

Public Debt and Human Rights in Morocco



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Introduction

The issue of human rights constitutes a fundamental pillar in any strategy for sustainable economic growth and development. This importance stems both from the breadth of the domains concerned and from their universal scope and essential ethical dimension.

However, one crucial point must be emphasized: The promotion and fulfillment of human rights cannot be limited to declarations of intent. Their effectiveness depends on the implementation of coherent public policies, based on structured, planned, and realistic actions, free from any demagogic considerations.

In other words, while the moral legitimacy of protecting human rights is undisputed, it is imperative to avoid their political instrumentalization.

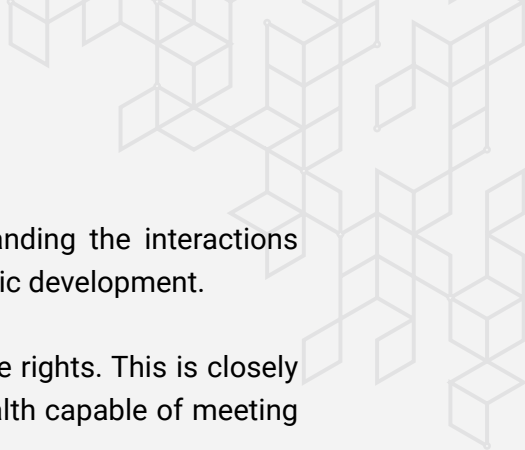
Human rights must neither be used as occasional tools for social regulation nor reduced to mechanisms for easing economic or societal tensions.

They must be considered as an intrinsic goal of public action.

From this perspective, the question of their financing, particularly through public debt, becomes unavoidable. From the initial analyses, it was made clear that the issue of public debt cannot be separated from the economic and social policies implemented by the state. The link between human development, based on the protection of fundamental rights, and the process of economic growth is now widely accepted by the international community.

The recognition of this link is based on a cardinal principle: Human dignity is the cornerstone of any development project. In this context, several major questions deserve to be raised regarding the situation in Morocco:

- Is this link concretely established or still theoretical?
- Can we objectively establish a correlation between the level and structure of public debt and the achievement of socio-economic objectives, both in quantitative and qualitative terms?
- Is it possible to assess the sustainability of debt without linking it to an analysis of actual economic and social performance?



Examining these questions is essential to rigorously understanding the interactions between debt policy, human rights, and the dynamics of economic development.

The central issue at stake concerns the mode of financing these rights. This is closely tied to the national economy's ability to generate additional wealth capable of meeting these needs—and, in the case of borrowing, to repay the debt.

This will first lead us to examine the major trends within the national economy resulting from the socio-economic strategies adopted.

In a second phase, we will address the issue of public debt as a necessity stemming from the public finance deficit, highlighting its structure as well as the risks it poses, particularly with regard to sustainability.

1. Evolution of Economic Growth Since 2010

1.1 Weak and Volatile Growth

Since 2010, the Moroccan economy has recorded relatively modest growth rates, fluctuating around 3%. This growth is characterized by high volatility and remains largely dependent on the agricultural sector, whose performance is directly linked to rainfall levels.

This dependence exposes the national economy to climatic risks and limits its capacity to generate sufficient wealth to absorb external shocks.

As a result, socio-economic objectives, including those related to the fulfillment of human rights, remain difficult to achieve.

Moreover, this situation undermines Morocco's ability to meet its public debt repayment commitments, thereby increasing the risk of resorting to new borrowing to service existing debt.

To address this challenge, a new development model published in 2021 outlines four main pillars for achieving progress across the economic, human, social, and territorial dimensions by 2035:

- Structural transformation of the economy through the liberalization of entrepreneurial initiatives, improved competitiveness, orientation of private investment, and promotion of the social economy.
- Strengthening of human capital through a quality education system and improved public health.
- Social inclusion through women's empowerment, youth development, and social protection for the underprivileged.
- Regional development.

