

# Weekly highlights by L'ECONOMISTE



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### EDITORIAL

### “WINNERS”

Mohamed Ali MRABI

**W**HAT do Jan Koum (WhatsApp), Sean Parker (Napster.com), Nicholas Woodman (GoPro) and Mark Zuckerberg (Facebook) have in common? The four CEOs are co-founders of tech startups, which have become some of the biggest in Silicon Valley. These personalities are part of a generation that has proven that childhood dreams can come true, provided you believe in them and mobilize the means to achieve it. But not only that.

This momentum was especially fostered by American public spending, which played a key role in the growth of high tech. The Silicon Valley also started its operations by relying on the Stanford University. Public higher education systems have ensured social mobility, allowing talented young people from modest backgrounds to perform well. In Morocco, talent is not lacking, as evidenced by the share of young Moroccans admitted to prestigious schools in France or elsewhere. Some Moroccans have won

international prizes for their research in very specialized fields, except that these are rather individual achievements, like legendary champions in athletics, such as (former track-and-field Olympic champions) Saïd Aouita or Hicham El Guerrouj. It would be pretentious to say that this is the result of a long-term strategy. Today, we must absolutely give back hope to our youth.

The «winners» spirit must triumph over the prevailing defeatism, especially when we know that more than one young person in four, aged 15 to 24, does not work, is not in school, and does not follow any training. What a real ticking time bomb! Being caught in the marginalization spiral, many young people lacking prospects have sunk into drugs, petty crime, and violence. Reversing the trend involves a paradigm shift. The philosophy from the world of football could be one of the sources of inspiration: It is the collective dynamics that unlock everyone's creativity. □

## Weekly highlights

# Redesign? The political class in turmoil

SINCE the publication in the “*Jeune Afrique*” magazine of information relating to a cabinet reshuffle which is being prepared in Morocco, there has been effervescence among the staff of the political parties. However, this Parisian weekly magazine, turned monthly under the effect of the Covid pandemic, published this news in the conditional, in its “*Confidential*” section. Over time, this question of the potential cabinet reshuffle is the favorite subject of public opinion, which is awaiting a change in the casting of the government team, some of whose ministers have shown their limits. Moreover, the team of the Head of Government is one of the few for which the reshuffle has been discussed since the beginning of the term in office of the ministerial cabinet in question, especially since the Moroccan political class has been accustomed to mid-term changes of government, two or two and a half years after taking office. This time, the team in command has not even completed its first year that there is talk of a major modification in its configuration. Unluckily, this topic of discussion for MPs, politicians, and the press comes



*Aziz Akhannouch's team is one of the few cabinets where the reshuffle has been discussed since the start of his term. Especially since the Moroccan political class has been accustomed to mid-term changes of government, two or two and a half years after taking office (Photo by Bziouat)*

during the ministers' leave. It will be expected that many of them, on vacation in Morocco or abroad, will shorten their stays to return to Rabat and be closer to the sources. In addition, the published information cites two names of departing ministers. The first minister in question is Abdellatif Ouahbi, Minister of Justice. In case anyone has forgotten, he is the Secretary General of the PAM party (Party of Authenticity and Modernity), the second largest party in the political spectrum, which has 87 seats in the House of Representatives. If Ouahbi leaves the government, chances

are his party will follow suit. In this case, Aziz Akhannouch must turn to the USFP (Socialist Union of Popular Forces) to join his government and complete the majority with 227 seats, knowing that the RNI (National Rally of Independents) has 102 seats, the Istiqlal Party 81 seats, and USFP 34 seats. The timing of this potential cabinet reshuffle issue is not trivial. If this is not a trial balloon, we will have to take things seriously. First of all, we are on the eve of the new political season which risks being marked by tensions. The trade unions are impatient to see the implementation of the mea-

asures taken within the framework of the national social dialogue. The trade unions haven't seen it coming yet. As far as sectoral dialogue is concerned, this government is no better. The discussions to produce a new statute for teachers, promised by the Minister of National Education for the end of July, have still not led to concrete results. With the rise in product prices and the start of the school year, social tension could increase, hence the need for a change that could nourish new hopes among citizens.

