

Poverty & Equity Brief

Middle East & North Africa

Morocco

April 2023

From 2007 to 2013, Morocco experienced significant poverty reduction. Poverty measured with the national poverty line declined from 8.9 percent in 2007 to about 4.8 percent in 2013. Likewise, when measured with the new international lines (2017 PPP), the decline is also sharp. Growth over the last decade has been pro-poor but the urban-rural gap in poverty rates remains large. In 2013, the average consumption of urban households was almost double compared to that of rural ones. From 2006 to 2013, the growth of households' consumption in the bottom two quintiles was 3.8 percent compared to an average growth of 3 percent. The evolution of consumption inequality has been disappointing since 2000, with the Gini coefficient stagnating around 40 gini-points and underscoring the need for more inclusive growth.

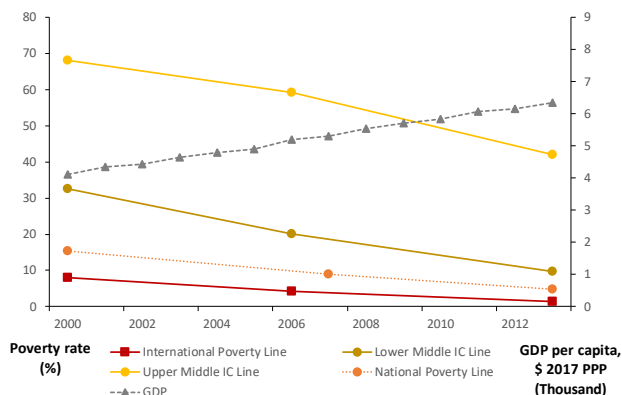
The analysis produced by the National Statistics Institute based on a panel collected following the new Households Budget Survey (2019) suggest that in 2020 poor households have been disproportionately affected by the COVID pandemic, and that the most vulnerable operate in the urban, informal sector and are engaged in precarious jobs in services and art crafts sectors. Following the sharp increase in poverty in 2020, living conditions started to progressively normalize in 2021 due to an improvement in labor market performance and the exceptionally good agricultural year.

A severe drought affecting domestic production and farmers revenues, coupled with the food and energy price rise generated by the conflict in Ukraine, led to a deterioration of living conditions and food security in 2022. While distributionally-neutral projections display a stagnation of the national poverty rate for the year, it is more likely that the bottom of the distribution will be disproportionately affected, with a consequent increase in poverty, particular in rural areas which are more vulnerable to climatic shocks, and in inequality.

POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	1,623.6	4.8	2013
International Poverty Line 8.9 in Moroccan dirham (2013) or US\$2.15 (2017 PPP) per day per capita	487.8	1.4	2013
Lower Middle Income Class Poverty Line 15 in Moroccan dirham (2013) or US\$3.65 (2017 PPP) per day per capita	3,298.9	9.8	2013
Upper Middle Income Class Poverty Line 28.2 in Moroccan dirham (2013) or US\$6.85 (2017 PPP) per day per capita	14,232.6	42.1	2013
Multidimensional Poverty Measure		5.8	2013
SHARED PROSPERITY			
Annualized Income or Consumption Growth per capita of the bottom 40 percent		N/A	N/A
INEQUALITY			
Gini Index		39.5	2013
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		N/A	N/A
GROWTH			
Annualized GDP per capita growth		2.76	2008-2013
Annualized Income or Consumption Growth per capita from Household Survey		N/A	N/A
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		N/A	N/A

Sources: WDI for GDP, National Statistical Offices for national poverty rates, PIP as of April 2023, and Global Monitoring Database for the rest.

