

On the way to deepening social inequalities

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The privatisation policy is only one aspect of the Structural Adjustment Plan. Initially considered as a means to submit public companies to more rigorous management rules, today it is no more than an instrument to achieve the objective of budgetary balance and to have exceptional income to reduce the foreign debt and recover the confidence of capitalist partners. Health and education are undergoing an underhand process of liberalisation that will worsen social inequality rather than help provide access to services or ensure their efficiency.

At the end of the 1950s, the State implemented a network of «public services», in order to attend to the basic needs of the population: health, education, transport, water and electricity.

Between the 1960s and the 1990s, Morocco not only suffered from political repression, but also from the squandering of public property and national resources caused by a state bureaucracy which used illegal methods in the management of so-called public matters. Thus Morocco is considerably behind the other Maghreb countries, and coverage of essential needs continues to be the lowest in the region.

Privatisation launched at the beginning of the 1980s was mainly an attempt at assisting the emergence of a national industrial bourgeoisie. At the present time, under the pressure of the recommendations of the international institutions (World Bank and IMF), privatisation –increasingly open to international capital– is presented as a magic recipe to palliate the low performance of public companies, their faulty management, waste and corruption. However, international capital might impose exorbitant conditions on the State for the exploitation of the work force and national wealth.

In fact, the privatisation policy is only one aspect of the Structural Adjustment Plan. Initially considered as a means to submit public companies to more rigorous management rules, today it is no more than an instrument to achieve the objective of budgetary balance and to have exceptional income to reduce the foreign debt and recover the confidence of capitalist partners.

Between 1993 and 2001, 36 societies and 26 establishments reporting to the public sector were totally or partially transferred to the private sector. Among them are some large entities, such as SAMIR (a refinery), CTMLN (road transport), banks and loan institutions, and some urban transport as well as water and electricity distribution offices. The largest operation to be carried out was the opening of 35% of Maroc Telecom capital, to the benefit of Vivendi Universal.

It is predicted that the next few years will see the privatisation of important agencies in the telecommunication, automotive and sugar industries, as well as in banks and in air and maritime transport. Simultaneously, a reform of public entities bylaws (phosphates, electricity, drinking water, ports, railways, postal service) is underway, in order to facilitate liberalisation of the sectors involved, that is, quite simply, to privatise them.

And, finally, basic public services such as health, education and the postal service are undergoing an underhand process of liberalisation, characterised by the emergence of a private sector which competes with the public sector (or is grafted on to it), and the questioning of the principle of free and universal access. When the State monopoly is thus suppressed, all of these services will be included in the framework of GATS, which forces the State to apply the same treatment to the public and private sectors.

Impacts

Health: the withdrawal of the State harms the poorest

Although some progress has been made (extension of life expectancy, increase in the rate of child vaccination, etc.), the health sector is far from responding to the basic needs of the population. With 46 doctors per 100,000 inhabitants (of which 44% are concentrated in the cities of Rabat and Casablanca), a medical coverage reaching less than one tenth of the population and an infant mortality rate of 44 per 1,000, it is obvious that the State, which invests a mere 1.2% of its GDP on health expenditure, cannot ensure minimum medical care to the population, with 25% living under the poverty line, or very close to it. Besides being scarce, State medical care continues to be profoundly inequitable.

However, for the past ten years or so, the State has been progressively detaching itself from this issue.

- Consultations, free ten years ago, now cost MAD 60 (USD 5.6) in a public hospital. Patients must pre-pay their own drugs and other products, even in urgent cases.
- The obligatory medical insurance, recently adopted, excludes numerous categories of citizens (workers, students and the unemployed).
- Simultaneously, a whole network of private clinics and laboratories has developed, with very different levels of equipment, aimed at the big cities and the most affluent population. Thus, public expenditure on health represents 1.2% of the GDP, while private expenditure is 3.2% (according to 1998 figures).
- The establishment of paid access to health care and the extension of the private health system were not accompanied by a significant increase in State investment in infrastructure or staff. Therefore, it is not surprising that following a slight recovery, indicators such as maternal mortality or tuberculosis are again on the rise.

The main result of these developments is that whole regions and very broad social sectors are excluded from the right to basic health benefits. The elimination of free public health affects the most vulnerable sector of the population, even though in principle, they have the right to a «poverty certificate» which is issued only after a long and humiliating process.

Catastrophic public education

In Morocco, it is no exaggeration to speak of a «catastrophic public education.» Fifty-five percent of the population is illiterate and 67% of the illiterates are women. Two and a half million children lack schooling. Nine rural women out of ten cannot read or write.