Achieving these goals requires a 6% growth rate—a target that has not yet been reached.

Evolution of the Growth Rate (2010–2023)

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Evolution of the Growth Rate (%)	3.5	5.5	3.1	4.1	2.7	4.3	0.5	5.1	3.1	2.9	-7.2	8	1.3	3.2

Source : HCP, various reports

1.2 Agriculture: Between Misguided Priorities and Vulnerability

Beyond the fluctuating performance of the agricultural sector, the weak growth rate also stems from questionable strategic choices.

Indeed, national agricultural policy has long favored irrigated, export-oriented crops over cereal crops, thereby increasing the country's dependence on food imports and diminishing its food sovereignty.

These export crops are mainly cultivated on agricultural land where 70% of plots are under 5 hectares. As these plots are not irrigated, they remain vulnerable to climatic hazards.

The table below highlights the decline in cereal production and yields per hectare.

This strategy has proven even more problematic as Morocco has faced persistent drought over the past six years, exacerbating hardships in rural areas. Unemployment has also surged, triggering a large-scale rural exodus toward urban centers.

These populations, often low-skilled, are primarily absorbed into precarious and informal sectors, further straining already overburdened urban infrastructure and complicating the implementation of local development policies.

Evolution of Rainfall, Cultivated Areas, Agricultural Production, and Yields per Hectare (2012–2022)

	2012 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021- 2022
Average national precipitation	345	348.2	296.7	255.6	291	188
Area of cultivated cereals (thousand ha)	5031	4659	3645	4413	4475	3571
Area of cultivated legumes (thousand ha)	360	330	284	272	261	—
Area of cultivated sugar crops (thousand ha)	95	63	69	69	55	—
Cereal production (thousand ha)	78525	104677	53037	33120	104549	34000
Legume production (thousand tons)	2449	2817	2244	1495	3003	1003
Oilseed production (thousand tons)	659	706	790	689	707	585
Cereal Yield (q/ha)	15.2	22.5	14.5	7.5	23.4	9.5
Legume yield (q/ha)	6.7	8.5	7.9	5.5	11.5	—
Oilseed yield (q/ha)	16.9	20	16.3	16.3	19	—
Sugar crop yield (q/ha)	467.5	690.1	614.9	637.5	582.7	—
Vegetable production (thousand tons)	7565	7832	7206	7124	7058	—

Source : Ministry of Agriculture, various reports.

2. Structural Weaknesses of Moroccan Industry

2.1 Industrial Strategies: Deindustrialization and New Challenges

At the same time, Morocco's industrial orientation has undergone a significant strategic shift. Focus has been placed on emerging global industries such as automotive, aerospace, and offshoring, with the aim of integrating into global value chains. However, this strategy has led to the gradual deindustrialization of traditional sectors such as textiles and agri-food, which have struggled to withstand international competition, exacerbated by free trade agreements.

As a result, there has been a notable increase in imports of consumer goods, while exports remain concentrated in capital-intensive sectors that generate few sustainable jobs.

2.2 Investment Deficiencies

In terms of investment, the Moroccan economy remains heavily reliant on public investment (accounting for nearly two-thirds of total investment), which is primarily directed toward infrastructure projects such as roads, ports, and airports.

Although these projects have resulted in significant improvements in infrastructure, their direct impact on employment remains limited, as these sectors are characterized by high capital intensity and low job creation.

Moreover, the contribution of the private sector to investment remains marginal, limiting both economic diversification and the resilience of the national productive fabric.

