

The effects of job-creation schemes in Morocco

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A major feature of the Moroccan labour market over the past 20 years has been graduate unemployment. In 2001, the rate of unemployment among persons having completed tertiary education was four times higher than that among those without such qualifications (26.8 per cent as against 6.4 per cent). The proportion of persons with tertiary-level qualifications among the unemployed was twice as high as that among the occupationally active (22 per cent compared with 10 per cent) (Direction de la Statistique, 1995-2001).

At first sight, there is something paradoxical about the vulnerability of qualified graduates on the labour market. It cannot be explained by an oversupply of such graduates since in Morocco over half the population is still illiterate (Direction de la Statistique, 1994). Morocco occupies 123rd position (out of 178) on the UNDP's Human Development Index (HDI), a fact which illustrates the huge deficit of human resource skills it has built up (UNDP, 2002). Nor is the graduates' shaky position on the labour market caused by an oversupply of qualified professionals in the manufacturing sector, as it is widely recognized that the Moroccan economy, and especially the private sector, are poorly provided for in this respect (CNJA, 1995). Graduate unemployment is increasing in a context in which workers are very largely undereducated and underqualified. In fact, over half of employed persons of working age lack qualifications and nearly 30 per cent are illiterate (Direction de la Statistique, 2000).

This situation is unacceptable from the economic, social and political points of view. To deal with it, and given the public sector's limited potential for creating a sufficient number of skilled jobs, the authorities

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have adopted an employment policy to help graduates find work in the private sector. The main innovations are the creation at the start of the 1990s of a public counselling service linking employers and the unemployed and, more recently, the adoption of specific job search schemes targeted at qualified graduates.

There are good reasons for both approaches. Intervention by the public authorities meets equity and efficiency aims as regards the labour market (Ibourk and Perelman, 2001). On the one hand, where a network of social contacts governs access to jobs, action by a public counselling service helps reduce the risk of exclusion for socially deprived workers with few contacts (Bougroum and Ibourk, 2002). On the other hand, job creation schemes based on reducing labour costs and on flexibility help improve job matching by allowing companies to broaden their recruitment base and to reach beyond their own usual network of contacts. They also enable first-time jobseekers to acquire their first work experience, which is vital for their integration into the labour market.

However, studies empirically evaluating action by the public authorities and the effect of selective job creation schemes provide some startling conclusions. Some of them stress the stabilizing effect brought about by the public authorities' intervention (Vincens, 1995). Others point out that the net effect on employment of the integration measures is still unclear because of several phenomena, such as dead-weight loss, the substitution effect and the displacement effect, which are inherent to their implementation (Van Der Linden, 1997; Marx, 2001).

The Employment Action Programme (Programme Action-Emploi) set up in 1997 and run by the public authorities is one such programme (see table 1). It is based on the hypothesis that unemployment among graduates is largely the result of jobs rationing caused by price rigidities and rigidities in conditions of employment. According to this view, once these rigidities are eliminated, demand for graduates will be boosted and jobs rationing reduced.

This article will seek to demonstrate that this theory applies to some extent, but that it is a partial, reductionist approach to the problem of graduate unemployment in Morocco. It is partial because the labour market segment concerned is perceived in isolation from all the other segments of the Moroccan labour market. An analysis of qualified graduates in isolation overlooks another variable determining the supply of qualified labour which, in the Moroccan context, is just as significant as rigidities in wages and conditions of employment, namely, competition between graduates and other categories of worker (i.e. unqualified workers). The approach taken by the EAP also underestimates the reality of unemployment among graduates, in that it does not take into consideration various crucial factors such as the population

Table 1. Schemes to help unemployed graduates enter the labour market in Morocco, 1993 onwards

Name of scheme	Aims	Special conditions	Conditions		Benefits
			Trainee	Enterprise	
Training, and Entry into Labour Market	Acquisition of work experience (18 months)	—	Bac or equivalent	Individual enterprises or private legal entities	Exemption from social and employers' charges No commitment to recruit
Employment Action Programme (concluded)	Acquisition of work experience (18 months)	—	Bac + minimum 2 yrs. Age < 35 years	Individual enterprises or private legal entities, associations	Exemption from social and employers' charges Possible payment of a training subsidy Payment of part of trainee's monthly indemnity up to half minimum legal wage No commitment to recruit
Agreement on Entry into Labour Market (formerly Training, and Entry into Labour Market) (running)	Acquisition of work experience (18 months)		Bac or equivalent	Private enterprises	Exemption from social charges and general income tax Exemption from social charges for further year if trainee recruited
Agreement on Access to Employment (running)	Entry into labour market of socially disadvantaged persons (18 months)	Recruitment to a skilled position at wage of between 1,600 DH and 4,500 DH or Conditions governing number of trainees and number of permanent employees	Handcapped with Bac or equivalent; or Bac + minimum 2 yrs. + age < 35 ans + 3 yrs. job search	Private enterprises affiliated to CNSS (national social security fund) Associations affiliated to CNSS	Exemption from social charges and general income tax Bonus of 4,000 DH at conclusion of each of 2 semesters Bonus of 4,000 DH in cases of definitive recruitment Exemption from social charges for further year if trainee recruited
Employment Development Agreement (running)	Creation of skilled jobs in SMEs in disadvantaged areas (18 months)		Age > 35 yrs.; Bac + 2 yrs.; + one yr. job search	Private enterprises with minimum 50 employees, affiliated to CNSS, located in specified prefectures or provinces	Exemption from social and employers' charges Bonus of 10,000 DH in cases of definitive recruitment Exemption from social charges for further year if trainee recruited

Table 1. Schemes to help unemployed graduates enter the labour market in Morocco, 1993 onwards (concl.)

Name of scheme	Aims	Special conditions	Conditions		Benefits
			Trainee	Enterprise	
Socially Useful Agreement (running)	Meeting social needs (18 months)	Recruitment to a skilled position Socially useful scheme in specific field	Age > 35 yrs.; Bac + 2 yrs.; + one yr. job search	Associations affiliated to CNSS	Exemption from social charges and general income tax Bonus of 4,000 DH at conclusion of each of 2 semesters Bonus of 4,000 DH in cases of definitive recruitment Exemption from social charges for further year if trainee recruited
Support for Self-employment (suspended)	Encouraging enterprise creation	Prior existence of an enterprise creation project	Age < 35 yrs.; Bac + minimum 2 yrs. and presenting enterprise creation project involving funds of under 250,000 DH	—	Participation in workshops enabling evaluation of candidate's entrepreneurial potential, development of project, and conduct of market study Assistance from consultants with preparation of enterprise launch, with setting-up and follow-up during first year of activity Access to a loan at preferential rates
Training credit (running)	Improving matching	Prior existence of proposal for assisted traineeship or job	Bac + with a proposal for assisted traineeship or normal job	Private enterprises affiliated to CNSS Associations affiliated to CNSS	Payment of a training subsidy (between 2,000 and 7,000 DH) under a protocol agreement between the job counselling service, the training provider, the young worker and the enterprise

targeted, the actors involved and the labour market itself. The fact that these factors are considered separately like black (homogeneous) boxes explains, in part at least, the disappointing results achieved by the programme.

This article is in two parts. First, an attempt is made to situate the problem of graduate unemployment in a more general context, taking unemployment as a whole into consideration. In the second part, some results of this programme as applied in Marrakesh town and at national level are used to show the diversity of the population targeted, of the actors involved and of the labour market. In conclusion, having taken into consideration both general labour market conditions and the diversity of these factors, a number of measures are proposed for the state campaign against unemployment in Morocco.

Nature and structure of unemployment in Morocco

Graduate unemployment is just one imbalance among others to be found on the Moroccan labour market.¹ Outlined below are the general characteristics of registered unemployment emerging from aggregate data gathered by household surveys.² Thereafter a multivariate analysis using individual data is provided.

*Registered unemployment*³

The aggregate data published by the Statistical Office (Direction de la Statistique) bring out the sharp decline of the labour market situation in Morocco, especially in urban areas (Abzahd, 1998). The extent of the decline varies according to sex, age and qualification. Two results have been rising long-term unemployment and rising unemployment among first-time jobseekers.

