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Strategic Note Summary of:

The Social and Economic Impact of the Covid-19 Crisis in Morocco

KEY MESSAGES

- The Moroccan Government declared a state of health emergency on March 20, 2020, just when the country had ten cases. This swift decision has brought the outbreak under control during the confinement period.
- Strict crisis management measures along with extensive financial efforts to support the population and renewed solidarity and hope from communities and individuals have enabled Morocco, to some extent, to mitigate the effects of the health crisis. However, beyond the health emergency, its socio-economic impact calls for an integrated and effective response, especially for the most vulnerable.
- This summary outlines the strategic note "Social and economic impact of the covid-19 crisis in Morocco", published jointly by the High Commission for Planning (HCP), the United Nations Development System (SNUD) and the World Bank (WB), August 17, 2020. It refers to the results of specific COVID-19 surveys and analyzes carried out by the HCP, to the Immediate Socio-economic Response Framework to COVID-19 recommended by the United Nations General Secretariat and to the Morocco's economic situation monitoring reports produced by the WB.

ANALYSIS OF THE SOCIO-ECONOMIC IMPACT IN MOROCCO

Morocco's economy is already hit by the global economic downturn, especially that the recession impacts Europe, its main trading partner. Containment measures to deal with the outbreak are, likewise, having near-term negative effects on the economy. Which translate into unprecedented challenges for the country that already had to face an agricultural year marked by drought and indicates that the local economy is likely to be hindered in many ways, as a result of the pandemic. The socio-economic impact of the crisis will certainly be felt first and foremost by workers in the informal sector, who represent a large majority of active Moroccans and foreign populations (migrants, refugees), and who are generally employed in sectors particularly vulnerable to the crisis, such as the tourism or transport sector, retail sales, or the "gig economy", but also by all those whose work cannot be done remotely. **During 2020, the Moroccan economy is expected to experience a recession, the first in more than two decades, following the combined effect of the drought and the pandemic.** Indeed, according to the annual forecasts of the HCP, Moroccan GDP would be contracted by 5.8% which would further widen budget deficits to 7.4% of the GDP. Public and foreign debts would also increase but would remain stable.

- **Morocco's double deficit (fiscal and trade) is expected to widen but would remain manageable**. Despite the drop in imports, the World Bank projects the current account deficit to widen to 8.4% of GDP in 2020, due to the sharp decline in exports, in addition to tourist revenues and remittances slowdown.

- **The crisis-induced vulnerability of the population includes access to basic services, especially health and education.** The priority given to COVID-19 in the health response had negatively affected access to regular and primary health care (vaccination, pregnancy monitoring, etc.) in addition to the provision of education, which is already unevenly distributed across public and private sectors, as well as across rural and urban areas.
- **Identifying people at risk of multidimensional vulnerability is key to effectively respond to the crisis.** Morocco has developed, through its RAMED system, a first significant database identifying people who are most vulnerable to the effects of the crisis. This made it possible to identify 15.1 million people (i.e. people with a RAMED card, valid or not) at risk of increased vulnerability. Measures have been already put into place to support this population.
- **An inclusive response answers also the specific needs of migrants and refugees.** In Morocco, 11,149 people including 3,843 asylum seekers and 7,306 refugees in need of protection were reported by the UNHCR is, as of May 31, 2020. The lives of migrants and their families should take part of the national response and be supported to build their resilience to the pandemic downturn, with a view to leaving no one behind in accordance with the achievement of the SDGs.
- **The pandemic impedes gender equalities, hitting women harder. Women also have specific healthcare needs that are not always met**, such as suitable equipment, psychological safety and appropriate working environments. We must acknowledge as well as alleviate the burden of work that involves caring for their families and the sick. Even more so, considering that women are over-represented in the jobs that are most impacted by the crisis. In Morocco, the domestic violence rate is 52%, that is 6.1 million women before the crisis, keeping in mind that recent evidence points to a marked rise in domestic violence in the world. Finally, community resilience largely depends on women engagement; community dialogue should be strengthened to include women's voices into the crisis response.

In short, strengthening social protection systems seems to be an appropriate and viable response to the negative impacts of COVID-19, setting the stage for additional elements of a strategy to "build back better" and putting an increased emphasis on vulnerable workers in all the sectors of the Moroccan economy.