Evolution of Industrial Production (2012–2022)

	2012 - 2017	2018	2019	2020	2021	2022
Total effective production (million dirhams)	180987	574282	595757	549243	642277	734838
Growth rate (%)	0.1	6.6	3.7	-7.8	16.9	14.4
Food and tobacco industries	33.6	35.6	35.4	37.8	35.1	33.7
Textile and leather industries	10.2	9.9	9.7	8.9	8.50	8.3
Chemical industry	10.1	11.3	10.7	11.5	14.5	17.1
Transport equipment manufacturing	10.5	14.2	15.1	13.8	14.4	15.3
Other manufacturing industries	35.3	29	29.1	28	27.4	25.5

Source : Ministry of Commerce and Industry, various reports.

Between 2012 and 2022, industrial production recorded substantial growth, driven primarily by emerging global industries such as automotive and aerospace. However, these high value-added sectors are highly capital-intensive and generate few jobs. This economic strategy faces several predominantly social challenges that it fails to address, despite their designation as strategic priorities in official discourse.

In other words, one of the major shortcomings of the Moroccan economic model lies in its inability to meet social imperatives and to translate rhetorical commitments into concrete outcomes.

3. Human Rights and Social Priorities: A Contrasting Reality

3.1 Social Commitments and Economic Reality

Despite political discourse emphasizing the primacy of human capital and the need for an ambitious social policy, the results remain below expectations.

Morocco continues to face structural difficulties in the effective realization of fundamental human rights. Access to decent work, quality education, adequate healthcare, and comprehensive social protection remains out of reach for a large segment of the population.

These challenges highlight the gap between declared ambitions and on-the-ground realities, thereby exacerbating social inequalities and vulnerabilities. It is thus legitimate to question the underlying rationale of this policy.

Can the welfare state be considered an economic regulator—as is the case in developed countries—or merely a politico-social regulator aimed at preserving social stability?

The 2011 Moroccan Constitution clearly and unequivocally defines the social role of the state through Articles 31, 33, and 34. These articles outline the scope and content of the state's social policy to meet citizens' fundamental needs—recognized as human rights: employment, education, protection against social risks, and health coverage. Social policy has acquired, at least in legal texts, a crucial role, marking a shift from the principle of “Man at the service of the Economy” to “Economy at the service of Man.” For example:

In 2023, the state spent MAD 90.6 billion on the education system—nearly 6% of GDP and 12% of the state budget.

In 2025, the Moroccan government presented an employment support strategy aimed at reducing the unemployment rate to 9% by 2030, with a budget of MAD 15 billion. The cost of compulsory health insurance for the state budget is estimated at MAD 25 billion in 2024, projected to increase to MAD 26.5 billion in 2025 and MAD 29 billion in 2026—nearly 2% of GDP.

It is clear that the Moroccan state has made financial efforts to respond to social rights needs. However, as we will see later, the overall outcomes remain unsatisfactory.

3.2 The Human Rights Concerned

Among the human rights particularly affected by the structural weaknesses of the Moroccan economy are: the right to work, the right to education, the right to health, and the right to social protection—including universal access to health coverage.

However, the realization of these rights requires substantial financing, which raises the question of the state's capacity to mobilize the necessary resources—especially as the growing burden of public debt weighs heavily on national finances.

4. Public Debt: A Conditional Necessity

4.1 Debt: Tool or Danger?

Public debt is often viewed as a necessary evil to support economic growth and finance development projects. However, it must be approached with caution. Debt becomes problematic only when it is not used wisely. It should finance productive investments capable of generating additional wealth, rather than merely covering recurring budget deficits.

In other words, debt must be guided by a clear strategy aimed at “making money with money,” through the creation of new economic activities, expansion of the tax base, and improvement of citizens’ well-being. Three conditions—met by Japan, the most indebted country in the world in 2024 (251.9% of GDP)—illustrate this:

- Debt is held overwhelmingly by residents (92% of the total).
- A positive net external position.
- The central bank acts as a lender of last resort (the Bank of Japan holds nearly 87% of the debt).

Japan manages to live with extremely high debt, but it is an exceptional case. What about Morocco?

4.2 Morocco’s Budgetary Situation

Between 2010 and 2022, Morocco’s budget deficit nearly doubled, rising from MAD 36.7 billion to MAD 70.1 billion.

