AMERICAN
UNIVERSITIES
FIELD STAFF
522 FIFTH AVENUE NEW YORK 36, N.Y.

UNEMPLOYMENT AND UNDEREMPLOYMENT IN MOROCCO

A Letter from Charles F. Gallagher

Tangier, Morocco
July 24, 1957

"Morocco has always been a land of chronic underemployment; this is an endemic disease. But this past year true unemployment, notably in the cities, has given it an epidemic air." Thus, simply, a Moroccan government official described last month what he called "our country's most pressing internal problem."

His words reflected the concern of the Moroccan government over a situation which, as it knows full well, is not only a threat to the stability of the country, but also to the position of those in power at present. Born out of sensitivity to the new and uncertain political situation of the past year, the unemployment problem can still have a ricochet effect on the political structure of the future, if firm steps are not taken to meet the cries for "bread and work," which are being hammered home by the UMT, the country's national labor union.

For purposes of analysis the problem consists of two somewhat separate aspects, although the second is partly the result of the first. These are, (1) the agricultural underemployment in the countryside, and (2) the urban unemployment in the present depressed period of industrial activity.

In the country chronic underemployment has been caused in part by archaic and defective means of cultivation, which are often aggravated by insufficient and irregular rainfall, and in part by the

relative smallness of the area worked by the individual fellah. In normal years the problem does not come so acutely to the surface. Agricultural revenues are at all times minimal -- more than 75 per cent of the population is engaged in agriculture but only a little more than 30 per cent of the total national revenue comes from the soil, and of that a good part is contributed by the larger, modern, well-equipped European-run farms -- but the semi-idle hands of the douars, or villages, can usually count on some work as hired hands in the fields at about 40 to 60 francs a day ($.10 to $.15). However, in a bad year like this one the farm workers are among the first to be hit; there is less than ever for them to do. The long, withering drought of this past winter, only partially made up for by late spring rains, reduced the cereal harvest in most areas to about 50 per cent of normal, and correspondingly depressed these already low farm salaries.

Classically in such a situation one would find a large-scale migration to the cities. Such migrations have been a constant factor in Moroccan demography in the past twenty years, which have seen the urban population increased to around two-and-a-half million out of ten million, almost one-fourth of the population. The city of Casablanca alone increased from 250,000 in 1936 to about 700,000 in 1952, the year of the last official census, and it is not estimated at over 850,000. These figures mean an increase of some 30,000 a year, or an annual addition of almost 10,000 workers, or would-be workers to the city's labor supply. During the boom years following World War II, from 1946-53, nearly all this excess labor supply was picked up, on at least a temporary basis; the economy was in full expansion, factories were springing up, industry was booming, and there was work for almost everyone. In short, the industrializing city acted for almost a decade as an absorbent sponge for the countryside, particularly for those parts where agriculture or nomadism offered the peasant scant hope for ever improving his lot.

CHARLES F. GALLAGHER has since 1951 been a student of the affairs of Northwest Africa. He started his higher education at the University of California just after Pearl Harbor and soon was shifted to the Japanese language school at Boulder, Colo. He served out the war as an officer in the Navy and then became fine arts advisor on Japanese cultural property during the occupation of Japan. In 1949 he entered Harvard University to major in Far Eastern languages and history. He was graduated *summa cum laude* in 1951. Subsequently he was twice offered Harvard-Yenching fellowships to continue in the Far Eastern field, but decided instead to study Islamic society. Under Fulbright and Ford fellowships, he worked for two years in Paris and three years in North Africa. After completing his research in Rabat, he settled in Tangier to write a history of Morocco and a grammar of Maghrebian Arabic. He joined the AUFS in July 1956 as a staff member and participated in the 1956-57 program of visits to member institutions. In the summer of 1957 he returned to North Africa under AUFS auspices.

Now, in 1957, this sponge is no longer working as it once did. In the past two years the modern, semi-industrial economy which was transplanted by European capital and technique to Moroccan shores, has slowed down or come to a standstill. Particularly in the first difficult months that followed Morocco's accession to independence in March, 1956, private investments were sharply reduced, and the customary financial aid from France, which had previously gone to underwrite the Investment Budget, was withheld out of political differences. In the field of private construction, for example, statistics of authorized building show the decline in succinct terms:

1954	17,400,000,000 francs
1955	13,200,000,000 francs
1956	8,000,000,000 francs (preliminary figures)

These figures, plus the estimated capital flight during 1956 of about 40,000,000,000 francs (circa $100,000,000), and the departure of over thirty thousand Europeans, point up the basic reasons for the economic slowdown.

