



# **Ageing, resources and poverty**

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# Social security development and human rights.

- Some of the social security schemes in the MENA region face challenges in terms of effectiveness, sustainability and governance.
- Large groups of the population remain out of the social security system.

# Old age situation in Morocco:

- Poverty at old age is important and may increase in the future.
- Morocco had one of the lowest levels of pension benefits and health insurance in the MENA region and populations were not able to afford the cost of access to health care, housing.

# Old age situation in Morocco:

- The low coverage of social insurance limits the possibility of a replacement income in old age for most Moroccans.
- Only 16% of people over 60 years receive pension benefits (less than 0.5 million people).
- Most vulnerable people: Women (97%).
- Ageing: 60+ years old people will represent 24,5% in 2050 (8% in 2004).
- In this context, we have to improve/protect social and economics old age rights.

# National Council of Human Rights

- Missions: Protection & defense of human rights and liberties.
- How?
  - Observation, monitoring and following-up of the situation of human rights, at the national and regional levels;
  - Monitors violations and conducts investigations and inquiries;
  - Prepares reports on its observations and investigations and submit them to the competent authorities with relevant recommendations.
  - Contributes to the implementation of mechanisms provided for by international human rights conventions.

# National Council of Human Rights

- **5 working groups:**

- Parity, non discrimination and new generations of human rights.
- The monitoring of human rights violations and protection of human rights.
- The development of international relations, partnerships and cooperation.
- The promotion of human rights culture and democratic consolidation.
- The evaluation and monitoring of public policies and harmonization of legislation.

# National Council of Human Rights

- Study on the right to development (CNDH-UNDP), 2010:
  - Low pension system coverage for workers
  - Low access to health care for old people
- Development strategy:
  - human development linked to human rights.
  - Strategy implemented at local, regional level.

# Morocco:

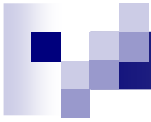
- The trend is to expand the Pension and Health coverage to reduce poverty and inequalities.
- New public strategy dedicated to the old people.



# Population 2005-2050

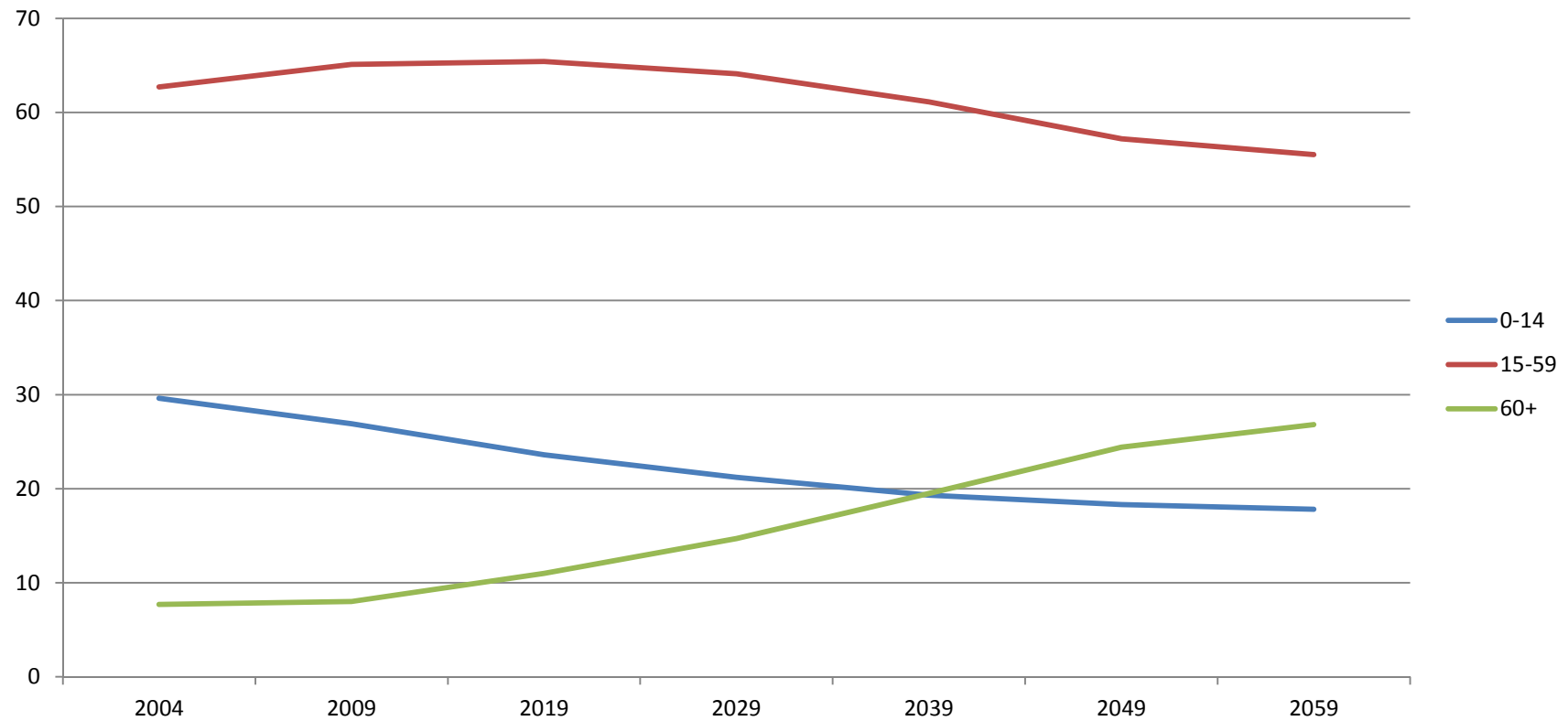
(source: HCP-CEPII)

	2005	2010	2020	2030	2040	2050
Population (total)	30 172	31 894	35 361	38 175	40 082	41 360
Pop. 15-59 years old	18 599	20 465	22 600	24 099	24 882	24 136
Pop. 60 years old	2 408	2 675	4 186	6 048	7 896	10 123
Dependency ratio (60years+/15-59 years old)	12,9	13,1	18,5	25,1	31,7	41,9



# Population 2004-2059

(sources: CERED, HCP).



