young are the least
affiliated and therefore the least protected. The share of non-permanent employees is increasing as well as that of employers and self-employed. Job creation is much more driven by insecure sectors such as public construction (hence the absence of women) followed by industry.

As such, to eliminate the problem of precarious employment, a new employment policy is intended to assist the private sector to recruit, while the State deals with some of the social contributions of new recruits. The State is increasingly taking care of the non-working population and special categories. However, these policies seem inappropriate to solve the problem.»

**Touhami Abdelkhalek**

«The approach adopted in the case of Morocco is a statistical approach to develop a composite indicator of quality of work, based on employment surveys in 1999.

Ten dimensions were chosen to assess the quality of employment in Morocco: working hours, regular employment, the existence of a contract of employment, job tenure, desire to find another job, looking for another job, having a secondary profession, having a pay slip, being affiliated to a social security fund and carrying out functions in a location.

During the last decade, there has been a general decline of the unemployment rate. Therefore, a conceptualization and measurement of this phenomenon were necessary. The proposed approach relies on a conceptual basis of the quality of work.

This study essentially concluded the following:

- 16% of the employed occupy very bad jobs,
- Other employees (another proportion of 16%) are also in sufficiently precarious jobs,
- Men and women are equally employed in bad jobs,
No statistically significant difference was observed between the sexes overall,

Of the total of employed in bad jobs, men are slightly more represented than their proportion in the population studied

According to age group, youths of both sexes tend to or are forced to accept lower quality jobs,

People aged over 35 tend to work in better conditions in general,

Among the young, men work in worse conditions than women,

Literacy and educational levels significantly improve the quality of jobs,

Our results show that the employees do not suffer most from poor quality of employment,

Instead, the self-employed and family helpers tend to work in the worst conditions,

Employed in the public sector, both men and women, appear to have better jobs.

This study also draws the profile of an employed occupying a bad job:

- A young person under 35 years;
- An illiterate or low education level;
- Rather a man;
- Works at a small firm of less than 5 employees;
- Working in the informal private sector with no license number, no bookkeeping, and no membership in a social security fund.

It should be noted that the results are strictly related to the population covered by the study. The authors are well aware that data may be different now.

Fathi Elachhab

«Since the 1980s, productivity in Tunisia is experiencing a marked shift. Consequently, GDP growth during the 90s has greatly increased. However, job
creation has not experienced a similar trend. This is explained by lower employment growth, as evidenced by the accelerated increase of the ratio of production to the number of jobs.

During the 1980s and early 1990s, the service sector contributed mostly to the growth in jobs. The share of services in employment in the nonagricultural sector grew to 47% in the 2000s, on the path of the upward trend started in the 1980s.

The calculation of the elasticity of employment relative to growth shows that the period 2005-2008 is rather exceptional, as it recorded its lowest level since 1987.

It became clear that growth in Tunisia is less job-rich than it was during the 80s. It is therefore necessary to "create" more growth in order to recover the same pace of job creation. This change is further explained by structural factors than economic factors.

During the 1990s, the unemployment rate has considerably increased from 15.2% in 1990 to 17% in 1998. Since then, unemployment has steadily decreased reaching 14.3% in 2008, a decrease of about three points. A demographic transition can explain this fact. Indeed, until 2004, unemployment had decreased by an annual average of 0.4%, mainly due to the workforce increase (2.3%) being lower than that the employment increase. This reflects an increase of the population of working age by 2.4% as annual average, partly offset by a decline in the activity rate of 0.1%.

Unemployment of the 15-24 years remains high (31.3%) compared to the 50-64 years (2.8%).

The observation of changes in the exit rate out of unemployment, calculated as the ratio between the number of people getting a job (employment agencies) versus the number of registered jobseekers, shows that the possibility of finding work does not depend on the recorded economic situation. In many phases of economic upturn, the exit rate does not then react to an economic improvement.
Discussion

Questions

- How can you define a bad job and a good job? It was mentioned that jobs suffer most in the public sector. This is surprising because one might think otherwise. As for Tunisia, the hypothesis implies that growth-driving sectors do not create many jobs, as is the case of manufacturing. It is also surprising because we usually believe that manufacturing is an industry that needs a lot of manpower as opposed to the service sector.