Despite this increase, Morocco has managed to keep its deficit within an acceptable range of 3% to 4% of GDP, in line with the principles of orthodox public finance management.

However, the structure of the budget reveals a predominance of operating expenditures, which absorb more than 75% of public resources, to the detriment of investment expenditures, which account for only about 25%.

This situation considerably reduces the government’s budgetary room for maneuver to implement deep reforms and stimulate inclusive economic growth. As shown in the following table, the budget deficit effectively doubled between 2010 and 2022.

Evolution of Operating and Investment Expenditures and Budget Deficit (2010–2023)

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Share of operating expenses (%)	73%	84%	81%	82%	80%	78%	74%	74%	74%	75%	74%	75%	75%	—
Share of investment expenditure (%)	27%	16%	19%	18%	20%	22%	26%	26%	26%	25%	26%	25%	25%	—
Deficit (% of GDP)	4.4	5	7.2	5.4	4.9	4.4	3.5	3.5	3.7	4.1	7.6	6.3	5.3	4.5
budget deficit	-35.7	-50.1	-60	-48.1	-42.8	-42.7	-4.05	-37.8	-41.3	41.6	-82.3	-70.8	-70.1	—

Source : Ministry of Economy and Finance, various reports.

4.3 Evolution of Public Debt

Moroccan public debt experienced a dramatic increase between 2010 and 2023, rising from MAD 384.6 billion to MAD 1,016 billion—an increase of 264%.

While this surge in debt enabled the financing of major infrastructure projects, it now raises concerns about sustainability in the medium-to-long term.

This concern is heightened by the growing burden of debt servicing, which is likely to consume an increasing share of the state budget—thereby reducing the resources available for strategic social and economic investments.

Evolution of Public Debt (2010–2023)

Year	2010	2011	2012	2013	2014	2015	2016
Public debt	384605	430924	493677	554261	586565	629204	657472

Year	2017	2018	2019	2020	2021	2022	2023
Public debt	692332	722620	747255	832602	885306	951780	101666

Source : Bank Al-Maghrib, various reports.

4.4 Public Debt Structure

The structure of Moroccan public debt has been dominated by domestic debt, which has accounted for about 75% of the total since 2010, with peaks reaching up to 80% in certain years.

This imbalance between domestic and external debt reflects a cautious strategy aimed at reducing the national economy's vulnerability to foreign creditors.

As a result, external debt remains relatively contained, hovering around 25% of total public debt.

Year	External Public Debt (Treasury) – MAD Millions	Internal Treasury Debt – MAD Millions	Share of External Debt	Share of Internal Debt
2010	92353	292252	24	76
2011	99581	331343	23	77
2012	116872	376805	23.7	76.3
2013	129804	424457	23.4	76.6
2014	141086	445479	24	76
2015	140808	488395	22.4	77.6
2016	142793	514679	21.7	78.3
2017	153197	539135	22.1	77.9
2018	147983	576437	20.5	79.5
2019	161568	585687	21.6	78.4
2020	199703	632889	24	76
2021	203779	681527	23	77
2022	228864	722916	24	76
2023	253618	–	–	–

Source : Bank Al Maghrib, various reports.

However, to properly assess the situation, it is necessary to consider the full scope of external public debt, including that held by both government administrations and public institutions.

This debt rose from MAD 173,805 million in 2010 to MAD 438,702 million in 2023, reflecting a substantial increase.

Year	Total Public External Debt (Treasury + AEP) (MAD Millions)
2010	173805
2011	189108
2012	212713
2013	234746
2014	278071
2015	300985
2016	312468
2017	332894
2018	327068
2019	341515
2020	377200
2021	381255
2022	423726
2023	438702

Source : Bank Al Maghrib, various reports.

