

## SUMMARY OF THE REPORT ON HUMAN RESOURCES 2018

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### 1<sup>ST</sup> PART: Legislative and Regulatory System

The civil servants categories stated in this report are restricted to public administrations civil servants whose remunerations are charged to the General Budget and exclude the staff of local authorities and the employees of Public Institutions.

#### I. Statutory component

##### 1. General Statute of the Civil Service

The General Statute of the Public Service, promulgated by the Royal Decree No. 1.58.008 dated 4 Chaabane 1377 (February 24, 1958) as modified and complete, governs the whole civil servants of the State's central administrations and deconcentrated services that depend thereon and also includes the civil servants of the local authorities. However, it does not apply to magistrates or members of the Royal Armed Forces or the corps of the Ministry of the Interior's administrators.

Similarly, some specific statutes may derogate from certain provisions of the General Statute of the Civil Service that are incompatible with the obligations of these bodies or services such as the members of the diplomatic and consular corps, the teaching staff, the general inspection of finance corps, the corps of the Directorate General for National Security, prison department...

In 2011, the act No. 50.05 amending and modifying the Royal Decree No. 1.58.008 introduced deep changes into the general statute of the public service:

- The provisions on access to public posts, namely the adoption of competition as a general rule to access the public service, and the establishment of a new system of recruitment by contract;
- The establishment of mechanisms to enhance the mobility of civil servants: **Secondment** (Decree n°2.13.423 dated February 20, 2014) ; **Providing civil servants available** (Decree n°2.13.422 dated February 20, 2014) ; **Redeployment** (decree n°2.13.436 dated August 5, 2015)

##### 2. Particular statutes

The particular statutes are decrees of application of the General Statute of the Public Service that govern a group of civil servants constituting a corps that exercise similar functions.

There are three important statutes in force in the public function:

- **Interministerial statutes** they are 11 statutes: administrators, engineers, teacher researchers from executives training institutions
- doctors and pharmacists, dentists and veterinaries, trainers, civil servants in charge of managing vocational training institutions, nurses, technicians, editors, administrative assistants and technical assistants.
- **Other particular statutes** they are 15 : they govern some categories of civil servants of the sectors of Justice, Interior, Foreign Affairs and Cooperation, Higher Education, National Education, Health, Economy and Finance.
- **Special statutes** they are 7 and govern judges of the judiciary, judges of the financial courts, administrators of the Interior and the authority agents, auxiliary forces, civil servants of the House of Representatives and

those of the House of Councilors.

## II. Budgetary component

### 1. Organic Act No. 130.13 relating to the Finance Act

The Organic Act No. 130.13 relating to the Finance Act introduced, inter alia, new provisions relating to staff expenditures (Articles: 5, 15, 45, 58, 59, 60 and 61) which deal with:

- The triennial budgetary programming of staff expenditures (Article 5);
- Introduction of the contributions of the State for savings and retirement in the structure of staff expenditures (Article 15);
- Ban of bank transfers among chapters (Article 45);
- The limiting nature of the appropriations of the staff chapter (Article 58);
- The creation, deletion and distribution of budget positions among the ministerial departments as well as the transformations and redeployments of budget positions during the year (Article 61).

### 2. Decree No. 2-15-426 dated July 15, 2015 relating to the elaboration and execution of the finance acts

The regulatory provisions relating to staff expenditures set forth by this decree deal particularly with:

- Transformations and redeployments of budgetary positions (Articles 19 and 20);
- The necessary rules of budgetary and accounting management for respecting the limiting nature of appropriations open to staff chapter are determined by a decision of the head of government (Article 21);

### 3. Decision of the head of government No. 3.221.16 dated December 27, 2016

This decision sets forth the necessary rules of budgetary and accounting management for respecting the limiting nature of appropriations open for the staff chapter expenditures. In its article 2, it states that the propositions for expenditures for staff chapter during the budgetary year are supported by the following documents:

- Distribution of civil servants;
- The permanent expenditures as determined in article 4 of the said decision, expected for January 1 of the next budgetary year;
- Estimated budgetary impact of recruitments, reintegrations and staff's end of service to be undertaken during the next budgetary year;
- The budgetary charge inherent to the promotion in grades, step and to the regularization of administrative situations;
- The budgetary charge related to the application of the legislative and regulatory provisions aiming to review staff remuneration;
- Assessment of the contributions of the State for savings and retirement.

