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ANALYZING UNEMPLOYMENT LOCALLY (MOROCCO) AND GLOBALLY

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Introduction

Unemployment stands as a prominent macroeconomic concern extensively analyzed in economic studies. This thesis critically examines the complex dynamics of unemployment, with a dual focus on both local and global dimensions, spotlighting the Kingdom of Morocco. The research aims to delve into the origins and repercussions of unemployment in Morocco, exploring potential policy measures to mitigate the economic problems caused by high unemployment. The initial phase of the thesis involves presenting an inclusive review of the theoretical and empirical literature related to unemployment. Key concepts such as the natural rate of unemployment, types of unemployment, and the enduring consequences of unemployment, often referred to as scarring effects, will be examined. Moving forward, the study will meticulously investigate the complexities of the Moroccan labor market, encompassing the composition of the labor force, the prevailing unemployment rate, and the distinctive characteristics of those without employment. Additionally, the research will extend its purview to analyze the influence of globalization on unemployment in Morocco. This analysis will encompass the impact of factors like international trade, foreign investment, and migration on the employment landscape.

Conclusively, the study will scrutinize the effectiveness of various policy interventions designed to mitigate unemployment in Morocco. By offering a comprehensive exploration of the multifaceted dimensions of unemployment, both within the specific context of Morocco and in the broader global arena, this thesis seeks not only to contribute to the existing body of knowledge but also to provide valuable insights for policymakers and practitioners striving to address this complex issue.

1. Literature review

1.1. Definition and Overview of Unemployment

Unemployment is one of the most important macroeconomic issues that affects the well-being of individuals and societies. It arises when individuals, despite being capable and willing to work, cannot find a job at the prevailing wage rate. The unemployment rate is the number of employees without jobs compared to the sum of employed and unemployed individuals. This rate serves as a

key indicator, reflecting the overall well-being and functionality of the economy, and fundamentally influences the social and political stability of the country.

The concept and measurement of unemployment have undergone significant transformations throughout history, shaped by varying economic theories and policy frameworks. Early instances of unemployment can be traced back to ancient times, where factors like famines, wars, and natural disasters led to widespread joblessness and poverty. In the Middle Ages, the feudal system restricted the mobility and rights of peasants and serfs, contributing to unemployment. The advent of mercantilism, colonialism, and the Industrial Revolution in the early modern period introduced new markets, technologies, and societal shifts, influencing unemployment dynamics. The 19th and 20th centuries marked a crucial turning point as industrialization, urbanization, and globalization expanded the scale and complexity of the labor market, making unemployment a significant social and political concern. Different economic schools of thought, such as classical, Keynesian, monetarist, and neoclassical, have proposed various explanations and remedies for unemployment based on distinct assumptions and models. Major historical events like the Great Depression, World Wars, Cold War, oil shocks, financial crises, and the COVID-19 pandemic further shaped the trajectory of unemployment. (Gordon, 2012)

In economic literature, unemployment is categorized into different forms, including frictional, structural, cyclical, and natural unemployment. Each type arises from different underlying factors and requires specific policy interventions to address. The dynamic nature of unemployment makes it a global issue, with significant implications for both developed and developing nations. (Hayes, 2024)

In the contemporary landscape, unemployment stands as a global challenge, affecting both developed and developing countries. Its repercussions extend beyond individual hardships, including reduced income, lower living standards, psychological distress, and social exclusion. On a broader scale, societal impacts encompass lower economic growth, increased public spending, heightened inequality, and social unrest. Recognizing the gravity of the issue, governments and international organizations such as the OECD, IMF, and World Bank regularly monitor and report unemployment statistics. These organizations also implement a range of policies and programs aimed at reducing unemployment and improving the quality and quantity of jobs. (Hellwig, 2021)

1.2. Types of Unemployment

Economists differentiate among several interconnected types of unemployment, including: frictional, seasonal, cyclical, underemployment, structural, and technological. (Amadeo, 2024)

1.2.1. Frictional unemployment:

Frictional unemployment occurs when individuals are in the process of changing jobs or are actively seeking to be employed, particularly for their initial entry into the workforce. This type of unemployment is often considered a natural and temporary part of the labor market, reflecting the time and effort it takes for people to find suitable employment opportunities. Causes include individuals voluntarily leaving their jobs to find better opportunities, new graduates embarking on their careers, or individuals moving to different geographical locations. Certain economists propose that income taxes could potentially alleviate frictional unemployment by funding job searches, thereby reducing the duration required to find a new job. The primary challenge associated with frictional unemployment lies in the inadequate information flow and communication between job seekers and business owners, prolonging the period of job search.

1.2.2. Seasonal unemployment:

Seasonal unemployment is associated with sectors or professions that undergo variations in demand influenced by seasonal trends. Employees in these fields may encounter periods of joblessness when demand for products and services diminishes during off-peak seasons. Instances of this include agricultural laborers facing reduced opportunities in the winter or individuals employed in tourism-related roles experiencing unemployment during periods of lower travel activity. Figure 1 illustrates agricultural labor during the strawberry harvest season. The image highlights the reliance on temporary and seasonal workers in Morocco's agricultural sector, a key contributor to seasonal unemployment as job opportunities fluctuate with the farming seasons. I chose Morocco as an example here because I will explore it in more detail in the following chapters. (Anon., 2020)



FIGURE 1: SEASONAL WORKERS HARVESTING STRAWBERRIES IN MOROCCO

Source: Local Magazine

1.2.3. Cyclical unemployment:

Cyclical unemployment is closely linked to the ups and downs of the business cycle, becoming prominent during periods of economic downturn. It surfaces when there is a decline in the overall economic activity, leading businesses to scale back production and causing a reduction in consumer demand. Consequently, there is a subsequent decrease in the demand for labor. The main contributors to cyclical unemployment are economic recessions and contractions.

This type of unemployment is a specific kind of job loss that happens in capitalist economies because the economy naturally goes through cycles of ups and downs. Picture it like a roller coaster ride with two main parts: the happy times, or prosperity, and the tough times, or contraction. In the

good times, the economy grows, more people get jobs, and everyone earns more until it reaches the top. But in the tough times, the economy shrinks, businesses may cut back, and people might lose their jobs until it reaches the bottom. After hitting the bottom, there's a recovery, and the cycle starts again with growth and expansion. So, when the economy is going down, and people are losing jobs, we call that cyclical unemployment—it's part of the natural rhythm of our economic roller coaster.

1.2.4. Underemployment:

Underemployment refers to a situation where individuals are employed in jobs that do not fully utilize their skills, education, or training, or they work fewer hours than they desire. This phenomenon often results in a gap between an individual's capabilities and the actual requirements of their job. Underemployed workers may find themselves in roles that do not align with their qualifications, leading to a sense of dissatisfaction and unfulfilled potential. Additionally, underemployment can manifest as involuntary part-time work, where individuals who desire full-time employment can only secure part-time positions. The causes of underemployment vary and can include a mismatch between available jobs and the skill set of the workforce, economic downturns leading to a reduction in available hours, or a lack of suitable employment opportunities in a specific geographic area. Monitoring underemployment is crucial for assessing the overall health of the labor market, as it provides insights into the quality of employment and the extent to which individuals are able to fully contribute their skills and abilities to the economy. Policymakers often address underemployment by implementing measures that enhance workforce skills, promote job matching, and stimulate economic growth to create more suitable employment opportunities.

1.2.5. Structural unemployment:

Structural unemployment occurs when there is a disparity between the skills held by the workforce and the skills demanded by employers. This misalignment is often a result of technological advancements, shifts in the economic landscape, or alterations in consumer preferences that make specific skills outdated. Common contributors to structural unemployment include automation, technological progress, fluctuations in industry requirements, and the impact of globalization.

1.2.6. Technological unemployment:

Technological unemployment refers to the displacement of human workers by advances in technology, particularly automation and artificial intelligence. As industries embrace innovative technologies to enhance efficiency and productivity, certain job functions can be automated, leading to a reduction in the demand for human labor in those roles. While technology has historically created new job opportunities, the current concern lies in the pace at which automation is outpacing the creation of alternative employment avenues. This phenomenon poses challenges for workers who may face job displacement and the need to acquire new skills to remain competitive in the evolving job market. Policymakers, educators, and businesses engage with the task of developing strategies to mitigate the adverse effects of technological unemployment, including retraining programs, fostering innovation in emerging industries, and ensuring a smooth transition for the workforce into the digital age. Managing technological unemployment requires a delicate balance between embracing technological progress and implementing measures to support workers in adapting to the changing landscape of employment. (Mankiw, 2021)

1.3. Theories of Unemployment

Unemployment, a multifaceted economic phenomenon, has been a focal point of extensive study by economists throughout the modern economic history starting from the industrial revolution. In seeking to unravel the complexities of why unemployment occurs and exploring potential strategies for addressing it, a numerous of theories have been developed. Each of these theories provides a unique lens through which to interpret the various factors and underlying reasons contributing to the occurrence of unemployment. These diverse perspectives reflect the complexity of the issue and underscore the importance of considering multiple dimensions to comprehensively understand and address unemployment in the broader economic context. (Keynes, 1936)

1.3.1. The Classical Unemployment Theory

The Classical Unemployment Theory posits that government intervention and regulations are the primary causes of unemployment, preventing the market from reaching its natural equilibrium.

Advocates of this theory, rooted in the classical economic tradition, such as Adam Smith and David Ricardo, argue for laissez-faire economics, asserting that minimal government interference allows markets, including the labor market, to naturally find an equilibrium where supply equals demand. A key assumption is the flexibility of wages, with the belief that they will adjust to market conditions. For example, if minimum wage laws artificially raise wages, employers might be less inclined to hire workers, leading to unemployment. The theory extends its critique to labor unions, which are seen as artificially inflating labor costs and reducing demand for workers, as well as to taxes and subsidies, which are thought to distort market signals. In the classical view, allowing market forces of supply and demand to determine wages and prices is essential for reducing unemployment and achieving economic equilibrium.