Answers

- Lahcen Achy: Presentations on the informal sector in the Maghreb countries complete the presentations on the major trends in activity and unemployment. Indeed, the main conclusions show that the unemployment rate fell in all three countries at different speeds. At the same time, there is a differentiation of the rate of unemployment; differentiation in gender, age, level of education, etc. The various presentations prove that the main reason for these disparities, within the employment structure itself, lies in the types of jobs created, when the least educated, men rather than women, benefit from these jobs. One might even say that over the past decade, the trend was either you require a good job and remain unemployed, or you are willing to work in precarious conditions. The study of Mr. Abdelkhalek confirms fears about quantitative employment policies creating as many jobs as possible. We note that there is a deindustrialization, as the industrial sector no longer contributes to job creation. So there is a true decline in the growth model. Initially, the focus was on industry, whereas now it is on services, but not the high added-value services. We have also observed a decline in the wage system. These presentations give an overall idea of the market. Today, we focus too much on unemployment. However, if we were to define a proper employment policy, we have to look at other aspects. This particular point introduces our next workshop theme on employment policies. Should employment policies continue to target the creation of jobs at the expense of quality?

- Kenza Oubejja: During this meeting, speakers highlighted the importance of focusing not only on indicators of unemployment and activity, which are the primary focus of employment policies. These indicators should rather be completed by other equally important
indicators. We should ask further questions on employment equity, the measure of job quality, the constraints in employment, etc. The assessment of employment policies is then necessary, not only based on unemployment decrease, but also on these fundamental issues.
Theme 3: Assessment and Prospects of Employment Policies in the Maghreb Countries

President: Rafik Boukli-Hassane, Professor at the Oran University

Speakers

Mourad Ben Tahar, Employment Directorate, Ministry of Employment, Morocco

Lahcen Ifzouane, Workers’ Protection Directorate, Ministry of Employment, Morocco

Miloudi El Ghobentini, Director at the National Employment Agency, Tunisia

Discussion

Mourad Ben Tahar

«Unemployment in Morocco is concentrated in urban areas and mainly affects young and long-term unemployed, especially first-time job-seekers. We also notice that the unemployed prefer a position in public administration rather than self-employment. In recent years, the pace of job creation has decreased, both nationally and globally. In this sense, policies have been put in place to promote employment, taking into account new labor market structures.

A proactive employment policy lies on three major pillars: promoting paid employment, supporting the creation of small businesses and improving the governance of the labor market.

The first pillar aims at promoting the employment of qualified first-time job-seekers in the private sector through the program «IDMAJ», which focuses on training on skills needed by enterprises, and through contractual and qualifying training or reconversion by the program «TAEHIL».»
The second pillar aims at providing financial and technical assistance to project sponsors, through the program «MOUKAWALATI», to involve various partners in the program.

The third pillar of governance has included a restructuring of the National Agency for the Promotion of Employment and Skills (ANAPEC) through the contractualization of inclusion objectives, the professionalization of intermediation structures on the labor market and the development of partnerships with private recruitment agencies and training operators. Likewise, the public sector no longer has a monopoly over hiring. Furthermore, efforts were made to establish an information system on the labor market and to conduct a number of studies.

The program «IDMAJ» included the exemption of private firms from social security income tax and Vocational Training Tax (TF) up to a maximum of 6,000 Dirhams and for a period of 24 months + 12 months (in case of final recruitment). By the end of 2009, 172,000 integrations were completed (exceeding the fixed target by 10%) while the integration of women reached 43%. The features of this program show that 36% of beneficiaries are graduates of vocational training and that 52% of integrations were achieved in the services sector.