The forms of the said documents are determined by the decision of the Ministry of Economy and Finance No. 811 dated February 20, 2017 and whose main target is to accompany order makers in the process of programming and follow-up of staff expenditures.

## 2<sup>ND</sup> PART: Moroccan Public Service Human Resources

### I. Evolution of the number of the civil staff during the period 2007-2017

#### 1. Staff number and population

During the last decade, the Moroccan population registered an average annual increase of 1.18% moving from 30,998,000 persons in 2007 to 34,852,000 in 2017, i.e. an additional population of more than 3,854,000 persons.

Concerning the budgetary number of the civil staff of the State, it moved during this decade from 525,094 to 570,165 civil servants, i.e. a global increase of 8.59% with an average annual increase of 0.83%. This rate slightly exceeds the evolution registered at the level of active population 0.7%.

#### 2. Evolution of the creation and deletion of budgetary positions

The evolution of the State civil staff number is mainly attributable to the effect of creating and deleting budgetary positions.

### *2.1 Creation of budgetary positions*

The period 2007-2017 witnessed the creation of 219,237 budgetary positions, i.e. an average annual creation of 19,931 budgetary positions, of which 78% have been allocated to social and security sectors, i.e. the departments of Education, Higher Education, Interior, Health and Justice.

The budgetary year 2017 was marked by the creation of 23,768 positions.

### *2.2 Deletion of budgetary positions*

Before 2010, the number of deleted positions remained stable in average around 5,600 positions per year. It has then significantly increased to reach more than 19,700 positions at the end of 2016 mainly because of the mass departures for retirement for age limit (17,000 departures).

Considering, on the one hand, the massif flow of departures for retirement and, on the other hand, the fragile financial equilibrium of the retirement regime, the government launched a retirement reform process of which the parametric reform of the civil pensions' regime is the first step.

Accordingly, taking this reform into account, the number of departures for retirement for age limit registered an important decrease moving from 17,000 in 2016 to 9,110 in 2017.

## 3. Competitions for the public service

As part of the implementation of the provisions of Article 31 of the Constitution relating to the principle of equality of citizens in accessing public service based on merit, in application of Article 22 of the General Statute of the Public Service introducing the principle of competition in recruitments as well as the texts related to its application, the ministerial departments organize since 2012 recruitment competitions within the limit of the budgetary positions created by the different finance acts.

The number of organized competitions for the years 2015 and 2016 is 157 and 214 respectively for a number of positions of 9,069 and 20,387. Thus, the total average of positions open by competition moved from 58 in 2015 to 95 in 2016.

During the first semester of 2017 and for the whole public administrations, the number of positions subject to competition did not exceed 2,850 for 80 competitions, i.e. an average of 36 positions/competition. This situation is mainly attributable to the delay registered in adopting the finance act 2017.

The Ministry of National Education, Vocational Training, Higher Education and Scientific Research remains among the departments that offer many positions. It should be recalled here the recruitment operation, by Regional Academies of Education and Training, of 35,000 contractual teachers (11,000 in 2016/2017 and 24,000 in 2017/2018) with an annual cost estimated at MAD 3 billion.

## 4. Appointment in higher positions

The number of appointments, by decree, in higher positions, after deliberation in the Government Council in application of Article 92 of the Constitution amounts to 687 appointments for the period 2012-2016 distributed over 31 departments with 78 positions occupied by women, i.e. 11.35%.

