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The reform of social protection in Morocco following the coronavirus pandemic

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ABSTRACT: The COVID-19 pandemic has affirmed the importance of social protection. To combat the effects of the pandemic, countries have taken exceptional measures to preserve health and have introduced or adapted measures to provide income support to people who have lost their sources of income. The pandemic has also highlighted the weaknesses of the social protection system in Morocco, introduced in 1940, which is composed of a contributory system whose financing depends on social security contributions and regulations, and a subsidiary system which takes into covers people who do not have access to contributory basic social insurance. The kick-off for the implementation of the social protection reform in Morocco was given in April 2021 and should be spread over five years. The objective of this reform is to reorganize and improve the operation of the various social protection instruments with a view to greater effectiveness and increased efficiency and also to create new components likely to extend coverage. This large-scale reform initiated by Morocco requires an annual envelope estimated at 51 billion dirhams, which constitutes a major challenge for the country's public finances, which have been hit by the COVID-19 crisis.

KEYWORDS: Coronavirus pandemic, Reform of the social protection system, Compulsory health insurance, Single social register, National health system.

1 INTRODUCTION

Over the past two years, and following the Coronavirus crisis, the focus has been on increasing social protection spending to deal with the effects of the crisis in the short, medium and long term. Emergency measures intended to preserve jobs and support economic and social activity have been taken, with in particular exceptional aid for the poorest households.

The pandemic has also highlighted the weaknesses of the social protection system in Morocco, pushing to accelerate and better design the reforms to be undertaken in the future to move towards an integrated system respecting the principles of universality today shared by the international community.

In this article, we will begin with a reminder of social protection in the world, then we will present the current social protection system in Morocco and its financing. We will detail later the project undertaken by Morocco relating to the generalization of social protection as well as the contribution of the health system and the private sector in the success of this project.

2 SOCIAL PROTECTION AROUND THE WORLD

After having long disappeared from political debates, considered expensive in the context of poverty or incompatible with competitive integration into globalization, social protection is currently the subject of a broad consensus. The COVID-19 pandemic has reaffirmed the importance of social protection. In the wake of combating the effects of the epidemic, all

countries have taken exceptional measures to preserve health and 151 countries have introduced or adapted measures to provide income support to people who have lost their sources of income.

The pandemic has also exposed and exacerbated social protection gaps between and within countries. Several categories of the population were insufficiently or not at all covered by the existing social protection systems. More generally, according to the latest report of the International Labor Organization (ILO) on social protection [1], only 46.9% of the world's population benefits from at least one social protection benefit, 20% of the population benefits from social security correct and more than 50%, or 4.1 billion people, have none.

There are also significant inequalities in the types of protection: if three quarters (77.5%) of retirees and almost half (44.9%) of mothers of newborns benefit from social protection worldwide, only a third (26.4%) of children and 18.6% of the unemployed have one. A figure, for the unemployed, which drops to 5.3% in Africa. On each aspect, there are significant differences between groups of people; between urban and rural areas, and between men and women, for example [2].

Global social expenditure at the level of the Planet in relation to the global Gross Domestic Product has experienced a remarkable progression, rising from 6% in 1990, to 9% in 2010 and then to 19.8% in 2020, but this significant evolution conceals a very large disparity between countries. Indeed, this world average remains well below the proportion of expenditure allocated to social protection in developed countries, which peaks at around 30%. It thus reveals the flagrant inequalities between rich and poor countries.

The latest report from the International Labor Organization revealed that 4.1 billion people around the world are outside any protection system and that only 47% of the world's population have at least one social protection benefit. The lessons drawn from these data express the fact that despite the rapid extension of social security systems observed over the last three decades across the continents, the hoped-for coverage has not materialized and presents alarming regional inequalities [1].

The highest coverage rates are recorded in Europe and Central Asia, 84% of people benefit from social protection. This indicator stands at 44% in the countries of Asia and the Pacific and barely 17.4% as an average in the African continent. Children and families are among the vulnerable populations least served by social protection systems. In fact, approximately 0.4% of global GDP is allocated to family benefits. In Africa, this ratio does not reach 0.2%. A large part of child deaths, which amount to around 18,000 a day, could be avoided by the presence of effective social protection [2].

According to the same report by the International Labor Organization, Morocco is one of the countries where public spending on social protection, excluding the health sector, is still relatively limited. These expenditures currently represent barely 5% of GDP against an average of 7.7% for all North African countries. With regard to the effective coverage of social protection, the overall level for Morocco currently stands at 20.5%, while the average rate stands at 33.8% at the level of the countries of North Africa and 46.9% globally. Total consolidated health expenditure in the public and private sector remains limited, however, and is estimated overall at between 6% and 7% of GDP [1].