The graph on Figure 2 illustrates the interaction between labor demand (L_D) and labor supply (L_S) as a function of real wages (W/P), capturing the essence of classical unemployment theory. The vertical axis represents real wages, while the horizontal axis denotes the quantity of labor. The downward-sloping labor demand curve (L_D) reflects that employers are inclined to hire more workers when wages are lower. In contrast, the upward-sloping labor supply curve (L_S) indicates that more individuals are willing to work when wages are higher. Equilibrium is achieved at point (L^*), where labor demand equals labor supply, corresponding to the wage level (W/P*). However, if real wages are set above this equilibrium (e.g., at W/P₁), labor supply exceeds labor demand, leading to a surplus of labor, represented as unemployment. This surplus is the number of individuals willing to work at (W/P₁), but unable to find employment due to insufficient demand from employers at this wage level. According to classical theory, this unemployment arises from wage rigidity, often caused by factors such as minimum wage laws, union influence, or other government interventions. These factors prevent wages from adjusting downward to the equilibrium level, where all individuals willing to work at a lower wage could be employed.

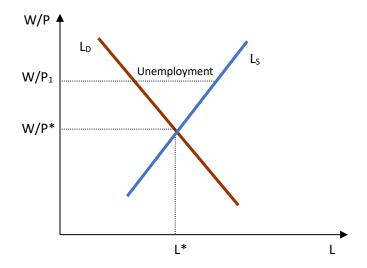


FIGURE 2LABOR DEMAND (LD) AND SUPPLY (LS) AS A FUNCTION OF REAL WAGES (W/P)

Source: Self-created

1.3.2. The Keynesian Unemployment Theory

The Keynesian Unemployment Theory, developed by economist John Maynard Keynes, provides a distinct view on the causes of unemployment. According to Keynes, the main reason unemployment arises is a lack of aggregate demand for goods and services in the economy. This shortfall in demand can happen for various reasons—low consumer confidence, high interest rates, restrictive fiscal policies, or even external shocks like financial crises. When demand falls, businesses reduce production, and, as a result, they lay off workers, leading to higher unemployment.

Keynes argued that in these situations, the private sector alone is often unable to boost demand sufficiently to get the economy back on track. This is where the government needs to step in. He believed that government intervention—through expansionary fiscal policies like increasing public spending or cutting taxes, or through monetary policies such as lowering interest rates—can help

stimulate demand. By doing so, businesses are encouraged to produce more, invest, and hire more workers, which ultimately reduces unemployment.

To better understand how these economic ideas work, the IS-LM framework is a helpful tool. The IS curve represents equilibrium in the goods market, showing the relationship between interest rates and output, while the LM curve represents equilibrium in the money market, linking the money supply to interest rates. When the government implements fiscal measures like increased spending, it shifts the IS curve to the right, indicating higher demand, which in turn raises output and employment. Similarly, lowering interest rates shifts the LM curve, making it easier and cheaper for businesses to borrow, which spurs investment and job creation.

Figure 3 represents the IS-LM model, a key tool in Keynesian economics used to analyze the interaction between the goods and money markets. The vertical axis shows the interest rate (i), while the horizontal axis represents the level of output (Y) in the economy. The IS curve, sloping downward, illustrates the relationship between interest rates and output in the goods market. It shows that lower interest rates make borrowing cheaper, encouraging investment and increasing output. The LM curve, sloping upward, represents the money market, where higher interest rates balance the demand and supply of money. The intersection of the IS and LM curves marks the equilibrium point, where both goods and money markets are in balance. At this point, the economy achieves an equilibrium interest rate (i_1) and output level (Y_0) .

In the Keynesian framework, a lack of aggregate demand can lead to unemployment, as businesses reduce production and lay off workers. When the government increases spending or reduces taxes, the IS curve shifts to the right, reflecting higher demand. This shift raises output and employment levels, helping to reduce unemployment. Similarly, a monetary policy that lowers interest rates shifts the LM curve, further encouraging investment and boosting job creation.

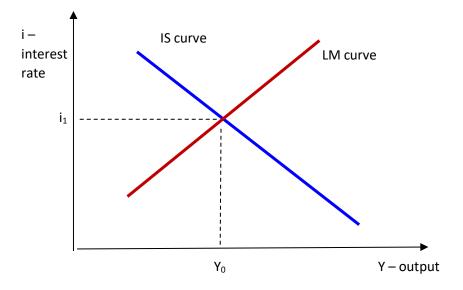


FIGURE 3: EQUILIBRIUM IN THE GOODS AND MONEY MARKET

Source: Self-created

During times of economic crises, such as the global financial crisis, Keynesian policies became crucial. Governments worldwide implemented large-scale stimulus packages to boost demand and prevent further job losses. This policy approach highlights the essence of Keynesian economics: that active, well-timed government intervention can be essential in stabilizing the economy and reducing unemployment, especially when the private sector struggles to do so on its own. (Summers, 1988)

1.3.3. The Monetarist Unemployment Theory

The Monetarist Unemployment Theory, associated with economists like Milton Friedman, is grounded in the quantity theory of money, which suggests that the money supply plays a critical role in determining the price level and inflation rate within an economy. Monetarists argue that excessive growth in the money supply is a key driver of inflation, which, in turn, can contribute to unemployment. According to this theory, when the money supply expands too rapidly, it leads to inflation that weakens the real value of wages and profits. As prices rise, the misallocation of resources, including labor, can lead to higher unemployment levels.

To address unemployment, Monetarists advocate for a controlled and stable growth of the money supply. They believe that by maintaining a low and predictable inflation rate through sound monetary policies, the negative effects on the economy, including unemployment, can be minimized, creating a more stable economic environment.

However, the global financial crisis of 2008 revealed a significant limitation in the Monetarist argument. Despite the efforts of central banks to increase the money supply and stimulate economic activity, they were largely unsuccessful. The weak economic activity during this period meant that central banks struggled to inject liquidity into the system, showing that simply expanding the money supply is not always an effective solution, especially in times of deep economic recession. Although central banks injected money supply into the economy through open market operations, the extra liquidity could not vitalize the economy because commercial banks were unable to find new clients to provide loans. As a result, the extra liquidity merely increased the excess reserves of commercial banks without significantly influencing the overall performance of the economy.

1.3.4. The Efficiency Wage Theory

In his 1890 book "Principles of Economics," economist Alfred Marshall introduced the concept of "efficiency wages," denoting the wage equivalent per unit of labor efficiency. Originally, proponents argued for offering varied wages based on individual worker efficiency, suggesting that more productive workers should receive higher pay. Over time, this Marshallian idea transformed into the efficiency wage theory, asserting that businesses can improve operational effectiveness and boost productivity by offering wages above the equilibrium level. This strategic approach aims to enhance employee performance, reduce turnover, attract skilled talent, and promote overall employee well-being. Efficiency Wage Theory, a concept in labor economics, aligns with this perspective. It posits that paying workers above the minimum wage can result in increased labor productivity and greater profitability for a firm. This theory claims that higher wages act as a motivator for workers, encouraging greater effort, reducing turnover, attracting top talent, and preventing avoidance of duties or theft. Notably, Efficiency Wage Theory also provides insight into why some firms resist cutting wages even in the face of unemployment or market competition. The theory suggests that maintaining higher wages can be a strategic choice to secure long-term

benefits in terms of workforce dedication, performance, and overall organizational efficiency. (Marshall, 1890)

2. Local Unemployment

2.1. Definition of local unemployment

Local unemployment refers to the unemployment rate within a specific region or area. It's the measure of the number of individuals actively seeking employment but unable to find work within that local area.

Several factors can influence local unemployment rates. Economic conditions play a significant role, as regions experiencing economic downturns or recessions often see higher unemployment rates due to reduced business activities, job losses, and reduced consumer spending. On the other hand, regions with robust economic growth and diverse industries tend to have lower unemployment rate, as there are more job opportunities available for job seekers.

Industrial changes can also impact local unemployment rates. As industries evolve and adapt to technological advancements or market shift, some jobs may become outdated, leading to job losses in specific sectors. Whereas, emerging industries and new business opportunities can create jobs and reduce unemployment rates in a region.

Seasonal employment patterns can also contribute to changes in local unemployment rates. In areas where certain industries are highly seasonal, such as tourism, agriculture, or construction, unemployment rates may vary throughout the year. For example, tourism-dependent regions may experience higher unemployment rate during the off-season when tourist activities decline.

Additionally, government policies and programs can influence local unemployment rates by providing support businesses, encouraging the development of new job opportunities, or offering unemployment benefits to individuals actively looking for a job. Education and training programs aimed at equipping workers with the skills needed in the evolving job market can also play a vital role in reducing unemployment rates by improving workers' job qualifications.

Understanding local unemployment rates requires a comprehensive analysis of various economic, social, and political factors affecting the region. This information helps policymakers, businesses

and community leaders in developing strategies and initiatives to boost economic growth, creating job opportunities, and reducing unemployment within their local communities. By addressing the fundamental causes of unemployment and taking action, regions can work towards building a strong economy that benefits all residents. (Bartik, 2024)

I chose Morocco as the focal point of my thesis due to several factors that make it an interesting subject for studying unemployment. Morocco's unique economic and labor market conditions, along with its demographic trends, provide a rich context for an in-depth analysis. With reliable data sources available, I can conduct a comprehensive analysis. Additionally, as my home country, I have a personal connection to Morocco, which enhances my understanding of the local context and motivates me to contribute to developing evidence-based policies aimed at reducing unemployment rates and improving the overall economic health of the country.

