

The Report on Human Resources appended to the Finance Bill for the financial year 2014 strives to highlight the trend of the number of civil servants as well as the tendency of the corresponding wage bill in recent years.

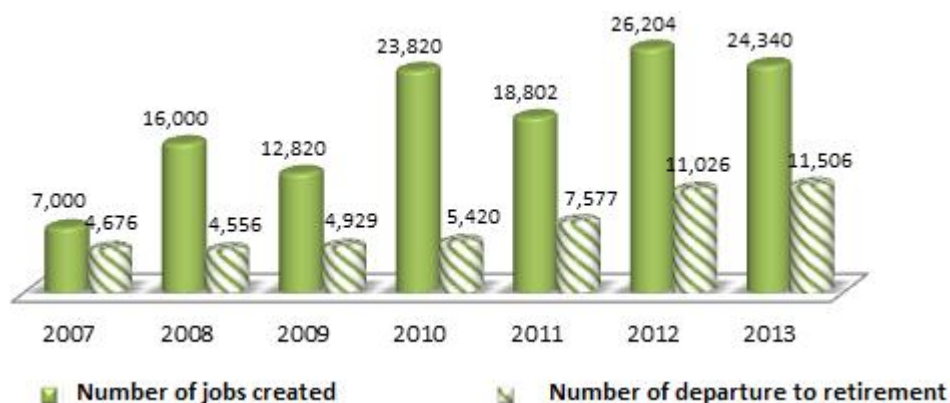
I. Number of public service staff:

1. TREND OF CIVIL STAFF BUDGET BETWEEN 2007-2013:

Over the period 2007-2013, the civil staff budget of State employees witnessed a steady increase, at annual rates ranging between 0,91% and 3,29%, recording on average an annual growth of 1,61% and a total increase of 10,03%. This upward trend is due mainly to the net flows resulting from the creation and deletion of workforce positions.

2. TREND OF THE NUMBER OF JOBS CREATED AND DEPARTURES TO RETIREMENT OVER THE PERIOD 2007-2013:

The trend of the creation and deletion of workforce positions between 2007 and 2013 is as follows¹:



3. JOB CREATED BY DEPARTMENT:

The distribution of budgetary posts created by department during the period 2007-2013 reflects the will of the Government to support sectoral strategies and the urgent needs of

¹ The departures to retirement do not include those which concern the departments exempted from the measure of redundancy following the departure to retirement.

certain departments in human resources, particularly those operating in the social domain, and meet the urgencies of the projects already started. The departments of Education and Higher Education, Interior, Health and Justice monopolize more than 80% of the total jobs created conducted for the period 2007-2013, for a total of 128.986 budget positions created during this period.

4. SITUATION OF CIVIL MANPOWER OF THE STATE IN 2013:

4.1. DISTRIBUTION BY DEPARTMENT:

The analysis of the distribution by department of the civil manpower of the State for the year 2013 shows that out of 577.691 civil servants operating the Moroccan public office, 91% are concentrated in seven government departments, as the table below shows:

Department	Workforce	Share in %
Education	293 499	51%
Interior	109 938	19%
Health	47 907	8%
Higher education	24 118	4%
Justice and Liberties	20 564	4%
Economy and Finance	18 024	3%
Prison authorities	10 238	2%
Other departments	53 403	9%
TOTAL	577 691	100%

4.2. DISTRIBUTION BY PAY BAND:

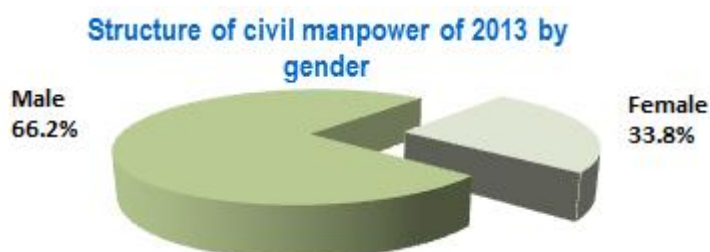
The civil manpower of the State for the year 2013 is distributed by pay band group as follows:

Pay band group	Staff	Share in %
5 to 6	117 205	20%
7 to 9	102 813	18%
10 and above	357 673	62%
Total	577 691	100%

Compared to 2007, the supervision rate in public administration significantly improved, increasing from 48% to 62% in 2013.

The relatively high ratio of executives is due, in addition to the recruitment of the senior officers (pay band 11), to the reclassification of executive and supervisory staff in the category of executives following normal and exceptional promotions carried out during the former years.