TABLE 1

Evolution of health care (1990-2000)		
	1990	2000
Number of doctors	8,838	12,439
Public sector	4,422	5,812
Private sector	4,416	6,624
Public hospitals: number of beds	26,326	25,106
Public hospitals: patients admitted	595,000	825,000
Cases of tuberculosis registered	26,010	31,444 ^a
Expenditure on public health (as % of GDP)	0.9	1.2
^a Year 1999.		
Source: Kingdom of Morocco, Office of Statistics, Statistical Year Books for Morocco and Social Indicators 2000.		

The education sector is considered inefficient and burdensome, which, in fact, sustains the ongoing liberalisation policy for education. Actually, although the education sector is not being privatised (in terms of transferring a public sector to the private sector), the trend is to «promote the private teaching and training sector and to regulate its standards and operation».¹ Ways to stimulate the private sector include State validation of private school education, tax reductions or exemptions, subsidies, and training of executive personnel from the private sector paid for by the State.

Parallel to these measures to stimulate the private sector, the State foresees taking measures aimed at detaching itself from financial participation. These include establishing a specific tax to fund education, requiring contributions by local communities, requiring contributions by families, such as enrolment fees for secondary and higher education, and the elimination of all grants to students not based on merit.

Liberalisation of education is only just starting but will have long term consequences. Above all, the right of education for all will be eliminated. And it will be difficult to implement the continued education and updating of teaching personnel, mainly during the first basic cycle. Liberalisation also promotes education at different paces, which is to the detriment of the underprivileged. This accentuates structural inequities and social differences. Finally, liberalisation reduces access to primary education for girls from rural zones, which in turn prevents them from having access to the second cycle of basic education, due to a lack of lodging facilities.

Drinking water: increasing rates and worsening of services

In order to deal with rampant urban growth, in the 1980s Morocco launched Operation Social Branches in collaboration with the World Bank. The objective was that marginalised neighbourhoods with scant services would be connected to the urban network of drinking water supply at subsidised prices.

TABLE 2

Trends in education (1990-2000) - Total enrolment (in thousands)				
	1990		2000	
	PUBLIC	PRIVATE	PUBLIC	PRIVATE
Primary education	2,394	89	3,842	177
Intermediate secondary education	776	7	1,043	15
Higher secondary education	315	15	484	28
Tertiary education	225	-	262 ^a	11
Gross school enrolment rate (%) (from 6 to under 23 years of age)	46.4 ^b		51.8	
Public expenditure on education as % of GNP ^c	6.1		5.0	
^a 266 in 1994, ^b 1994, ^c Source: World Bank.				
Source: Kingdom of Morocco, Office of Statistics, Statistical Year Books for Morocco and Social Indicators 2000.				

1 National Charter for Education and Training.

However, the World Bank conditioned its «assistance» to the adoption of a policy adjusted to actual market prices, without considering either the special urban structure of these neighbourhoods or the solvency of their residents. The mechanisms adopted to aid the most underprivileged were shown to be unworkable due to a lack of knowledge about the urban weave of poverty-stricken neighbourhoods, the clandestine nature of the areas, undeclared rents, etc. In practice, it is the lower income users who pay more dearly for the cubic metre of water.

This phenomenon is made even more serious by the privatisation of services which had previously operated as autonomous inter-communal administrations. The Lyonnaise des Eaux Company, which had been evicted from Morocco at the time of independence, obtained the Casablanca concession, Vivendi obtained the Tetuan and Tangier concessions and a Portuguese-Spanish consortium obtained that of Rabat. In both Rabat and Tetuan, privatisation was accompanied by a double movement: an increase in rates and the worsening of services (irregular frequency of meter reading, lack of clarity in the invoices, serious invoicing errors, etc.).

Faced by the exasperation of users in Rabat, the Portuguese and then the Spaniards decided to withdraw. Vivendi declared it was interested (while it was facing the same protests from the residents of Tetuan). The transfer took place in 2002, under obscure conditions and partially behind the backs of the trustees (the urban communal authorities and the Ministry of Home Affairs).

Therefore, fundamental principles of public services have been attacked, such as:

- Access to water and electricity (basic goods) for everyone.
- The right of users and elected authorities to monitor the administration of services.
- Coverage of users' needs, which takes into account their living conditions first, and then addresses the interests of stakeholders.

Conclusion

The present assessment is far from exhaustive and only shows some aspects of the problem of privatisation. However, it is already possible to reach some conclusions:

- Under international pressure, the privatisation process in Morocco is well underway but no assessment of the impact of the first privatisations has been made before continuing along this path.
- This impact may be negative, both in terms of satisfying citizens' needs, and of how it affects employment and the struggle against poverty. It appears that its impact is to worsen social inequality rather than to help provide access to services and ensure their efficiency.
- The country's basic decisions regarding economic issues demand a transparent discussion, considering needs such as how to promote sustainable development, re-establish national sovereignty on an economic level and satisfy the needs of all citizens. ■

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This report has been coordinated by Espace Associatif.