2.2. Causes of Unemployment in Morocco

Unemployment in Morocco is a multifaceted issue influenced by various economic, social, and structural factors. (JADOURI Echaimaa, 2024)

Figure 4 illustrates the primary causes of unemployment in Morocco, based on data from a trusted source, and is visualized in a pie chart that I created. The chart reveals that Drought and Agriculture Decline constitute the largest share at 30.0%, emphasizing the significant impact of agricultural instability on job availability. Skills Mismatch follows closely, accounting for 25.0%, highlighting the disconnect between workforce skills and market demands. Informal Sector Vulnerability, making up 20.0%, reflects the precarious nature of informal employment in Morocco. Economic Sluggishness contributes 15.0%, indicating how economic stagnation further limits employment opportunities. Finally, Technological and Industrial Gaps represent 10.0% of the factors, underscoring the role of (Statista Research Department, 2024) limited industrial and technological advancement in exacerbating unemployment. This chart provides a comprehensive view of the diverse and complex factors driving unemployment in Morocco. (Hatim, 2020)

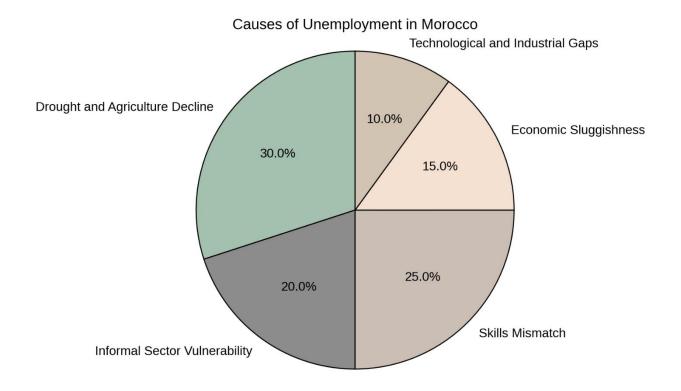


FIGURE 4: CAUSES OF UNEMPLOYMENT IN MOROCCO

Source: Self-created

2.2.1. Key factors driving Unemployment

Unemployment in Morocco is driven by a complex interplay of labor supply and demand. On the supply side, the country faces a growing number of individuals eligible and seeking employment, driven by demographic changes, rural-to-urban migration, and increased female participation in the workforce. On the demand side, the economy struggles to generate enough job opportunities, especially in high-productivity sectors, leaving many unable to find meaningful work.

While unemployment impacts the population as a whole, youth, women, and urban residents are disproportionately affected. Youth unemployment, in particular, is at crisis levels, with over 36.1% of young people aged 15 to 24 unable to find jobs. Similarly, female labor participation remains alarmingly low, with a 17.7% unemployment rate for women due to restrictive cultural and social norms that limit their employment opportunities.

The COVID-19 pandemic further exacerbated these issues, as businesses were forced to downsize or close due to lockdown measures, causing a spike in the unemployment rate. A return to prepandemic levels has been slow, and many sectors have yet to fully recover. (Haut-Commissariat au Plan et la Banque mondiale, 2018)

2.2.2. Labor Supply: Youth and Female Workforce challenges

The labor supply in Morocco is significantly affected by two key demographic trends: the growing youth population and the increasing number of women entering the workforce. Young people, especially those transitioning from education to the labor market, face unique challenges. With a youth unemployment rate of 36.1%, many young individuals struggle due to a lack of work experience and difficulty securing their first job. The disconnect between education and market needs adds to this issue, as many graduates are ill-equipped with the practical skills demanded by employers.

Female participation in the labor force has also increased, driven by improvements in women's education and broader social changes. However, despite this progress, women still face significant barriers to employment due to cultural norms, with only a small percentage securing formal employment. The female unemployment rate stands at 17.7%, reflecting the gender disparity that persists in the Moroccan labor market.

In summary, the steady growth in Morocco's workforce, particularly among youth and women, presents a major challenge for the labor market. Without sufficient job creation and structural reforms, this rising labor supply will continue to outpace demand, leading to elevated unemployment levels. (the Challenge Fund for Youth Employment, 2022)

2.2.3. Labor Demand: Economic Structure and Weak Job Creation

Morocco's economy is heavily reliant on sectors like agriculture and low-skilled services, which struggle to provide stable, high-quality employment. The agricultural sector, which employs a significant portion of the population, is characterized by low productivity and seasonal jobs, leaving many vulnerable to unemployment during off-seasons. Recent trends have shown significant job losses in agriculture, contributing to the country's broader unemployment problem.

The economy's slow growth has also stunted job creation in urban areas, where demand for work far exceeds supply. Many urban sectors lack the capacity to absorb the rising number of job seekers, particularly in high-productivity fields like technology or manufacturing, where growth remains slow. Foreign trade competition and structural limitations further complicate job creation efforts, leaving Morocco unable to provide adequate employment opportunities for its growing workforce.

The COVID-19 pandemic exacerbated this problem, as the economic slowdown resulted in widespread layoffs and business closures. The tourism industry, a major contributor to the economy, was particularly affected, with job losses mounting as international travel halted. (Hatim, 2020)

2.2.4. Mismatch between Education and Labor Market Needs

One of the most significant contributors to unemployment in Morocco is the educational mismatch, where the skills provided by the education system do not align with the needs of employers. Despite high levels of educational attainment, many graduates struggle to find jobs because their qualifications are not relevant to the current job market. This mismatch is particularly evident among university graduates, where unemployment rates hover around 19.4%.

Morocco's education system is often criticized for being outdated and disconnected from the demands of the modern economy. Many graduates, particularly those in non-technical fields, are ill-prepared for roles in industries such as technology, engineering, and entrepreneurship, which are increasingly essential for economic growth.

2.2.5. Rural-Urban Divide and Economic Disparities

Morocco's labor market is further characterized by a stark rural-urban divide. Rural areas, which are largely dependent on agriculture, suffer from higher unemployment due to the seasonal nature of farming and a lack of alternative employment options. Urban centers, while more diversified in terms of industries, are not immune to unemployment challenges, as the concentration of job seekers exceeds the number of available positions.

This urban-rural disparity is exacerbated by limited infrastructure and investment in rural regions, leaving many residents reliant on informal or subsistence work. Addressing these geographic inequalities is crucial to reducing unemployment on a national scale.

2.2.6. Structural Reforms and Economic Diversification

The slow pace of structural reforms has hindered Morocco's ability to address its unemployment crisis effectively. Reforms aimed at improving the business climate, promoting private sector growth, and enhancing labor market flexibility have lagged, preventing the economy from diversifying into high-growth sectors. The lack of investment in industries such as renewable energy, technology, and manufacturing has further stifled job creation, particularly for skilled workers.

Without comprehensive economic reforms that focus on diversifying the economy and improving job creation in high-productivity sectors, Morocco's labor market will continue to face challenges in absorbing the growing number of job seekers.

2.2.7. Population Groups Most Affected by Unemployment

Unemployment is not evenly distributed across the Moroccan population, with certain groups—namely youth, women, and rural residents—bearing the brunt of joblessness. Youth face exceptionally high unemployment rates due to barriers in transitioning from education to the workforce. Similarly, women, despite making strides in education, continue to face discrimination and limited access to job opportunities.

In rural areas, employment opportunities are scarce, with most jobs being informal or seasonal in nature. These further compounds the unemployment problem, as workers in these regions lack the security and stability found in formal employment. In Figure 5, the image shows rural workers in Morocco transporting agricultural materials, highlighting the informal nature of rural employment. Many jobs in these areas are seasonal or informal, lacking the security and stability of formal employment. As discussed, rural regions face significant unemployment challenges due to the scarcity of stable job opportunities.



FIGURE 5: RURAL WORKERS IN MOROCCO

As previously mentioned, Unemployment in Morocco is a complex issue influenced by demographic changes, economic structure, educational mismatches, and slow-paced reforms. Addressing these challenges will require a comprehensive approach, including education reform to better align skills with market needs, gender equality initiatives to increase female labor participation, and economic diversification to create more stable, high-quality jobs. Additionally, targeted efforts to support youth and rural populations are essential for reducing unemployment and building a more inclusive economy. By focusing on these areas, Morocco can move towards a more prosperous and equitable labor market. (Pierre-Richard Agénor, 2005)

2.3. Consequences and Current State of Unemployment in Morocco

In recent years, Morocco has experienced a wave of protests, with unemployed young people leading the charge. Many of them are university graduates, frustrated by the lack of job opportunities despite their education. This has become one of the most urgent challenges for the country. Unemployment rates, particularly among individuals with higher education, are alarming and are increasingly seen as a potential threat to Morocco's political and social stability.

The situation was exacerbated by the COVID-19 pandemic, which dealt a significant blow to Morocco's economy. Many businesses were forced to close or reduce operations, leading to widespread job losses, especially in sectors like agriculture, tourism, and construction. Despite

government efforts, including the introduction of financial aid and initiatives to support small businesses, the pandemic intensified existing unemployment challenges, deepening the crisis for the nation's youth and women.

The Moroccan government has attempted to address this crisis through various measures. For instance, the 2018 Finance Law aimed to control the wage bill by reducing the number of public sector jobs. But for many, this was simply not enough. As an alternative, the government has looked into contractual employment, hoping it would ease the burden. Despite these efforts, unemployment continues to rise, and the sense of urgency remains. Solutions are being explored, but the frustration continues to grow as real progress feels just out of reach. (Louise Paul-Delvaux, 2020)

Statistics and trends

According to the High Commissioner for Planning, the national unemployment rate rose from 9.9% in 2016 to 10.2% in 2017, with a more significant rise in urban areas, where unemployment reached 14.7%. Rural areas remained stable, but youth unemployment under 25 years old skyrocketed to 26.5%, reflecting the severe challenges faced by Morocco's young population. Additionally, female unemployment was disproportionately high, with rates at 14.7% compared to 8.8% for men.