4.3. DISTRIBUTION BY GENDER:



The distribution of the manpower of women by department reveals a strong concentration in six government departments monopolizing 91,4% of the total: The Ministry of Education alone employs 60% of women civil servants, whereas the Ministry of Health occupies the second position with nearly 14%, followed by the Ministry of Interior with a share of more than 5%.

4.4. DISTRIBUTION BY AGE BRACKET:

Age brackets	Manpower	%
< 25 years	8 771	1,52%
25 to under 35 years	130 421	22,58%
35 to under 45 years	139 394	24,13%
45 to under 55 years	191 901	33,22%
55 to under 60 years	104 323	18,06%
Above 60 years	2 881	0,50%
Total	577 691	100%

These figures translate on the one hand, the small proportion of young people in the public office and, on the other hand, the significant share of departures to retirement expected in the years to come.

Indeed, the analysis of the population pyramid of civil servants makes it possible to estimate the number of departures to retirement for the next five years as follows:

Year	Departures	Cumulative departures
2013	11 506	-
2014	14 576	26 082
2015	15 962	42 044
2016	18 517	60 561
2017	20 718	81 279
2018	22 565	103 844
Total (2013-2018)	103 844	-

4.5. DISTRIBUTION BY REGION:

Distribution of civil manpower by region in 2013

Regions	Manpower	%
Region of Rabat-Salé -Zemmour-Zaer	103 357	17,89%
Region of Greater Casablanca	56 788	9,83%
Region of Sous-Massa-Draa	56 440	9,77%
Region of Marrakech-Tensift-Al-Haouz	48 426	8,38%
Region of Meknés-Tafilalet	45 174	7,82%
Region of Tanger - Tétouan	41 632	7,21%
Eastern Region	36 523	6,32%
Region of Fès-Boulemane	29 497	5,11%
Region of Doukkala-Abda	29 149	5,05%
Region of Taza-Al Hoceima-Taounate	27 581	4,77%
Region of Chaouia-Ouardigha	27 290	4,72%
Region of Gharb- Chrarda-Béni-Hssen	27 175	4,70%
Region of Tadla-Azilal	21 949	3,80%
Region of Guelmim-Es-Semara	13 181	2,28%
Region of Laayoune -Boujdour-Sakia-El-Hamra	10 104	1,75%
Region of Oued Ed-Dahab-Lagouira	3 425	0,59%
Total	577 691	100,00%

- 17,9% of civil servants are concentrated in the Region of Rabat-Salé-Zemmour-Zaer with a supervision rate of 54%;
- 9,8% of manpower are assigned to the Region of Greater Casablanca in which 65% are executives. This observation is conducive to wondering about the capacity of this manpower to ensure the management of administrative services intended for an increasingly growing population, in a region undergoing tremendous economic and social change;

- other regions which are today required to play the role of new economic poles also have a weak percentage of personnel. Thus 7,2% only of civil manpower are assigned to the Region of Tangier-Tétouan, despite the significant supervision rate of 63,9%.

II. STAFF EXPENDITURE:

1. TREND OF STAFF EXPENDITURE DURING THE PERIOD 2007-2013:

Civil staff expenditure recorded an increase of 46,9% over the period 2007-2013, up from 66,7 billion dirhams to nearly 98 billion dirhams (FA 2013), or an average annual increase rate of 6,7%, while the economic growth rate posted an average annual upward trend of almost 4%.

Wage bill indicators

Year	GDP in Million MAD	Wage bill in Million MAD	Trends in wage bill	Wage bill/GDP	Wage bill/GB	Wage bill/OB
2007	616 254	66 721	-	10,83%	34,29%	60,90%
2008	688 843	70 314	5,39%	10,21%	33,76%	56,57%
2009	732 449	74 027	5,28%	10,11%	29,17%	49,07%
2010	764 031	80 268	8,43%	10,51%	35,06%	58,63%
2011	802 607	88 973	10,84%	11,09%	36,71%	58,54%
2012	828 169	96 283	8,22%	11,63%	33,23%	51,26%
2013	888 535*	98 000	1,78%	11,03%	32,95%	49,18%
Average			6,7%	10,76%	33,48%	53,87%

(*) Ministry of Economy and Finance/DEPF;

2. INTERNATIONAL COMPARISON:

Compared to some neighboring countries, WB/GDP ratio in Tunisia is similar to that of the Kingdom (nearly 11%), knowing that this country has 44 civil servants for 1000 inhabitants, whereas for the case of Morocco, there are only 27 civil servants for 1000 inhabitants. Algeria has 42 civil servants for 1000 inhabitants but with a WB/GDP ratio of 15% (except for hydrocarbons). In Jordan, staff expenditure accounts for 16,7% of GDP. This rate is 12% in a developed country such as France.