As a result almost all of the unskilled workers in the building trades, in public works and in much of the semiheavy industry around Casablanca have been laid off in the last year. By March 1, 1957, requests for unemployment assistance amounted to over 60,000 in the large cities. And this figure is certainly less than the true number of unemployed. For one thing, not all the population without work has asked for help; many have gone back to their native villages, and some, in spite of a vigorous government campaign to illuminate them on their social rights, do not understand the complexities of getting on relief rolls. For another, some of the cutbacks in industry have been partial (to a three-day week, etc.), or sporadic enough to give a minimum of part-time work, thus leaving the worker unentitled to public relief.[1]

---

[1]This does not mean, however, that the government is washing its hands of the partially employed. An interesting definition of unemployment and underemployment was recently given by the Minister of National Economy, Abderrahim Bouabid, to the National Consultative Assembly, in these words:

> 'In the strict sense of the word, any worker is unemployed who had a permanent job and was deprived of it for reasons apart from his own free will; in this sense unemployment is a function of the fluctuation of economic activity, or, if you prefer, of the moment. In a more general sense, anyone is unemployed who is of working age and whose income is too irregular or insufficient to assure his livelihood.'

* * *

Facing this emergency situation, the government has found it necessary to take action on several fronts since the beginning of the year, even though it realizes that much of what it is doing will serve only as a palliative until the fundamentals of the Moroccan economy are re-established on more solid bases. In this respect, Bouabid, by all odds the key figure in the government, put his emphasis on the Investment Budget. "It is up to the government for the present," he said "to compensate for the present lack of private investments. Above all we must not let public investments fall off at this time." His plans are modeled to a large extent on the deficit spending theory of early New Deal days in the United States, and it is not surprising that the atmosphere in 1957 Rabat seems much like that of Washington a quarter of a century ago, just as the road gangs and the plethora of public works projects dotting the land evoke the years of the CCC and the WPA in the '30's.

The Investment Budget for 1957 has been fixed at 36,620,000,000 francs, as against 31,760,000,000 francs for 1956. (Three hundred fifty francs equals $1 at the official rate of exchange.) Of this only 6,600,000,000 francs are locally available; the remainder, some 30,000,000,000 francs must come from French amd American aid. The United States, through the ICA, provided a $20,000,000 loan at the end of June which will produce almost eight billion, but some twenty-two billion are still lacking. Credits have been made available by France, although they are still frozen -- but the recent bettering of relations between Paris and Rabat makes it seem likely they will now finally be forthcoming.

About half of this thirty-six billion is going directly to the three ministries most capable of using a large work-force:

Agriculture	6,511,450,000 francs
Public Works	5,648,000,000 francs
Housing	5,956,000,000 francs

The credits are not the whole story, however. In a burst of plain-talking common sense, Minister Bouabid added the other day that it was not enough to have the money and to allocate it, but that there were certain administrative and technical prerequisites. "There are some sectors," he said "where we lack technical personnel to manage and spend usefully the funds we now have."

The battle against unemployment is being carried on outside the Investment Budget as well. In addition to the sum going directly to the Housing Ministry, as above noted, about four billion francs will be spent for low-cost housing in the large cities of Casablanca, Rabat, Kenitra (ex-Port Lyautey) and Meknes. The first three of these towns are encircled by ramshackle shantytown bidonvilles, in which the poorest classes are housed in appalling conditions; they have long been recognized as centers

of political and social contagion. Meknes, for its part, was hardest hit by the European exodus; last winter after the October riots, lack of confidence throughout the region brought about an unusually large number of departures and an almost complete paralysis of business activity.[2]

In addition the Ministry of National Economy in January set up a special commission to allocate sums to municipalities for construction and upkeep work in their own areas. By the beginning of June 2,338,000,000 francs had been given to twenty-seven municipalities, plus 150,000,000 francs for the northern zone and 200,000,000 francs for the city of Tangier, for these purposes. And the total number of workers on public works projects rose to 17,000 last month, about one quarter of all the unemployed. With the new credits expected to be available in the coming months, this number will be doubled.