Notably, those with university degrees suffer the most, with an unemployment rate of 17.9%, starkly higher than the 3.8% rate for individuals without formal qualifications. This suggests that higher education does not guarantee employment, which contributes to the rising frustrations among educated youth. (World Bank, 2018)

Figure 6 presents the trends of different unemployment categories in Morocco between 2016 and 2024, highlighting key areas such as total unemployment, urban unemployment, youth unemployment, female unemployment, and unemployment among degree holders. The data showcases how youth and urban unemployment remain persistently high, while overall unemployment shows fluctuating patterns with a notable rise in 2024. This illustrates the multidimensional nature of unemployment challenges in Morocco, particularly for vulnerable groups such as young people and graduates. (Statista Research Department, 2024)

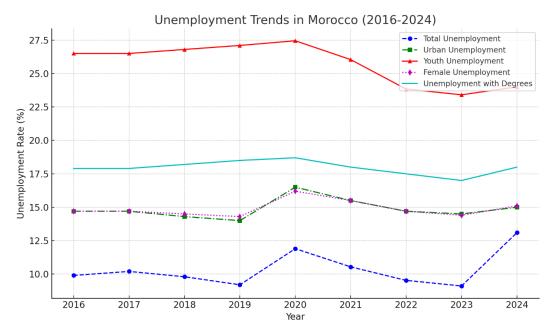


FIGURE 6: UNEMPLOYMENT TRENDS IN MOROCCO

Source: Self-created

Core Issues

Morocco's growing active population is not met with sufficient job creation, a problem highlighted by the World Bank in collaboration with the High Commission for Planning. The country's low employment rate, which stands at just 20.4%, is compounded by a mismatch between education and labor market demands. Despite the time and resources invested in education, graduates face difficulties in securing meaningful employment.

Gender disparities further exacerbate the issue, with traditional biases limiting women's access to education and job opportunities. Wage discrimination also plays a role, reinforcing the gap between male and female employment rates. (Haskouri, 2021)

Government Initiatives and Criticism

While the government has acknowledged unemployment as a top priority, solutions have fallen short. The reduction in public sector jobs, from 23,000 to 19,000 in the 2018 Finance Law, reflects

a shift away from public employment as a solution to the unemployment crisis. Contractual employment programs aimed at creating 55,000 jobs by 2019 have been criticized for the lack of job security they offer. These contracts often leave workers vulnerable after task completion, leading to concerns about their long-term effectiveness.

Furthermore, the National Agency for the Promotion of Employment and Skills has aimed to create 90,000 jobs outside the Finance Law, with many of these positions being paid by the private sector or through employment programs funded by external donors. (Rachid Aourraz, 2021)

Current Situation

As of the second quarter of 2024, Morocco's unemployment rate has risen to 13.1%, illustrating the ongoing struggles in the labor market. This equates to roughly 1.633 million people currently unemployed. Youth unemployment remains a critical concern, with those aged 15-24 facing an alarming rate of 36.1%. Graduates continue to struggle, with their unemployment rate standing at 19.4%, while women face a disproportionately high unemployment rate of 17.7%.

Sector-specific trends also highlight the volatility of Morocco's job market. While the agricultural sector lost 152,000 jobs and the construction sector shed 35,000 positions, there have been modest gains in other areas, with 49,000 jobs added in services and 58,000 in manufacturing. Despite these gains, the overall picture remains challenging, with the unemployment rate fluctuating from 13.7% in the first quarter of 2024 to 13% at the end of 2023. (Elghoubachi, 2024)

Solutions and Future Prospects

Experts argue that Morocco's unemployment crisis cannot be solved by foreign investment alone. The focus must shift toward domestic production and economic diversification. High Commissioner Ahmed al-Halimi has emphasized the need to modernize the agricultural sector and integrate it with new technologies, which could create thousands of jobs. Encouraging domestic production and reducing reliance on imports could also stimulate economic growth and employment opportunities, potentially increasing exports from 33% to 40%.

Additionally, the government continues to implement measures to foster job creation and support economic growth. Infrastructure investments and vocational training programs are being promoted as part of the broader effort to improve employment prospects. However, despite these ongoing

initiatives, the high unemployment rates—particularly among youth, graduates, and women—underscore the need for more comprehensive reforms. Addressing the skills gap, reducing gender disparities, and formalizing the informal economy are crucial steps toward solving Morocco's persistent unemployment crisis. (Kateb, 2024)

3. Global Unemployment

3.1. Overview of Global Unemployment Trends

Unemployment is a critical economic and social issue affecting countries at all stages of development. While some regions experience relatively stable labor markets, others are characterized by chronic unemployment, underemployment, and precarious work. The complexity of unemployment stems from the interplay between national economic policies, global economic cycles, and technological advancements. Both developed and developing countries are affected, though the intensity and causes of unemployment often differ across regions.

In developed economies, unemployment typically follows the cyclical patterns of the business cycle. For instance, during periods of economic expansion, unemployment rates tend to fall, as businesses hire more workers to meet demand. However, in times of recession or economic uncertainty, as seen during the 2008 global financial crisis and the COVID-19 pandemic, unemployment spikes as firms cut costs and reduce their workforce. These fluctuations can also be driven by structural changes, such as the decline of manufacturing jobs in developed countries due to automation and globalization, with new jobs emerging in sectors like technology and services. (Ventura, 2024)

In contrast, developing economies like those in Sub-Saharan Africa, Latin America, and parts of Asia often experience higher baseline levels of unemployment due to slower economic growth, weaker labor market institutions, and higher levels of informal employment. In many cases, even during periods of economic growth, job creation does not keep pace with the growing labor force, particularly in countries with youthful populations. Youth unemployment remains a persistent challenge in many regions, exacerbating poverty and limiting economic mobility.

Recent trends show that the COVID-19 pandemic caused a sharp increase in unemployment rates across the globe. However, by 2022, many labor markets had largely recovered, with unemployment rates falling below pre-pandemic levels. As of 2023, the global unemployment rate stood at 5.1%, reflecting a gradual recovery, though significant challenges remain. There are notable regional disparities, with high-income countries generally experiencing lower unemployment rates than low-income nations, where unemployment and poverty are more pronounced. Several factors influence these trends, including economic policies like government stimulus packages, which helped mitigate unemployment during downturns. Technological advancements have also transformed labor markets, creating new jobs in emerging sectors while making some traditional roles obsolete. Global crises, such as the pandemic and ongoing geopolitical tensions, continue to disrupt industries and labor markets worldwide. Despite improvements, emerging challenges like income inequality, especially in G20 countries, and the persistence of informal employment, where job security and social benefits are lacking, remain prevalent. Youth unemployment is particularly high in many regions, posing long-term challenges for economic stability and growth. (International Labour Organization, 2019)

This chapter will provide an analysis of global unemployment trends, comparing regional variations and situating Morocco's unemployment within this broader context.

3.2. Regional Unemployment Rates

Global unemployment rates vary significantly across regions, shaped by factors such as economic development, industrial structure, government policies, and demographic trends. Examining regional unemployment rates provides insights into the diverse challenges faced by different parts of the world and helps contextualize Morocco's unemployment situation within this broader landscape.

Figure 7 illustrates the unemployment rates across different global regions—Europe, Sub-Saharan Africa, MENA, Latin America, Asia-Pacific, North America, and Eastern Europe + Central Asia (EE + CA)—over three distinct years: 2015, 2019, and 2023. The MENA region consistently shows the highest unemployment rates, followed by EE + CA, while regions like North America and Europe have comparatively lower rates. The data highlights how unemployment has evolved in

various regions, reflecting both economic growth and persistent challenges, especially in developing economies. (International Labour Organization, 2024)

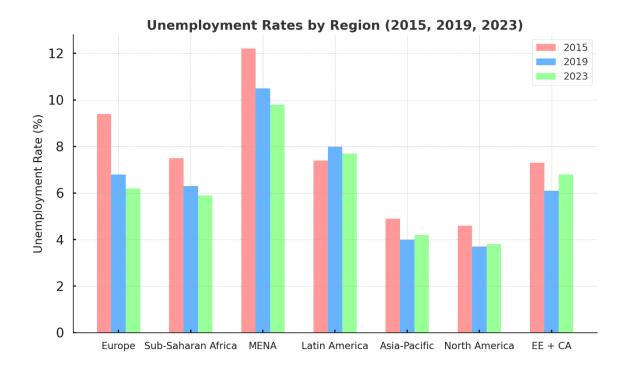


FIGURE 7: UNEMPLOYMENT RATES BY REGION (2015, 2019, 2023)

Sources: Self-created

Europe

Europe exhibits considerable variation in unemployment rates, largely due to differences in economic stability, labor market policies, and demographic pressures. Northern European countries such as Germany, the Netherlands, and Denmark have consistently low unemployment rates (between 3-5%) due to strong industrial sectors, well-developed social safety nets, and robust education-to-employment pipelines.