Sharp rise in urban unemployment

Over the past 20 years, there has been a marked increase in the imbalance on the labour market measured in terms of the volume of

¹ These imbalances can also take the form of underemployment or labour shortages. Here the focus will be on unemployment because it is the extreme manifestation of the underutilization of labour.

² These data are collected either during general population censuses or within the framework of an annual survey of "occupational activity, unemployment and employment" on the basis of a national representative sample of households. Unless stated to the contrary, the source for all statistics cited in this section is the Statistical Office.

³ In fact, the figures provide only an indication of the true extent of unemployment. In Morocco, at least four factors suggest the need to regard these figures with caution: the presence of a sizeable informal sector; considerable multi-job activity; the absence of unemployment compensation; and the lack of any state help, notably for unqualified workers.

registered unemployment. The number of active jobseekers nearly doubled, reaching 1.275 million in 2001, compared with 642,000 in 1982. In contrast with trends during the 1971-82 period, the growth in unemployment was more noticeable in urban areas. Between 1982 and 2001 there was a three-fold increase in urban unemployment, whereas in rural areas it fell by 33 per cent. Thus the share of town-dwellers in the total unemployed population increased, going from 50 per cent in 1982 to 83 per cent in 2001.

The decline in the urban labour market is also evident in the rural/urban rates of unemployment, where the gap widened. In rural areas, the unemployment rate declined from 10.5 per cent in 1982 to 4.5 per cent in 2001, whereas in urban areas it increased considerably, reaching 19.5 per cent in 2001 compared with 12.3 per cent in 1982.

Decline more marked among women, young people and qualified workers

Women workers are particularly vulnerable, as may be seen from the increase in the female share of unemployment (25.3 per cent in 2001 against 20 per cent in 1982); this is a result of the relative worsening of women's position on the urban labour market. For, though there has been a general increase in the unemployment rate in urban areas, it has been relatively more marked for women workers. Between 1982 and 2001, the female rate of unemployment rose by over ten percentage points (from 14.2 to 24.7 per cent) and the male rate by a little more than six percentage points (from 11.7 to 18 per cent).

Young people are also relatively more affected by unemployment in both rural and urban areas. The unemployment rate among 15-24 year-olds is higher than the average rate for all age groups. In 2001, for example, 35.5 per cent of young people aged 15-24 in cities were unemployed, when the urban unemployment rate was 19.5 per cent. In the same year, that age group accounted for 36.4 per cent of the urban unemployed while its share of the total active urban population was under 20 per cent.

Qualified graduates are relatively more affected by unemployment than unqualified workers. Over the past two years, the rate of unemployment among the former was practically four times that among the latter, with the difference much more marked in rural than in urban areas. In the latter, unemployment affects all categories of worker. Qualified graduates in those areas are more affected (26.3 per cent in 2001), but unqualified workers are also quite significantly affected (11.8 per cent in 2001). The qualified/unqualified differential is also apparent when the structure of working-age population is compared (over 15 years) with that of the unemployed population. The share of graduates in the unemployed population is greater than that in the working-age population.

High levels of long-term unemployment and unemployment among first-time jobseekers

The dominant feature is the problem of long-term unemployment. In 2001, persons unemployed for over a year accounted for 69 per cent of the unemployed, with proportionally more in urban areas than in rural areas. In the former, this group accounted for 76 per cent of the unemployed population. Urban women are relatively more affected by long-term unemployment.

A closer look at this variable shows that long-term unemployment (over three years) is a very strong component of urban unemployment. In 2001, 48 per cent of the urban unemployed had been unemployed for at least three years. For some, being unemployed amounts effectively to being excluded from the labour market. In 2001, nearly 30 per cent of the urban unemployed had been unemployed for five years or more (see table 2). This form of exclusion/unemployment affected men and women to a similar extent (28.9 and 31.1 per cent, respectively). In urban areas, such massive long-term unemployment shows that the level of qualifications achieved is fairly irrelevant. The share in long-term unemployment of the unqualified, the holders of middle-level certificates (testifying to primary education and vocational training) and of higher-level certificates (completion of secondary school and tertiary education) was 21.5, 31.3 and 36.4 per cent, respectively.

Unemployment amongst first-time jobseekers characterizes urban unemployment only. In 2001, over half the unemployed had never worked at all. The proportion of unemployed first-time jobseekers rose with the level of qualification. Four out of five unemployed holders of a higher-level qualification (*baccalauréat* and over) were first-time jobseekers. The corresponding proportions for holders of middle-level qualifications and for the unqualified were 55.6 per cent and 27.8 per cent, respectively.

In most cases, unemployed first-time jobseekers find themselves becoming the long-term unemployed. It is increasingly frequent to find both situations occurring simultaneously. In 1996, 82.4 per cent of unemployed first-time jobseekers had been unemployed for at least a year. In 2001, that proportion had risen to 91.6 per cent. Worse, in four out of five cases the first-time jobseeker was also effectively excluded from the labour market (being unemployed for at least five years). By contrast, unemployed persons in the process of returning to work or being retrained (i.e. the unemployed who had already had a job) had not usually been unemployed for long (see table 3).

The strong link between exclusion/unemployment and first-time job-search is confirmed when the reasons for entry into unemployment are analysed. In urban areas, exclusion/unemployment looms large for the unemployed first-time jobseeker (who has just completed school or

Table 2. Proportion of long-term unemployment, urban and rural areas

Duration of unemployment	Urban area			Rural area		
	Total	M	F	Total	M	F
<12 months	26.0	27.7	21.8	53.9	53.5	58.0
12 < 36 months	26.3	25.9	27.3	22.4	22.9	18.2
36 >60 months	18.0	17.5	19.3	11.2	10.9	13.6
≥60 months	29.7	28.9	31.6	12.4	12.6	10.2
Not stated	—	—	—	0.1	0.1	—
Total	100	100	100	100	100	100

Source: Direction de la Statistique, 2001.

Table 3. Evolution of structure of urban unemployment, by type and duration of unemployment

Year	Type of unemployment	<12 months	12 < 36 months	36 < 60 months	≥60 months	Total
1996	Unemployed with work experience	44.5	28.9	13.8	12.8	100
	Unemployed first-time jobseekers	17.6	27.7	21.7	33.0	100
1999	Unemployed with work experience	41.2	29.5	14.4	14.9	100
	Unemployed first-time jobseekers	10.0	26.8	21.6	41.6	100
2001	Unemployed with work experience	46.1	28.8	13.4	11.7	100
	Unemployed first-time jobseekers	8.4	24.1	22.1	45.4	100

Source: Direction de la Statistique, 1996, 1999, 2001.

vocational training; or reached working age⁴). In other words, over two out of five young people who had finished school or their studies or had reached working age found themselves in long-term unemployment (Direction de la Statistique, 2001).

All this is evidence that persons lacking any work experience come up against a strong barrier selecting them out at the point of entry to the labour market. These barriers have grown considerably over the past five years. Both groups (“completed schooling/training” and “attained working age”) are now more strongly represented among the long-term

⁴ Note that in the household surveys, the questionnaire concerning the whole household is completed by one person, usually the head of household. As a result, the term “attainment of working age” is not defined objectively. Thus, it is more a reflection of the perceptions of the person completing the questionnaire.

unemployed. For instance, the share of the former went from 29 per cent in 1995 to 41.6 per cent in 2001 (Direction de la Statistique, 1995, 2001).

This state of affairs shows how, though generalized, the growth in urban unemployment varies in intensity according to sex, age and qualification. Urban unemployment is still largely dominated by long-term unemployment and by unemployment among first-time jobseekers.

These characteristics of urban unemployment are borne out and complemented by the multivariate analysis⁵ described below.

Multivariate description of the structure of urban unemployment

The use of multidimensional descriptive techniques on individual data (see box 1) enables one to complete the above description with aggregate data.

Interpreting the multiple factor analysis⁶ shows that the first and third axes are determined by individual or occupational variables, whereas the second and fourth axes are determined by variables relating to household characteristics. The four first axes will now be commented on, starting with the axes linked to individual or occupational variables (figure 1), then the axes linked to household characteristics (figure 2).