## II. THE CURRENT SITUATION OF THE NUMBERS OF CIVIL SERVANTS OF THE STATE

In 2017, the number of civil servants in the Moroccan public service is 570,165 civil servants. The analysis of its structure allows having an estimation of the public administration's human capital.

### 1. Distribution by department

The analysis of the distribution of the State budgetary positions by department for the year 2017 shows a concentration of about 90% of these positions at the level of six ministerial departments, namely: National Education and Higher Education (54%), Interior (21%), Health (8%), Justice (3%), Economy and Finance (3%) and Prison Administration (2%).

## 2. Ranking per scale group

The structure of the civil servants per scale group is marked by the preponderance of the category of executives (scale 10 and more) with a rate of 65.83%. Concerning the numbers of executive staff (scales 5 and 6) and that of the supervisory staff (scales 7 to 9), they are stable around 17.2% and 16.97% respectively of the total number of civil servants.

## 3. Breakdown by status

The structure of the number of civil servants per status in 2017 is marked by the predominance of civil servants of particular status of the staff of National Education and higher education, which is about 50% of the number of civil staff. Common staff at public administrations (interministerial corps) represents 23.2%, followed by security and civil protection with about 15%. Regarding paramedical staff, governed by the statute of nurses and medical assistants, it represents only 4.76% of the whole State civil staff.

## 4. Distribution by external services and central services (administrative deconcentration)

Administrative deconcentration is one of the main workshops of the reform and modernization of the Moroccan administration. Its objective is the establishment of an effective system based on a territorial approach that marks the break with the practice of a fixed centralism and allows the transfer of powers and competences at the local level for more prerogatives of external services for the purpose of a better support for advanced regionalization.

In this framework, a balanced distribution of civil servants and competences among the central services and the external services makes it possible to consolidate the establishment of this local administration and to reinforce its position as an essential vector in the local management.

The deconcentration process within the public administration over the past decade has fluctuated between 89.2% and 94%.

Although the rate of administrative deconcentration is significant in 2017, namely 94%, the distribution of powers and competences between the central and the local remains below expectations since it does not generally exceed a transfer of powers by delegation of signature.

In addition, and given the missions intended for certain administrations, the deconcentration rate is relatively higher in the departments of National Education and Higher Education (98.61%), the General Delegation at the Prison Administration and Reinsertion (98.16%) and the Department of Health (95.87%).

## 5. Distribution by age category

The analysis of the current age pyramid makes it possible, on the one hand, to have visibility in terms of forecasts of retirement, and, on the other hand, to follow the evolution of the register of jobs and skills within the administration.

For the year 2017, young civil servants under the age of 35 constitute 44% of the total number of civil servants of the State, which reflects a trend towards the rejuvenation of human resources in the administration. This is the result of the combined effect of the flow of retirements, which have become important in recent years, and of youth recruitment operations that have undergone significant changes during the same period.

The improvement in the rejuvenation rate is accompanied by a decline in the aging rate within the administration, since 12% of civil servants are over 55 years old.

The projected cumulative number of retirements of the civil servants of the State would reach, by the end of the period 2017-2021, nearly 58,955 departures, i.e. 10% of the current number of the civil servants of the State.

## 6. Distribution by seniority

By the end of 2017, the structure of the numbers of civil servants per seniority is characterized by a predominance of the young staff category and a shrinking of that of older employees. Thus, 33% of the staff have less than 10 years of seniority and 55% have seniority of less than 20 years and the category of civil servants whose seniority is more than 35 years in the administration does not exceed 12%.

## 7. Distribution by sex (situation of woman in administration)

The participation of women in the various sectors of activity is an important issue dictated both by the provisions of the Constitution and the commitments of Morocco as a signatory to a number of international conventions on Human Rights, including the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW), and the International Labor Organization (ILO) Conventions on equality of opportunity, treatment and remuneration.

