

The report on human resources which accompanies the Finance Bill for the fiscal year 2015 refers to the Moroccan civil service during recent years in terms of the numbers and trends of staffing and payroll.

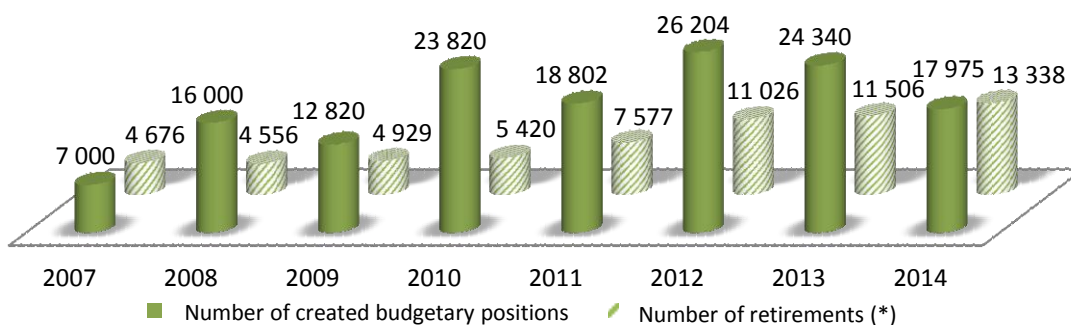
## I. THE HUMAN RESOURCES IN THE MOROCCAN CIVIL SERVICE:

### 1. RETROSPECTIVE OVERVIEW OF THE NUMBER OF CIVIL SERVANTS IN THE PERIOD BETWEEN 2007 AND 2014

Over the 2007-2014 period, the budget for civil state personnel recorded an average annual increase of 1.36% and an overall increase of 9.95%. This trend is due primarily to the combined effect of creating and deleting budgetary positions.

### 2. EVOLUTION OF THE CREATION OF BUDGETARY POSITIONS AND RETIREMENTS:

The creation and deletion of budgetary positions between 2007 and 2014 are as follows:



The distribution by departments of budgetary positions created in the period 2007-2014 shows the Government's commitment to support sector-based strategies and also the urgent needs of some departments for human resources particularly those acting in the social field and security and also, to respond to the emergencies of the already started projects.

(\*) The retirements numbers do not include those under the departments that are exempted from the suppression of budgetary positions

The departments of Education and Higher Education, Interior, Health and Justice account for 80% of all budgetary position creations that occurred during the 2007-2014 period.

As for the flow of retirements during the same period, it shows a strong upward trend for these last few years. Thus, the number of retirees reached 13,338 by the end of 2014<sup>2</sup>, representing an increase of 16% in comparison with 2013. This upward trend would increase further over the next 4 years.

### 3. FOCUS ON THE BUDGET OF THE CIVIL SERVANTS OF THE STATE IN 2014:

#### 3.1 DISTRIBUTION BY DEPARTMENT:

Of the 577,277 civil servants available to the Moroccan civil service in 2014, over 90% are concentrated in seven ministry departments. The table below shows their distribution by department:

Department	Staff	Share in%
Ministry of Education and professional Training	292,412	51%
Ministry of Interior	110,226	19%
Ministry of Health	48,348	8%
Ministry of Higher Education, Scientific Research and the training of executives	23,864	4%
Ministry of Justice and Liberties	20,722	4%
Ministry of Economy and Finance	18,380	3%
General Delegation for prison administration and rehabilitation	10,417	2%
Other departments	52,908	9%
<b>TOTAL</b>	<b>577,277</b>	<b>100%</b>

#### 3.2 DISTRIBUTION BY ADMINISTRATIVE SCALES:

The budget for the State's civil servants in 2014 can be divided in groups of scales as follows:

Groups of scales	Staff	Share in%
6	105,874	18%
7 to 9	100,670	17%
10 and more	370,733	65%
<b>TOTAL</b>	<b>577,277</b>	<b>100%</b>

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<sup>2</sup>The retirements numbers do not include those under the departments that are exempted from the suppression of budgetary positions

This implies that employment scaling ratio in the Moroccan civil service has improved significantly in recent years. So, it went from 48% in 2007 to nearly 65% in 2014, representing an increase of +17 points.

This improvement in employment scaling is due in part to the increased recruitment of senior executives and successive revisions to the promotion system, mostly special promotions, which offers more grade advancement opportunities.

### **3.3. DISTRIBUTION BY GENDER:**

In 2014, the trend of improving the percentage of women in the civil service is clearly shown as this rate stood at 35.11% against 33.8% in 2013.