In this movement of international recognition of the essential role played by social security systems and nets both in the well-being of populations and in the development of the process of wealth creation, Morocco, although having been among the precursors to develop the field in a consistent way, driven by a long tradition of State support for social protection, has accelerated the pace of improvement, development and organization of the social security systems put in place to the eventual generalization of social protection.

3 THE CURRENT SOCIAL PROTECTION SYSTEM IN MOROCCO AND ITS FINANCING

The Moroccan social protection system that currently prevails was implemented in 1940. Its establishment was carried out gradually in response to specific requirements and without coordination between its different components. The Moroccan social protection system is made up of two systems:

- A contributory system that includes a mandatory basic scheme (insurance) whose financing depends on social security contributions from workers and employers as well as on regulations. It also includes the imposition of levies and other system parameters, which are state contributions. In addition, a supplementary scheme, with private insurance and a supplementary pension, has been set up for the benefit of those who opt for a retirement benefit beyond the ceilings of the basic system;
- A subsidiary system that takes care of those who do not have access to contributory basic social insurance and who need assistance and social support. This system is financed by the general state budget. The different areas of public action in the area of social protection show strong inequalities in the way contributory and non-contributory systems are currently developed

Although significant progress in strengthening solidarity mechanisms has been made, shortcomings persist. The institutional environment remains complex with more than 50 stakeholders, includingthe National Social Security Fund (Caisse Nationale de Sécurité Sociale (CNSS)), the Moroccan Pension Fund (Caisse Marocaine de Retraite (CMR)), the Collective Retirement Allowance Scheme (Régime Collectif d'Allocation de Retraite (RCAR)) and the mutual funds federated within the National Fund of Social Welfare Organizations (Caisse Nationale des Organismes de Prévoyance Sociale (CNOPS)), social coverage is still incomplete and a very fragmentary information system constitutes a major handicap for any reliable assessment capable of providing insight into the situation of social protection in the country and thus reducing errors of inclusion and exclusion to which certain categories of the population are subject.

To fill this gap, Morocco has initiated far-reaching reforms aimed at strengthening its social protection system. Among the latter, mention should be made of the adoption of the law on basic medical coverage which introduced compulsory health insurance (Assurance Maladie Obligatoire (AMO)), the medical assistance scheme (Régime d'Assistance Médicale (RAMED) and the extension of health insurance for self-employed workers.

A law on the extension of the pension system to the self-employed has been enacted and social assistance measures in favor of disadvantaged populations have been taken. These reforms, despite their importance, are still insufficient compared to certain countries where expenditure on social protection represents a significant share of gross domestic product (GDP), reaching more than 20% on average in OECD countries. In Morocco, this proportion is only 5% while it is more than 10% in Chile and Egypt.

The social security schemes in place are for the most part financed by contributions levied on earned income and are therefore compulsory, contributory and solidarity-based. They do not include a large number of categories of people, in particular workers in the informal sector, workers in liberal positions, family workers, children and people living in poverty, disability and social exclusion.

4 THE GENERALIZATION OF SOCIAL PROTECTION IN MOROCCO

The generalization of social protection in Morocco was announced in July 2020 at the start of the spread of the Coronavirus. It represents for Morocco a historical inflection of its economic and social policy. By its realization, this project will constitute an in-depth transformational plan of the social fabric, will consolidate the achievements of the economic sectors and will place the Kingdom among the best of countries in terms of social protection. The start of its implementation was given in April 2021. This reform should be spread over five years.

This reform of the social protection system, the main objective of which is to reach all Moroccans by 2025, began with the adoption of the framework law on social protection, thus outlining the main guidelines of the project and establishing the legal milestones which would make it possible to facilitate and strengthen the actions included in the project and to revisit the texts which have been used, until now, for the management of the multiple systems applied.

The reform came to reorganize and improve the operation of these various social protection instruments with a view to greater effectiveness and increased efficiency and also to create new components likely to extend coverage. It fundamentally aims, on the basis of intergenerational and spatial solidarity and between economic sectors, to benefit vulnerable populations and the most deprived categories, and to protect them against the risks of illness, job loss and risks related to old age and the fragile situation of childhood and the family.

To meet this challenge, a multi-step approach has been planned. The first step is to integrate 22 million Moroccans into compulsory health insurance from 2022 before moving on to the generalization of family allowances for the benefit of seven million children of school age or three million families in 2023-2014, then the extension of the base of members of the pension system by adding five million active people not previously entitled to a pension and operationalizing the generalization of access to compensation for loss of employment for Moroccan workers with regular employment in 2025.