* * *

All the steps described above are temporary; they may alleviate this year's distress, and they may save many from starvation, but they are not striking at the heart of the problem. In urban areas it is possible that the unemployment problem can at least be kept in hand by a vigorous program of public spending and government aid until private enterprise regains the momentum which it had in previous years (and that is largely a question of political stability). Even from the most optimistic point of view, however, the economy, left to its own devices, would probably have difficulty in providing employment for some 40,000 additional workers each year (out of an estimated annual population increase of 150-160,000). But the urban economy is still a relatively small part of the total Moroccan economy. The basis of the society is now, and will remain for some years to come, agricultural. And it is from the agricultural countryside that the running sore of underemployment, periodically inflamed by the caprices of nature, drains into the presently glutted city labor pools. If this problem is to be solved, it must be attacked at its rural source and a program of rural public works, water conservation projects, and opening up newly irrigated lands will be necessary; this in order to keep the rural overflow out of the cities, especially at this time. The overflow may very well be necessary in the more distant future, when the planned economy being prepared by the government needs a larger labor pool, but right now the question is simply -- how to keep them down on the farm until you are ready to use them?

Certain aspects of the government's rural revival program

---

[2]The first four months of 1957 showed a rising curve of business activity. Permits for private construction totaled 2,600,000,000 francs, ahead of figures for a corresponding period in 1956. The majority of these new buildings were small dwellings whose price was less than 5,000,000 francs (about $12,500).

are continuations of efforts made by protectorate authorities in recent years. Such are the rentals or loans of mechanical equipment, already undertaken by the Société pour la Modernisation du Paysannat. Another is the reforestation work, planting fruit and olive trees in mountain regions, and thus employing large numbers of fellahs and revalidating some of the hillside soil in erosion. The greatest current problem, however, is in the steppe area lying south of a line running from Mogador to Kasba Tadla, plus all of Eastern Morocco. This is a semiarid area of variable altitude, with erratic but usually insufficient rainfall. There is enough rain in the higher parts, in the Middle and High Atlas, and experience has shown what can be done by such great water storage dams as that at Bin el Ouidane, opened in 1955. From it over 200,000 acres in the Tadla region have been irrigated for cotton-growing purposes.

For the moment though, prospects for large dam construction are dim, and the government's policy is of necessity oriented toward smaller projects in which local labor plays its part and community self-help is stressed; thus the community is kept busy and preoccupied with the value of what it is doing to further its own immediate well-being.

The notion of co-operative help, particularly in water questions, is not unknown among the peasants of the meseta, or Moroccan steppe. In the past they have often built small home-made dams, called faid, to divert a creek in flood; and some groups, such as the Sgharna, have embarked upon more extensive canals which are the work of several hundred tribesmen. But in general the work of the peasants is faulty in technique, lacking in long-range engineering knowledge and spottily carried out. It also lacks co-ordination on a higher level, so often necessary when the river beds pass through the territory of several different groups.

What can be contributed by the government then, under proper conditions, is technical assistance. Considering each zone as a whole, "fractional dams" are to be established upstream to retain water before it becomes a rushing torrent during winter flash floods; and downstream an improved system of faid canalizations will lead off to banked grain fields, systematically laid out so as to capture the run-off from the canals. The plan is simply a modern adaptation of the traditional faid system, carried out logically and with modern techniques. The ensemble of these waterworks will, in short, serve to space out the floodwaters in time upstream, while they spread them out in space downstream.

Aside from this technical help, and the supervision of a qualified engineer on each part of the project (in itself a large order for a country understaffed in technical personnel), the authorities plan to be responsible for the payment-in-kind of workers on the site. Free distribution of grain to tribesmen will constitute the normal salary for those working on projects which directly benefit their own community. A small number of

urban unemployed will also be used in control positions where their relatively greater skills can be taken advantage of, and for them a minimum daily salary is envisaged. Their intermixture with the local populations is another part of the government's constant efforts to break down country isolationism and "tribal mentality." Finally, mechanical aid in the form of rooters, bulldozers, and tractors will be supplied by the central authorities on loan bases.

* * *

These are the main lines of the effort which the government has already undertaken, or is about to undertake, to combat unemployment and underemployment. Their plans are not flashy, nor do they involve the outlay of great sums of money -- which in any case Morocco does not possess. As an example, the near 20,000 unemployed now engaged on public works projects receive 250 francs a day, i.e., about 1,800,000,000 francs a year. If their number is doubled the sum expended on them will total the equivalent of $10,000,000 a year. But they are plans which, especially in comparison to previous indifference to the lot of the underemployed, take into account human considerations. At the same time they are flexible enough to fit into local patterns and they attempt at all stages to make use of local solutions. The 2,600,000,000 francs which have been put at the disposition of rural centers throughout the country for such emergency projects will be divided up according to local necessity, with emphasis put on need in a particular area as well as an area's ability to carry out a given project.