The overall external debt has grown at a significantly faster pace than GDP, rising from 22.2% of GDP to nearly 31% in 2022.

Evolution of the Share of Total External Debt as a Percentage of GDP

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public external debt as a % of GDP	22.2 %	23.10 %	25.10 %	26.10 %	27.80 %	27.90 %	28.60 %	29%	27.40 %	27.50 %	32.70 %	29.50 %	31%

When domestic debt is included, a similar trend emerges. The ratio of total public debt to GDP, which stood at 50% in 2010, rose to approximately 70% by 2023.

According to forecasts by the Ministry of Economy and Finance, this rate is expected to gradually decline and stabilize at around 66.5% by 2027.

Evolution of the Public Debt-to-GDP Ratio

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public debt % of GDP	49%	52.50 %	58.20 %	61.70 %	58.60 %	58.40 %	60.10 %	60.30 %	60.50 %	60.30 %	72.20 %	68.90 %	69.80 %

Source : Bank Al Maghrib, various reports.

Morocco's moderate economic growth over the past several years has inevitably required increased reliance on debt. The national economy remains heavily dependent on borrowing, both domestic and external, to finance public investments and operating expenses.

This situation naturally raises concerns about debt sustainability in the medium-to-long term. It appears essential to adopt a more efficient fiscal policy to increase public revenues. In this regard, an IMF study highlights a fiscal gap of 12.1% of GDP (approximately MAD 193 billion) between actual tax collections and the mobilizable fiscal potential.

Moreover, a revision of budgetary policy is necessary: reducing operating expenses by better controlling the state's overhead costs, and investing in an inclusive, industrially dynamic economic model based on small and medium-sized enterprises that are low in capital intensity but high in labor intensity.

Rationalizing budgetary choices appears indispensable, both in terms of strategic orientation and implementation timeline, while taking into account the available human and financial resources.

It would be prudent to adopt a qualitative rather than quantitative approach to public policy.

The issue of debt servicing is also critical: Between 2010 and 2023, total external public debt servicing increased by nearly 300%, while servicing of the Treasury's external debt rose by more than 200%, as shown in the following two tables.

Year	Total Public External Debt Service (MAD Millions)
2010	15372
2011	17533
2012	19958
2013	21847
2014	22596
2015	24694
2016	29081
2017	32060
2018	28470
2019	29147
2020	41432
2021	41527
2022	47430

Year	Treasury External Debt Service (MAD Millions)
2010	8025
2011	9711
2012	11292
2013	11889
2014	12128
2015	12354
2016	11362
2017	17016
2018	11819
2019	12067
2020	24032
2021	14937
2022	28569
2023	18827

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Share of export revenues in settlement of debt service	10	12	13	14	15	16	18	20	19	21	22	21	23

Source : Bank Al Maghrib, various reports.

The share of debt relative to revenues and exports is increasing; however, the sustained growth of these revenues has contributed to a rise in foreign currency reserves.

Prudent management of external assets and diversification of creditors have led to:

- A decrease in the share of bilateral creditors (from 35.6% in 2010 to 14.9% in 2022).
- An increase in the share of multilateral creditors (from 49.5% to 56.2%).
- An increase in the share of private creditors (from 14.9% to 28.9%).

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Global Public External Debt														
Composition by Creditor														
Bilateral x (%)	39.6	38.7	35.2	32.8	29.5	28.4	29	29.6	28.6	25.8	23.3	22.5	22.8	20.9
Multilateral (%)	49.4	51.7	49.2	51	45.4	45.2	45.6	47.1	49.3	49.4	48.9	49.2	52.4	21.2
Commercial banks (%)	11	9.6	15.6	16.2	25.1	26.4	25.6	25.1	22.7	24.8	27.8	28.3	24.8	27.9
Structure by Currency														
EURO (%)	70.8	71.3	72.7	73.8	68.8	63.1	61.4	61.2	59.7	62.1	60.9	60.7	60.7	61.8
USD & linked currencies	10.4	9.7	11.1	12.5	18.9	28	28.6	29.5	28	28	60.5	31.2	30.8	30.8
Kuwaiti dinar	8.5	8.8	8	7.1	6.8	6.4	6.2	5.9	4	4.5	3.9	3.5	4.1	4
Japanese yen	7	7	5.6	4.6	3.5	3.5	3.5	3.5	2.9	3.5	2.7	2.6	2.5	2.5
Others	3.3	3.2	2.6	2.4	2.5	2.2	1.8	2.3	1.9	1.9	1.7	1.9	1.9	

