



EMR-SDG Learning Platform

Webinar on COVID-19 Inequities in the Arab Countries

Intervention of The National Observatory for Human Development in Morocco
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Outline

1. General Context
2. Review of some available results on social inequalities related to the dimensions of the Corona pandemic
3. Ongoing and planned studies on the Corona pandemic
4. The policy adopted in dealing with the Corona pandemic
5. Lessons learned from the Corona pandemic experience
6. Prospects at the time of the pandemic

General Context

- The Corona pandemic **quickly damaged** many rich and less wealthy economies around the world, including countries in the Middle East and North Africa region, where it transformed from a health crisis to an economic and social crisis...
- **A comprehensive epidemic:** all sectors (formal and informal) were affected. It affected women and men, as well as children.
- **A major impact** of the pandemic on the standard of living of families. Where some families suffer from increasing poverty, others suffer from sudden falls in Vulnerability and poverty, where it is dramatic in some cases.

Channels of Impact on the Economy and Families Livelihood Framework

Macroeconomic Effect

National GDP: A growth rate of **3.7%** is expected at the beginning of the year, according to the **Finance Law**, to **-5%** in July, according to **Amended Finance Law**.

- **Inflation:** **0.4%** during the first three months to expected **1.5%** for the end of the year.
- **Foreign trade:** exports decreased by **17.8%**, and imports by **9.7%**, which led to a deficit in the trade balance **4.1%** to **7.8%** of GDP, according to IMF.
- **Public Finance:** An increase in the budget deficit (between **3.5%** at the beginning of the year, according to the **Finance Law**, to **7.5%** in July, According to the **Amended Finance Law**)

Quarantine has cost the Moroccan economy, every day, 0.1 points of GDP for the year 2020, or a loss of one billion dirhams per day.