The first phase of the project (2021-2023) is halfway there, it concerns the generalization of compulsory health insurance (AMO) and family allowances to more than 22 million Moroccans. This population of beneficiaries includes 11 million people who are now members of the Medical Assistance Scheme (RAMED) and an equivalent figure representing traders, farmers, craftsmen, etc. who exercise a liberal profession.The mid-term review of this phase shows a significant state of progress of the operation with the registration of more than 2 million non-salaried workers at the National Social Security Fund (CNSS) distributed as follows: 840,000 farmers, 380,000 merchants, 250,000 craftsmen and around 300,000 auto entrepreneurs.The fund is also preparing for the integration of the population under the medical assistance scheme (RAMED) in the coming months after the approval of the regulatory texts necessary for the execution of the operation. This extension involves the intensification of controls to fight against under-declaration or outright non-declaration, in particular of seasonal staff

operating in the agricultural sector in rural areas. To achieve this, the State can thus condition the granting of the tax incentives provided for in the sectoral plans to the need to declare all staff in activity [3].

The second part of the path consists of the unification and harmonization of Compulsory Basic Medical Coverage (Couverture Médicale Obligatoire de Base (CMOB)). Harmonization would first concern the parameters (contributions and benefits) of this compulsory medical coverage between the public and the private sector. So that in the future, the patient will be able to choose between doctors operating in the public or private sector according to objective, clear and transparent criteria. In the same vein, harmonization must relate to the same basket of AMO care benefiting the different recipients of care.The development of complementary medical coverage should also benefit from the attention of the social partners to strengthen the viability of compulsory health insurance (AMO) while ensuring consistency between its two components, Basic Compulsory Medical Coverage (CMOB).

Note the importance of having an information system for controlling the system and correcting trajectories if necessary. In particular, this effort to harmonize is essential to ensure the interoperability and harmonization of the information systems of the National Fund for Social Welfare Organizations (CNOPS) and the National Social Security Fund (CNSS).It should be noted, moreover, that for greater efficiency of the system, it would be useful to provide a single manager to oversee the system to be put in place. The mission of this manager will be, among other things, to update the nomenclature of diseases and procedures which structures the entire healthcare system, to strengthen the management and information system of hospital establishments with the aim of improving the financial and managerial efficiency of these establishments and finally to diversify the actions aimed at filling the gap in human resources throughout the territory.

This large-scale reform initiated by Morocco requires an annual envelope estimated at 51 billion dirhams, which constitutes a major challenge for the country's public finances, which have been hit by the COVID-19 crisis.The generalization of social protection and its extension to a large majority of Moroccans poses a fundamental problem that of its financing. Indeed, the success of such a project and its long-term viability are conditioned by the availability of sufficient and sustainable financial resources. 51 billion dirhams are needed annually according to initial estimates. This amount is divided between basic health insurance, the cost of which would amount to 14 billion dirhams, 20 billion intended for family allowances, 16 billion allocated to the broadening of the base of members of the pension scheme and 1 billion dirhams, provided for access to job loss compensation.

Two means could be mobilized to finance the envisaged social protection reform. The first consists of the implementation of an affiliation system whose resources come from taxpayers and whose contribution would be up to 28 billion dirhams.

The second is based on a solidarity system and would contribute 23 billion to financing the security of people who do not have the capacity to contribute to the various funds dedicated to social solidarity. The sources of funding for social protection, the resources available following the compensation reform, donations and legacies, and all the other resources that can be mobilized under the legislative or regulatory texts in force or to be considered.

Nevertheless, choices on the field, the progressiveness and the programming of the financing to be mobilized are necessary to concretize the generalization of social protection in the country with positive effects on the well-being of the populations, the competitiveness of the economy and employment.

Expanding the social protection system to include the most vulnerable population categories necessarily involves targeting beneficiaries to increase efficiency. It is at this level that the decisive role of the single social register comes into play. The latter thus presents itself as the most suitable instrument for the proper management of public resources intended to fight against poverty and vulnerability. This instrument targets the objectives of efficiency and equity in the execution of security and social assistance programs for the benefit of populations in need.

The achievement of these objectives obviously remains dependent on the availability of an exhaustive, coherent and reliable social database integrating the main variables relevant to the selection of the target populations. It also remains dependent on the degree of transparency and efficiency of the governance of the system, the methods for selecting the beneficiary populations and the mechanisms for monitoring and evaluating the programs implemented. In short, the expected results of the single social register as a targeting mechanism remain somehow linked to the reform of the social protection system, its scope and parameters as well as the level of coverage of social risks.