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Global Public External Debt													
Composition by Creditor													
Bilateral x (%)	35.6	33.6	28.5	23.7	20.1	18.6	16.9	17.4	16.1	13.3	11.6	13	14.9
Multilateral (%)	49.6	52.9	47.5	50.6	46.5	48.6	51.2	55.2	55.2	31	36.7	50.5	28.9
Commercial banks (%)	14.9	13.5	24	25.7	33.4	32.8	31.9	28.7	28.7	55.7	51.7	36.5	56.2
Structure by Currency													
EURO (%)	75	75.8	76.6	77.2	78.8	75.9	71	65.6	63.2	66.7	60.6	60.7	63.1
USD & linked currencies	13.2	12.4	13.9	14.6	12.9	14.6	16.2	20.5	21	28.3	38.3	32.1	31.9
Kuwaiti dinar	3.1	3.3	2.6	2.3	2.1	2.3	2.9	2.1	1.9	2.3	1.2	1.5	1.4
Japanese yen	3.6	3.7	3.2	3.4	2.4	1.8	1.4	2.6	2.7	2.7	2.5	2.5	1.8
Others	4.4	4.5	3.8	3.4	2	1.4	1.6	2.5	2.7	2.5	1.9	1.6	1.3

Source : Bank Al Maghrib, various reports.

Regarding the currencies used, the euro and the US dollar dominate, accounting for 95.5% of the total debt denomination.

4.5 Social Assessment

This analysis shows that public debt in Morocco is managed prudently and rigorously. So far, it remains sustainable. However, it presents a major risk, as 85.8% of new borrowings are used to service existing debt. This highlights both the significant financing needs met through borrowing and the weakness of internal resources.

The management of public debt and human rights is not the subject of open and critical public debate, which limits scrutiny of public policy choices. While achievements in infrastructure are undeniable, the question of the effectiveness of human rights remains. Debt may seem necessary, or even legitimate, to meet the needs of the social state, but this does not preclude the need for rational and rigorous management across its various areas of intervention.

A social assessment is essential to address a number of dysfunctions; otherwise, a large portion of human rights may remain unfulfilled, posing a serious obstacle to growth and economic development.

This is currently the case.

In education, considerable financial efforts have been made and continue to be made in support of the education system.

Education has long been considered one of the pillars of public policy since independence, aimed at promoting quality human capital capable of contributing to economic and social development.

Efforts have focused on increasing enrollment and literacy rates, in addition to expanding the number of primary schools, middle schools, high schools, higher education institutions, and vocational training centers.

The education system has undergone numerous reforms—seventeen since independence, with nearly sixty sub-reforms—illustrating the difficulty of establishing a policy capable of generating effective human capital overall.

Some indicators of dysfunction in the education system include:

- High school dropout rates.
- High university dropout rates.
- Low literacy levels among enrolled students.
- Low student performance.
- Mismatch between some training programs and labor market needs.
- Graduate unemployment rates higher than those of non-graduates.

Overall, the results have been weak despite the financial efforts made. In our view, this is due to the education system being driven by short-term political considerations, without sufficient attention to contextual realities such as the environment, social and income levels, and business needs.

As for employment, Morocco officially recorded its highest unemployment rate this year, exceeding 13%.

