
Official poverty indicators in Morocco: How are they calculated?

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Introduction:

According to the 2018 edition of the World Bank's series Poverty and Shared Prosperity entitled "Piecing Together the Poverty Puzzle"⁵⁴, 763 million people are living in extreme poverty with less than USD 1.9 a day. According to Oxfam, one eighth of the world's population lives under poverty line ⁵⁵ and food produced is not enough for the population of the entire planet and while the number of the poor is huge, more than 500 million people are categorized as obese ⁵⁶. Meanwhile, one in every four children suffer from stunted growth according to the World Food Program. As it becomes obvious from those examples and from all information on poverty and nutrition, lack of food is not related to scarcity, but rather to production and consumption modes. Food poverty is one of the worst forms of poverty. That is why access to food, measured through the Food Security Index, was considered the main tool through which it is possible to know the numbers of poor and hungry people. However, the UN developed new criteria to measure poverty and introduced in 2008 the Multidimensional Poverty Index that takes into consideration a number of factors

54- World Bank report: <https://goo.gl/3fZyw3>

55- "La situation alimentaire dans le monde." Oxfam: <https://goo.gl/obQvY5>

56- "L'obésité dans le monde": <https://goo.gl/Bn9TVY>

to determine poverty. It is important to measure poverty through all forms of deprivations through which an individual's living standard can be determined, yet this makes calculating the number of the poor and the hungry more complicated and in most cases their numbers come out less than they are in reality.

In Morocco, measurement of poverty used to be income-based, but the Haut Commissariat au Plan (Higher Planning Commission) started in 2008 to formulate a multidimensional approach to analyze poverty, fragility, and social inequality and which relies on the Poverty and Human Development initiative developed by Oxford University. This approach measures multidimensional poverty based on a number of needs that include education, healthcare, access to water, electricity, sewage, and telecommunications, and housing conditions. The table below lists the most important factors against which multidimensional poverty can be measured:

Dimension	Factors	Deprivation indicators
Education	Schooling for children	If in a family one child of school age (6-14) does not attend school
	Schooling for adults	If none of the family members who are 15 years old or more attended school for five years
Health	Disability	If one family member is unable to perform one of the following functions: seeing, hearing, walking, memory, self-care, and communication
	Child mortality	If one child of less than 12 months in a family died
	Potable water	If the family has no access to potable water
Living conditions	Electricity	If the family has no access to electricity
	Sanitation	If the family does not have a private bathroom or sanitary means of sewage
	Flooring	If the floor of the house is made up of sand or dust
	Cooking	If the family uses wood, coal, or fertilizers for cooking
	Asset possession	If the family does not own a car, a tractor, or truck and is at least two of the following items are lacking: TV, telephone, radio, motorcycle, bike, fridge

This paper will examine poverty in Morocco based on official statistics that will be analyzed, critiqued, and used for final conclusions.

First: Official poverty statistics in Morocco:

Poverty happens when the minority owns and controls resources and production tools while millions are deprived and exploited. This applies to all countries across the world with the continuation and prevalence of the private ownership system. The success of this system, coupled with a weak popular response, led to the commodification of all aspects of life including food. This is the case in Morocco in which land and natural resources are controlled by the few ⁵⁷. That is why poverty in Morocco follows the same pattern as other countries suffering from the same problem,

According to the Higher Planning Commission, the official entity in charge of population statistics, the number of the poor in Morocco in 2014 was estimated at 11.7% of the population, that is around 4,212,000 people. Statistics issued by the commission showed that the percentage of financial poverty dropped in 2014 to 4.8%, compared to 15.3% in 2001 while the percentage of multidimensional poverty dropped from 24.5% to 6%. However, general conditions

⁵⁷- Arbi Hafidi. "Dam policy in Morocco: Supporting land grabbing and serving industrial capital [Arabic]." *Attac Maroc*.

in Morocco do not demonstrate this progress especially that the government continues to abide by the policies of international financial and trade organizations and to commit to the repayment of illegitimate debts⁵⁸ that exceeded 80% of the Gross Domestic Product (GDP). This led to a decline in job opportunities, the expansion of the informal sector, and wage freezes in addition to the suspension of negotiations between the state and syndicates since April 2011. All these factors have a negative impact on workers and their working conditions. The minimum wage is estimated at 2,369 dirhams in the industry sector and 1,812 in the agriculture sector, that is USD 248 and USD 190, respectively. Those numbers put into question the accuracy of official statistics or at least the accuracy of the calculations that produced them.