In any case, for observers, given the experience of the first 10 months, in a context of health and economic crisis, with the soaring prices of raw materials and consumer prices, the need to have a political government in the truest sense of the term made itself felt. We couldn't leave Moroccan citizens puzzled for too long, because the role of government is to anticipate and innovate. Indeed, citizens want ministers who act and who explain to the public opinion the meaning of their actions. The lesson learned here and there is simple: a political government is essential. □

Mohamed CHAOU

## Tourism: Skilled people leave the flagship

WHERE have the national skilled people of the tourism industry gone, particularly those who used to work in hotels and restaurants? In Marrakech, as in the rest of the country, there is a lack of manpower among many tourism players. In hotels and restaurants, the situation is even more critical. Landlords are under pressure in the face of summer holidays, the autumn/winter season, the most important tourist period, which is approaching and during which demand will further increase the tension. After two years of crisis and closure of some hotels and restaurants, the skilled people who are in demand have turned to other services (in particular banks, insurance companies, etc.) and have made a successful retraining. “*Nonetheless, the pandemic has only accentuated the recruitment problems that the sector was encountering. If, in the past, finding the ideal*



*Now that the tourism recovery is underway, hotels and restaurants are looking for the skilled people who have left the industry*

*candidate was not an easy task, today it is even more complicated*”, says Imane Rmili, president of the association of restaurant owners of Marrakech. The same applies to hoteliers. “*During the past two years, our sector lacked visibility, the recovery was slow, and companies were not recruiting. The result is that the staff lost confidence in our sector and looked elsewhere. As far as employers are concerned, they have lost 30 years of skills development*”, notes a local hotelier. The

reasons behind these desertions are known: lack of training, motivation, and career plan. “*Overall, the tourism professions have neglected the promotion of careers and young people have ended up taking them as a makeshift solution*”, regrets Imane Rmili, who also is the president of the National Federation of Tourist Restaurants. “*We have to revalue the profession, promote it so that young people get a taste for it. At the same time, it will be necessary to raise awareness among operators to*

*put in place recruitment strategies and career plans*”, insists Rmili. The sector also suffers because of the abuses committed by some people who prefer to resort to temporary contracts, to pay badly, and to “*exploit*” their staff. This has also been proven in time of crisis management and payment of compensation to employees. The Ministry of Tourism has noted a large discrepancy between the announced figures and the actual declared workforce figures. Accustomed to employing an unskilled workforce, hotels and restaurants must change their way of thinking if they want to keep pace with the growth of tourism. These two professions are faced with new customer requirements. On the market, skilled people are hard to find or are attracted to Europe which also has a staff shortage, or willing to go to the Middle East which needs manpower, in particular Qatar. □

Badra BERRISSOULE

# Young people always between precariousness and underemployment

OUT of the 5.9 million young people aged 15 to 24, only 16.3% are employed, i.e. 962,000 people. This is what emerges from the statistics of the Moroccan High Commission for Planning (HCP), in a document published on the occasion of International Youth Day. Among this population, 7.6% are looking for a job, while 76.1% are outside the labor market. It should be noted, however, that three quarters of these young people outside the labor market are pupils or students. The rest are housewives (21.1%). Overall, the HCP points to a low participation of young people in working life. Their activity rate is 23.9% versus a national average of 45.3%. The activity rate of young people is 28.9% in rural areas versus 20.6% in cities. It is 3 times higher among young men than among young women, respectively 35.4% versus 12.1%. The decline in the activity rate is more pronounced among young people over the past 5 years, says the report. This activity rate fell by 4.3% compared to 1.4% for the entire population of working age. The three sectors grouping the



*More than one young person in four, aged 15 to 24, does not work, is out of school, and does not receive any training (1.5 million people). 12.6% of those of qualifying secondary school age (15-17 years) are in the "Neither-Nor" category (Photo by L'Economiste)*

bulk of young workers in employment (43.6%), and services (nearly half of young workers have the status of

employees (48.6%). This is the most frequent status among young urban women, with a share of 86%, compared to 65.2% for urban men. Self-employment concerns 9.6% of young workers, standing at 11% among men and 4.1% among women. Family aid accounts for 37.3% of youth employment. This rate reaches 82.6% for young rural women. The HCP data also show the precarious character of jobs held by young people (2.8%) and industry (12.9%).