Channels of Impact on the Economy and Families Livelihood Framework

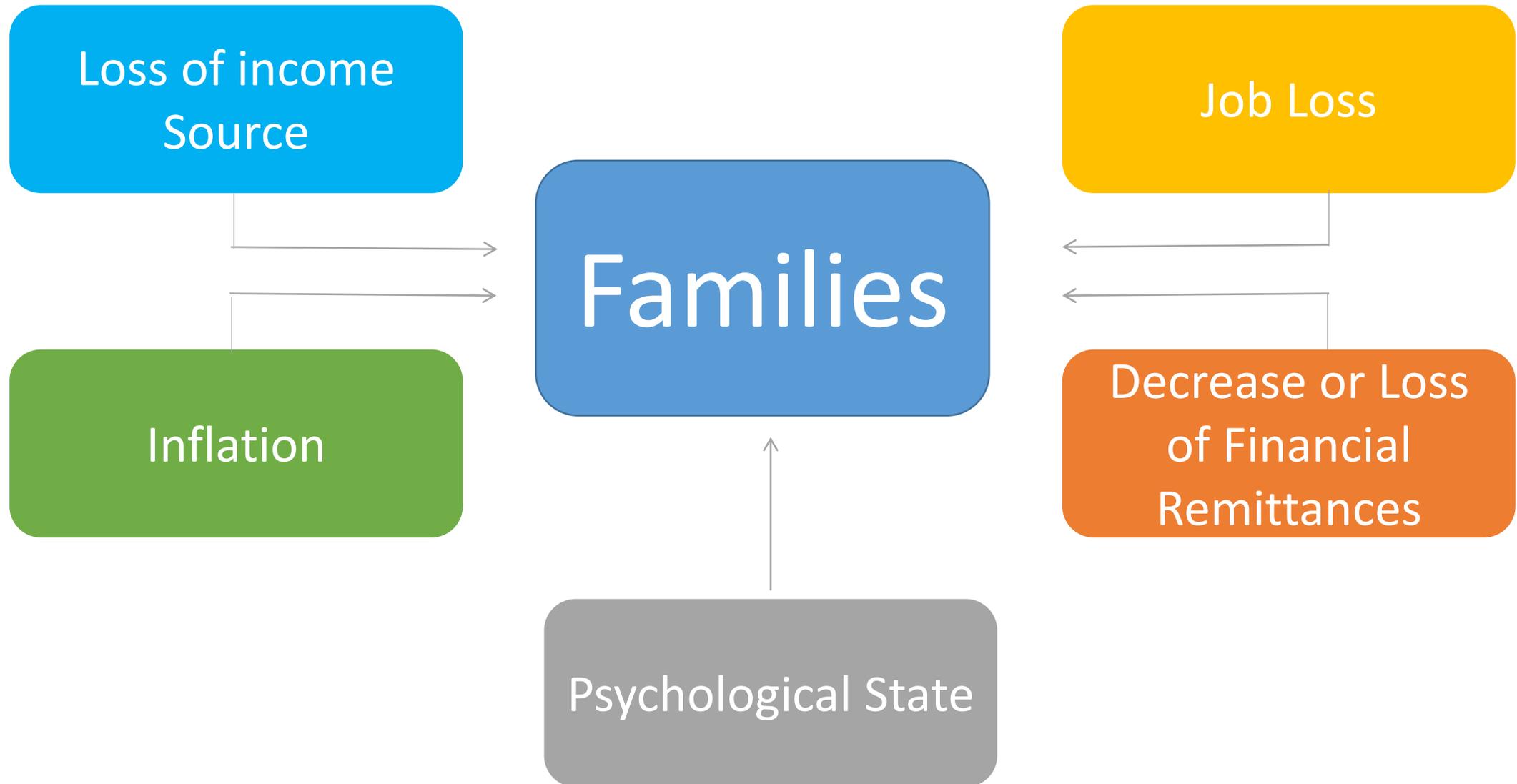
Microeconomic Effect

Economic Firms: At the beginning of April, **57%** of all companies announced their temporary or permanent closure.

Families:

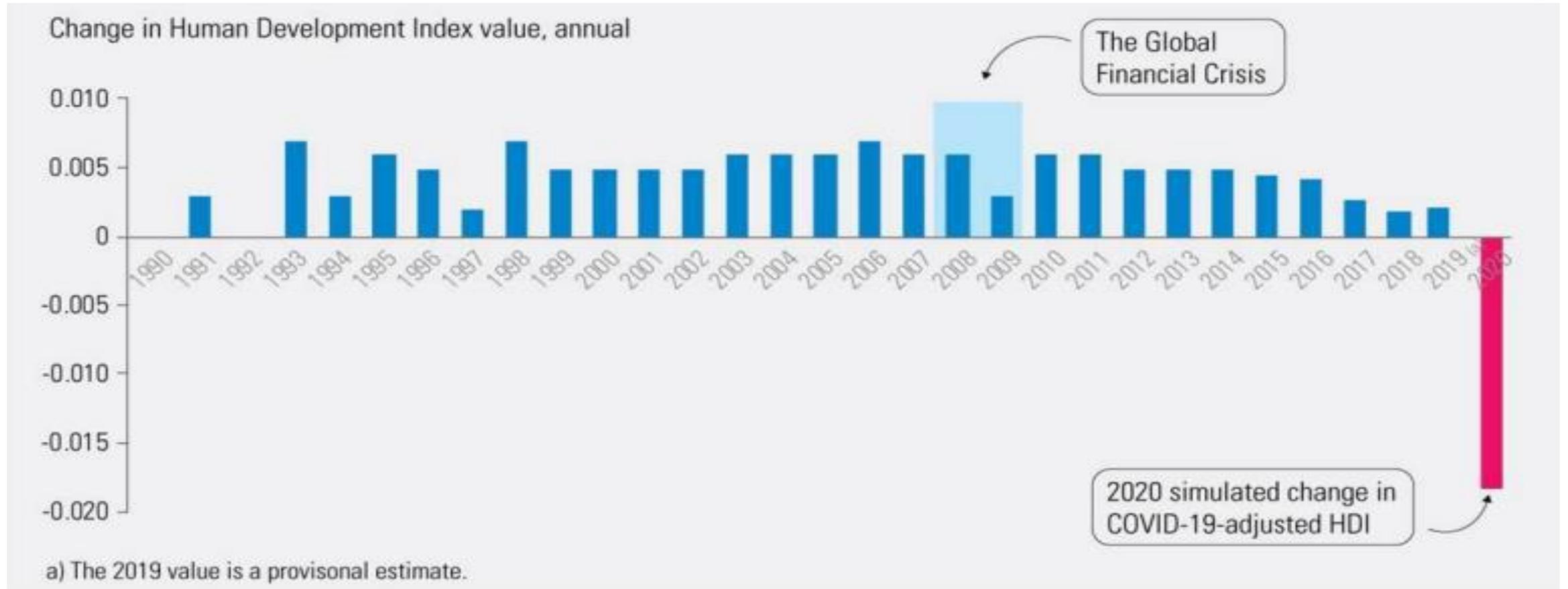
- **Total or partial loss of employment:** approximately 726,000 jobs have been lost, or **20%** of the workforce in structured companies. (HCP2020)
- **Total or partial loss of source of income:** **34%** of families confirmed that they had no source of income due to the cessation of their activities during the quarantine.
- **Decrease or loss of remittances from Moroccans residing abroad:** Remittances from the European Union decreased by 30% between February and March 2020. This decrease could reach more than **50%** in April. (Azuga 2020)