Integration into the workplace according to degree – Vocational training graduates, 36% - Higher education graduates, 25% - Baccalaureate holders, 29% - Others, 10%

Integration by sectors – Education, 5% - Hotel business and catering, 6% - Services, 62% - Industry, 31% - Education, 5% - Agriculture, fishing 1% - Public buildings and works, 5%
The program TAEHIL has achieved 70% (+ 35000 beneficiaries) of the original objective for 2007 – 2009, and 78% of the objective set in the ANAPEC Action Plan of 2009 (14000 beneficiaries).

Regarding the MOUKAWALATI program, beneficiaries were those interested in developing projects with an investment amount up to 250,000 Dirhams. There were nearly 2,300 businesses and 8,000 jobs created between 2007 and 2009, an average of 3.5 jobs per project.

Regarding the improvement of governance on the labor market, progress has been made namely by: the creation and modernization of ANAPEC agencies, the development of follow-up and analysis tools to monitor the labor market through the consolidation of the data collection mechanism and prospective studies for 2008-2010 on the economy’s need for skills (regional and macro-econometric studies for 2012), a feasibility study on regional minimum wages in 2010 and the establishment of a follow-up and impact assessment mechanism for employment measures (gradual process 2009-2012).

Moreover, the government has sought to establish a monitoring and impact evaluation system for employment programs. First, beneficiaries of integration contracts are identified after matching their files between the ANAPEC and the National Social Security Fund (NSSF). A study and integration follow-up is then
conducted targeting beneficiaries of the programs IDMAJ and TAEHIL in 2009. A survey then examines a sample of beneficiaries from employment measures and a control group to determine career paths for 2010. The final phase includes the establishment and monitoring of a panel of recipients of employment programs for 3 years between 2010 and 2012.

The first mechanism highlighted the existence of a lasting integration with 65% of recipients reporting to the NSSF and a higher rate of sustained integration among graduates of higher education (65%) and vocational training graduates (64%). On the other hand, the integration rate of women was lower than men’s (61% against 65% for men).

The second mechanism was a questionnaire by telephone addressed to a sample of 7,200 job-seekers, with the following results: more than two-thirds of beneficiaries of an integration contract have completed their training within the host company and almost 83% of candidates who completed their training were appointed on a permanent basis by the host company. In addition, 80% of job-seekers having signed an integration contract have succeeded in integrating either the host company or another company, with 61% having signed a permanent contract. The rate of integration rate for candidates with baccalaureate+ 4 years of study has reached 82%.

The third mechanism was also a questionnaire to a sample of 2,227 job-seekers. It highlighted that 60% of beneficiaries of the TAEHIL program were gainfully employed three months after the end of their training.

The fourth and final mechanism was based on two questionnaires, one directed to job-seekers, and the second to companies using the programs IDMAJ and TAEHIL. Despite some statistical difficulties relating to the constitution of the population surveyed, the aim was to establish a group of program recipients and monitor it for 3 years in order to feed the information system on the beneficiaries of employment measures to assess their economic impact (cost-benefit).»
Laheen Ifzouane

«The Ministry of Employment, in collaboration with the National Fund of Social Security (NSSF), provides for the establishment of a compensation scheme for loss of employment (IPE), to provide income for workers who lose their jobs for involuntary reasons and meet a number of conditions. The creation of this system is the result of high mobility of the labor market in the private sector, characterized by an outflow of the NSSF scheme increasing from around 191,617 to 300,000 for 2003-2009. Moreover, this compensation was stipulated in the provisions of the Labor Code to accompany workers for their reintegration into the labor market while benefiting from reintegration programs determined by intermediation structures. This scheme is based on the principle of solidarity characterized by the contribution of the employer and employee. It is managed by the system of distribution adopted by the NSSF, which manages the compensation procedure. The eligible population is estimated between 30,000 and 80,000 insured. The compensation scheme is not an unemployment allowance but rather a "security income" granted to the insured who lost his job during his search for a new job.»