More than 4 out of 10 young people do unpaid work. This is particularly true in the rural world, with 58.8% of young people, versus 16.9% in cities. At the same time, 14% of young people have occasional or seasonal employment. Even worse, more than 7 out of 10 young people do not have a contract formalizing their relationship with the employer. For those who have such a contract, 13.2% are linked to their employer by a fixed term contract, 6.5% by a permanent contract, and 7.1% by verbal agreement. The proportion of young employees with no contract is 79.3% among men and 48.3% among women. **M.A.M.**

## Diplomas

In terms of unemployment, HCP data show that 3 out of 10 unemployed people are young people. Among this population, 75.8% are city dwellers, 67.3% are men, and 90.1% are graduates. For the population aged 15-24, the unemployment rate is 31.8%. This level decreases with increasing age. It is 13.7% for those aged 25-44 and 3.8% for those over 45. For graduates (15-24 years old), the unemployment rate is 61.2% for those with a higher

education degree, while it is 30.4% for those with a medium-level degree, and 12.9% for those with no degree. In recent years, the rise in unemployment has been more pronounced among young people, increasing by 6.9% versus a 3.1% increase for the working population as a whole. It should be noted that for young unemployed people, 70% have been unemployed for a year or more, and 73.4% have never worked. □

## Solidarity contribution Large corporations will have to pay more

TALKING to the parliamentarians, Fouzi Lekjaâ, Minister in charge of Budget, was formal: companies that achieve a large turnover will have to make more efforts in terms of the Social Solidarity Contribution. Indeed, today, the solidarity contribution, calculated on profits and professional income, exists in the Finance Bill in force. For this year, the said solidarity contribution brings in 6.5 billion Dirhams (MAD) to the Government budget. This contribution will be renewed for 2023. According to the formula currently applied, companies that make net profits of more than 40 million MAD do pay 5%. But, what about companies whose profits greatly exceed this threshold? For the time being, they are treated on an equal footing with those who make 40 million net profits. According to information filtered from the Ministry of Finance, it is not excluded

to create new upper tranches in the Draft Budget Bill for 2023, but for the time being, the amounts to be retained and the rates which will be applied to such upper tranches have not yet been set. It must be said that companies with these levels of profits are known in Morocco. They are notably in the telecoms, hydrocarbons, cements, banks, insurance, and mining sectors. It must be said that the principle of applying a much higher rate to them than the one in force is accepted. The Head of Government is in favor of such special taxation (for large corporations). It was Minister Fouzi Lekjaâ who stated this fact before the MPs, especially since the resources of this solidarity tax will be directed towards supporting the underprivileged, and since the Head of Government, Aziz Akhannouch, presents himself as defending the strengthening of the foundations of the welfare state.



*The Social Solidarity Contribution on profits and income has been reintroduced in the current Finance Bill. The contribution will be renewed for next year (Photo by L'Economiste)*

The Social Solidarity Contribution on profits and income has been reintroduced in the current Finance Bill. The contribution will be renewed for next year, with adjustments to be made to reach other targets such as large corporations which must contribute according to their profits. The goal is to strengthen social cohesion within society during this difficult period, marked by the repercussions of the health and economic crisis. The social solidarity levy on profits and income will be applied to companies that are subject to the corporate tax on companies whose net profit is equal to or greater than 1 million MAD, with the

exception of companies that are permanently exempted from the contribution. Following a parliamentary amendment, companies carrying out their activities in the industrial acceleration zones and service companies benefiting from the fiscal regime of the Casablanca Finance City financial center are also subject to the social solidarity contribution on profits and income. This contribution will also be extended to natural persons holding income subject to income tax, according to the real net income regime and whose amount of income, net of tax, realized is equal to or greater than one million dirhams. □

## Weekly highlights

# Dar Niaba, landmark of diplomatic memory

A new museum space should soon come into being in Tangier, namely Dar Niaba, one of the closest witnesses to the city's modern history. The building, recently restored under the direction of the National Museums Foundation, will retrace the diplomatic history of Morocco. The latter, during its inaugural exhibition, will be materialized by historical documents and artistic works within the framework of a collection made up of loans and donations.