Interpreting the factor analysis

The first axis is formed by three variables which account for over 70 per cent of its variability: work experience (25 per cent), sector of job search (25 per cent) and causes of unemployment (23 per cent). This axis shows the contrast between unemployment among first-time jobseekers and among those seeking to re-enter the labour market. On the right side of the axis are the modalities describing unemployment among first-time jobseekers who have no work experience at all. They are distinguishable by the absence of any specific employment plans, since many respondents state they are looking for any sort of work. They became unemployed after a period of occupational inactivity (completion of studies with or without a final qualification, or attainment of working age). The variables associated with a return to employment are grouped on the left of the axis. There may be found the unemployed with work experience, who focus their job search basically

⁵ The multidimensional descriptive approach has the advantage of taking several variables or groups of variables into consideration simultaneously. The typologies or groups that emerge reflect the configuration of linear links between these variables.

⁶ The detailed calculations justifying this interpretation may be obtained from the authors or from the *International Labour Review*.

on the private sector. They became unemployed after being made redundant, or after voluntarily leaving a job because of low wages.

This group can be interpreted in terms of the contrast between structural unemployment resulting from the selection process occurring at the point of entry to the first job and unemployment due to prevailing market conditions. This contrast should be seen in relation to the segmentation of employment and the various ways of adjusting labour supply and demand (Akesbi, 2001; Rama, 1999; Bougroum, 1999). Two extreme examples illustrate its usefulness. On the one hand, in the public or the semi-public sector, because of ever-shrinking demand for labour⁷ and the well-known difficulties encountered by people with a general, non-technical education in finding work in the private sector, these two factors generate the structural unemployment evident in the co-existence of first-time jobseekers' unemployment and of long-term unemployment. On the other hand, the presence both of an abundant supply of poorly educated labour (the unqualified and some school drop-outs) and the predominance of unskilled jobs on the labour market⁸ create the conditions for a competitive labour market similar to that of the *Moukef*, the daily casual "job exchange", where there is much rotation of workers and where wages determine the interplay of supply and demand. In this segment, first-time jobseekers' unemployment is less significant.

The third axis is formed by the variables associated with the individual and occupational characteristics of the unemployed. Three variables contribute over 80 per cent of the variability explained by this axis: the causes of unemployment (35 per cent), the qualification (30 per cent) and age (13 per cent). Around the negative side of the axis we find the following modalities: unemployment following completion of studies and acquisition of a qualification, tertiary-level degree or vocational training qualification. The following modalities are projected on the positive side of the axis: unemployment following completion of studies without having obtained a qualification, a certificate of primary-school education, and the first two age groups (under 25 years, and 25 to 35 years).

These clusters show in detail the structure of first-time jobseekers' unemployment according to the cause of unemployment. Two main groups may be distinguished: first-time jobseekers who successfully completed their education (completion of studies, with a qualification) and those who failed to do so (cessation of studies without obtaining a qualification), i.e. those who simply drop out of the educational system.

⁷ This shrinking demand results from the simultaneous occurrence of weak growth in the demand for graduates in the public sector because of structural adjustment policies and continuous growth in the labour supply caused by a tendency towards the massive growth of tertiary education.

⁸ Over half the active population has no qualifications (Direction de la Statistique, 2000).

Box 1. Structure of urban unemployment: Data and methodology

In the absence of updated statistics on enterprises, data on employment and unemployment may be found in the household surveys of the population.¹ These surveys, which concern the active population, provide two sorts of variable: individual characteristics (age, qualification, etc.) and occupational characteristics concerning both the employed and the unemployed. They also contain all the necessary details to deduce a third sort of variable relating to socio-demographic characteristics: head of household, composition of the household (size, number of employed active members, number of unemployed members, etc.).

Together, these data form a rich database whereby the structure of unemployment can be studied by means of the construction of typologies. However, because they are published in aggregate form, the data cannot immediately be exploited to this end. To overcome this obstacle, the authors chose to work on individual data.²

The data exploited concern 1997, the year when the Employment Action Programme was launched. This database includes all the households observed in the towns of Marrakech and Casablanca, namely, 6,627 households, 34,185 individuals, 12,635 active household members of whom 2,222 were unemployed.

The analysis presented here attempts to outline the structure of unemployment. This was done using the factor analysis technique, specifically multiple factor analysis (Escofier and Pagès, 1998). This sort of technique for multidimensional description is interesting because it enables the construction of groups while simultaneously taking several sorts of variables into account. For the purposes of the analysis, this database also included a third variable: the socio-demographic characteristics of the households.

Multiple factor analysis was applied to the table describing the 2,222 unemployed persons using the following variables: region (REG), age (AGE), sex (SEX), work experience (TRA), graduate degree (DIP), duration of unemployment (ANC), cause of unemployment (CC), job search sectors (SR), type of unemployed person³ (TC), family link to the head of household (PAR), employment status of the head of household (SC), size of the household (TAM), number of employed active household members (AOM), number of unemployed members (ACM) and number of inactive household members (NAM).

¹ The survey in question is the annual household survey on "occupational activity, employment and unemployment" (OAEU) conducted by the Statistical Office on a representative sample of households. As from 1995, this survey replaced the annual survey of the active population in urban areas. As from 1999, the OAEU was extended to incorporate both urban and rural areas, and the size of the sample increased considerably (40,000 households, 16,000 of them in rural areas, compared with a total of 30,000 households in 1998).

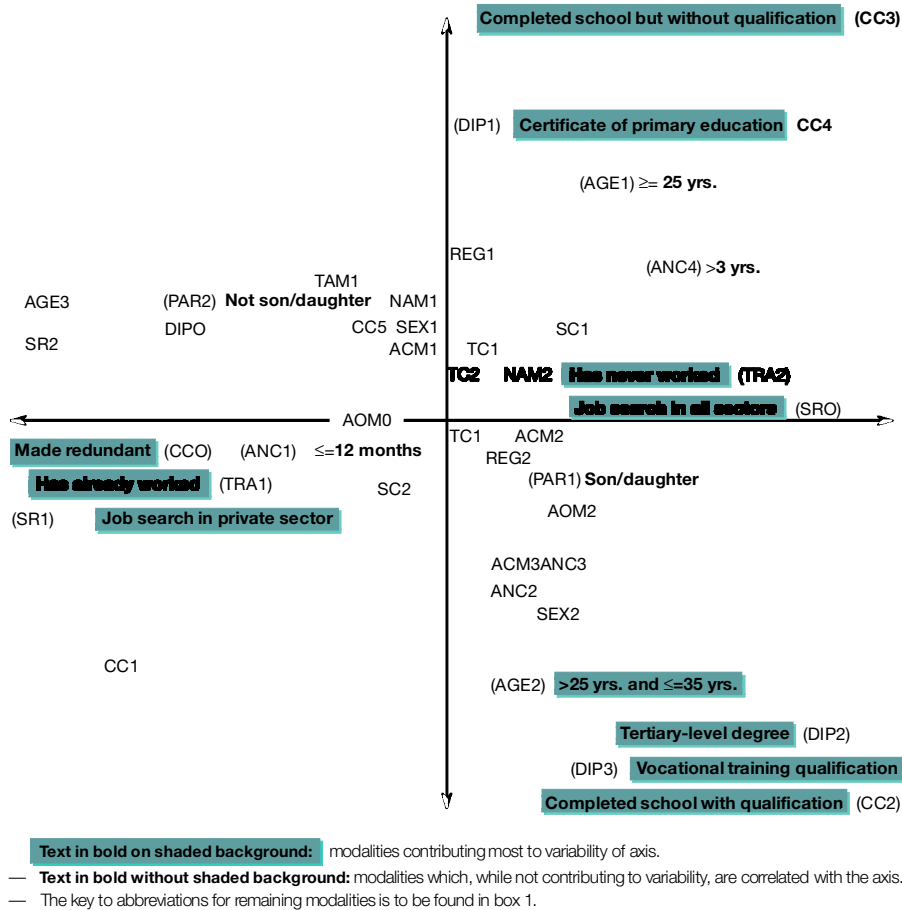
² We are grateful to the Statistical Office for kindly making these data available to us.

³ Household surveys distinguish two groups of unemployed persons: those unemployed in the broad sense of the word and those unemployed in the narrow sense of the word. The first group includes all persons who immediately stated they were unemployed. The second group includes persons who did not spontaneously state they were unemployed, but who were classified as unemployed following a number of further questions.

