

Title: Morocco – Crisis Poverty and Social Impact Analysis (PSIA)

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This is a summary of the report “**Impact of the world economic and financial crisis on the social conditions and poverty of Moroccan migrants and on their remittances**” funded through a contribution from the Government of Norway. This is part of a series of crisis response PSIA initiatives aimed at generating policy responses to protect human development gains and to stimulate a broader policy dialogue. The Poverty Group at UNDP manages the PSIA initiative and provides technical guidance to country teams conducting the analysis.

Context: The world economic and financial crisis affected significantly the economies and labor markets of some of the main receiving countries of Moroccan migrants. Despite economic recovery taking place earlier than predicted, forecasts for 2010 are still skeptical about the speed and shape of the recovery. The economic crisis affected also the Moroccan economy through negative impacts on tourism, exports, foreign direct investments and remittances. The impact of the world economic crisis on the social conditions and poverty of Moroccan migrants and on their remittances is reinforced by: i) the depth and length of the crisis in the receiving countries; ii) the socio-demographic and socio-economic characteristics of Moroccan migrants; and iii) the situation in the home country.

Conclusions and Recommendations

The socio-demographic and socio-economic characteristics of Moroccan migrants make them highly vulnerable to the crisis

The socio-demographic and socio-economic characteristics of Moroccan migrants play a significant role in explaining the impact of the crisis on the social conditions and poverty of Moroccan migrants and on their remittances. Analysis of the socio-demographic and socio-economic characteristics of Moroccan migrants using data from the High Commission on Planning indicates that Moroccan migrants are highly vulnerable to the crisis but also that their vulnerability is higher in Spain and Italy than in France.

The legal status in the receiving countries may appear at first favorable because a majority of migrants state that they are either naturalized citizens or about to become naturalized citizens of the receiving country. However, analysis of country data shows that countries most affected by the crisis (such as Spain) are the ones with highest percentage of non-naturalized migrants.

Age and marital status also play a role. Most Moroccan migrants are young, with a duration and period of migration that differs for the countries studied. The most recent and younger migrants are more likely to lose their jobs during periods of crisis. Whereas Moroccan migrants in Spain and Italy are adversely affected by slowdown of economic activity, their peers in France with longer duration of migration are less affected by the crisis.

Most Moroccan migrants have a low level of education and qualifications. The most recent migrants have a somewhat higher level of education but are confined to low-skilled jobs. Most Moroccan migrant households are composed of a couple and their children. One can assume that a couple with two working adults is in a better situation to face the adverse effects of economic crisis. Women are usually working in sectors that are less sensitive to economic fluctuations and their employment is more resilient. Their propensity to remit is higher than that of men. Here again the heads of households living alone are more numerous in Spain and Italy.

Most Moroccan migrants' employment is relatively stable in France. However, their employment is very insecure in countries that are most affected by the crisis. In each of the country studied, the study combined the sectors of employment of Moroccan migrants with the sensitivity index of each sector to the business cycle. The analysis reveals that Moroccan migrants are employed in sectors that are most sensitive to the crisis. This holds particularly true for Spain and Italy.

Moroccan migrants have invested in both the origin and receiving countries. Unfortunately their investments were mostly channeled to the real estate sector, which is highly affected by the crisis. Hence, these investments cannot be used to mitigate the effects of the crisis.

The crisis will lead to a reduction in new migratory flows but is unlikely to significantly change the stock of migrants

The crisis is likely to bring about a reduction in new migratory flows because it has led most receiving countries to adopt new laws and regulations that limit family reunions and the possibilities of legal migration. France, Spain and Italy have made legal migration to their countries more difficult and have reinforced the fight against illegal migration. The crisis will also reduce migratory flows because employment opportunities have declined. Many economists also believe that a recovery could occur without a significant reduction in unemployment.

The crisis is unlikely to reduce significantly the stock of migrants. Despite the fact that some countries are offering voluntary return packages, they do not appeal to Moroccan migrants. The fact that the crisis has also affected the Moroccan economy leads Moroccan migrants to attempt various alternatives before returning. They can accept smaller remuneration and more difficult employment conditions. They can send members of their families to Morocco until they find better work conditions. They can also relocate themselves to another European country less affected by the crisis. If the crisis continues some will be forced to return.

Even if the stock of migrants will probably remain the same, the composition of the stock between legal and illegal migrants is likely to change. A number of migrants might fall into illegal migration following the loss of employment, which served as a basis for legal immigrant status granted by the authorities. Therefore, despite a small reduction in illegal 'new' migrants, the total number of illegal Moroccan migrants could increase.

The crisis will lead to an increase of poverty among Moroccan migrants in the receiving countries and of poverty of their families at home due to a reduction in transfers

The impact of the crisis on poverty is very important. In the receiving countries the poverty rates in the non-European migrant population, and specifically of the Maghreb and Moroccan population, were high even before the crisis. An increase in unemployment will make some Moroccan migrants fall into extreme poverty in the receiving countries.

The crisis led to a sharp reduction in remittances during the first semester of 2009. This reduction is more important for transfers coming from European countries. The reduction of transfers will increase the risk of poverty of the families of migrants staying in the home country. The reduction during the second semester of 2009 remains but is smaller than the one prevailing during the first semester.

The crisis led the government of Morocco to put in place a number of socio economic measures with the aim to mitigate the negative impact of the crisis on Moroccan migrants