On the other hand, Southern European countries like Spain and Greece have struggled with persistently high unemployment, with rates often exceeding 10%, particularly after the 2008 financial crisis and the COVID-19 pandemic. Youth unemployment is especially problematic in

Southern Europe, with figures reaching as high as 30-40%, indicating deep structural challenges within labor markets. (Euro Indicators, 2024)

Sub-Saharan Africa

In Sub-Saharan Africa, unemployment is a significant concern, particularly given the region's rapid population growth and limited economic diversification. Many countries in this region have high unemployment rates, particularly among youth, where figures often exceed 20-30%. The region also has a high prevalence of informal employment, where workers lack formal contracts and job security. South Africa, for example, has one of the highest unemployment rates in the world, at over 30%, driven by long-standing structural issues such as inequality, poor education systems, and slow economic growth. In contrast, countries like Kenya and Ethiopia have lower reported unemployment rates, but these figures mask the high levels of underemployment and informal work prevalent in these economies. (World Bank, 2024)

Middle East and North Africa (MENA)

The MENA region, which includes Morocco, is characterized by high levels of unemployment, particularly among youth and women. Youth unemployment in the region is among the highest globally, with rates above 25-30% in many countries. Economic instability, political turmoil, and limited private sector development are key drivers of unemployment in MENA nations. Morocco's youth unemployment rate of 36.1% reflects a broader regional trend, highlighting the challenges of integrating a growing young population into the labor force. Low female labor force participation, often driven by cultural and social norms, further exacerbates unemployment challenges in this region. (International Labour Organization, 2024)

Latin America

Unemployment rates in Latin America have fluctuated between 7-10%, with the region facing significant economic challenges in recent years. High levels of informality, political instability, and economic volatility contribute to persistent unemployment. Countries like Brazil and Argentina have struggled with rising unemployment rates due to economic crises, while nations such as Chile and Peru have maintained relatively lower unemployment figures. However, even in

these countries, income inequality remains a significant issue, contributing to social unrest and political instability. (Statista Research Department, 2024)

Asia-Pacific

The Asia-Pacific region presents a diverse range of unemployment outcomes. In developed economies such as Japan, South Korea, and Australia, unemployment rates are relatively low, often below 5%, due to strong industrial bases, government interventions, and well-established labor market policies. In contrast, developing countries like India, Indonesia, and the Philippines experience higher unemployment and underemployment, driven by rapid urbanization, inadequate infrastructure, and mismatches between education and labor market needs. Despite these challenges, many countries in the region are making strides in technological and service sectors, which are helping to absorb parts of the workforce, particularly in urban areas. (Statista Research Department, 2024)

North America

In North America, the United States and Canada generally maintain low unemployment rates, typically around 3-5%, though this varies with economic cycles. Following the COVID-19 pandemic, both countries experienced sharp increases in unemployment, but have since rebounded due to strong labor market recovery efforts, fiscal stimulus, and the growth of sectors such as technology and healthcare. However, wage stagnation, income inequality, and the rise of the gig economy have introduced new challenges for labor markets in these advanced economies. (Local Area Unemployment Statistics Information and Analysis, 2024)

Eastern Europe and Central Asia

Eastern Europe and Central Asia have seen mixed unemployment outcomes, shaped by the legacy of Soviet-era economies and the transition to market economies. Countries like Poland and the Czech Republic have maintained low unemployment rates (around 3-4%) due to industrial growth and integration into European Union markets.

Hungary, for instance, has also maintained a relatively low unemployment rate, averaging around 4%. This stability is largely due to its strong manufacturing sector, particularly in the automotive industry, and its position within the EU market. However, Hungary faces labor shortages in key sectors and lower female labor force participation compared to Western Europe.

In contrast, countries like Ukraine and Uzbekistan face higher unemployment, driven by political instability, weak institutional frameworks, and low foreign investment. Many Central Asian countries experience significant labor migration, with workers seeking opportunities abroad, often in Russia or neighboring countries, further complicating unemployment statistics in the region. (Satubaldina, 2024)

3.3. Comparison of Morocco's Unemployment with global Trends

When examining Morocco's unemployment rates in the context of global trends, several similarities and differences emerge. Morocco, as an emerging economy, faces unemployment challenges that are shared with other nations in both the Middle East and North Africa (MENA) region as well as other developing countries. However, some aspects of its labor market remain unique due to the country's specific economic structure, social dynamics, and regional influences.

Unemployment Rate Comparison

Globally, the average unemployment rate in 2022 was around 6.2%, while Morocco's unemployment rate in the same year stood at approximately 9.99%. By the second quarter of 2024, Morocco's unemployment had risen to 13.1%, up from 12.4% during the same period in 2023. This sharp increase is significantly higher than the global average of 5.1% in 2023 and reflects persistent challenges in Morocco's labor market.

The rise in Morocco's unemployment can be attributed to several factors, including a growing labor force and insufficient job creation to absorb the increasing number of job seekers. While Morocco has seen economic growth in recent years, this growth has not translated into sufficient employment opportunities. This situation is not unique to Morocco; other developing nations, particularly in Sub-Saharan Africa and Latin America, face similar difficulties in managing growing labor forces amidst limited job creation.

Globally, unemployment rates vary widely. For example, countries like Djibouti and the West Bank and Gaza have some of the highest unemployment rates, exceeding 20%. In contrast, nations such as Vietnam and Cambodia enjoy some of the lowest rates, often below 2%. While Morocco's unemployment rate is higher than the global average, it is not among the highest worldwide. Nevertheless, the persistent high unemployment rate underscores the need for targeted economic policies to stimulate job creation and address structural issues in the labor market. (Essassi, 2024)

In Figure 8, The chart highlights significant shifts in Morocco's labor market over several decades. From 1960 through the late 1980s, the unemployment rate remained remarkably low and stable. However, in the early 1990s, the country experienced a sharp and sudden increase in unemployment, soaring above 14%. This surge could be attributed to major economic or political transitions that deeply impacted the job market. Following this peak, the unemployment rate began to gradually decline, although the recovery was marked by fluctuations in response to various economic challenges. In 2020, another notable spike in unemployment is visible, largely due to the impact of the COVID-19 pandemic. The pandemic disrupted the global and local economies, leading to widespread job losses and economic instability. While the unemployment rate has begun to stabilize, the lingering effects of the pandemic on the labor market are still evident. (World Bank, 2024)

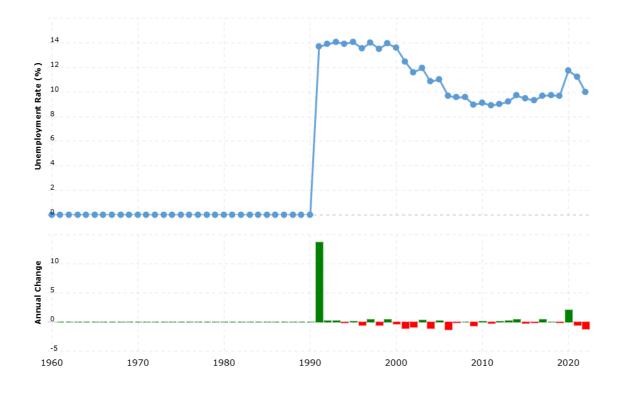


FIGURE 8: MOROCCO UNEMPLOYMENT RATE (1960-2024)

Source: World Bank

Youth and Graduate Unemployment

Youth unemployment is a pressing issue both in Morocco and globally. According to Figure 6, Morocco's youth unemployment rate has fluctuated but remains significantly higher than the overall unemployment rate. This aligns with a broader global trend of high youth unemployment, particularly in developing and emerging economies. In regions like Sub-Saharan Africa and Southern Europe, youth unemployment rates are similarly high, often exceeding 30%, as a result of population growth, educational mismatches, and slow economic growth.

Graduate unemployment, at 19.4% in Morocco, is reflective of a global issue where educational systems fail to equip students with the skills required by the labor market. This mismatch between education and job market needs is seen in many developing nations as well as in parts of Southern Europe. The persistent high graduate unemployment rates suggest the need for reforms in the education system to ensure better alignment with the labor market. (Bassou, 2023)

Female Labor Force Participation

Morocco's female unemployment rate of 17.7% highlights the continued underrepresentation of women in the workforce, a challenge shared across many MENA countries. This trend is driven by both cultural factors and limited access to employment opportunities for women. Globally, female unemployment rates tend to be lower in advanced economies due to stronger legal protections and social policies supporting women in the workforce. However, in many developing regions, such as South Asia and Sub-Saharan Africa, female labor force participation remains a significant challenge. (Berahab, 2017)

Sectoral Dynamics

The sectoral distribution of employment in Morocco reflects both global and regional patterns. Like many developing economies, Morocco has seen significant job losses in traditional sectors such as agriculture (-152k) and construction (-35k), which mirrors global trends driven by automation and industrial shifts. On the other hand, Morocco has experienced job growth in the services (+49k) and manufacturing (+58k) sectors, aligning with the global shift towards service-oriented economies.

Globally, services sectors, particularly in urban areas, have been expanding rapidly, with notable job growth in industries such as information technology and finance. Morocco's services sector follows this trend, although it is still developing compared to more advanced economies. (Aomar Ibourk, 2024)

COVID-19 and Post Pandemic Recovery

The COVID-19 pandemic caused significant economic disruptions worldwide, and Morocco was no exception. In 2020, Morocco experienced rising unemployment due to lockdowns, reduced international trade, and a sharp decline in tourism—a key sector for the country. While Morocco, like many other nations, has seen signs of recovery since 2022, the unemployment rate remains higher than pre-pandemic levels, with the rate reaching 13.1% in 2024.

Globally, many countries implemented stimulus packages and labor market reforms to help recover from the economic downturn caused by the pandemic. Advanced economies have shown faster recovery due to stronger institutional frameworks, while countries like Morocco continue to face structural challenges that slow down the recovery process. (Oxford Business Group, 2021)

Challenges and Opportunities for Morocco

While Morocco's unemployment challenges align with several global trends, including high youth unemployment and sectoral shifts from agriculture to services, certain local factors exacerbate the problem. The country's reliance on agriculture, which is vulnerable to climate change, and its limited industrial base make it susceptible to external shocks. Nevertheless, Morocco has opportunities for growth, especially in expanding its manufacturing sector and investing in education reform to better align graduates' skills with labor market needs. These strategies, successfully implemented by rapidly developing economies in Asia, could serve as a model for Morocco. (International Monetary Fund, 2023)

3.4. Hungary as a Case Study

Hungary offers a compelling case study when analyzing unemployment within the broader context of global trends, particularly as a part of Eastern Europe. With its unique economic history, Hungary transitioned from a centrally planned economy under communist rule to a market-oriented system after the fall of the Soviet Union in the early 1990s. This shift has had a profound impact on the country's labor market, shaping the trends in unemployment, economic growth, and workforce development.

As of 2023, Hungary's unemployment rate stood at approximately 4.2%, reflecting a relatively low level compared to both global and regional averages. This figure marks a stable post-pandemic recovery, in line with broader European trends where high-income countries generally enjoy lower unemployment rates than their lower-income counterparts. Hungary's steady growth can be attributed to several factors, including robust industrial production, a growing service sector, and targeted government policies aimed at boosting employment. (National Statistics, World Bank, EUROSTAT, 2024)

Factors Influencing Unemployment in Hungary

• Economic Transition:

Hungary's labor market has undergone significant changes since the 1990s, with the shift from a command economy to a market-based one. This process involved the privatization of state-owned enterprises, which initially led to job losses, particularly in heavy industries. However, over the long term, Hungary has diversified its economy, moving towards manufacturing, particularly automotive production, and high-tech industries.