Indeed, the statistics of the Gender Observatory of the Civil Service (OGFP) make it possible to draw the following main conclusions:

- Women proportion in the administration is 35.3% against 64.7% for men;
- Women's representation as well as that of men is highly concentrated in the external services with a rate of 32.9% against 2.4% in the central services;
- Analysis of the distribution of women's workforce shows that of the 206,750 women civil servants, 90% are concentrated in five ministerial departments: the Department of National Education with 58%, followed by the departments of Health, Interior, Justice and Economy and Finance with respectively 13%, 11%, 4% and 4% of the female civil staff of the administration.

Despite the progress made in the conditions of employment of women in the public administration, the consolidation of gender parity remains a priority objective of the government on which the efforts of the various stakeholders must focus. This goal can not be achieved without improving the conditions for girls' access to school and raising the rate of their schooling, mainly in rural areas.

## 8. Distribution by region

The advanced regionalization adopted by Morocco is a strategic choice to establish a new mode of territorial governance with new regions having their own human and material resources and called to be locomotives for an integrated and sustainable development in all domains.

But the current distribution of the State civil servants by region shows great disparities. Indeed, and according to the regional division of the Kingdom, 60% of the civil staff of the State is concentrated in four regions. The region of Rabat–Salé–Kénitra is the first in terms of number of civil servants (21%), followed by Casablanca–Settat (15,6%), Fez–Meknes (12,2%) and Marrakech–Safi (11,1%).

Regarding the region of Tanger–Tétouan–Al Hoceima, that is called today to play the role of a new economic pole, only 8.9% of the number of civil servants are appointed to this region.

This disparity between the regions in terms of the distribution of human resources raises the question of the capacity of these staff to manage administrative services for a population undergoing major economic and social change.

## 3<sup>RD</sup> PART: Staff Expenditures

Exceeding the threshold of MAD 100 billion, staff expenditure is the first item of public expenditures.

These expenditures represent an essential and important indicator given its weight on the country's macroeconomic balances. Hence, the importance of analyzing its growth as well as the evolution of its main components.

### I. Evolution of the staff expenditures during the period 2007-2017

Between 2007 and 2017, staff expenditures increased from MAD 66.7 billion to MAD 106.7 billion, an increase of 60% over the period.

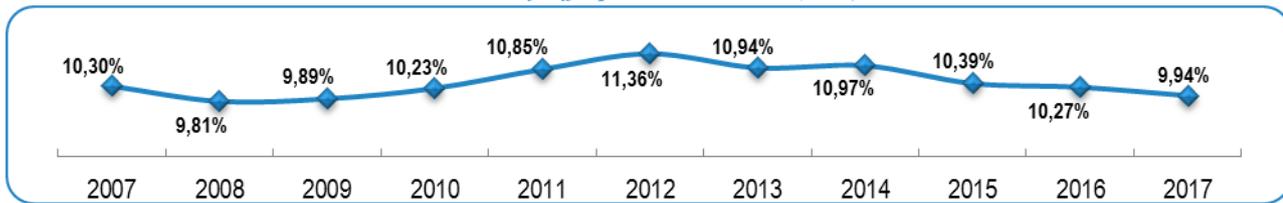
Two phases can be distinguished over the last decade:

- **Before 2012:** where growth was strong, 7.6% in annual average and mainly results from the implementation of the wage revision decisions taken in the framework of the social dialogue for State staff.
- **2012-2017:** where the growth in staff expenditure has slowed down (2.1% on average per year). This slowdown is due in part to the combined effect of the large number of positions deleted as a result of retirements and the government's efforts to control staff expenditures.

#### 1. Weight of staff expenditures in relation to the Gross Domestic Product (GDP)

Since 2007, the staff expenditure / GDP ratio has shown a tendency to stabilize at around 10.5% (excluding the employer contributions of pension and compulsory health insurance). However, this indicator remains among the highest rates in the Middle East and North Africa (MENA) region. In this region, the ratio is 9.67%, while in OECD countries this ratio is generally below 10%.