The situation particularly affects young people aged 15 to 24 (whether graduates or not), as well as women. It is also more severe in rural areas than in urban ones.

The Moroccan state has allocated considerable financial resources to various programs, including FORSSA, AWRACH, INTELAKA, and others. Unfortunately, these initiatives have not produced conclusive results.

In our opinion, the primary reason is structural: The adopted growth strategy does not generate enough jobs to meet the growing demand for employment.

Year	Unemployment Rate
2010	9.1%
2011	8.9%
2012	9.0%
2013	9.2%
2014	9.9%
2015	9.7%
2016	9.4%
2017	10.2%
2018	9.5%
2019	9.2%
2020	11.9%
2021	12.3%
2022	11.8%
2023	12.0%
2024	13.1%

Source : HCP, various reports.

Labor law is one of the pillars of the state's social policy. Its existence as a legal framework that clearly defines the rights and obligations of employers and employees is intended to reinforce the state's protective social role. Indeed, labor law governs employment relationships by addressing all key aspects: hiring conditions, working age, working hours, minimum wage, the right to strike, dismissal procedures, social contributions, and more.

A regulatory and organizational framework for labor relations does exist. Its main objective is to promote workers' rights by establishing fair contractual rules that must be strictly respected by all social actors.

But how is the situation like in reality?

Some indicators include:

Young children continue to work, both in rural and urban areas, as undeclared employees, apprentices, or family helpers.

- Children, mainly boys, still perform hazardous work, often because it provides supplementary income for poor families struggling to meet vital needs such as food. Respecting labor law requires first respecting the right to work and the right to meet basic needs.
- The number of declared employees is around 4 million, well below the actual number of workers. According to some estimates, 25% of employees are undeclared and thus receive no social benefits. When informal sector workers are included, the scale of the issue becomes even greater.
- Numerous false declarations are made regarding wages, number of working days, and hours worked.

Efforts have been made to address this situation through labor inspections, but they remain clearly insufficient. The result is not only relatively weak social protection, but also insufficient public revenues, despite a significant rise in financing needs, particularly for health coverage.

The difficulties in enforcing labor law are such that it becomes necessary to consider reforming and adapting it to Morocco's socio-economic reality, which is notably characterized by:

- The importance of the fragmented agricultural sector, which employs nearly 40% of the active population.
- The significance of small and medium-sized enterprises (SMEs), which constitute nearly 95% of the productive fabric, most of which face challenges such as cash flow shortages, limited access to financing, markets, and land, as well as administrative barriers.
- The size of the informal sector, estimated to represent nearly 30% of GDP.

These three factors alone help explain the relative inefficiency of labor law as a tool for economic regulation, especially when combined with the extremely weak levels of social contributions.

The question that arises is whether it is truly possible to achieve the objectives of Framework Law 09-21 of 05/04/2021, which aims to extend social coverage to all Moroccans by 2025, specifically:

- Extending family allowances to 7 million school-aged children by 2025.
- Expanding the number of active workers enrolled in pension schemes to 5 million by 2025.

Health coverage, through the generalization of mandatory health insurance (AMO), is considered a national priority, intended to promote social equity, better wealth distribution, and reduced social exclusion.

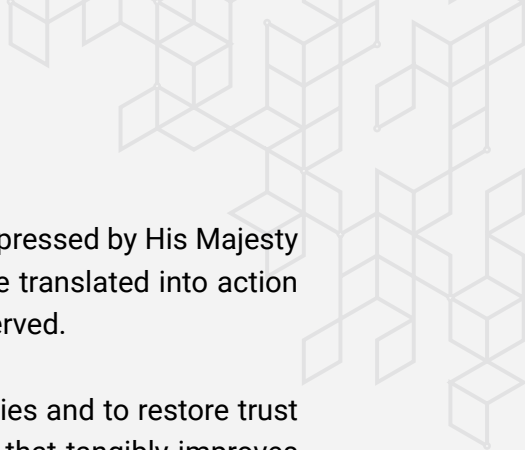
In this context, the government committed to including 22 million new AMO beneficiaries by 2022—that is, three years ago.