• Automation and Technological Advancements:

Like many other countries, Hungary faces the challenge of balancing technological advancements with job creation. The increase in automation has affected traditional sectors such as manufacturing, although new opportunities have emerged in high-tech fields. The shift has placed an emphasis on the need for re-skilling and vocational training, particularly for young workers.

Youth and Regional Disparities:

Youth unemployment in Hungary remains a challenge, especially in less industrialized regions. While the country's major cities, such as Budapest, benefit from higher employment rates due to foreign investment and a stronger service sector, rural areas still face higher levels of unemployment. This regional disparity mirrors similar issues seen in Morocco, where urban areas tend to have lower unemployment rates compared to rural regions.

Migration and Labor Market Mobility:

Hungary, being a member of the European Union, has witnessed outward migration of its workforce, particularly to Western European countries where wages are higher. This brain drain has impacted certain sectors, leading to labor shortages in fields like healthcare, IT, and engineering. Conversely, migration within Hungary has contributed to labor imbalances between its capital and rural regions. (Statista, 2024)

Economic Policies and Government Initiatives

The Hungarian government has introduced several policies and reforms aimed at reducing unemployment and addressing labor market challenges. These policies have been integral to the country's economic growth and the stabilization of its unemployment rate.

• Stimulus Packages and Employment Incentives:

During the COVID-19 pandemic, Hungary implemented a series of economic stimulus measures designed to protect jobs and support businesses. These measures included wage subsidies, tax reductions, and credit programs for small and medium-sized enterprises (SMEs). As a result, the country was able to maintain relatively low unemployment rates even during a period of significant economic disruption. These programs have been a key component in preventing large-scale layoffs and promoting job retention.

• Vocational Training Programs:

The Hungarian government has also focused on improving vocational training and reskilling programs to address labor market mismatches. Through initiatives aimed at enhancing technical and vocational education, Hungary has sought to align its workforce skills with the needs of the evolving economy. These programs are particularly important in regions where traditional manufacturing jobs are disappearing due to automation.

• Labor Market Reforms:

Over the past two decades, Hungary has introduced several labor market reforms aimed at increasing flexibility and incentivizing employment. For example, changes to labor regulations have made it easier for companies to hire and retain workers, while reducing barriers to labor mobility. The introduction of public works programs, which offer employment opportunities to low-skilled workers in government-funded projects, has also played a role in reducing unemployment, particularly in rural areas.

(European Commission, 2024)

Comparing Hungary and Morocco

Hungary and Morocco offer two contrasting examples of labor market dynamics, shaped by their distinct economic histories and geographic contexts. Morocco, with its higher unemployment rate of 13.1% in the second quarter of 2024, faces structural issues such as youth unemployment and educational mismatches, which impede job creation despite steady economic growth. In contrast, Hungary's lower unemployment rate suggests a more stable labor market, though both countries share challenges related to technological disruptions and regional disparities.

Hungary's inclusion as a case study provides insight into how different economic strategies and regional contexts affect unemployment trends. While both Hungary and Morocco have made significant strides in addressing unemployment, the varying approaches each country takes—Hungary focusing on industrial growth and EU integration, while Morocco prioritizes sectoral development and education reform—highlight the diverse paths countries can take in confronting labor market challenges.

Choosing Hungary as a case study is particularly relevant to this thesis as I am currently studying in Hungary, which provides me with firsthand access to insights into its labor market policies and trends. Hungary's experience as a transitioning economy offers valuable lessons that could potentially inform policy discussions in Morocco. By comparing the unemployment dynamics of these two nations, I can draw more meaningful conclusions about how different regions tackle this global issue.

4. Policy Responses to Unemployment

Addressing unemployment requires a multifaceted approach that includes both short-term solutions to cushion immediate impacts and long-term strategies to foster sustainable employment. Countries around the world have employed various policies to reduce unemployment rates, ranging from government-driven programs to private sector incentives. This chapter will explore some of the key policy responses used globally, focusing on Morocco's strategies while occasionally referencing Hungary for comparative insights.

4.1. Active Labor Market Policies (ALMPs)

Active Labor Market Policies are designed to increase employment opportunities through a range of interventions, including job training programs, employment incentives for companies, and job creation initiatives. Globally, ALMPs have been a key part of strategies to address unemployment, particularly in countries with significant youth unemployment.

In Morocco, although there have been attempts to implement effective ALMPs, challenges persist. Initiatives such as the Idmaj program aim to provide internships and training opportunities for unemployed youth, but the effectiveness of these programs has often been hampered by bureaucratic inefficiencies and slow job creation outside of the agriculture and tourism sectors. Enhancing partnerships between the private sector and educational institutions could improve the alignment of skills training with market demands, a strategy that has seen some success in other countries, including Hungary, where vocational training programs have effectively targeted labor market needs. (Sahnoun, 2023)

4.2. Vocational Training and Education

Vocational training is crucial for reducing structural unemployment by equipping individuals with practical, job-specific skills that align with market demands. Countries around the world have recognized the importance of vocational training, with many investing in programs that improve the quality of technical education and target emerging industries.

Morocco faces significant challenges in this area, as there is a pronounced skills mismatch between its education system and labor market needs. Many graduates struggle to find employment in their fields, contributing to a youth unemployment rate exceeding 36%. While reforms are recognized as necessary, progress has been slow. Learning from successful global models could be beneficial; for example, Hungary's collaboration with the European Union on skills development programs has effectively addressed youth unemployment. (Cedefop, 2024)

In Figure 9, the chart illustrates the employment status of young people in Morocco over the period from 2021 to 2024. The data highlights three categories: those unemployed within their area of

specialization, those employed outside their area of specialization, and those employed within their area of specialization.

From 2021 to 2024, the percentage of youth unemployed within their area of specialization shows a gradual decline, indicating a slow improvement in job availability or alignment of skills. Meanwhile, the proportion of youth employed outside their area of specialization has been steadily increasing, suggesting that more young people are taking jobs that don't match their qualifications or training. Finally, the percentage of youth employed within their area of specialization has seen a slight but consistent rise, indicating some progress in aligning youth employment with their fields of study, although this remains the smallest category. (Khediri, 2024)

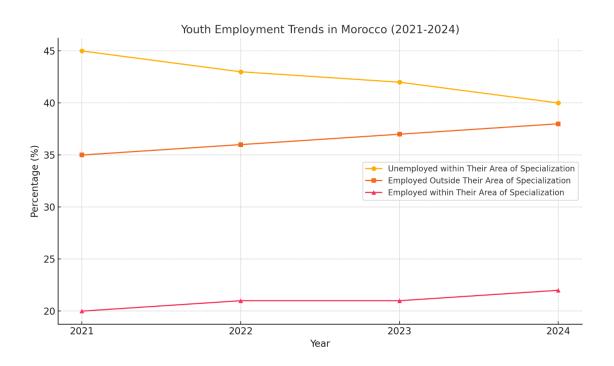


FIGURE9: YOUTH EMPLOYMENT TRENDS IN MOROCCO (2021-2024)

Source: Self-created

4.3. Social Safety Nets and Unemployment Benefits

A strong social safety net can mitigate the impact of unemployment on individuals and prevent extreme poverty. Various countries have developed social safety systems that provide unemployment benefits and active employment services to support job seekers.

In Morocco, the social safety net remains underdeveloped, with limited unemployment insurance schemes that only cover a fraction of the workforce. The prevalence of informal employment means that many workers lack access to essential benefits. To address these gaps, Morocco could consider developing a more inclusive unemployment insurance system that extends coverage to workers in the informal sector, similar to measures in other countries that have successfully implemented broader social protection policies. (World Bank, 2020)

4.4. Innovation and Technological Change

Technological change has been both a driver of economic growth and a source of job displacement. Countries globally are facing the challenge of adapting their workforce to the realities of automation and digitalization. Some nations have responded by encouraging investments in technology and providing reskilling programs to help workers transition into new roles.

Morocco's economy remains heavily reliant on traditional sectors, making it more vulnerable to technological disruptions. To remain competitive, it is essential for Morocco to foster innovation through policies that incentivize tech investments, promote STEM education, and enhance digital infrastructure, especially in rural areas. (Editorial Team, 2023)

4.5. Gender-Specific Policies

Increasing female labor force participation is critical in addressing unemployment and promoting economic growth. Countries around the world are implementing family-friendly policies aimed at increasing female employment, including maternity benefits and flexible working arrangements.

In Figure 10, the chart illustrates the trend in women's participation in the labor force in Morocco over the years from 2017 to 2023. The data shows a noticeable decline from 2017, where the

participation rate was above 22.5%, to its lowest point around 2020, indicating a reduction in the number of women actively engaged in the workforce.