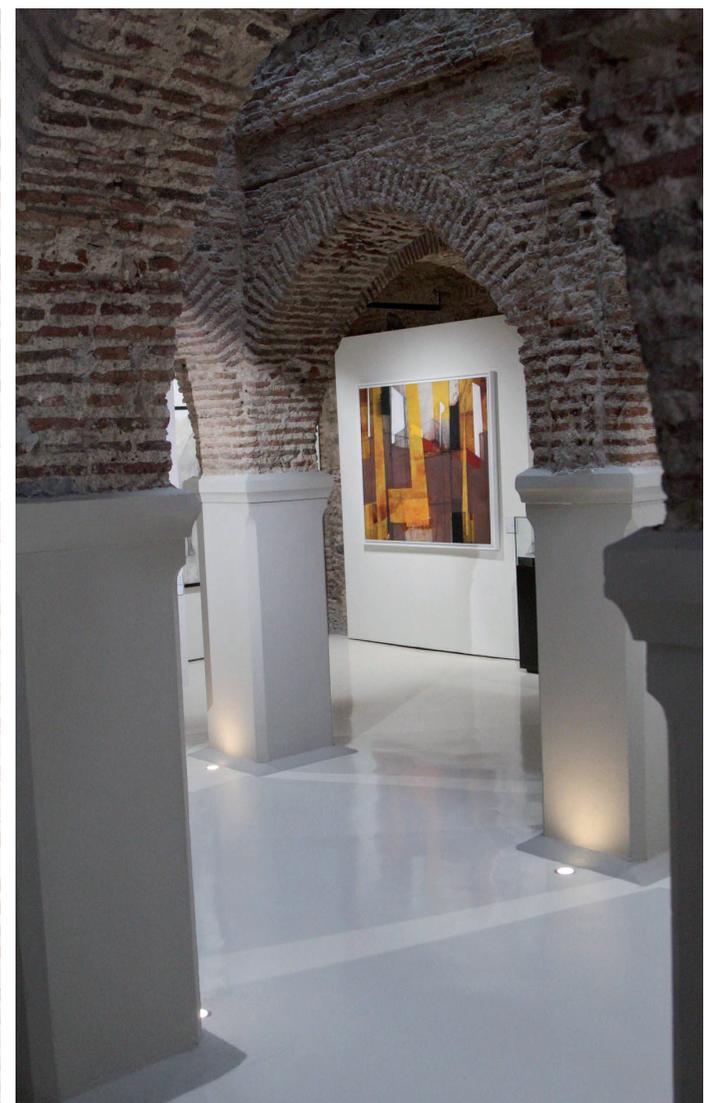
Dar Niaba is a landmark of Moroccan diplomatic memory, considered by many as an exceptional historical site in the old medina. It was built in 1851 under the reign of Moulay Abderrahmane in the Syaghine Street to serve as the administrative headquarters of the Naib, the Sultan's representative in charge of managing public affairs in Tangier. The goal was to prevent foreign delegations from crossing Morocco before arriving in the capital city Fez and thus limiting their influence.

Dar Niaba served as the seat of Moroccan diplomacy until 1912, the date of the beginning of the Protectorate and of the establishment of the international status of Tangier. The upgrading of the building will allow for a real restitution of the diplomatic and artistic memory of the city through dedicated scenographic furniture. The building will also host workshops for young artists who will be able to take advantage of multidisciplinary spaces (plastic arts, digital arts, etc.) while allowing them to present their works in an appropriate environment.

It should be noted that the restoration work of the Medina has continued since 2020, despite the pandemic. The goal of the operation is first and foremost to preserve the urban, heritage, and cultural capital of the old Medina of Tangier while working on the development of its economic and tourist attractiveness. In total, it is the whole of this old neighborhood of Tangier with its 26 hectares of surface area which is covered by the restoration work. The renovation will extend along its 5 neighborhoods: Kasba, Jnan



*Dar Niaba is the fourth museum space that the National Foundation of Museums in Tangier has acquired (Photo by Adam)*



Kabtan, Dar Baroud, Oued Aherdane, and Bni Idder. The project benefits from an investment of 850 million MAD (about 82 million USD), i.e. nearly half of the entire budget allocated for the northern medinas (a little less than 1.9 billion MAD). □

Ali ABJIOU