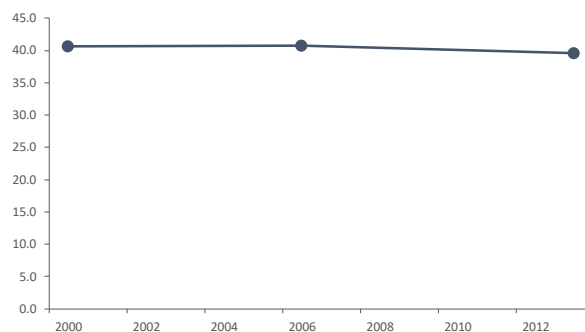
POVERTY HEADCOUNT RATE, 2000-2013



Source: World Bank using ENCDM/MNAPOV/GMD

INEQUALITY TRENDS, 2000-2013

Gini Index



Source: World Bank using ENCDM/MNAPOV/GMD

KEY INDICATORS

Distribution among groups: 2013	Lower Middle Income line(%)		Relative group (%)	
	Non-Poor	Poor	Bottom 40	Top 60
Urban population	96	4	27	73
Rural population	81	19	60	40
Males	90	10	40	60
Females	90	10	40	60
0 to 14 years old	87	13	48	52
15 to 64 years old	91	9	37	63
65 and older	92	8	32	68
Without education (16+)	87	13	48	52
Primary education (16+)	91	9	40	60
Secondary education (16+)	95	5	27	73
Tertiary/post-secondary education (16+)	99	1	12	88

Source: World Bank using ENCDM/MNAPOV/GMD

Notes: N/A missing value, N/A* value removed due to less than 30 observations

Multidimensional Poverty Measures: 2013

Multidimensional Poverty Measures: 2013	(% of population)
Monetary poverty (Consumption)	
Daily consumption less than US\$2.15 per person	1.4
Education	
At least one school-aged child is not enrolled in school	6.8
No adult has completed primary education	12.7
Access to basic infrastructure	
No access to limited-standard drinking water	8.7
No access to limited-standard sanitation	12.9
No access to electricity	2.4

Source: World Bank using ENCDM/MNAPOV/GMD

POVERTY DATA AND METHODOLOGY

Poverty and inequality estimates in Morocco are produced by the High Planning Commission (HCP, in its French acronym). HCP collects a nationally representative household survey (ENCDM) on average every seven years and publishes national and regional poverty rates after each survey round. In 2013/14, the welfare aggregate is based on a consumption expenditure measure that includes food, education, health, dwelling related expenditures, communications and transportation, clothing, entertainment, and an estimate of rental values for the dwelling where the household resides. The welfare aggregate is not spatially or temporally deflated for poverty measurement, but spatially adjusted using poverty lines for calculating Gini index. Two poverty lines in Dirhams (MAD) per person per year are estimated and used to calculate the official poverty rates: urban areas (MAD 4,667) and rural areas (MAD 4,312). In PPP the average line is equivalent to about 2.9 USD. In 2019, the HCP collected a new Household Budget Survey across a limited (although still nationally representative) sample, with the financial and technical support of the WB. The data has not been made available for analysis yet. A panel of 2500 households was subsequently collected to monitor COVID impacts and repeatedly surveyed. HCP has recently finalized the data collection for the new HBS.

Note on new global poverty lines: Poverty data are now expressed in 2017 Purchasing Power Parity (PPP) prices, versus 2011 PPP in previous editions. As price levels across the world evolve, global poverty lines have to be periodically updated to reflect the increase of the value of the lines in nominal terms. The new global poverty lines of \$2.15, \$3.65, and \$6.85 reflect the typical national poverty lines of low-income, lower-middle-income, and upper-middle-income countries in 2017 prices. In addition to reflecting updates in nominal terms, upper-middle-income countries raised the standards by which they determine people to be poor from 2011 to 2017. Hence, the increase in the upper line is larger, and the population that does not meet the new standard is higher in most countries than it was with 2011 PPPs. See pip.worldbank.org.

HARMONIZATION

The numbers presented in this brief are based on the MNAPOV database. MNAPOV is a new data collection effort enacted in 2014, and managed by MNATSD. It covers 36 surveys from 11 countries. Two data points (surveys) are available for each country, except Algeria. The database is organized in 3 modules following the Global Monitoring Database (GMD) Harmonization guidelines, including the welfare aggregate which is used for Global Poverty Monitoring. Terms of use of the data adhere to agreements with the original data producers.