Miloudi El Ghobentini

«The Tunisian economy is characterized by a remarkable presence of the public sector, namely in industry, agriculture and services. However, since the mid-1980s, a broad program to restructure the national economy was launched. In the early 1990s, a partnership agreement with the European Union (zone of free trade) has initiated a massive upgrade of the economy and human resources. In this sense, the country has privatized all public enterprises operating in industrial production and services, which allowed the emergence of a market economy more integrated into the global economy. Consequently, the labor market has witnessed several changes, starting with the development of the quality, quantity and structure of the workforce to the introduction of new management skills by enterprises, new forms of work and new skill requirements."
To control the imbalance between employment supply and demand, public authorities have adopted an active employment policy based on further structural reforms. These reforms aim at developing vocational training and higher education to facilitate integration into the labor market and implementing a set of instruments for integration support, for vocational adjustment and for incentives or preparation for self-employment.

The adaptation of education and training systems aimed primarily at the adjustment of sector products to meet business needs. These systems include the Upgrading of Vocational Training (MANFORME) and the creation of a National Center of Continuous Training (CNFCPP) to support companies in their continuous training programs to improve productivity, consolidate existing jobs and provide employees with opportunities for promotion.

The government has allocated considerable resources to assist in the integration of the labor market. Indeed, the financial resources allocated to Active Employment Policies (EAP), which are the main instrument of government intervention to help the unemployed and job-seekers integrate into the labor market, represent more than 1% of GDP. This rate is comparable to that of OECD countries most involved in such policies.

Bodies directly involved in labor market intermediation include public and private institutions. Public institutions are the National Agency for Employment and Independent Work (ANETI) and the General Directorate of Labor Inspection and Reconciliation. The ANETI has 91 offices and 1,200 agents across the Tunisian territory. Employment offices collect about 140,000 job opportunities and register more than 400,000 job-seekers annually.

Private institutions include services companies (particularly in the areas of selection tests and skills assessments), business outsourcing companies and temporary contract companies allowed to work on the labor market (Manpower, ADECCO...).
Moreover, implemented employment programs include support programs for integration into paid employment such as the National Fund for Employment, which aims to train on demanded specialties on the labor market. Other programs are designed to help promote micro-enterprises and self-employment such as the National Fund for the Promotion of Handicrafts and Small Trades (FONAPRAM) established in 1981 to finance small projects up to 100,000 dinars at very favorable terms. In 1997, the Tunisian Solidarity Bank was created to provide financing of micro-credits (4000 dinars) and micro-enterprises (100,000 dinars) with no guarantee required.

The evaluation of program returns shows that the poorest groups do not fully benefit from the advantages offered. Moreover, the unemployment rate for higher education graduates is clearly decreasing.

In a context where integration difficulties persist and where the instruments used are insufficient, the Tunisian government has undertaken a thorough reform of the Active Employment Policy. In March 2009, employment programs were then reduced and programs that target specific groups were established. These programs also offer training adjustments to all beneficiaries and require high levels of integration. The Course of Introduction to Working Life for Higher Education Graduates and Integration Contract for Higher Education Graduates (CIDES) target, for example, unemployed higher education graduates who have been looking for a job for 3 months at least.

However, despite the performance of policies, unemployment in Tunisia remains at around 14%. The pressure on the labor market is expected to continue despite the mechanisms put in place to encourage the integration of young people. In the future, the employment policy should create 425,000 jobs for 2010-2014 whereas in 2008, only 57,000 jobs have been created, covering only 67% of the additional demand. »
Discussion

Laheen Achy: “How effective are employment policies?” Such a question concerns the Maghreb countries and the world in general. There are many difficulties in measuring the impact of employment policies on the level of integration. Moreover, as noted in the case of Tunisia, some use these policies even if not needed. The question then remains whether the person could fit on the job market without the intervention of the employment policy. Do companies use such policies, even if this is not necessary?