Channels of impact of the Corona pandemic on the Livelihood Framework of families



The Impact of the Corona Pandemic on Human Development

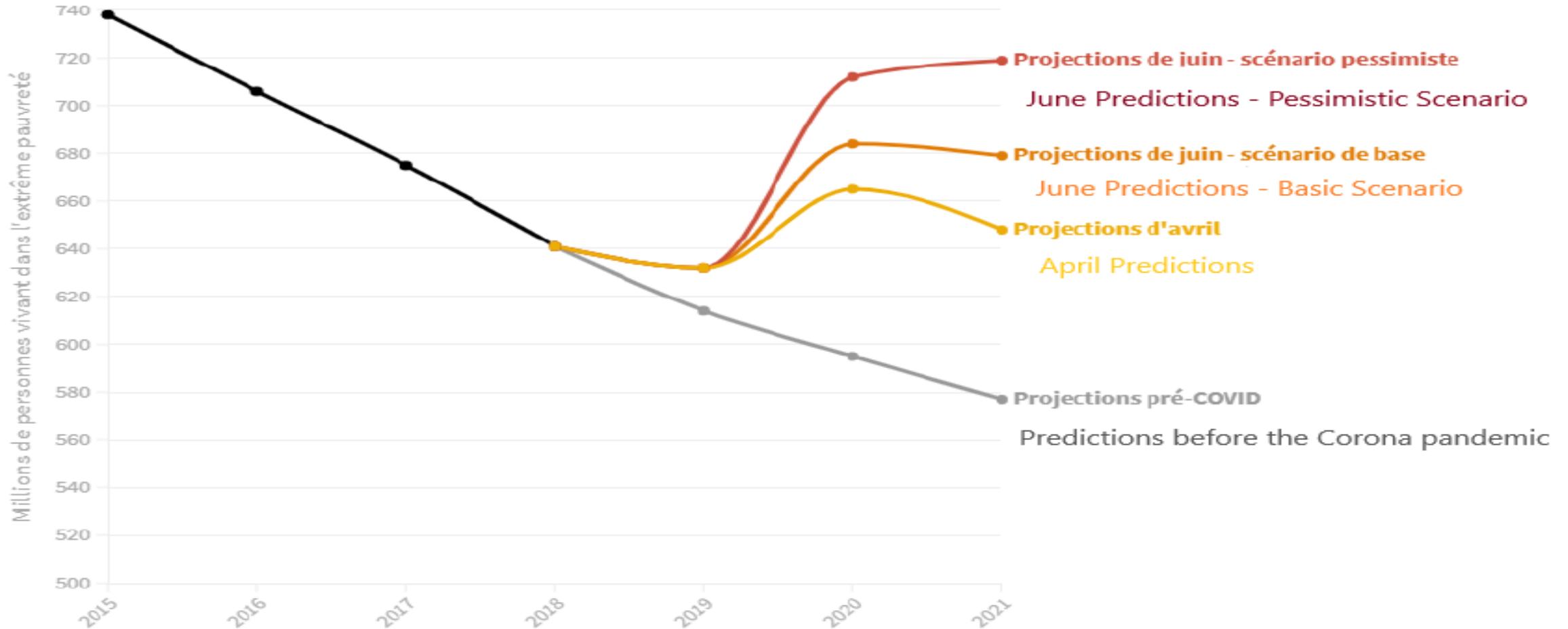
Source: United Nations Development Program



Human development is on the way to decline this year for the first time since 1990, the Corona pandemic will exacerbate social inequalities, especially in less developed countries.