5 THE ROLE OF THE HEALTH SYSTEM AND THE PRIVATE SECTOR

In accordance with the generalization of social protection, Morocco aspires to build a national health system, qualified as solid and stable, meeting international standards and the aspirations of the populations. Governance, human resources, health

supply and digitization constitute the four components forming the pillar of support for the reform of the health system in Morocco:

The first component calls for the application of good governance, covering, at the same time, the mechanisms of intervention of the actors, the hospital management and the territorial planning of the health offer. It is broken down into four founding actions:

- A strategic specialization based on the creation of three new bodies, which are the High Authority for Health (Haute Autorité de santé), the Agency for Medicines and Health Products (Agence des médicaments et produits sanitaires) and the Agency for Blood and its Derivatives (Agence du sang et ses dérivés);
- Improved management of health programs through reconsideration of the central administration missions and functions of the supervising ministry, the use of new technologies and openness to partnership with the private sector;
- Creation of territorial health groups whose mission is to ensure, at the level of the regional perimeters, the relay of the national program in terms of preparation and execution, while relying on public-private partnership

The second component relates to the development of human capital. It aspires to the implementation of an incentive statute for the health service, with a view to encouraging the recruitment of skills in the public sector, to stem the exodus of Moroccan medical executives, while facilitating the recruitment of personnel foreign medical. It should be noted that Law No. 33-21, amending and supplementing Law No. 131-13 relating to the practice of medicine in Morocco, has lifted binding restrictions, to introduce incentive measures for foreign and Moroccan doctors practicing outside the Kingdom, in order to encourage them to settle in Morocco temporarily or permanently.

The objective is to bring the ratio of the number of medical managers per 1,000 inhabitants to 2.5 in 2025, in order to reach 4.5 in 2030 and thus join the proposal of the New Development Model (Nouveau Modèle de développement (NMD)), which - even complies with the recommendation of the World Health Organization (WHO).

The third component of the reform would concern the establishment of the health supply and proposes to have as its content the optimization of reception in the medical services and the improvement of the quality of hospital equipment. A system of evaluation and accreditation of health establishments will make it possible to monitor the process of improving the quality of care and the appropriate distribution of hospital services throughout the national territory. The determination of a care circuit will prescribe the modalities of passage through primary health care establishments and general practitioners or family doctors.

The last component deals with the digitization of the health system and aspires to implement an integrated information system of the health system (collection, processing and exploitation of data). Pilot digital applications are planned and in the process of being generalized in hospitals and would be based on the finalization of a medical register, allowing the assignment of a unique identifier to each patient. This approach will allow the construction of a platform for sharing information and coordinated management of patient files on a national scale.

The role of companies is decisive for the effectiveness and sustainability of social security systems. By paying their social security contributions, they contribute to the balance and continuity of social security systems, hence the importance of the effective, full, timely and regulated payment of their contributions and taxes (including part is directed to social assistance). Several companies, private and public, multinational or operating in a single country, have, in addition to the compulsory national social protection programs, complementary insurance schemes (supplementary insurance for pensions, health care, assistance to people in disability or chronic illness; aid for employees who help family members with disabilities or chronic illness; direct relief allowances, etc.).

Several companies also integrate the terms of reference for the social protection of their employees, including their retirees, into the field of social dialogue and collective bargaining with their social partners. Some companies, alone or within the framework of regional networks, set up their own or shared facilities (health centers for example, or mutual insurance companies) as a means of redistribution and contribution to the widening of access to care, and development of the national health system. Companies can also, as part of their social responsibility, commit to the responsible management of their supply chains by ensuring that their subsidiaries, suppliers and subcontractors provide them with proof of their compliance with legislation on social protection (declaration and payment of social security contributions, work accident and occupational disease insurance, civil liability insurance, existence and effectiveness of occupational medicine). In terms of governance, the role of companies is essential through their participation in the orientation and control bodies of social security organizations via their representative organizations, as well as through their participation in national social dialogue on social protection.

6 CONCLUSION

The outcome of this social protection strategy currently being deployed by the public authorities depends on accompanying measures relating respectively to the availability of a good statistical information system. The latter, being harmonized and interoperable, is essential for any management of public social security policies. The absence of such a system also limits statistical knowledge to inform, guide the design, coordination, administration and governance of social protection projects and even to document and report progress in the sustainable development goals.

Good governance is the second essential pillar for the success of this social risk coverage strategy that the public authorities intend to deploy during this decade with the aim of making it a universal system covering the entire resident population. For this, it is necessary to provide an institutional framework called to oversee all stakeholders. The culture of accountability practices and methods for evaluating the actions taken by decision-makers must comply with performance standards and requirements.

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