The projection of the qualification variable confirms this contrast. The first group of unemployed persons is associated with vocational training qualifications and tertiary-level degrees, and the second with holders of lower-level certificates (completion of primary school). This comparison shows that unemployment among first-time jobseekers does not affect only the holders of a final qualification indicating completion of tertiary education or vocational training. The category of school drop-outs with little education is also affected by this type of unemployment.

At least 70 per cent of the variability displayed by the second axis is explained by four variables relating to household structure, namely: size of household (30 per cent), number of occupationally inactive members

Figure 1. Multivariate description of the structure of unemployment
(horizontal axis: 1st principal axis; vertical axis: 3rd principal axis)



Source: Results of multiple factor analysis of unemployment data for 1997.

(20 per cent), family link with head of household⁹ (11 per cent) and number of occupationally active members (9 per cent). This axis contrasts the unemployed persons belonging to small households (up to and including four members) with those belonging to large households (seven members and more). The first group, which is located on the left side of the axis, is strongly associated with households with a lower number of occupationally active members (at least one). It is also corre-

⁹ This variable provides information on what links individual household members to the head of household. Its main components are: head of household, spouse, child, parents, etc.

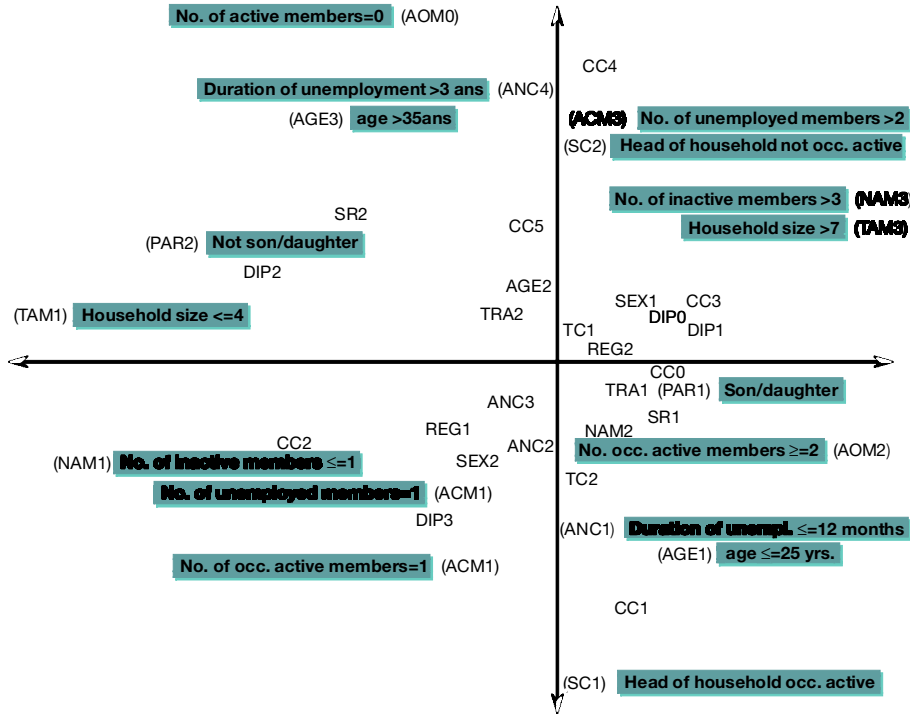
lated with the group of unemployed persons whose family link with the head of household is other than "son or daughter".

Similarly, this group is much more closely linked to households with no more than one occupationally active member. By contrast, the modalities projected on the right side of the axis show that the second group, consisting of unemployed persons belonging to a large household, is associated with unemployed persons belonging to households with a large number of inactive members (over three). On the same side of the axis, we also find the variable corresponding to unemployed persons who are sons or daughters of the head of household, and the variable corresponding to the unemployed from households with a larger number of occupationally active members (two or more).

This axis may be interpreted in relation to the collective dimension of labour supply – a characteristic of developing countries (Strauss and Thomas, 1995). In such countries, the family in general, and the parent-headed household in particular, are a major influence in individuals' decisions regarding job offers. The parent-headed household has a dual function: income redistribution and social protection. The composition of the household conditions the way in which those functions are carried out. The dual link between, on the one hand, unemployed persons from small households and those from households with few inactive members and, on the other, unemployed persons from large households and those with a large number of inactive members (over three) could be interpreted as that household's capacity to conduct its dual functions of redistribution and protection. Indeed, the smaller the household, the more crucial each member's contribution to its income. For this reason, small households are less able to assume responsibility for their inactive members. By contrast, and bearing in mind the positive correlation between household size and the number of occupationally active members, large households are better able to assume this responsibility.

The fourth axis is composed of three principal variables which explain over 64 per cent of its variability. These are: the employment situation of the head of household (30 per cent), the number of occupationally active members of the household (22 per cent) and the duration of the unemployment. On the negative side of the axis are plotted the following modalities: occupationally active head of household, number of active members equal to at least one, and unemployment of under three years. The following modalities are projected on the positive side of the axis: head of household not occupationally active; no active members; and unemployment of over three years. This axis highlights the existence of a group of unemployed persons belonging to households with no occupationally active members. In other words, this axis shows that the state of exclusion from work is experienced collectively. In fact, unemployment collectively characterizes all the workers in this group, in so far as no member of their household has access to the

Figure 2 . Multivariate description of the structure of unemployment
(horizontal axis: 2nd principal axis; vertical axis: 4th principal axis)



— **Text in bold on shaded background:** modalities contributing most to variability of axis.
— The key to abbreviations for remaining modalities is to be found in box 1.

Source: Results of multiple factor analysis of unemployment data for 1997.

labour market. Further, this group is associated with the longest unemployment (over three years), which means that for some of these unemployed persons, the lack of access to work affecting all the active members of the household results in their effective exclusion from the labour market.

Employment policy implications

This analysis reveals facts with immediate implications for employment policy. Two points may be made here:

1. The extent of first-time jobseeker unemployment (axis 1) illustrates the urgent need for policies enabling first-time jobseekers to gain access to the labour market. However, such measures should not apply to graduates only, as school drop-outs are also affected by this form of unemployment (axis 3).

2. Individual jobseekers' behaviour should be interpreted in relation to the composition of the household to which they belong (axis 2). It is doubly important to take this collective dimension of labour supply into consideration because it translates into a collective dimension of exclusion from work (axis 4). Common household characteristics, such as the presence or absence of a network of social contacts, seem to influence choices about individual career paths.

The employment policy launched in the 1990s which sought to promote the employment of graduates in the private sector meets the need to organize the passage from school to work.¹⁰ The official establishment of this form of state intervention, then the introduction of measures to help create jobs suitable for qualified persons provide the framework for this policy.

Theoretically, this policy of dual action is justified by the fact that it helps organize the passage from school to work. Action by the State is a response to the urgent need to set up an external labour market which would compensate for the decline in the public sector as employer and act as a counterweight to the dominance of social networks in the private sector. This labour market would counteract the exclusion to which graduates from socially deprived backgrounds may be subject, and would enable enterprises to broaden their recruitment base. Similarly, job creation schemes seek to stimulate the demand for graduates, in order to give those seeking their first jobs, or in long-term unemployment, a chance to acquire work experience, thus helping them to avoid the risk of exclusion from the labour market.

However, in view of existing conditions on the Moroccan labour market, the job-creation schemes as currently conceived and implemented can have only a limited impact. Indeed, apart from the fact that they do not take into consideration the interaction between categories within the labour market,¹¹ these schemes are based on the assumption that the main analytical categories are similar.

In what follows, a preliminary evaluation of the Employment Action Programme (EAP) will serve to bring out the different elements

¹⁰ The structural adjustment policy adopted by Morocco at the start of the 1980s, combined with the continuous growth in higher education, thrust the problem of graduates' unemployment into the public eye. The growing gap between employment possibilities in the public sector and the numbers of job-seeking graduates requires public action to encourage the private sector to provide the opportunity for graduates to start working and gain work experience.