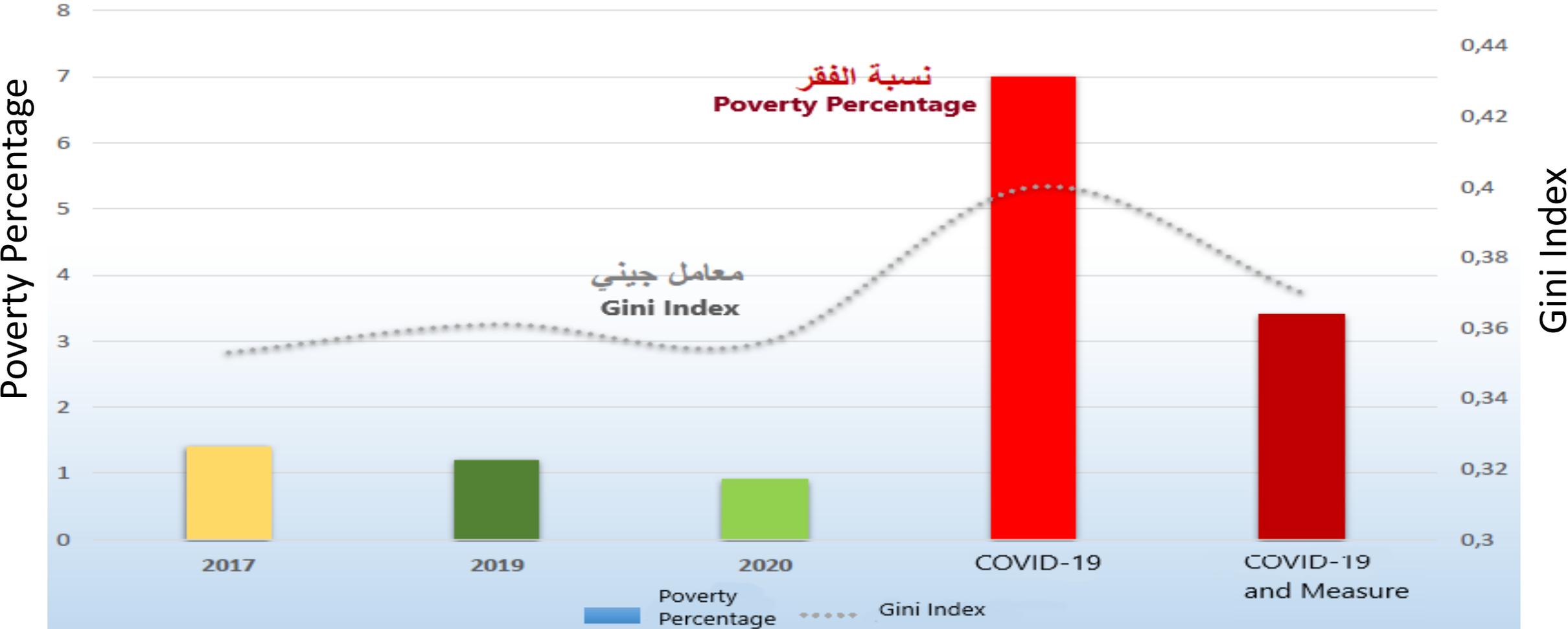
The Impact of COVID-19 on Global Poverty

Population in millions below the poverty line



Source: Lakner et al. (2020), PovcalNet, Perspectives économiques mondiales (GEP). Extreme poverty is the number of people in the world living on less than \$ 1.90 per day