Another problem lies in the limited coverage of employment policies (around 15% only). 80% of the unemployed are then not eligible and cannot access them. Moreover, the analysis of the labor market underlines a problem of unemployment and a problem of job quality. How should we invest to improve the quality of employment and address those who are excluded from the labor market? Therefore, this is also a political issue of resource allocation that exceeds the Department of Employment and concerns the government or society as a whole. This brings us to the political choices that improve conditions in the labor market and cannot be summarized by mere technical problems of employment policy assessment.
The social negotiations in Morocco and Algeria have developed in relation to the socio-economic context in each of the two countries. In fact, Algeria was experiencing certain rigidity in the labor market due to its protected economy, characterized by a system of rewards to individual and collective performance. Nevertheless, in the 1990s, new structural frameworks were built to cope with debt. New legislation was also adopted to allow freedom of association and establish the right to strike.

The "de-protection" of the Algerian labor market was gradual. One might think that this openness will reduce job creation. However, it has an ambiguous effect on the flow of input and output. Thus, by influencing the fluidity of the labor market, "de-protecting" affects unemployment duration and allows faster adjustment of the market.

As part of the openness of the labor market, Algeria has established unemployment insurance, granting the unemployed 100% of their former salary during the first quarter, then 80%, 60% and 50% during the three following quarters respectively. This developed system aims to encourage people to actively look for a job because the salary earned during the period of unemployment decreases as the unemployment duration increases.

To address the imbalances of the labor market, the Algerian government has taken two major steps. The first step for the period 2004-2008 was the...
implementation of a job assistance mechanism targeting two million people and the establishment of a mechanism to help job creation. This has effectively led to the integration of 20% of the target population into a permanent job. The cost of this measure reached 0.6% of GDP. The second measure, adopted in 2009, was meant to establish a new mechanism, the "DAIP", by which would employ 400,000 people and has led to an increase of employment sustainability rates. Before the 1990s, the General Statute of Workers (statut général du travailleur) determined salaries (socialist system). Since the 1990s, the Algerian State clearly withdrew except for other indemnities. The minimum wage (SMIG) has then doubled between 1997 and 2007. The average salary only increased by 25%, suggesting that the increase of the minimum wage had no effect on wages on the labor market. In addition, the State has recognized the right to strike. However, to what extent do these laws and institutions really reflect on the labor market (de jure vs. de facto)? When unemployment is high, we can expect that regulations do not significantly affect the labor market, especially when the informal sector plays a crucial role. Indeed, unemployment insurance, intended to cover all the laid off employees, has only targeted the public sector. Collective negotiations did not occur, and there is a very low unionization rate (in the private, less than 5% of employees are unionized). Labor productivity is declining. Finally, freedom of association remains limited as despite the provisions of the law, most strikes are declared illegal. »

Laheen Achy: There are some similarities between the Algerian and Moroccan systems, in terms of rigidity in the labor code and the impact of this rigidity on the market. There is a large disagreement between unions and employers. Employers ask for more flexibility to hire while unions claim there is not enough protection, despite a strict labor code (as described by the criteria of the World Bank in assessing the business climate "Doing Business"). A compromise at this level is hard to find. In Morocco, there is an ad hoc institution similar to the “Tripartite Meetings” in Algeria for social dialogue. The Constitution provides for an Economic and Social Council to be established to be responsible of social
negotiations namely. However, this Council is still not operational. As for minimum wage, the minimum wage in Morocco and the SMAG (minimum agricultural wages) tend to affect wages in the overall economy, at least in the formal sector, unlike Algeria. But it must be said that there is not enough statistics on wages, except for wages in the industry and NSSF statistics, which have very low coverage given the weak affiliation to social protection. The gap between laws and their application also poses many problems. The business climate barometer of the World Bank and the classification of the American Heritage Foundation, that publishes the index of economic freedom based solely on labor law and not its application, show that markets in the Maghreb countries are too rigid. After examining the rate of social protection in these countries, i.e. the ease to dismiss employees, this legislative rigidity is questioned. Beyond this reality also lies the issue of social compromise.

**Abdelaziz Addoum**

«Social dialogue in Morocco has emerged a very long time ago. The first text that organized the labor movement was drafted in 1957. But it was only until the 1980s that dialogue was established between employers and unions. Several agreements have been concluded in this sense, namely the 1996 agreement helping to build a consensus on working conditions and the agreement between 2001 and 2004 dealing with issues considered, until that moment, taboo such as working conditions and wages.