¹¹ The first part of this article showed there is an excessive supply of unskilled labour. This abundant supply of unqualified, cheap labour which can readily be mobilized renders the employment of qualified graduates less attractive to most private enterprises, which rely on minimizing labour costs to maintain their competitiveness.

in the three main categories considered (target population, actors involved¹² and labour market), and to estimate their negative effect on the job creation schemes.

The effect of job creation schemes: Experience of the Employment Action Programme

The EAP is the second job creation scheme based on selective subsidies¹³ (see table 1). Its introduction in 1997 marked an improvement in public employment policy for graduates on the labour market. This improvement was perceptible both in the policy aims and in the means granted to achieve them. The EAP represents a redefinition of public policy aims in this respect. Achieving access to work experience schemes for the target population replaces the original aim of direct access to normal employment. As to the means, the improvement may be seen in the actions of the authorities in charge of running this scheme. The work of the Centres for Employment Information and Careers Advice (Centres d'information et d'orientation pour l'emploi – CIOPE),¹⁴ set up less than five years earlier as a job counselling service, has developed considerably, with their shifting from an information function to one promoting change. State intervention no longer serves to improve the flow of information between jobseekers and employers. Now it is called upon to act directly to stimulate the market by changing the terms of labour/wage exchange so as to encourage enterprises to take on more qualified graduates. This form of intervention may bring about change in three possible ways: reducing labour costs by exempting enterprises from social charges and assuming part of the cost of compensating the trainee; increasing flexibility in the use of the programme by not requiring the enterprise to commit itself in advance to employ the trainee; and paying the enterprise a subsidy for the trainee.

¹² The focus here is on the structuring and stabilizing effect of state intervention. The diversity characterizing the other actors involved (enterprises and trainers) will not be examined in detail.

¹³ In fact the EAP is a more developed version of the first scheme, entitled Training and Entry into the Labour Market. The basic difference is increased benefits. These affect not only the enterprise (exemption and assumption of part of the trainee's compensation) but also the trainee (receipt of at least the part of the compensation assumed by the State), and the training providers who benefit from the subsidy (see table 1).

¹⁴ The Centres for Employment Information and Careers Advice (Centres d'information et d'orientation pour l'emploi – CIOPE) were established in 1993, under the authority of the Department of Employment of the Ministry of Social Affairs (Département d'emploi du ministère des Affaires sociales). In 1997, they were placed under the authority of the National Vocational Training and Employment Promotion Office (Office national de la formation professionnelle et de la promotion du travail – OFPTT) in order to run the Employment Action Programme. In 2001, these centres were incorporated into the newly created National Employment and Skills Promotion Office (Agence nationale de promotion de l'emploi et des compétences – ANAPEC).

Evaluating the Employment Action Programme

The establishment of the EAP represented a strong commitment by the State to achieve the intended aims, at least in quantitative terms. A broad public information campaign was run, targeting large semi-public and private enterprises and employers' organizations. Similarly, considerable efforts were made to ensure the authorities had the necessary means to run these schemes in the best conditions.

As regards results, the EAP provided a marked stimulus to state intervention. The number of traineeships agreed under this scheme was ten times that under the Training and Entry into the Labour Market Programme (ANAPEC, 2001). Though insufficient data prevent an assessment of this scheme according to standard rules, the large and wide-ranging stimulus to state intervention resulting from its implementation leads to the conclusion that it had a positive effect, both stimulating demand for qualified workers and improving the employability of the target population. However, a number of factors mitigate this positive effect.

The political climate at the time the EAP was introduced and the focus on quantitative aims created conditions that limited the potential impact of the scheme. It is quite likely that there was a deadweight effect. In fact, the demand from certain enterprises in response to the express appeal by the public authorities was probably not entirely due to the EAP.¹⁵ At least some of that demand was in response to recruitment needs not generated by the EAP. The deadweight loss effect is also plausible in so far as a training agreement did not necessarily entail the creation of a new job. In some cases, in fact, the training agreements signed under the scheme corresponded to existing jobs. In other words, in certain cases, the EAP simply allowed existing employment relations to be made official, temporarily at least. There was also a real risk of a substitution effect, particularly for two categories of worker: qualified graduates unemployed for under a year and less qualified workers. The risk of substitution effect arose from the fact that these two categories did not belong to the population targeted by the scheme. Thus, the fact that certain training courses corresponded to unskilled jobs, as in the case of traineeships spent in tele-centres, was evidence of a substitution effect acting to the detriment of less qualified workers.¹⁶ If the effective duration of the training period, the nature of the receiving enterprise and the use made (or not made) of the training possibilities are taken

¹⁵ In Marrakesh region, for instance, the case of the Office Chérifien des Phosphates (OCP) comes to mind. This public enterprise backed 10 per cent of the training agreements and 50 per cent of recruitments in the region.

¹⁶ Qualified unemployed people may undertake training courses corresponding to unskilled jobs because the training serves as a refuge from unemployment, rather than because it is linked to the accumulation of work experience.

into consideration, then in certain cases it is clear that signing the training agreement was motivated much more by the coincidence of the immediate interests of those involved (opportunistic behaviour, wind-fall effects) than by any desire for entry into the labour market (Stankiewicz et al., 1993).¹⁷ In fact, the attitude displayed by some graduates, namely, seizing the opportunity to obtain training for free, was reinforced by “the hunt for a training subsidy” which motivated certain training providers. Both these actors were able to use their – locally very active – networks to find an enterprise prepared to make the training agreement official, but whose main aim was really to receive the training subsidy. For its part, the enterprise was able to respond easily to this type of request through its network of social contacts, since the training agreement did not necessarily imply a financial commitment on its part.¹⁸

Disadvantages due to the diversity of categories

At a more fundamental level, individual data concerning the operation of the scheme in Marrakesh region and aggregate data concerning its operation at national level suggest three main observations. Each of them leads back to one or other structural characteristic of the Moroccan labour market which, as it is not taken into account by the EAP, limits the impact of the scheme.

Unemployed graduates are a very varied group

Certainly the EAP helped stimulate demand for qualified workers. Nevertheless, given the composition of the target population, this stimulus was insufficient. In Marrakesh region, for example, the scheme affected only half the target population. This leads one to ask why the scheme’s coverage was so poor despite all the advantages associated with it and the clear involvement of the public authorities.

One answer may be found in the characteristics of the people registered with the Centres (CIOPE). That population was largely composed of tertiary-level graduates, graduate first-time jobseekers, and long-term unemployed graduates. In the case of the CIOPE in Marra-

¹⁷ The use made of the training subsidy is most instructive in this respect. In certain cases, the training aspect was activated even when the proposed training period corresponded to work that by definition is unskilled (e.g. the tele-centres).

¹⁸ Qualitative assessments conducted by the authors (Bougroum and Ibourk, 2002) show that, in some cases, the enterprises did not respect their commitments as stipulated in the training agreement, namely that they had to pay a monthly indemnity worth at least half the minimum wage. The absence of a strong disincentive on the part of the public authorities and/or the prior consent of the young person involved would explain this state of affairs. The fact that some young people agreed to give up their indemnity to the enterprise in exchange for being taken on as trainees illustrates just how tightly rationed labour demand was, a fact which placed enterprises in a position of power over the young trainees.

kesh, these categories accounted for 68, 72 and 33 per cent of those registered, respectively. This situation is evidence of the poor coordination between the training system and the manufacturing sector. This is illustrated by two observations. The first concerns the presence of a large proportion of uneducated workers (illiterates or early school drop-outs). For this group, skills are acquired exclusively through hands-on work experience in manufacturing. Similarly, the absence of a minimum basic training level prevents them from consolidating their work experience and building on it to aspire to more highly skilled jobs. The abundant supply of such unskilled labour discourages enterprises from developing their production processes, which are based essentially on the use of unskilled labour. The second observation concerns tertiary-level graduates. These spend an increasingly long time in higher education and this results in an initial form of training that is basically theoretical and designed to meet the management needs of the public sector, particularly those of general state administration. The private sector plays a very minor role in the production of such qualifications, one that is virtually non-existent for certain job profiles. Thus, the private sector can legitimately ask why it should recognize these qualifications since it is not involved in their production (Vernières, 1993). Such reasoning is reinforced by the fact that the private sector's management needs can be met by competing training systems, with which it is closely associated.¹⁹

In such a context, training leads straight into first-time jobseeker's unemployment. The difficulties of breaking into the labour market mean that any human capital acquired through training starts to depreciate before it has even enhanced its value by being applied in the manufacturing sector. This sets off a vicious circle culminating in long-term unemployment and, ultimately, in effective exclusion from the labour market (Damazière, 1992). In parallel, unemployment contributes to distorting another aspect of human capital which is just as important as vocational know-how, namely, the individual attitudes of the unemployed. In fact, the negative effect of the unemployment experience is expressed as a passive, discouraged attitude towards job search. This attitude is both a consequence of and an element in the distortion of individual social capital. It is gradually reinforced as unemployment becomes long-term unemployment and, finally, the occupational and social exclusion of the unemployed person.