Poverty, Social Inequalities and COVID-19 Pandemic in Morocco



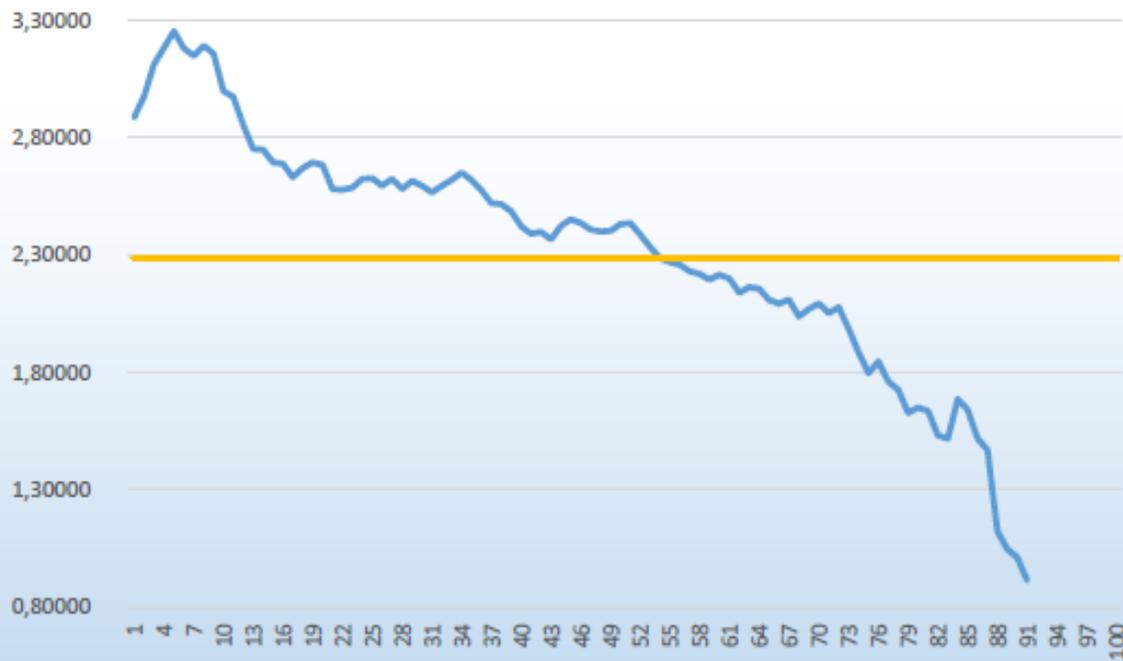
Source: National Observatory for Human Development

Living standards development according to social groups, before and during the COVID-19 pandemic in Morocco

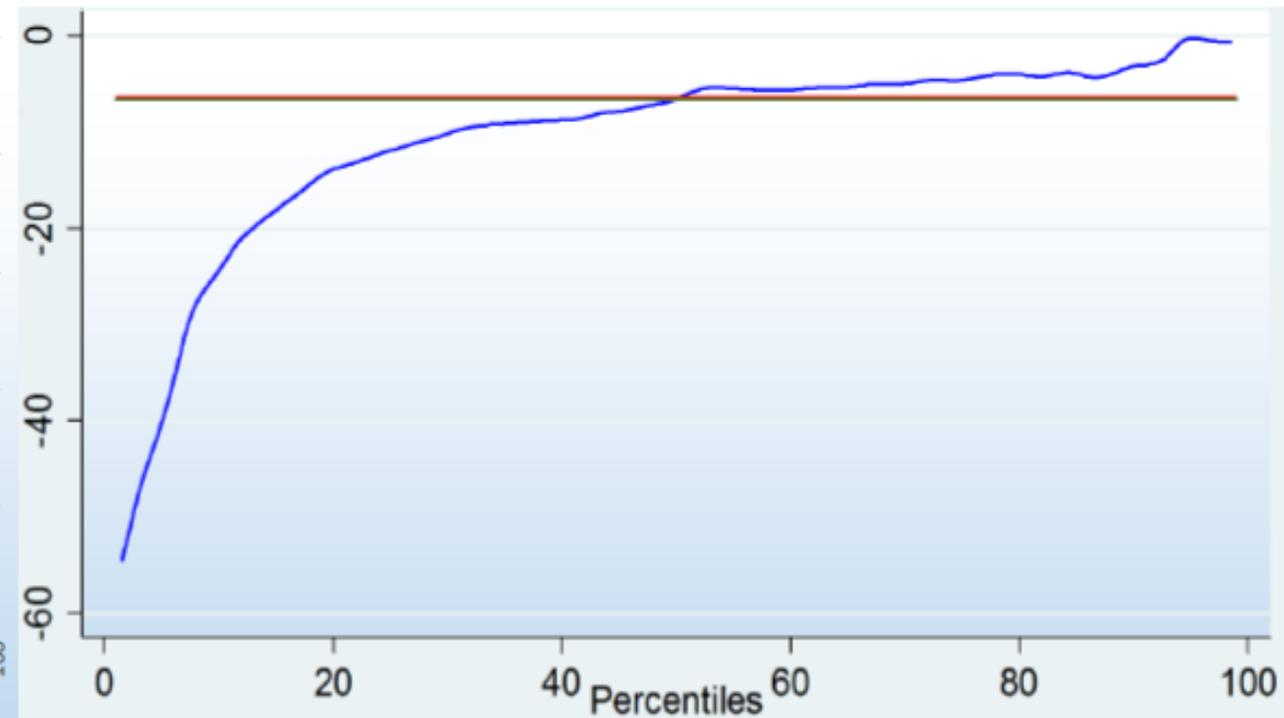
National Observatory for Human Development