From a long-range point of view the fundamental problem facing Morocco -- the coexistence of two economies, one of subsistence agriculture, the other a modern European-type economy operating on a closed circuit, and the necessity for integrating the two -- is not uncommon to some other underdeveloped countries, many of which are, like Morocco, only recently independent. Comparisons may be made with the other countries of North Africa, particularly Tunisia (see CFG-2-'56: "Two Tunisias") with regard to the problem of rural development in the less-favored regions of the arid south. A confrontation of the ultimate solutions envisaged, and the means available to bring them about, might be profitable.

From the optic of the present Moroccan leadership the problem is viewed in the following general terms: (1) Morocco must continue to develop its light and medium industry, its transformation industry, in order to raise the standard of living of its increasing population. Heavy industry, apart from later possibilities for joint development of the Sahara by a Franco-North African combine, is too remote for consideration at present, although in time, and to the extent which the country can support it, heavy industry will be initiated. (2) In order to accomplish any amount of economic development government intervention will be necessary; it is doubtful if private enterprise and capital

will be active enough, or enough inclined to harmonize their efforts with the social needs of the country to attain the goal alone. Hence there is to be the gradual imposition of a "planned economy," or at least an "economy with planning." The first preliminary two-year plan for 1958-59, which is now being prepared by a special Plan Council, will set the stage for the full-scale five-year plan which will completely reorient the national economy from 1960-64.

The putting into effect of the plans, however, will require capital which must come in substantial part from an increased production of the primary products of agriculture and mining which now represent Morocco's principal exports, and upon whose augmented productivity many hopes rest. (The mining industries are exporting at record levels so far this year.) As in many other neo-industrial countries the strain upon agriculture will become progressively greater during the next ten years as it is required not only to up its exports, but also to feed an increased population at a time when -- assuming that a return to reasonably normal economic conditions has already absorbed the present urban unemployed -- the manifold schemes of the first five-year plan begin to cause a shortage of labor.

In this light of long-term national interest the present program for the rehabilitation of the steppe areas subject to drought and for the relief of their underprivileged populations must be considered as only a temporary measure. It is designed to respond to several needs at once: to restore those lands which can be usefully cultivated (a minority of the steppe area), to keep alive those most severely affected by the drought, and to keep the inhabitants of the really "hopeless" areas semi-contented and away from the cities where they would be even more of a drain on the economy than they already are.

Paradoxically, however, although the dwellers of the steppe regions are being discouraged from migration now, and are in effect being kept in a kind of cold storage, there will almost certainly come a time when they will be wanted in the towns; for the labor force for future industrialization must come from the country, and -- either by natural selection, by incentive, or by force -- it would seem necessary that it come from the poorer regions where, in spite of present efforts by the government, it is doubtful that anything more than the present, abysmally low standard of living can be hoped for. In the past the source of emigration to the cities has been precisely from those nomadic and seminomadic peoples of the more arid areas. The settled farmers of northern and central Morocco, with good land and usually abundant rainfall insuring their harvest, do not betake themselves to the towns. With greater demands on agriculture probable in the future, it will not be to the national interest that they do so from now on. But the contribution of the tribal populations of the arid south to the national economy is, and will probably always be, almost nil. Thus, like the dust-bowl refugees of the '30's in the United States, they seem destined in the next

decade to abandon their barren plains and wend their way cityward, while large-scale, intensive agriculture is encouraged in the fertile north.

There is, of course, no certainty that this general scheme will work out exactly as the government planners hope, but past experience has shown that whenever there is sufficient activity in the urban economy the attractions of modern city life have drawn great numbers of peasants from their bleak existence in the steppes. Although the die is now being cast, insofar as the present government is concerned, for the development of the Moroccan society and economy along these broad lines, it appears that the real test will come within two to three years. Then it will be seen whether the present leadership can command for a sufficient period enough capital to prime the pump of economic development effectively, and whether it will possess enough technical competence to direct successfully a major economic and social revolution, without which, as one leading North African statesman recently observed, no political revolution can be considered to have been satisfactorily terminated.

Charles F Gallagher