According to the international standards WB/GDP ration must be below 10%, which brings to the fore the problem of the weight of the wage bill.

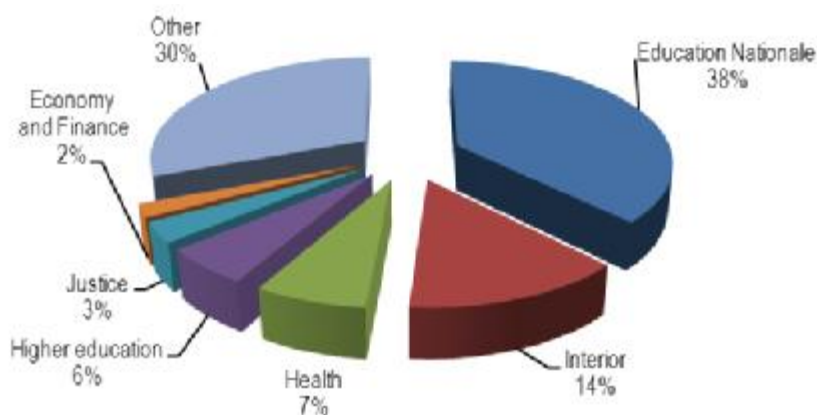
3. EXECUTION OF STAFF EXPENDITURE FOR THE YEARS 2012 AND 2013:

3.1. EXECUTION FOR THE YEAR 2012:

The execution of staff expenditure for the year 2012 shows a variation of 2,8 billion dirhams, exceeding by 3% the forecasts of the Finance Act 2012. This excess is due primarily to delays in the execution of some measures and acts of promotion of salary rank and band referring to former years.

3.2. WAGE BILL 2012 BY MAJOR DEPARTMENTS:

The following graph represents the wage bill 2012 distributed by major departments:



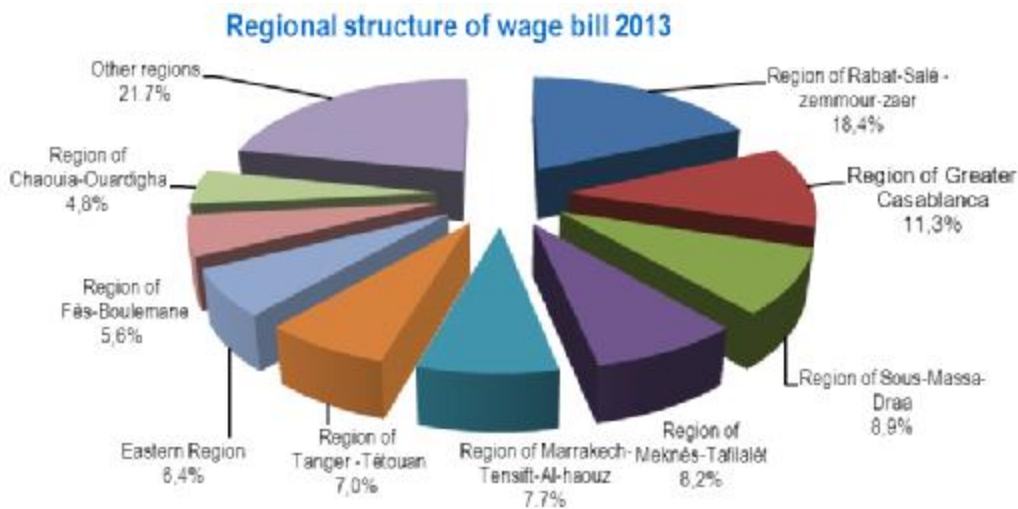
3.3. EXECUTION FOR THE YEAR 2013:

With reference to the available data at the end of 2013, the wage bill provided amounts to **98,581 billion dirhams**.

4. DISTRIBUTION OF WAGE BILL 2013 BY REGION:

The territorial distribution of State civil servants shows that the axis of Kénitra -Casablanca is characterized by a strong concentration of these civil servant, with a rate of 32% of the total civil staff. This concentration is due primarily to the strong localization of public administrations over this axis, which poses the problem of the devolution of public services.