CONCLUSION AND RECOMMENDATIONS OF THE UNITED NATIONS AGENCIES

Recommendation # 1: Development of a new model of economic growth pathways and sustainable development, aligned with the achievement of the SDGs and tracked by the already available monitoring indicators

While Morocco is developing a new development model, the United Nations System and its partners offer to provide support and advisory to this reflection, aligned with the achievement of the SDGs, by learning from the current crisis and building on the principle of leaving no one behind.

This recommendation is in line with axes 3 and 4 of the Socio-Economic Response Framework promoted by the Secretary General of the United Nations. In the Moroccan context, this implies, as a first step, to support the analysis of the impact of the crisis on the various sectors, support for designing the economic and social response, as well as the management of resources.

Recommendation # 2: Designing innovative data collection instruments that are identifying and contextualizing SDG indicators, so as to leave no one behind

The United Nations System advises to accelerate the implementation of innovative methods to collect, analyze and extract insights from Moroccan socio-economic data, with a view to best support decision-making in an ethical, evidence-based and contextualized manner. Digitization, Artificial Intelligence and new technologies are already at the center of understanding the crisis around the world and will also generate lessons from the multiple experiences of government services, businesses and civil society.

Considering how reliable data and transparency contribute greatly to both public policies enhancement and citizens trust, Morocco has made significant efforts in transparency and data management, which strengthens the compliance with regulations and the acceptance of political measures by the population. In a context of increased pressure on public resources, it is important to build a shared and clear understanding, making it feasible to measure the impact of the crisis and of policies aimed at mitigating it. In this regard, the Strategic Note suggest to further reflect on the importance of data management in times of crisis to inform decision-making. This recommendation is cross-cutting and applies to all of the areas promoted by the Secretary-General of the United Nations in his Socio-economic Response Framework to the COVID-19 crisis.

Recommendation # 3: Seizing the crisis as an opportunity to strengthen advanced regionalization and enhance the role of civil society

Among the twelve recommendations of the work of the first national meetings on advanced regionalization (December 2019), the strengthening of territorial planning mechanisms in consistency with the general policy of the State, as well as the convergence and adequacy of regional development programs with sectoral plans were strongly emphasized.
There is no shortage of examples of efforts and local solidarity. Local authorities and civil society are often on the front line, especially to collect granular data, working with vulnerable populations and thus contribute to a coordinated national response between local authorities, representatives of central authorities and civil society.
This recommendation, in line with axis 5 of the socio-economic response framework of the United Nations Secretary-General, applies even more in times of crisis where national sector response strategies cannot be put in place without regional planning and budgeting.

Recommendation # 4: Designing an inclusive response with an added emphasis on the multidimensional poverty progress

The national response should be designed in view of the multidimensional poverty, while waiting for a more in-depth analysis based on upcoming detailed data that would help better track the multidimensional poverty. This will allow to adapt the policy response to the population segments that are hardest hit by the crisis, and therefore to the most vulnerable people who are being pushed further into poverty. These are employees of SMEs, self-employed, agricultural workers and day laborers. It also should have gender and migrant sensitive aspects, since women as well as migrant, refugee and asylum-seeking populations, often are disproportionally affected by economic slowdowns. Considering that poverty is not limited to monetary characteristics, the emphasis should rather be put on multidimensional poverty since consequences for health and education are not always captured by monetary indicators. The indicators that already exist and relate to the SDGs are, in this regard, suitable.

Recommendation # 5: Investing in the continuity of public health, education and others public functions and services during and after the crisis

Essential public services are the only social safety net for some population groups, the most vulnerable. Some indicators are already showing an impact of the crisis on access to basic services. In terms of health, 30% of households eligible for prenatal and postnatal consultation services (33% in rural areas) had to give up these services according to the survey carried out by the HCP in April 2020 on the effects of the crisis on households.

The current disruption of essential public services, often linked to fear of the virus, uncertainty about the duration of the situation, reduced mobility or lack of connectivity, can create latent vulnerabilities or amplify already existing vulnerabilities. Which might then deepen in the months and years to come. This hold true for healthcare (screening for pathologies and basic healthcare), but also for education, where school prolonged breaks increase the risk of dropping out of school. In line with axis 2 of the United Nations Secretary-General's Socio-Economic Response Framework, it is therefore recommended to capitalize on the efforts made in times of crisis to invest more in the resilience of public services so that they can guarantee their continuity regardless of the health or economic situation.