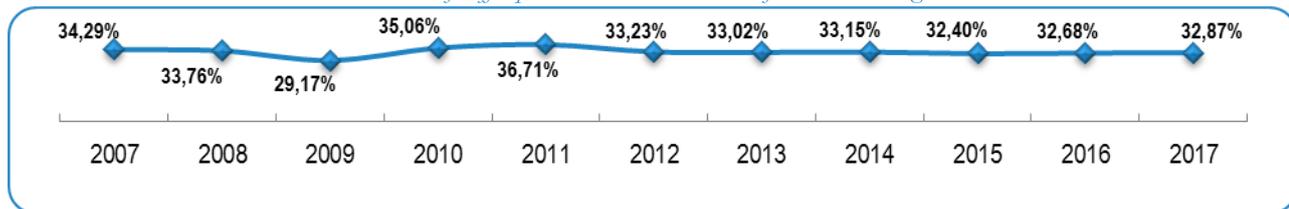
*Evolution of staff expenditures in relation to (GDP)*



## 2. Staff expenditures and General Budget (GB)

Considered as the first item of public expenditure, staff expenditures represent 32.87% of the General Budget in 2017, and 33.37% in annual average for the period 2007-2017.

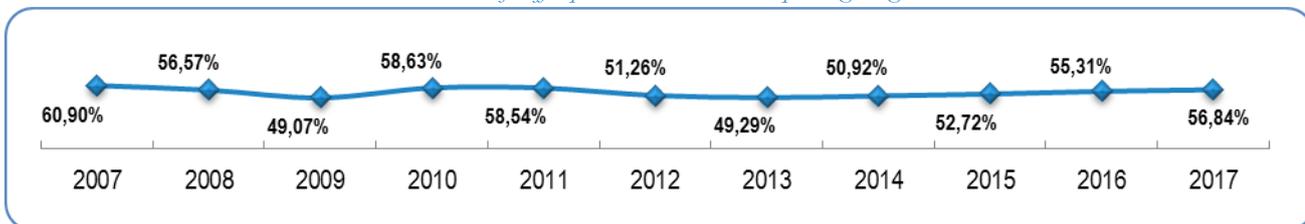
*Evolution of staff expenditures in relation to those of the General Budget*



## 3. Staff expenditures and Operating Budget

During the period 2007-2017, the appropriations allocated to staff expenditures represent more than half of the operating budget with an average of 54.55% per year.

*Evolution of staff expenditures in relation to Operating Budget*



## 4. Staff Expenditures and Ordinary Revenues

Over the period 2007-2017, the share of ordinary revenues allocated to staff expenditures reached an average of 52% per year. In 2017, this proportion reached 48%.

## II. Distribution of staff expenditures for the year 2017

### 1. Distribution of staff expenditures by departments

About 90% of the State's civil servants' expenditures for 2017 are concentrated in six departments, namely the Ministry of National Education, Vocational Training, Higher Education and Scientific Research (53.4%); the Ministry of the Interior (17%); the Ministry of Health (9.7%); the Ministry of Justice (4.4%); the Ministry of Economy and Finance (2.7%) and the Ministry of Foreign Affairs and International Cooperation (2.7%).

### 2. Distribution of staff expenditures by region

The distribution of staff expenditures by region and GDP makes it possible to verify the link that may exist between the allocation of human resources at the level of each region and the contribution of the latter to national production.