After 2020, a slight recovery is observed, with the participation rates gradually increasing through 2022 and 2023. This trend may reflect efforts to improve gender-specific policies aimed at encouraging more women to enter or remain in the workforce, despite ongoing challenges. The overall trend, however, indicates that female labor force participation remains relatively low and has not yet returned to the levels seen in 2017. (International Labour Organization and United Nations Population Division, 2023)

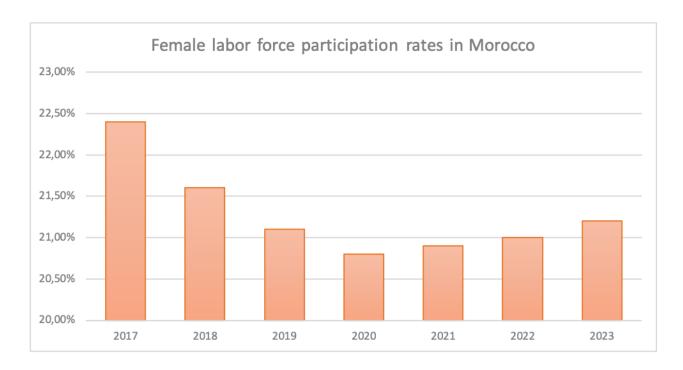


FIGURE 10: FEMALE LABOR FORCE PARTICIPATION RATES IN MOROCCO (2017-2023)

Source: Self-created based on World Bank data

In Morocco, female labor force participation remains significantly lower, with women's unemployment at 17.7%. Cultural and social barriers continue to hinder women's access to the labor market. Targeted policies, such as enhanced childcare support, paid maternity leave, and incentives for businesses to hire women, could substantially improve women's participation in Morocco's workforce. Drawing on successful initiatives from other countries can provide valuable insights into effective strategies for increasing female employment. (2024,..e)

5. Recommendations for Morocco

The issue of youth unemployment in Morocco remains a significant and intricate problem, despite various efforts made by the government to mitigate it. While numerous initiatives have been introduced over the years, ongoing structural obstacles continue to hinder progress. Given the current challenges, there are several policy recommendations that could help strengthen the effectiveness of strategies aimed at reducing youth unemployment in the country.

5.1. Promoting Employment and Entrepreneurship

One of the key strategies employed by the Moroccan government is to promote salaried employment through initiatives such as Idmaj. This program has been successful in helping young graduates gain work experience by offering subsidized contracts and providing personalized guidance to facilitate their integration into the labor market. However, the scale of Idmaj must be expanded to reach a larger portion of unemployed youth. Additionally, administrative barriers that prevent easy access to this program need to be minimized, and the quality of internships and entrylevel jobs should be improved to ensure meaningful work experiences.

The Taehil program has been instrumental in ensuring that young job seekers receive adequate training aligned with the current demands of the labor market. By offering targeted qualifying training and internships, Taehil seeks to bridge the gap between academic training and job market requirements. However, Morocco needs to enhance coordination between educational institutions and industries to better anticipate future labor needs. This will ensure that graduates have skills that are both relevant and immediately applicable in the workforce.

In addition to promoting salaried employment, Morocco has encouraged youth entrepreneurship as a solution to job creation challenges. The Moukawalati program, which provides financial aid and support to young project leaders, has had moderate success. Nonetheless, further reforms are needed to enhance access to capital for young entrepreneurs, especially in rural areas. The government should also consider offering tailored mentoring programs to help entrepreneurs navigate the complexities of starting and growing a business, focusing on industries with high potential for job creation, such as technology, agriculture, and green energy. (REGRAGUI, 2015)

5.2. Developing Skills and Enhancing Employability

Skills mismatch continues to be one of the biggest hurdles in reducing youth unemployment in Morocco. Many young people, particularly university graduates, struggle to find jobs that match their academic qualifications. This has resulted in a high rate of unemployment among young graduates, particularly in non-technical fields. The government has responded by expanding vocational training opportunities through a network of vocational training centers. However, more can be done to align these programs with the rapidly evolving needs of the labor market. (Silva, 2017)

Incorporating private sector involvement in vocational training programs can be a key lever in improving employability. By partnering with businesses, the government can ensure that the training offered is practical and meets the skills required by industries with growth potential. Additionally, Morocco should consider expanding work-study programs, where young people gain real-world experience while studying, as these can help ease the transition from education to employment.

Digital proficiency has emerged as a critical skill in the modern job market. Recognizing this, the government has begun offering digital training programs, but the scale of these initiatives needs to be expanded significantly. Ensuring that young people, particularly those in underserved and rural areas, have access to digital skills training is essential. Integrating digital literacy as a core component of Morocco's education system can also help future-proof the workforce.

5.3. Addressing Geographic and Sectoral Imbalances

Unemployment in Morocco is not evenly distributed across regions, with rural areas particularly affected by a lack of employment opportunities. One key recommendation is to improve the geographic mobility of youth by offering incentives and support for those willing to relocate to regions with better job prospects. Developing infrastructure in rural areas can also encourage businesses to establish operations in these regions, thereby decentralizing job creation.

In terms of sectoral development, Morocco's economic growth has been concentrated in a few key industries, such as agriculture, tourism, and low-skill manufacturing. However, these sectors alone cannot absorb the growing number of young job seekers. The government should intensify efforts to develop emerging industries with higher growth potential, such as renewable energy, technology, and advanced manufacturing. Tax and customs incentives in industrial free zones have already been used to attract investment in strategic sectors like aeronautics and automotive manufacturing. Expanding these zones and offering greater incentives for companies that hire young workers could further boost job creation.

5.4. Strengthening Social Safety Nets and Employment Protection

A robust social safety net is crucial to prevent youth from falling into poverty due to long periods of unemployment. Morocco's social safety net remains underdeveloped, particularly for informal sector workers, who make up a large portion of the labor market. The lack of unemployment benefits for many leaves them vulnerable during economic downturns. Expanding the unemployment insurance system to cover informal sector workers would be a crucial step toward providing more comprehensive social protection.

The government should also focus on reducing informality by providing incentives for businesses to formalize their operations. For instance, simplifying tax and regulatory procedures for small businesses could encourage informal businesses to enter the formal economy. This would not only increase the availability of formal jobs with better job security but also improve the government's ability to measure and manage unemployment more effectively.

5.5. Fostering Innovation and Technology Adoption

Innovation and technology play a vital role in economic transformation and job creation. While Morocco remains heavily reliant on traditional industries, there is significant untapped potential in tech-related sectors. The government should adopt policies to foster innovation by offering tax incentives for startups and encouraging investment in research and development. Additionally, creating a regulatory environment that supports technological innovation will attract foreign investment and create jobs in emerging fields like IT, fintech, and artificial intelligence.

Morocco must also address the risks associated with automation and technological disruption in its labor market. By proactively investing in reskilling programs, the government can help displaced workers transition to new roles in sectors where human labor is still needed. Moreover, integrating science, technology, engineering, and mathematics (STEM) education into primary and secondary school curriculums will prepare future generations for the jobs of tomorrow. (Tachicart, 2023)

5.6. Addressing Gender Inequality in the Workforce

Female labor force participation remains particularly low in Morocco, contributing to the high overall unemployment rate. Cultural and social barriers, as well as a lack of family-friendly policies, hinder women's ability to engage in the workforce. Morocco could look to other countries' models and consider introducing policies that support childcare, offer paid maternity leave, and promote flexible working arrangements to increase female participation in the labor market.

Providing incentives for companies to hire more women, particularly in male-dominated sectors such as engineering and technology, could also help close the gender gap. Additionally, expanding vocational training and educational opportunities for women would improve their employability and increase their participation in high-growth industries.

Future Prospects

While Morocco has made significant steps in tackling youth unemployment, much work remains to be done. A multi-pronged approach that includes promoting entrepreneurship, enhancing vocational training, encouraging geographic mobility, and addressing gender disparities is essential. In addition, the government must improve its coordination with the private sector and civil society to implement more effective policies. By investing in education, supporting social entrepreneurship, and fostering innovation, Morocco can create a more resilient and dynamic labor market that offers opportunities for all.

6. Methodology

6.1. Research Design

For this study, I used a mixed-methods approach, combining both quantitative and qualitative data to explore youth unemployment in Morocco. My goal was to better understand the factors contributing to unemployment, evaluate how effective government policies have been, and suggest potential solutions for improving job opportunities for young people. I designed this research to collect data through a survey questionnaire while also analyzing secondary data from reliable sources.

6.2. Data Collection

I gathered data using two main methods:

• Survey Questionnaire:

I created a survey to capture personal insights on youth unemployment in Morocco. This questionnaire was divided into several sections to address demographics, job-seeking behavior, employment status, and perspectives on government initiatives. The survey was distributed online to reach a diverse audience, and I made it available in both French and Arabic to ensure accessibility. I used social media and email to share it with as many young Moroccans as possible.

• Secondary Data:

To complement the survey, I also analyzed secondary data from official sources, such as Morocco's High Commission for Planning (HCP) and global reports from institutions like the World Bank. This allowed me to compare my survey findings with broader trends and policies. I also explored how youth unemployment in Morocco compares with other countries, using Hungary as a case study.

6.3. Sampling Method

For my survey, I focused on young Moroccans between the ages of 18 and 44. To reach as many people as possible, I used a combination of convenience and snowball sampling. I started by sharing the questionnaire with my personal network and asked friends and family to pass it along to others. This helped the survey spread on social media platforms like Facebook, Instagram and Whatsapp, allowing me to connect with a broad range of participants. In total, I received 120 responses, and I was really pleased with the diversity of the sample. I managed to gather input from people with different educational backgrounds and employment statuses. Although the majority of respondents were based in Morocco, I also received responses from individuals in Spain, France, and Hungary, which added an interesting international perspective to the data. This broadened the scope of the study, offering a more comprehensive view of youth unemployment experiences both within Morocco and abroad.

6.4. Data Analysis

Once I had all the responses, I analyzed the data using both quantitative and qualitative methods. For the quantitative parts, like the multiple-choice questions, I used Excel to calculate percentages and identify trends. This helped me understand things like how people are searching for jobs, how many are currently unemployed, and how aware they are of government programs like Idmaj and Taehil.

For the open-ended responses, I took a more personal approach. I carefully read through each answer to pick up on common themes and recurring issues that respondents faced, such as the struggles of finding a job or the effectiveness of vocational training programs. I grouped these responses into key themes, which helped me understand more the challenges that young people in Morocco are dealing with.

To add context, I also brought in secondary data from sources like the World Bank and national reports. This helped me see the bigger picture and compare what I found in my survey with broader trends in Morocco and beyond. For example, I looked at how Morocco's youth unemployment compares to that of Hungary, which gave me insights into how certain policies or strategies might

work in the Moroccan context. By combining the personal experiences from the survey with broader data, I was able to create a more complete picture of the situation.