In such conditions, the skills and competencies of unemployed people excluded from the labour market cannot successfully be exchanged for wages whatever incentives enterprises are offered to employ

¹⁹ These are the private tertiary-level educational institutions and the selective tertiary-level branches of the public educational system (business schools, polytechnics, schools of medicine and pharmacy, etc.).

them. Their unfavourable position on the competitive skills market requires a much more structured approach, way beyond simply taking action on wage costs. For this group of the unemployed, returning to work requires a broader range of measures than simple state assistance to gain access to employment in the private sector.

The structuring effect of state intervention²⁰

The EAP is based on the theory that the local actors involved in the implementation of employment policy measures are neutral. This theory is invalidated by the scheme's results in Marrakesh region. Beyond the risks of deviation from the original intention which were linked to coinciding immediate interests of the local actors directly involved in the training period (the trainee, the training provider and the recipient enterprise) and whatever the detailed general provisions of the scheme, the role of the job counselling service is basically to provide structure (Bessy et al., 1995; Baron et al., 1995; Lizé, 1997). Both quantitative and qualitative results of the scheme depend very largely upon this.

Two parameters influence the scheme's success. First, it depends on how the counselling service manages to reconcile the quantitative and the qualitative aims of the scheme. According to where the focus is placed, the scheme will have a totally different effect. From the evidence, it would seem that, in the case of the EAP, quantitative aims took precedence over qualitative aims. Most of the means available to the job counsellor were used to assemble and make available job offers to the detriment of the monitoring and evaluation phases. By taking this approach, the counsellor gave a free rein to certain actors to act opportunistically. Worse, by adopting this attitude, the counselling service acted against its own long-term aim of consolidating and securing its credibility with the local actors. Indeed, the partnership the service wished to develop with these actors was likely to change into a sub-contracting relation, in which the service supplied cheap labour to enterprises whose common objective was maximizing the external flexibility of labour. Similarly, again, this approach weakened the position of the job counselling service at the centre of overall state intervention, notably as regards the prevailing system of networks of personal contacts. By emphasizing quantitative aims, the job counselling service ran the risk of becoming merely a registration centre for contacts, with varying objectives, built up within a network of contacts (Bougroum and Ibourk, 2002). It became increasingly unlikely that the initial objective assigned to the counselling service – helping to establish an

²⁰ The ideas developed below are based on semi-structured interviews conducted by the authors with jobs counsellors for the regional branch of the ANAPEC in Marrakesh.

external labour market to act as a counterweight to the dominant labour market based largely on personal networks – would be achieved.

The second parameter influencing the success of any action by the counselling service concerns the quality of the available human resources and the degree of their professionalism (Baron et al., 1995; Bessy et al., 1995). The aim of the programme was to bring together actors from two very different “social environments” with different mindsets: on the one hand, jobseekers most of whom were steeped in the standards and traditions of employment in the public service and, on the other, private-sector enterprises making up a rich and varied group whose main common feature was rejection of public service employment conditions. At this level, the job counsellor’s action was crucial, for he had the difficult task of arranging for these two groups to meet. In order to do so, he needed good knowledge of the particularities and mindsets at work in each of these “social environments”. More generally, action by the counsellor had a determining effect at each stage of the encounter. His perception of his work conditioned the quality of the result. His attitude could vary along a continuum between two diametrically opposed attitudes: that of someone limiting his job simply to administration and that of a counsellor fully aware of the complexities of his role. The way in which the actors in the employment relation perceived the role of the jobs counsellor depended largely on the work of the individual counsellor, which directly influenced the public image of state intervention in the eyes of those in the employment relationship. If staff take a minimalist approach to their work, reducing it to its simplest administrative expression, such state intervention is doomed to become marginalized in the long term.²¹ By contrast, given motivated and involved staff with multi-disciplinary skills regularly kept up to date by continuous training, state intervention in this area stands a better chance of playing a central role.

Moroccan experience of state intervention on behalf of graduates in the skilled/qualified segment of the labour market (started by the CIOPE and pursued by the ANAPEC) is relatively recent. The counselling service is still in the process of positioning itself within the intervention “space”. Several factors make this a particularly delicate operation. First, the counsellor’s public image was harmed by the negative effects of the EAP. Though the EAP stimulated state intervention in this area, it nevertheless had a negative effect on the counselling service’s image by ultimately granting the latter legitimacy only because of

²¹ The experience of the job placement agencies is very instructive in this respect. Over time, this state intervention agency became increasingly administrative in nature and quite removed from the realities of the labour market.

the benefits arising from the measures the service organized. This negative effect was reinforced by the fiasco of the *Ennajate* operation.²² Second, the job counselling service had to face competition from private job search agencies, foremost among these being the temporary employment agencies now beginning to appear on the labour market. Such competition was all the more difficult to handle in that the counselling service basically attracted first-time jobseekers.

In such conditions, the counsellor had a crucial role in correcting the public image of state intervention and building up its credibility. This was not easy, for considerable professionalism was required to distance daily activities from the risks associated with past ANAPEC action, and to develop lasting and trusting relations with both the jobseekers and the enterprises (Ferrary, 1999). Such skills were all the more important, given that the counsellor's partners (the jobseekers and the enterprises) displayed widely different behaviour patterns. The counsellor should be able to manage difficult, tense relations with some jobseekers and more relaxed relations with others.²³ He should also be able to manage relations with various types of employer, from the educated employer aware of the need to modernize his company, to the older entrepreneur motivated only by the opportunistic aim of making use of measures as he sees fit.²⁴

The future of the job counsellor function depends both on the role assigned to him in the various schemes he manages and on how he carries out this function. It is becoming necessary to bear this dual aspect in mind when developing employment policy schemes.

Local aspects of the labour market

National measures to help integrate the labour market come up against local particularities affecting qualified workers, for both local supply and local demand vary geographically (Zénou, 1997). In Morocco, this segmentation goes beyond traditional urban/rural distinctions. Even within urban areas, local differences in the location of training provision and enterprises explain, in part at least, the presence

²² *Ennajate* from the name of a company registered in the United Arab Emirates, which made an offer to the ANAPEC to employ 30,000 qualified young Moroccans in the cruise tourist trade. Though candidates were required to put up quite a considerable sum, the vacancies triggered such a wave of interest among young people that the ANAPEC had to draw on all its resources just to manage the operation – which ultimately proved to be a scam.

²³ In some cases, relations between the counsellor and the jobseekers become tense because the latter were disappointed by the fact that the counsellor had no job to offer them or simply because they did not understand the immediate point of the plan suggested by the counsellor. In other cases, relations between the counsellor and the jobseekers were relaxed because these jobseekers were easy to place or simply because they understood the role of the counsellor.

²⁴ Certain employers approached the counsellor with a superior attitude, appearing to believe that they were doing him a personal favour by sending their job vacancy notices to be handled by the ANAPEC.

of local labour markets for qualified graduates. In the case of the EAP, the local dimension was central to any action by the public authorities. Each CIOPE had a mission to work for the labour market integration of qualified graduates in the specific geographical area within which it operated. In what follows, an attempt is made to convey the national picture on the basis of the results of the EAP presented by region.