Region	Shares of staff expenditures	Shares of GDP
Rabat-Salé-Kenitra	22.7%	16.3%

Casa-Settat	17%	32.1%
Fez-Meknes	12.7%	9.4%
Marrakech-Safi	10.2%	9%
Tanger-Tetouan-Al Hoceima	8.5%	9.4%
Souss-massa	7%	6.6%
Oriental	6.7%	5%
Beni Mellal-Khenifra	6.2%	5.8%
Darâa-Tafilalet	4.6%	2.7%
Laâyoune-Saguia El Hamra	2.2%	1.4%
Guelmim-Oued Noun	1.6%	1.3%
Dakhla-Oued-Eddahab	0.6%	1%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

The above table shows the following:

- More than 71% of staff expenditures are concentrated in the regions of Rabat-Sale-Kenitra, Casa-Settat, Fez-Meknès, Marrakech-Safi and Tanger-Tetouan-Al Hoceima ;
- The region of Rabat-Salé-Kenitra encompasses about 22.7% of staff expenditures. This concentration is mainly due to the regrouping of the central departments in the city of Rabat;
- Unobserved correlation between the distribution of staff expenditures by region and the contribution to GDP. For example, the Casa-Settat region, which has the highest share of GDP and a large population, has only 17% of staff expenditures.

### 3. Distribution by scale

For the year 2016, the wages of staff classified in scales 5 and 6 (executive staff) represent 13% of total staff expenditures and the wage cost for supervisory staff (civil servants classified at scales 7 to 9) represents 17%, while salaries for executives and senior executives of the State (staff classified at scales 10 and over) absorb 70% of the overall mass.

## III. Main indicators related to wages

### 1. Average wage

The average net monthly wage in the public service witnessed between 2007 and 2017 an increase of 42.5% by moving from MAD 5,333.00 to MAD 7,600.00

Compared to the countries of the region, the level of public service wages remains among the highest levels. In fact, average remuneration represents 3.21 times the GDP per capita, against an average of about 2.5 times for the MENA region and 1.5 times worldwide.

### 2. Wage groups

The analysis per wage groups shows the following remarks:

- About 10.08% of civil servants of the State receive a net monthly wage ranging between MAD 3,000.00 (minimum wage) and MAD 4,000.00;
- About 36.12% of these numbers benefit from a net monthly wage less than or equal to MAD 6,000.00;
- About 58% of the number of the State's civil servants receive net monthly wages of MAD 6,000.00 and MAD 14,000.00;
- 1.92% have a wage exceeding MAD 20,000.00 per month.

### 3. Minimum wage

The minimum wage underwent significant reviews moving from MAD 1,586.00 in 2007 to 2,800.00 in 2011 to reach MAD 3,000.00 in 2014 following the decisions taken within the framework of different sessions of the social dialogue.

## IV. Execution of staff expenditures

### 1. Execution of staff expenditures for the year 2016

Remaining within the limits of the forecasts set out in the 2016 Finance Act, actual staff expenditures for this year have stabilized at around MAD 104.32 billion (MAD 91.94 billion paid by the Staff Expenditure Department (DDP) and MAD 12.38 billion paid by the accountants of the network of the General Treasury of the Kingdom (TGR)) against MAD 102.67 billion in 2015, i.e. an increase of 1.6% and a realization rate of 98%. This rate would reach 100% at the end of 2017 following the efforts made in this context by the various certifying officers and the concerned departments of the Ministry of Economy and Finance in the context of the application of the principle of "limited nature of staff appropriations".

#### *1.1 Regularization of promotion in grades and step*

The back pays for grade and step promotion in 2016 totaled MAD 4,033 million, i.e 4.4% of staff expenditures. Grade promotions represented 68.9% of this amount and, while step promotions represented only 17.7%.

#### *1.2 Regulatory deductions*

In 2016, the regulatory deductions for income tax and social security contributions amounted to MAD 20.8 billion, representing respectively MAD 8,951 million and MAD 11,881 million. They represent 22.7% of the staff expenditures paid by DDP.

### 2. Execution of staff expenditures for the 1<sup>st</sup> semester of 2017

Staff expenditures in the first six months of 2017 were MAD 52.6 billion, of which nearly MAD 45.4 billion were paid by the Staff Expenditure Department (DDP) and MAD 7.2 billion by TGR network accountants.

In this regard, it should be noted that the execution of staff expenditures during the first 6 months is in line with the forecasts of the Finance Act of 2017.