As for the analysis of presence of female civil servants by department, it reveals a strong female concentration in six departments (90.5%). The Department of Education has nearly 60% of women civil servants, followed by Health with almost 14%, the third position is taken by the Department of the Interior with a share of more than 5%.

### **3.4 DISTRIBUTION BY AGE GROUPS:**

The structure of the civil servants by age groups is as follows:

- 0,6% of civil servants are aged under 25 years and 22% are under 35 years: these figures show the small proportion of youth in the administration which is justified by the increase in the age of access to the public service after the time required to graduate from higher education ;
- Over 53% of the public servants are aged more than 45 years.

These figures reflect on the one hand, the low proportion of youth in the civil service, and, on the other hand, the importance of the expected retirements in the coming years.

Indeed, the analysis of the age of the civilian staff of the State allows to estimate the expected number of retirees in the next 5 years to 92,452, which represents 16% of the current workforce of the civilian personnel of the State, excluding the measures foreseen in the context of the reform of pension systems.

### **3.5 DISTRIBUTION BY REGION:**

The distribution of the number of civilian staff of the State by regions highlights the large disparities in the distribution of human resources. Thus:

- 19.80% of civil servants are concentrated in the region of Rabat-Salé-Zemmour-Zaer;
  - 9.38% of civil positions are assigned to the Grand Casablanca region. This finding, thus, raises questions about the ability of civil servants to provide good administrative services for an increasingly growing population in a region undergoing rapid economic and social change;
- It follows from the above that the concentration of civil servants at the Casablanca-Rabat regions represents nearly 30% of the entire government civilian workforce.

## II. COSTS OF THE PERSONNEL:

### 1. EVOLUTION OF THE COSTS OF STATE PERSONNEL DURING THE PERIOD 2007-2014:

On the 2007-2014 period, the evolution of the expenses of the staff of the State recorded a significant progression from 66,7 billion in 2007 to close to 104 billion of dirhams in 2014, thus an increase of 55,4% and an annual average of 6,5%.

#### Indicators of payroll expenditures

Year	GDP By millions of dirhams	payroll expenditures By millions of dirhams	Evolution of payroll expenditures	Payroll expenditures / GDP	Payroll expenditures / General Budget	Payroll expenditures / Operating Budget
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	827,497	96,283	8.22%	11.64%	33.23%	51.26%
2013	872 791*	98,223	2.01%	11.25%	33.02%	49.29%
2014	917 323*	103 700**	5.58%	11.30%	33.87%	52.02%
<b>Average</b>			<b>6.54%</b>	<b>10.87%</b>	<b>33.55%</b>	<b>53.63%</b>

(\*) Ministry of Economy and Finance

(\*\*) Finance Act of 2014

### 2. PERSONNEL EXPENDITURES FOR THE YEARS 2013 AND 2014:

## 2.1 EXPENDITURES FOR THE YEAR 2013:

The control of the costs of personnel remains one of the key requirements for a sound and transparent management of public finances. In this respect, the payroll truly paid in 2013 recorded only a difference of 223 million dirhams from the forecasts of the Finance Act 2013, slightly exceeding 0.2% against 3% in 2012.

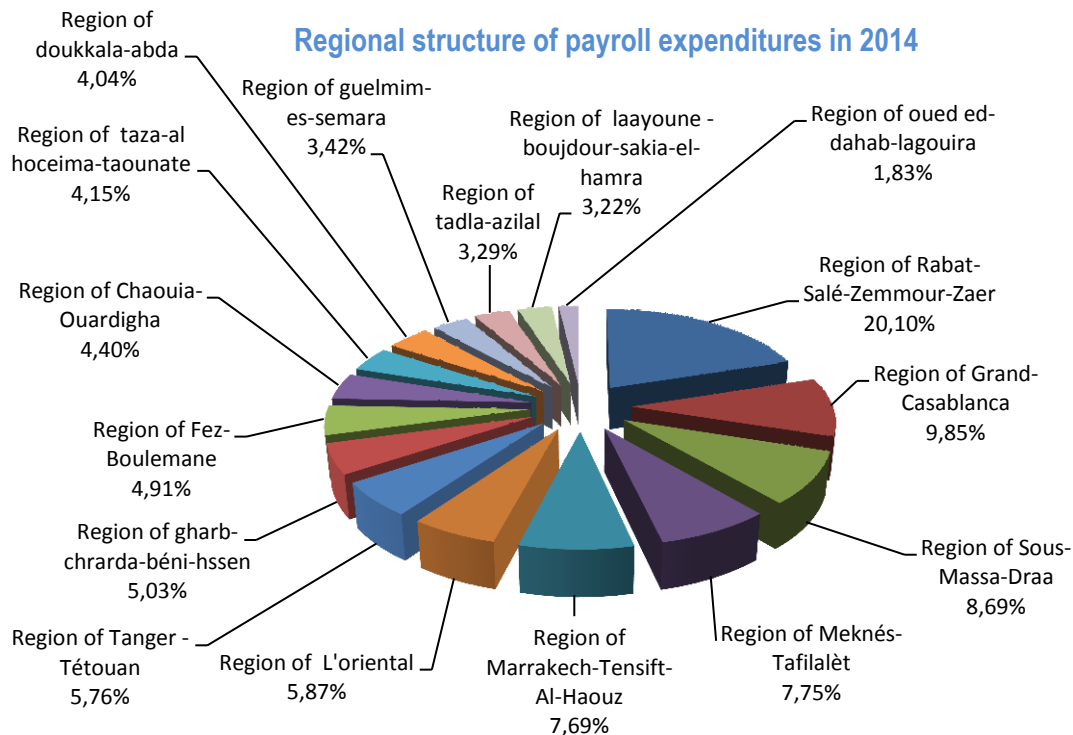
## 2.2 EXPENDITURE TRENDS FOR THE YEAR 2014:

According to the available data at the end of July 2014, personnel expenses amounted during the first 7 months to 60.52 billion dirhams, nearly 52.7 billion were served by the Personnel Expenses Directorate (Direction des Dépenses de Personnel or DDP) under the General Treasury of the Kingdom (Trésorerie Générale du Royaume or TGR). In addition, personnel expenditures paid by the network of accountants of TGR, amounted to a near 7.8 billion dirhams.

So, it is clear that the execution of the personnel expenses in the first 7 months is consistent with the predictions of the Finance Act of 2014 (60.5 billion dirhams).

## 3. DISTRIBUTION OF THE 2014 PAYROLL EXPENDITURES BY REGION

The geographical distribution of the payroll shows a high concentration in the regions of Rabat-Salé-Zemmour-Zaer and the Grand Casablanca with respectively 20.10% and 9.85% of the personnel expenditures of the State as presented in the following graph:



## 4. THE DETERMINING FACTORS OF PAYROLL EXPENDITURES:

## **4.1. THE LEVEL OF SALARIES IN 2014:**

### **4.1.1. Minimum salary:**

Under the 2007-2014 period, the monthly net minimum salary in the Public Service increased from 1.586 to 3.000 Dirhams thus registering an increase of 89%. This increase is due to the different wage increases decided in the context of social dialogue, in particular the increase in the minimum wages through the integration of scales 1-4 into the 5<sup>th</sup> scale, and, the last measure, as of 1 July 2014, to raise the minimum wage in the civil service to 3,000 DH by removing the 5<sup>th</sup>scale.

### **4.1.2. Average salary:**

Following the successive salary changes and the increase in the minimum wage, the average net monthly salary in the public service in 2014 reached nearly 7.300 DH against 5.333DH in 2007, thus an increase of 37%.

### **4.1.3. Net average salary and GDP per capita:**

In Morocco, the average net monthly salary is 3.2 times the GDP per capita, against 1.4 in Tunisia, 1.6 in Turkey, almost 1 for France and 1.2 in Spain. This difference can be explained by the efforts of the Kingdom to improve the income of its civil servants and the GDP levels of each of these countries.

## **4.2. GRADE AND STEP ADVANCEMENTS:**

Grade and step advancements absorb annually more than 5% of the payroll, where their significant impact on its evolution.

### **4.2.1. Grade advancement:**

The financial burden of grade advancements during 2013 is estimated at 2.25 billion dirhams 66% of which corresponds to the grade advancement for the staff within the Department of Education.

The back pay served to State personnel reached 1.82 billion dirhams in of 2013 (70% of which in the National Education), which is equivalent to 81% of the annual cost.

The number of civil servants promoted in 2013 reached 83,041; 37% of which are covered by the special status of the National Education with an annual burden of 1 461,33 million DH.

**Step advancement:**

In 2013, the annual burden for step advancements for State personnel amounted to 586 million dirhams, 60% of which within the Ministry of National Education. As for back pay, it represents the equivalent of 96% of the annual burden with 560 million dirhams.

**5. SOCIAL DIALOGUE IN 2014:**

As part of the policy of consultation and dialogue with the social partners, the Government committed in April 2014 to increase the minimum net wage in the civil service to meet 3000 DH instead of 2800 dirhams per month. This measure which became effective on July 1<sup>th</sup>, 2014 would have an additional annual financial impact of nearly 160 million dirhams, and affects about 53,000 employees of the state.