Comparing regional results with the national average reveals four groups:

- i) *Regions which make very little use of this scheme.* This group consists of the three Saharan regions (Oued Eddahab-Lagouira (OEL), Laâyoune-Boujdour-Sakia El Hamra (LBS), Guelmim-Es Smara (GS)), and the Tadla-Azilal (TA) region.
- ii) *Regions with results close to the national average.* This group includes the following regions: Doukkala-Abda (DA), Taza-Al Hoceima Chechaouene (TAC), Gharb-Chrarda-Beni Hsen (GCBH), Marrakesh-Tensift-El Haouz (MTE), Chaouia-Ourdigha (CO), Tangier-Tetouan (TT), Souss-Massa-Draâ (SMD), and Fez-Boulmane (FB).
- iii) *Regions with achievements well above the national average.* This group includes the following regions: Oriental (OR), Rabat-Sale-Zemmour-Zaër (RSZZ), Meknes-Tafilalt (MT).
- iv) *The Greater Casablanca region (GC).* Here the results achieved were three times the national average.

This classification system can be explained by three factors, which sometimes occurred simultaneously. The first concerns the structural particularities of local labour markets. These may vary according to the density of their manufacturing capacity and/or the density and variety of their training structures. The second factor is linked to the fact that the staffing levels and material means available to the jobs counselling service were not evenly distributed geographically. For example, the job counsellors did not all have the same skills and experience. The third factor concerns the local context and attitudes taken by the local actors. Relations between these local actors were affected by how structured enterprises were and by the density of the network of personal contacts supporting the local manufacturing sector.

The normed analysis²⁵ of the principal axes shows a size effect confirming the overwhelming importance of Greater Casablanca region (see figure 3). This explains 62 per cent of the variability of the first axis. The hierarchical classification also brings out the marked

²⁵ The figure covers the 16 regions. There are seven active variables: technicians, higher technicians, graduates, engineers, post-graduates, number of agreements, number of enterprises. A statistical annex with the detailed calculations is available from the authors or the *Review*, upon request.

difference between Greater Casablanca and the other regions. This region alone accounted for 22 per cent of all training agreements, and its share of more highly qualified workers is even greater (51 per cent and 35 per cent of the agreements concerned, respectively, engineers and post-graduates). The importance of Greater Casablanca region reflects the particularities of the local labour market. The local manufacturing structure is very varied and dense, and local training opportunities are very varied. Because of its size, this region's labour market acts as a rallying point. Enterprises are attracted by its relatively good basic infrastructure and the availability of qualified labour. This increases its employment potential, employment opportunities and reinforces its attraction to skilled and qualified workers. One reason for the large number of training agreements in Greater Casablanca region may also be the fairly good resources enabling the State to intervene.²⁶ Another peculiarity of Greater Casablanca is the way in which training was organized. Contrary to the other regions, most of the agreements (over 73 per cent) had no training component. This lack of interest in training may be explained by the fact that in the local labour market, where a range of skills is on offer, enterprises looking for trainees already able to function in the workplace are more likely to find what they are looking for at once. Another reason may be the heavy concentration of large enterprises in the region.²⁷ Unlike small and medium enterprises (SMEs), large enterprises often have the necessary means to provide in-house training and can therefore do without the external training offered by this scheme.

If Greater Casablanca region is placed as a supplementary variable, the first axis contrasts on the positive side the region of Rabat-Sale-Zemmour-Zaër (RSZZ) (which makes greater demands on this scheme), with the three regions represented by the Saharan provinces of Oued Eddahab-Lagouira (OEL), Laâyoune-Boujdour-Sakia El Hamra (LBS), and Guelmim-Es Smara (GS), where the number of agreements was lowest (see figure 4).²⁸

This reflects the contrast between a local labour market similar to that of Greater Casablanca and an embryonic local labour market, where production is less dense and training opportunities practically non-existent.

The second axis is formed by the three regions having achieved the greatest number of agreements (apart from Greater Casablanca). This

²⁶ Greater Casablanca is the only region with two CIOPEs.

²⁷ Forty-two per cent of the large enterprises which made use of this scheme are located in Greater Casablanca region.

²⁸ In the hierarchical classification, this opposition corresponds to that between class 11 and class 25.

Figure 3. Normed analysis of principal axes

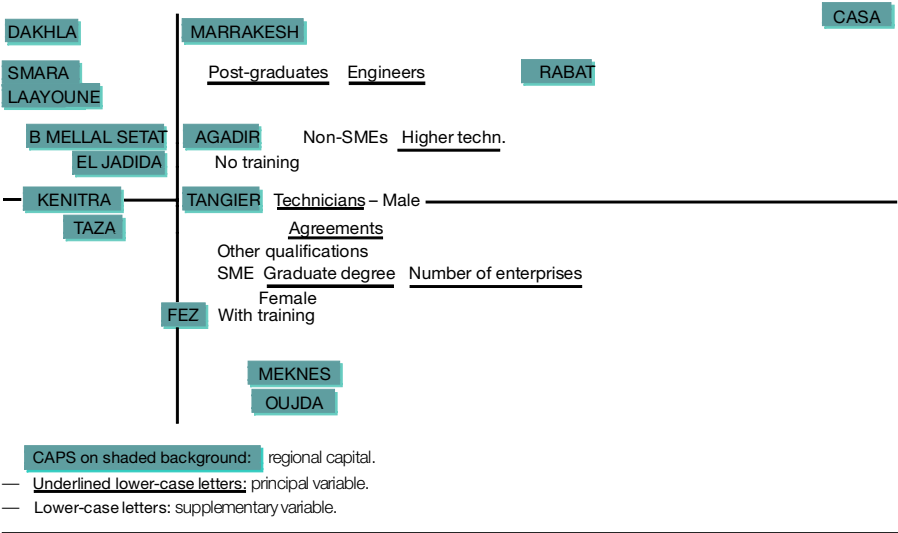
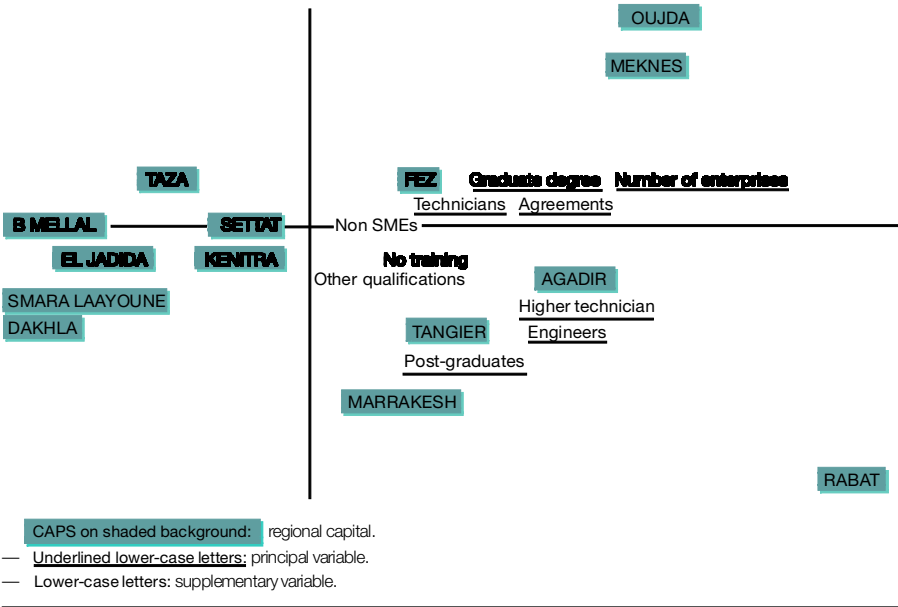


Figure 4. Normed analysis of principal axes (with Greater Casablanca region as supplementary variable)



brings out the contrast, on the negative side, between the region of Rabat-Sale-Zemmour-Zaër (RSZZ) and, on the positive side, the regions of Oriental (OR) and Meknes-Tafilalt (MT). The difference concerns the structure by level of training of completed training sessions. Although in the three regions concerned this structure was dominated by tertiary-level qualifications (*baccalauréat* + four years of study), the Rabat region distinguished itself from the other two by a relatively high number of training periods for engineers and post-graduates. This may be due to the fact that the labour market there differs from that of the other two regions in the concentration of training establishments (engineering schools and post-graduate training) and a high manufacturing density.