The distribution of manpower is strongly correlated with that of the wage bill. Thus, a strong concentration is observed in the Region of Rabat-Salé-Zemmour-Zaer with 18,4% and the Region of Greater Casablanca with 11,3% of State staff expenditure, as the graph below shows:



5. DECISIVE FACTORS OF THE WAGE BILL:

5.1. LEVEL OF WAGES:

Minimum wage:

For the period 2007-2013, the net minimum wage for civil servants increased from 1.586 to 2.800 MAD/month, up 77%. This increase is due to the various wage readjustments decided within the framework of social dialog, and the removal of salary bands 1 to 4 with integration in band 5 of the civil servants classified in these salary bands.

Average wages:

Following the successive wage revisions and the improvement of the promotion system, the net average monthly salary for civil servants reached in 2013 nearly 7.250 MAD as against 5.333 MAD in 2007, up approximately 36%.

Net average wages and GDP per capita:

In Morocco, the net average monthly salary represents 3 times the GDP per capita, as against 1.2 in Algeria, 1.9 in Turkey and almost 1 in France. This difference can be explained as well by the efforts made by the Kingdom for the improvement of the income of its civil servants, as well as the GDP level achieved in each one of these countries.

These increases are due mainly to various wage readjustments, raising the quota of rank promotion and the revision of certain provisions of the particular statutes of certain trades decided within the framework of the sessions of central and sector based social dialog from 2008 to 2011.

Wage brackets and manpower

The wage brackets for the year 2013 are distributed as follows:

Net monthly salary brackets	Manpower	%	Cumulative %
2 800 to 4 000	104 966	18,17%	18,17%
4 000 to 6 000	165 740	28,69%	46,86%
6 000 to 8 000	131 482	22,76%	69,62%
8 000 to 10 000	25 707	4,45%	74,07%
10 000 to 12 000	82 956	14,36%	88,44%
12 000 to 14 000	34 836	6,03%	94,46%
14 000 to 16 000	13 402	2,32%	96,78%
16 000 to 18 000	4 333	0,75%	97,53%
18 000 to 20 000	6 124	1,06%	98,59%
20 000 to 25 000	4 679	0,81%	99,40%
25 000 to 30 000	1 906	0,33%	99,73%
30 000 to 40 000	1 271	0,22%	99,95%
40 000 to 50 000	173	0,03%	99,98%
More than 50 000	116	0,02%	100,00%

5.2. RANK AND BAND ADVANCEMENTS

Although they are permanent, rank and band advancements have a significant impact on the wage bill growth since they absorb annually more than 4% of this bill.

5.2.1. Rank advancement

The number of civil servants promoted in 2012 reached 65.580 civil servants, 34% of which concerns the special status of Education for an annual cost of 956 million MAD.

5.2.2. Band advancement

The annual cost devoted to band advancement of State personnel for the year 2012 amounts to 611 million MAD, or 0,6% of the wage bill, 54% of which is devoted to the Ministry of Education.

5.3. JOB CREATION:

To provide for the incompressible needs of priority sectors, the State conducts annually, within the framework of finance laws, the creation of new budget positions. The total number of posts created under the finance laws covering the period 2007-2013 reached 128.986 positions for a budget of almost 11,2 billion dirhams, or an annual average of almost 2% of the wage bill.

Worth mentioning is the considerable effort made by the Government, during the last 4 years, as regards recruitment in the public sector with an annual average of 23.291 positions created, as against 11.940 positions per annum during the period 2007-2009.

RECOMMENDATIONS

The control of the bill has become a real challenge that the Government must meet. Such control can only be ensured through the implementation of the reforms initiated by the Government in the public service and by taking some measures on the level of the forecast of staff appropriations. In this regard, the following is in order:

- As regards forecast:
 - Rationalization of the use of the vacancies arising during the year;
 - Adoption by the Government departments of the practices of good management of human resources in order to avoid promotion delays and late regularizations resulting in recalls which distort the forecasts of the Finance act upstream;
 - Responsibilisation of authorizing officers in the forecast and management of staff appropriations.
- As regards reforms:
 - Generalization of the reference frames of jobs and competencies in all government departments;
 - Renovation of the evaluation and grading system of civil servants;
 - Introduction of a new promotion system based on merit and performance;
 - Renovation of the methods of recruitment in the public service (Competitive examinations and contracts);
 - Reinforcement of the mobility of civil servants (simplification of the procedures of secondment, assignment...);
 - Establishing of a coherent policy of vocational training;
 - Harmonization of statutes;
 - Establishing of a new remuneration system in the Moroccan public service.