But how is the situation like in reality?

- The 100% coverage rate announced by the government has not been achieved. Estimates vary between 50% and 90%. Considering that roughly 52% of employees are undeclared, the effective health coverage rate for salaried workers would be between 60% and 70%. For non-salaried workers—although precise data is difficult to obtain—some experts (including S. Taoujani) estimate that only 13% have health coverage. This leaves approximately 9.56 million non-salaried workers uninsured.
- Regarding AMO TADAMOUN for former RAMED beneficiaries, according to N. Akesbi, 18 million people were registered by the end of 2022, but only 10.7 million were actual beneficiaries, leaving 7 million uncovered.
- Serious problems also persist with access to care, due to insufficient or non-existent healthcare infrastructure in the poorest regions, characterized by a lack or total absence of medical equipment and personnel.
- Lastly, the cost of health coverage—already very high—will inevitably rise with increasing demand for care.

Morocco has made considerable financial efforts in this area. However, the enactment of new laws and regulations is not, by itself, sufficient to achieve the stated objectives. Their actual impact on citizens' lives remains relatively limited at all levels, largely due to the governance approaches adopted.

The royal project of building a social state—aimed at reducing poverty, addressing social and territorial inequalities, and promoting inclusive development—must be implemented



more effectively by the Executive. The political will repeatedly expressed by His Majesty the King, and enjoying broad national consensus, deserves to be translated into action through corrective measures that address the dysfunctions observed.

Ultimately, the goal is to ensure the effectiveness of social policies and to restore trust between citizens and the government through a social contract that tangibly improves daily life.

5. Conclusions and Recommendations

Debt is not inherently detrimental when used to support economic recovery and the creation of additional wealth.

Such use allows for repayment and is generally considered sustainable. The problem arises when debt is primarily used to finance consumption, prestige projects, or long-term investments with low returns.

In the context of the Moroccan economy, and based on the preceding analysis, several key recommendations can be made:

- The weak growth rates observed since 2010 have necessitated increased borrowing to address financing constraints, particularly given the relatively low level of public revenues.
- The COVID-19 health crisis further exacerbated existing social issues, which have since been addressed through costly financial support policies rooted in the founding principles of the social state.
- While in developed countries the welfare state serves a function of economic regulation, helping to combat and emerge from crises, in developing countries it often acts as a form of socio-political regulation, aimed primarily at ensuring social pacification.
- Debt management in Morocco has thus far been prudent and rigorous. However, the fact that more than 80% of new loans are used to service existing debt is a highly alarming signal for the future.
- What can be done when the state allocates substantial financial resources to employment support, education, social protection, and health coverage—yet the overall social outcomes remain deeply unsatisfactory?
- This is a fundamental concern. Continuing along this path could jeopardize the fulfillment of human rights over the long term.



It is therefore essential to adopt:

- A different growth model, one centered on inclusive growth.
- A model that generates greater wealth and, most importantly, more jobs.

These jobs could come primarily from micro, small, and medium-sized enterprises (MSMEs), which should receive substantial support and incentives. Only these businesses can effectively combat unemployment, particularly in the agriculture and industrial sectors.

Support for SMEs must also be accompanied by strategies to promote exports and reduce imports, thereby boosting foreign exchange reserves to meet debt servicing obligations.

To increase public revenues, a comprehensive fiscal reform is necessary—one that broadens the tax base and intensifies efforts to combat tax fraud and evasion.

The combination of these measures would help strengthen debt sustainability and maintain the trust of international financial institutions and private creditors. It would also enable the preservation and further development of all social policy objectives, provided there is improved governance focused on performance—through budget rationalization, realistic planning, rigorous cost evaluation, and effective implementation oversight.

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