Before COVID-19
Growth for the poor

GIC



During COVID-19
The crisis is anti-poor



Source: National Observatory for Human Development

Ongoing and Planned Studies on the Corona Pandemic

Studies carried out on the Corona pandemic

- **Deposit and Management Fund**
- **General Confederation of Moroccan Contracting**
- **National universities**
- **The High Commission for Planning**
- **.....**

Ongoing and planned studies by the National Observatory for Human Development

- **Study on the impact of the pandemic on poverty and social inequalities in partnership with UNICEF**
- **A study on the impact of the pandemic on poverty and social development in partnership with the Ministry of Finance and Economy**
- **Field research with families on the impact of the pandemic on the dimensions of human development and the behavior of society**
- **Issuing a report on the impact of the pandemic on the dimensions of human development**

Major Actions and Measures Taken In Response to the Health Crisis

Objectives: Prioritize maintaining the health and safety of citizens and reducing the number of victims of the epidemic.

- The establishment of an economic monitoring committee, responsible for ensuring oversight of the economic situation by developing an action plan to support disaster-stricken sectors and anticipating the social and economic impacts of the health crisis
- Declare a state of emergency to combat the spread of the virus (which forced to close the borders and close large and medium-sized companies and shops).
- At the educational level, the adoption of remote learning technology
- Create a special fund to meet the extraordinary expenses and support the sectors affected by the crisis (33 billion dirhams)
 - o To cover the costs of improving and updating the medical system and supporting the national economy to cope with the shocks caused by this pandemic
 - o Maintaining jobs and mitigating the social consequences of the health crisis
- Ending quarantine gradually, while dealing with special cases such as foci, and continuing to support economic recovery and employment

Support for companies whose activities have witnessed decrease or halt

- Allocating a fixed monthly grant of 2000 dirhams to the employees affiliated with the National Social Security Fund who were affected. The number of beneficiaries reached 958 thousand, and the planned cumulative amount for these allocations will be approximately 7 billion dirhams.
- Adapting the banking system through monetary policy measures in reducing the main interest rate from 2.25% to 2% and then to 1.5%

Family support

- Allocating aid to families working in the informal sector, who no longer have income due to quarantine. (A monthly grant from 800 dirhams to 1,200 dirhams per family). More than 5.5 million families, including 45% in rural areas, benefited. Nearly 11 billion dirhams were mobilized.
- Postponing the maturities of mortgage and consumer banks loans.

Some Lessons from the Corona Pandemic Experience

- The necessity of a fundamental review for the performance of the economy and public policies
- The need to strengthen social protection systems and public social service infrastructure
- The importance of the human factor in any government initiative or program, so human capital must be placed at the top of the priorities
- Prioritize work to facilitate the economic recovery process and generalize some direct support measures for workers
- The need for accurate data to be available in a timely manner, not only to fight the pandemic but also to enhance confidence
- The media is still necessary in all its forms
- Gaining skills during a crisis: tremendous progress in mastering and using information and communication technology

Horizons: Global Political Development and Managing the pandemic

- What are the implications of a sudden and rapid change of the global geopolitical map?
- What is the role of Asian countries in taking international decisions?
- What is the fate of Arab countries, whether oil-exporting or with diverse economies (industry, tourism, ...) at a time when all foreign markets are almost closed?
- What is the nature of the new role that the state and the public sector are required to play?
- In case the Corona pandemic continues, what are the mechanisms that must be adopted to preserve social and economic gains ...?



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Thank you for your kind attention