# Situation at old age:


- Survey available on old age population; HCP, 2008 (made in 2006, 3010 individuals aged 60+ years old living in 2 500 households, rural and urban area).
- Results:
  - Only 16% of old people received a pension benefit.
  - 83% are illiterate.
  - 83,7% do not have any health coverage.

# Situation at old age:

- More than 58,9% have chronic illness (maladies chroniques).
- 70 years old: 31% of them are disabled.
- 62,8% of women and 55,1% of men do not have any health access because of lack of revenues.
- High vulnerability of the elderly, especially women.


# Situation at old age:

- Children financially support the elderly.
- For 58.6% of people aged over 60 years, children are the only source of support.



# Morocco's situation of pension system coverage:

- Pension coverage very low:
  - only 16% of the working-age population are covered.
- Self-employed professionals, agricultural workers are not covered.
- Informal workers are not covered.



# Pension system in Morocco: organisation

## □ **4 Public pension schemes:**

- CNSS : employees in private sector;
- CIMR : additional scheme for employees in private sector;
- CMR : civil servants;
- RCAR : employees in public sector;

## □ **2 Professional pension schemes:**

- OCP
- ONE/Régies de distribution d'eau et d'électricité .



# Financing:

- CMR, CNSS, CIMR : PAYG, earning related and funding reserves.
- RCAR : PAYG (1/3) and funded schemes (2/3).





# Dependancy ratio:

- CNS: from 4.6 to 1 ( 2025)
- CMR: from 7.5 to 3.3 (2040)
- RCAR: from 7.5 to 2 (2050)



# Implicit debt:

- The CMR is not expected to survive beyond 2019.
- The CNSS can honour its commitments up to 2016.



# Pension reform process:

- Dec. 2003: commissions were established to monitor pension systems and make recommendations for change.
- 2006: Proposal to increase retirement age (65 years old) rejected by union.
- 2007: Proposal by Unions to have a new round of pension system evaluation.
- 2012: Pension reform in discussion.



# CNSS Strategy:

- CNSS: new program to extend its coverage, particularly for agricultural workers.
- Objective: to register 236,000 new employees from 2009 to 2011, which would achieve a coverage rate of 40% in rural areas.



# CNSS Strategy:

- The development of communication through radio campaigns, TV;
- Rural caravan directly involved in the souks;
- Policy of proximity with the creation of new agencies;
- New management rules with simplified procedures for reporting wages (quarterly since April 2009).

# National Strategy for Human Development:

- To address the problem of poverty and health inequity : the **National Initiative for Human Development (NIDH)** was implemented.
- 2005 NIDH started with a budget of 250 million MDH (about 25 million US dollars).

# Actions to reduce poverty of the elderly

- A number of actions were implemented within the INDH (education, health).
- The INDH is a program aimed at reducing overall poverty.
- It has a budget provided by the general state budget (60%), international cooperation (20%) and local communities (20%).

# Development of Social houses:

- Development of Social protection houses (**Etablissement de Protection Sociale, EPS**) for old men and women leaving in the precarity (Law 14.05, 2006).
- 44 EPS were developed.
- 3504 old people in 2011 are leaving in these houses, 52% are women.
- Funding: 2 992 000 DH ( 299 200 USD) for operation + 640 000 DH (64 000 USD) for the equipments.



# PANPA:

- 2010: Plan for old people « PANPA » Plan d'action National pour les Personnes Agées:
  - To increase pension benefits (coverage for all);
  - To increase Health insurance (AMO);
  - To improve Housing and living conditions.

# Health:

- The government planned to increase the percentage of population with health insurance through a compulsory health insurance (AMO): for all employees, professionals and workers of the informal economy who earn more than 500 DH per month (50 USD).
- Medical assistance scheme (RAMED) for poor people: 8.5 million (the poorest) people would be covered.

# Pension income:

- Minimum pension increased: from 500 DH (50 USD) in 1996 to 1000 DH (100 USD) since the 1<sup>st</sup> of July 2011.

# Conclusion/recommendations:

- Access to basic pension, health services and education are essential to the well being, and the lack of these services contributes to the persistence of poverty.

# 1- Coverage

- The extension of social protection to uncovered groups of the population is a major concern.
- Coverage for all workers (formal and informal sector).
- Many workers are excluded: maid, gardeners, etc...
- Law would be needed to cover domestic workers in urban area.

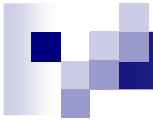
## 2 – Pension reforms

- Pension reform is urgent.
- Fragmented schemes: one scheme/two scheme for all employees (formal and informal sector);
- Contribution rates are below 20% (increase), replacement rate (decrease);
- Women employment.

# Conclusions/recommendations:

## 3- Database.

- Understanding the efficiency and effectiveness of Pension and Health coverage by age, income, disease, housing conditions need data well organized.
- Need more disaggregate data.
- Better data for policy purposes.



Thank you.





# Pension system MENA region:

- Pension systems in these countries remain fragmented:
  - schemes for civil servants, military, employees of state owned enterprises,
  - Schemes for self-employed,
  - Schemes for private sector workers.
- Low coverage rate;
- Large unfunded pension liabilities:
  - high replacement rates, low contribution rate.