The commission also uses general indicators to determine the number of the poor, which leads to reducing their actual numbers in statistics. For example, to calculate food inflation, all types of food are part of the formula including ones that are not consumed by the poor. Also, the criteria used to measure access to education, healthcare, utilities, and housing are too broad to give accurate results. For example, if a village has one water faucet, all residents are considered

58- National secretariat of *Attac Maroc*: <https://goo.gl/o1waiV>

to have access to water regardless of how potable it is and how many villagers can use it. The results, therefore, are misleading and the numbers inaccurate. This is demonstrated in the following table that traces inflation rates between 2007 and 2011:

Years	2007	2008	2009	2010	2011
Inflation rate	2.5	3.7	1	0.9	0.9

Source: The Higher Planning Commission

The commission defines inflation as an increase in the general price level of different products. According to the numbers above, inflation rates kept dropping starting 2009 till 2011, yet reality demonstrates that the price of consumer products, especially food, kept increasing nonstop, which casts doubt on official numbers that state otherwise.

In the same context, the below table traces the development of prices based on production in 2007-2011:

Type of product	2011	2010	2009	2008	2007
Food products	115.9	114.4	113.0	111.9	104.5
1-Food products and non-alcoholic beverages					
2-Alcoholic beverages, tobacco... etc.	116.3	114.7	113.3	112.3	104.6

Non-food products	108.3	108.3	108.2	104.6	102.1
3-Clothes and footwear	104.8	104.2	103.4	102.4	101.1
4-Housing, water, gas, electricity, and other combustibles	106.0	104.3	103.8	102.8	101.0
5-Furniture, household management	104.8	104.3	103.8	103.0	102.1
6-Health	107.1	106.2	105.4	103.4	101.9
7-Transportation	103.1	102.8	101.9	101.0	100.7
8-Communication	103.1	103.2	103.2	103.0	101.2
9-Culture and entertainment	85.5	90.4	91.4	95.7	97.2
10-Education	96.4	97.1	97.8	98.4	99.0
11-Resturants and hotels	119.7	115.0	110.5	104.8	101.5
12-Variou products and services	111.1	109.2	106.6	104.7	101.8
General	109.2	107.0	105.2	103.1	100.9

Source: The Higher Planning Commission, annual report on prices upon consumption for 2011.

The Higher Planning Commission does not issue detailed numbers of inflation rates in different types of food and only provides general rates on food inflation, which does not yield accurate data about the development in the number of the poor. The food products slot includes all types of food and this is not accurate since consumption in not

the same across different classes. It would have been more logical to determine the percentage of each food group depending on the class that consumes it. This way, it would be possible to get a general inflation rate as well as detailed indicators for each social class based on the food it consumes.

Ahmed Lahlimi Alami, director of the Higher planning Commission, said on the occasion of releasing the results of National Research on Consumption for 2014 that the share of food consumption expenses in a family budget between 2001 and 2014 changed from 41% to 37% on the national level. This percentage remains at 47.3% in rural areas and 33.3% in urban areas ranging between 50% and 10% in lower income families and 26%-10% in more well-to-do families. This statement gives the impression that the poor spend more on food and less on other needs while the more well-to-do spend more on travel, entertainment... etc. This could be explained as a choice linked to lifestyle, but the director said nothing about the amounts of money spent by each social class on food and the type of food it consumes. He failed to mention that the poor spend money for survival without taking into consideration the type of food and its nutritional value. It is worth noting that the majority of the poor are not aware of the nutritional aspect to start with. As for the well-to-do, they do spend less money on food

in terms of percentage of their total spending, yet in terms of amounts they definitely spend much more than the poor. Add to this the fact that food consumed by the well-to-do is more expensive and most likely more nutritious.