Regional disparities thus undermine the idea of a homogeneous labour market at national level, and also reduce the impact of measures intended to achieve it. The local labour market dimension must be taken into consideration. It must reflect local particularities, locally-specific supply and demand and jobs counselling services, and must bear in mind the actual behaviour of local agents, especially the job counsellor.

Conclusion: Suggested guidelines for action

Unemployment among first-time jobseekers and long-term unemployment especially among graduates have increased to such an extent that state intervention is imperative both to set up mediation and support structures and through job-creation schemes to help disadvantaged groups of workers to gain entry to the labour market.

The experience of the EAP amounts to a turning-point in the struggle against graduate unemployment. Though the four schemes launched by the ANAPEC after the conclusion of the EAP (see table 1) have the same basic aim of reducing rigidities in prices and employment conditions, they took into consideration a number of lessons emerging from assessment of the EAP.²⁹ Progress occurred on two levels. One concerns the conception of the schemes, and targeting both of jobseekers and of enterprises. The general measures for implementing these schemes also reflect a wish to avoid the abusive practices that occurred under the EAP. From the financial point of view, whereas these schemes all offer exemption from social charges during the training period, the State's direct financial commitment (if one is involved)

²⁹ An important point is the very marked fall in the number of training agreements reached under these new schemes, compared with those reached under the EAP. In the case of the ANAPEC's regional structure in Marrakesh, the agreements reached in 2002 (all schemes taken together) numbered no more than 150, compared with an annual average of 1,200 agreements reached over four years under the EAP. No agreements were reached at all for some schemes, such as the Employment Development Agreement or the Socially Useful Agreement.

is no longer in the form of a contribution to the trainee's wages but in the form of bonuses spread over time and paid to the enterprises. As these are conditions governing the schemes, several measures³⁰ aim to minimize the risk of wrongful use. The second level concerns the job counselling service. The establishment of the ANAPEC, a national, financially independent agency replacing the CIOPEs, is a response to the need to give the counselling service greater administrative flexibility.

However, though these are positive developments, they still do not meet the challenge of unemployment, in general, and of graduate unemployment, in particular. Earlier developments inspire two observations, which should be taken into account when defining an overall strategy to fight unemployment.

The first is that, even with measures ensuring flexibility in the adjustment of prices and employment conditions, state intervention to ease access to employment in the private sector cannot deal with all the difficulties encountered by the unemployed in finding work. Indeed, for some of the unemployed, the difficulties they encounter originate well upstream from the final stage of state intervention. They are the result of a dysfunctional educational system. For other unemployed persons, the damage caused by long-term unemployment require other measures going well beyond state assistance to gain access to employment.

The second observation is that, even in the case of the unemployed whose employability in the private sector is not in question, for these schemes to be effective, the State must give greater priority to the qualitative aspects of intervention, not the quantitative aspects focused on so far. Experience gained under the EAP shows that focusing on quantitative aims runs the real risk of weakening the credibility of state intervention, without having a positive and lasting effect on employment, either.

To ensure their efficiency, these job-creation schemes should be incorporated into an overall policy against unemployment based on two complementary approaches: one seeking to reduce the current numbers of unemployed, and the other taking preventive action against structural parameters in order to curb growing unemployment (Gautié, 1993).

The first approach should start from the premise that policies tackling unemployment should not focus on the single objective of helping graduates find work in the private sector. In fact, such a policy cannot succeed, partly because the potential number of job openings in that sector is still insufficient to meet the growing number of jobseekers and

³⁰ Measures such as restricting the number of trainees (no more than four so long as the trainees represented less than 25 per cent of the total payroll), the introduction of a protocol agreement detailing the content of the traineeship, a compulsory interview between the job counsellor and the employer and trainee, the requirement that the traineeship concerns a skilled job.

partly because (as demonstrated by the EAP), not all graduates are necessarily "employable" in that sector.

An anti-unemployment strategy should start with a comprehensive analysis of the labour market, taking into account all the components of labour supply and all potential sources of jobs. The latter should be identified in terms of the structural weaknesses hindering the country's social and economic development. In this respect, the Moroccan economy suffers from three major disadvantages: deficient basic infrastructure (roads, railways, etc.), the low level of education of the population in general and of the working population in particular and, finally, weaknesses in the managerial capacity of private enterprise. Each of these obstacles to Morocco's social and economic development represents a potential source of jobs for a particular type of worker. Indeed, the large public works needed to correct basic infrastructure inadequacies would help relieve pressure on the private sector from unqualified labour supply. The redeployment of such unqualified workers could result in wage increases in this segment and lead private-sector enterprises to review their recruitment policies and give preference to unskilled workers. Similarly, raising the level of education of the working population would require considerable ongoing efforts from society which could create non-commercial jobs for graduates who have little chance of finding work in the private sector as qualified workers. Finally, there is the need to improve the managerial capacity of private enterprises because of outside competition; this may result in an increased supply of qualified jobs suitable for the unemployed graduates who remain highly employable in this sector.

Whether the issue is one of making up for basic infrastructure deficits, of raising the educational level of the population or of improving private enterprise management, state intervention will prove vital in changing potential sources of jobs into real employment possibilities. As regard the first two objectives, such intervention is inevitable since the potential jobs associated with them are not of direct commercial interest and the private sector cannot therefore be expected to provide them. It is true that for state intervention to occur in both these domains requires the political will to question partly at least the current development policy which gives absolute priority to macroeconomic issues as well as to private-sector interests, especially exports (Bruton and Fairris, 1999). As to the third objective, state intervention is essential to create the right conditions encouraging enterprises to improve the quality of their management. The job counselling service should intervene at this level, refocusing on its essential task of enabling proper matching between competent jobseekers and real skilled jobs. In other words, the work of the service should take place in a long-term perspective, giving greater importance to qualitative aims than to quantitative aims arising from short-term contingencies. The job-creation

schemes are essential in the Moroccan context and should be run with the same long-term perspective in mind, in order to influence employers' attitudes positively and durably as regards the demand for skilled work. This presupposes ongoing training efforts by the job counsellors and the collection of appropriate statistics for evaluation purposes. Evaluation must be carried out to understand the real impact of these schemes on participants' careers depending on whether or not they make the transition into a skilled professional occupation (Cadet et al., 2002).

The preventive aspect of the fight against unemployment should start from the fact that the low skills component of training provision and the slow rate of job creation in the manufacturing sector are determining factors in the generation and persistence of structural unemployment. In Morocco, this fact points to two long-term priorities for action.

The first concerns the reform of the education system. The dysfunctions associated with it explain at least partly the worsening Moroccan labour market situation. Apart from the difficulties involved in making primary education generally available, the education system also suffers from the lack of a clear policy on language, and this has a very negative effect on the quality of state education.³¹ The commercial concerns that dominate education as a result of the rapid expansion of private schools³² run the risk of changing the education system into a powerful force for social exclusion on the basis of the (implicit) criterion of language of learning. If not checked, this tendency may lead to individuals and families developing negative attitudes towards school. Thus it is both urgent and necessary to start reforming the education system, giving absolute priority to widespread availability of quality basic education equipping each pupil with the same language skills.

The second long-term priority relates to the reform of public administration, a prerequisite to stimulate investment and job creation. For since it underpins state action, public administration is an important factor in a country's development process. All legal measures to encourage national or foreign investment, whatever their theoretical basis, have force only as a result of the manner in which the administration applies them. There, too, dysfunctions in the administration are an obstacle to the achievement of investment and job creation aims.

³¹ The language problem occurs at all levels of state education. The problem of non-mastery of the language of learning is posed all the more acutely in certain branches of state tertiary education, where the language of learning is French, whereas at the primary and secondary levels the language of learning is Arabic.

³² Private schools are developing to the detriment of the state education system in that much of the teaching in these private schools is provided by teachers permanently employed by the state system, on a supply teaching basis.

Reform of the public administration should include amongst its objectives renewing human resource management methods. The aim would be to change the administration from a bureaucratic type of internal labour market run by a combination of graduate training and seniority in the job, into an efficient internal labour market run by a combination of skills and work performance. It is necessary not only to start the job-creation dynamic, but also for the healing treatment to be successful. More generally, by successfully reforming itself, the public administration would give a kick-start, for example, to raising the competitive level of enterprises, a necessary component in the development of the private sector.

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