The Moroccan model is designed based on:

A system of compromise;

A trade union pluralism;

An institutionalized dialogue (2 dialogue sessions per year);

The construction of networks of social dialogue.
Furthermore, the development of social dialogue in Morocco requires the presence of strong parties to strengthen the response capacity of social actors and broaden the space for freedom of association.

Discussion

- **Adecco Operational Director:** Regarding temporary work in Morocco, the Labor Code currently in force has consecrated temporary employment agencies as one of the actors in the labor market, which is a huge step forward. While I fully agree with everything Mr. Addoum said as to the development of a regulation or a model as a token of applicability and knowing very well that some models were taken and modeled elsewhere, I must note that the Moroccan context was not ready to receive such models and sometimes they were far from reality. Things are not moving fast enough in this case. One cannot deny that what the Code provided for regarding the duration of interim employment is certainly a step forward. However, we would like to see things moving a little faster, knowing that we are not essentially seeking an extension of this period beyond what is reasonable, but simply ensuring that this period hinders the expansion of a well-known phenomenon. In fact, this leads today to the proliferation of small outlawed businesses, which do not comply with the 'spirit' of the text and give rise to very harmful practices in the workplace and with the workers themselves. Certainly, as a company we have a lucrative purpose, but "we do not sell capital goods". Human resources are still a sacred resource for us. We need to make progress as quickly as possible to stop this ongoing situation in Morocco.

**Fawzi Bendriss**

Social dialogue remains tense between employers and unions. The General Confederation of Moroccan Enterprises (CGEM) supports that a peaceful and organized dialogue should be conducted within the companies, based on
international market logic that enhances the competitiveness of firms. On the other hand, trade unions condemn the formation of union clans and believe that dialogue remains hopeless. Union demands not being achieved and repeated strikes only prove their point. At this rate, 2010 may be a year of strikes.
Closing session

Laheen Achy

«Generally, similarities are clear between the structures of the labor market in the Maghreb countries participating in this conference. During the workshop, the quality of work was emphasized by both statistical and qualitative approaches.

It was recorded that employment budgets are important in all three countries. Yet, they remain focused on unemployment instead of proper training. Therefore, the training system should be reviewed. Nevertheless, this does not mean that the problem of the labor market is restricted to training, but it extends to a weak capacity of job creation. It was also noted that selection is based on the principle of comparative advantages, thereby disadvantaging senior graduates and creating temporary jobs with low added value.

Regarding differences between the three countries:

Morocco is characterized by the domination of agriculture and the differentiation between rural and urban areas contrary to Tunisia, while Algeria is expanding privatization after a period of public sector domination. In Morocco, wages weigh on 10% of GDP, the worst performance among all three countries. Furthermore, officials should be cautious and avoid confining the market in question to conveyed statistics. In fact, the GDP indicator is unreliable since it is an estimate and cannot be dependable to judge the performance of the public sector.

Today, the flexibility of the labor market is primarily the topic of debate. What is the relationship between flexibility, productivity and competitiveness? We often hear “efficiency wages” which link wages to productivity. Some even argue that competitiveness is only ensured by low wages, regardless of innovation and technological progress.
The labor market, in Morocco, Tunisia and Algeria, is also facing problems with the Labor Code. In fact, the law is circumvented and there is no adequate remedy.

Another subject which we should soon tackle is the high cost of public employment in the Maghreb. However, in addition to wage costs, the real question should focus on the quality of public services rendered.

Finally, the important lesson we have to learn is to adopt a more comprehensive approach. Imbalances on the labor market do not only result from what happens on the labor market, but macroeconomic policies should also be reviewed. Growth models implemented today do not produce enough jobs (Tunisia), and when they do, jobs are often precarious and informal (Morocco and Algeria). The Maghreb states are heavily investing in the education system. If this investment is not profitable in the labor market, resources would be wasted beyond the design of employment policies.

Thank for your attention.»