The director's numbers are based on an average personal income of 19,000 dirhams per year. This means that a family of at least five people has to have an average monthly income of 7,917 dirhams while currently the minimum wage in the industry sector is 2,869 dirhams and in the agriculture sector 1,583 ⁵⁹. In addition, the informal sector has been expanding and unemployment rate is almost 10% of the active population. All this means that those numbers, if they are calculated correctly, are unrealistic and overlook several significant facts.

Second: Area- based poverty:

In addition to high poverty rates across the country, gaps are detected in a number of aspects as demonstrated by official entities.

⁵⁹- The average number of children per family is 2.9. See the report by the Higher Planning Commission: "Pauvreté et prospérité partagée au Maroc du troisième millénaire 2001 – 2014"

The gap between urban and rural areas:

Years	Area	Percentage of relative poverty	Percentage of financial fragility	Percentage of multidimensional poverty
2001	Urban	7.6	16.6	8.9
	Rural	25.1	30.5	24.5
	National	15.3	22.8	24.5
2007	Urban	4.9	12.7	2.3
	Rural	14.4	23.6	9.8
	National	8.9	17.4	9.8
2014	Urban	1.6	7.9	1.3
	Rural	9.5	19.4	6
	National	4.8	12.5	6

Source: Ministry of Economy and Finance, a study on social disparities, October 2018

The gap between regions: **Fig (11) - Annexes**

Those gaps remained consistent from 2004 till 2014, which was demonstrated by the Gini Coefficient that remained stable for since 1998 till 2004 it was 0.395.

The gap in healthcare and education: **Fig (12) - Annexes**

Schooling rates are quite low and in 2004, they did not exceed 5.64, taking into consideration that elementary education is six years.

As for health care, the following graph underlines the gap between the rich and the poor.

The gap in employment (rates in %): Fig (13) - Supplement

Third: On Alternative indicators:

Official numbers are neither accurate nor objective across the globe. Despite claims of adopting scientific methodologies, calculations are dominated by the main political and economic players and this explains why a particular phenomenon can be underestimated or overestimated based on the criteria chosen by those only aim at protecting their interests. For example, if we say that an individual categorized as poor has a daily income of less than 1.9 USD, it is hard to accurately calculate the number of the poor in different countries. It could have been more practical to address a set of items that constitute minimum nutrition and categorize those who have no access to them as poor regardless of where across the world they live and regardless of the prices of those items. It is also possible to argue that those whose working hours exceed eight per day are categorized as poor and so on.

Statistical indicators that address poverty are subject to the global balance of power so that when the poor organize in

strong alliances that could threaten the interests of the rich, indicators come out in favor of the poor and vice versa. That is why indicators are not just numbers, but they are always attached to political considerations and it is difficult to think of alternative indicators that are separated from the unions of the poor and their struggle and level of awareness. However, we could start with exposing the inaccuracy of official numbers and underlining the contradictions they present while adding other indicators that can measure poverty away from the criteria of international financial and trade organizations.

Fourth: Conclusion:

Regardless of how poverty indicators are calculated, it is important to highlight the fact that food poverty is a social phenomenon that is basically linked to the unfair distribution of wealth. That is why in order to face the negative impacts of the capitalist system, on top of which are hunger and malnutrition, it is important to not only make sure calculations are accurate, but also to take positive steps towards reducing the numbers of the poor. This can be done through fair distribution of wealth and increasing public spending on social services such as education and healthcare. These demands are undoubtedly in conflict with the consumerist nature of modern societies which make profit their topmost priority even if at the expense of millions of people.