7. Findings

In this section, I'll be sharing the data collected from my research, which I'll explain in detail along with supporting charts and graphs. These visuals will help illustrate the key points and trends that emerged from the survey. For reference, the full questionnaire can be found in the appendix.

7.1. Demographic Overview

Figure 11: Distribution of Ages Within the Respondents.

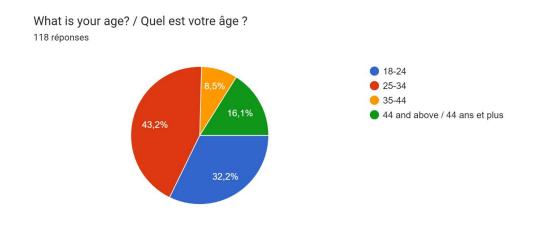
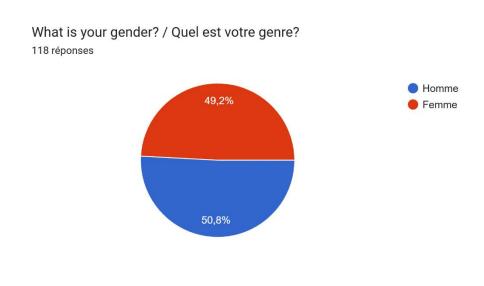


FIGURE 11

Source: own research

Based on the chart above, the survey respondents were primarily aged between 25 and 34 years old, making up 43.2% of the sample. This was followed by the 18-24 age group, which represented 32.2% of the respondents. A smaller portion of participants fell into the 44 and above category (16.1%), while only 8.5% were in the 35-44 age range. This breakdown shows that the majority of respondents were in their early career stages, providing valuable insight into youth unemployment patterns.

<u>Figure 12</u>: Gender Distribution of Respondents.



Source: own research

FIGURE 12

As shown in Figure 12, the gender distribution of respondents is nearly balanced, with 50.8% identifying as male (Homme) and 49.2% identifying as female (Femme). This close-to-equal representation ensures that the survey results reflect diverse perspectives across genders, providing a well-rounded view of the issues being examined, including any gender-specific challenges related to unemployment.

Figure 13: Education Level of Respondents.

What is your highest level of education? / Quel est votre niveau d'éducation le plus élevé ? 116 réponses

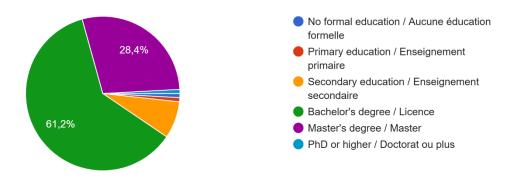


FIGURE 13

Source: own research

The survey results show that the majority of respondents, 61.2%, hold a Bachelor's degree, indicating a highly educated participant pool. Additionally, 28.4% have a Master's degree, while a small percentage, 6%, completed secondary education. Those with no formal education, primary education, or PhD-level qualifications make up a very minor proportion of the sample, highlighting the dominance of university-educated individuals in the survey. This data suggests that the perspectives shared are largely from individuals with higher education, which may influence their understanding and experience of unemployment issues.

Figure 14: Geographic Location of Respondents.

Which country do you currently live in? / Dans quel pays vivez-vous actuellement ? 117 réponses

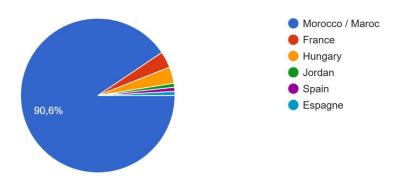


FIGURE 14

Source: own research

The survey results show that the overwhelming majority of respondents (90.6%) currently reside in Morocco. A smaller number of participants are based in other countries, including France, Hungary, Jordan, Spain, and other locations. This distribution indicates that while the primary insights come from individuals living in Morocco, there is also a small international representation that can provide comparative perspectives. The responses from different countries add depth, allowing us to explore any differences or similarities in youth employment experiences between Morocco and other regions.

7.2. Employment Status

Figure 15: Employment Status of Respondents.

What is your current employment status? / Quel est votre statut d'emploi actuel ? 117 réponses

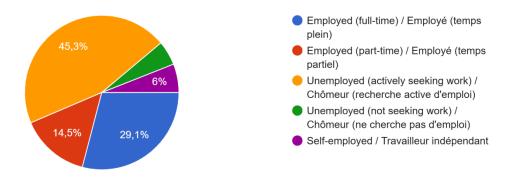


FIGURE 15

Source: own research

Figure 15 displays the current employment status of respondents. The largest group, representing 45.3%, is unemployed and actively seeking work, indicating a significant challenge with job availability among the participants. Meanwhile, 29.1% are employed full-time, and 14.5% are employed part-time. Additionally, 6% of respondents reported being self-employed, and a small percentage (5.1%) are unemployed but not actively seeking work. These results highlight the high rate of unemployment among young people, with many respondents actively looking for opportunities but facing challenges in securing stable employment.

Figure 16: Duration of Unemployment Among Respondents.

If you are unemployed, how long have you been looking for work? / Si vous êtes au chômage, depuis combien de temps cherchez-vous du travail ?

78 réponses

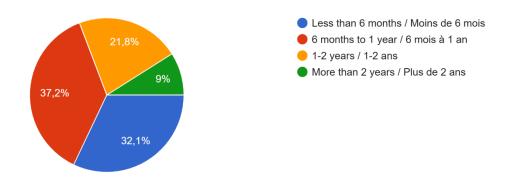


FIGURE 16

Source: own research

The survey results show how long respondents have been unemployed. The largest proportion of participants (37.2%) reported that they have been looking for work for 6 months to 1 year. Additionally, 32.1% of respondents indicated that they had been unemployed for less than 6 months, while 21.8% have been job-seeking for 1-2 years. A smaller percentage (9%) reported being unemployed for more than 2 years. This data highlights that a significant portion of the respondents face extended periods of unemployment, with over half of those surveyed having been unemployed for 6 months or more.

These findings underline the challenges faced by young people in the job market, where the limited number of suitable opportunities and structural barriers in the labor market make it difficult to transition into employment within a short timeframe.

7.3. Job Search Methods and Behaviors

Figure 17: Methods Used by Respondents to Search for Job Opportunities.

How do you primarily search for job opportunities? (Select all that apply) / Comment recherchez-vous principalement des opportunités d'emploi ? (Cochez tout ce qui s'applique) 117 réponses

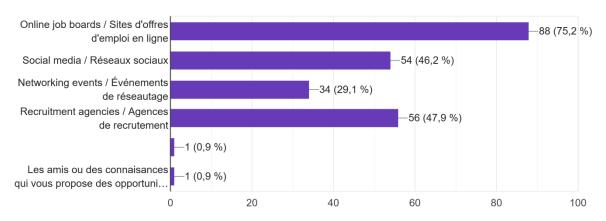


FIGURE 17

Source: own research

Figure 17 reveals the primary methods used by respondents when searching for job opportunities. The majority, 75.2%, rely on online job boards as their preferred means of job hunting. Recruitment agencies are also a popular choice, used by 47.9% of respondents, while social media platforms are utilized by 46.2%. Networking events are less commonly used, with 29.1% of respondents attending them for job opportunities. Interestingly, only 0.9% of respondents rely on friends or acquaintances for potential job leads.

These findings suggest that the most common approach for job-seeking among young people in Morocco involves leveraging digital platforms, such as job boards and social media, while traditional methods like networking events or personal connections are less frequently used. This could be indicative of the changing nature of the job market, where digitalization is becoming more prevalent, and job seekers are increasingly turning to accessible, online resources for employment opportunities.

7.4. Challenges in Securing Employment

Figure 18: Perception of Education's Preparedness for the Labor Market.

Do you feel that your education has adequately prepared you for the labor market? / Pensez-vous que votre éducation vous a suffisamment préparé au marché du travail ?

118 réponses

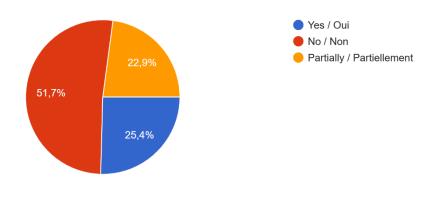


FIGURE 18

Source: own research

Figure 18 illustrates how respondents perceive the adequacy of their education in preparing them for the labor market. A majority of respondents, 51.7%, believe that their education has not adequately prepared them for the demands of the job market. Meanwhile, 25.4% of respondents feel that their education did adequately prepare them, while 22.9% believe their preparation was only partial.

These findings indicate a significant skills mismatch, where over half of the participants feel underprepared for the labor market. This suggests that the current education system might not fully align with the needs of employers, and highlights the necessity for reform—such as enhancing practical skills training and providing better industry-specific education. The data also underscores the importance of vocational training and real-world experiences, which could help bridge the gap between academic qualifications and job market demands.

<u>Figure 19</u>: Challenges Faced by Respondents in Finding Employment.

What challenges have you faced in finding employment? (Select all that apply) / Quels défis avez-vous rencontrés pour trouver un emploi ? (Sélectionnez tout ce qui s'applique) 104 réponses

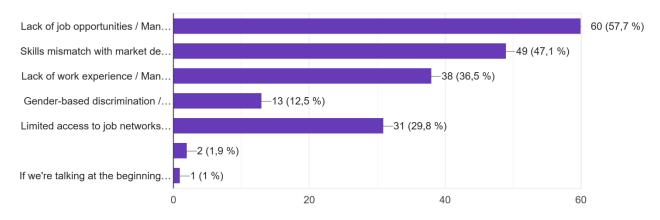


FIGURE 19

Source: own research

Figure 19 highlights the main challenges faced by respondents when seeking employment. The most common barrier is a lack of job opportunities, cited by 57.7% of respondents. This suggests a scarcity of available positions in the job market, which could be due to economic factors or a lack of growth in key sectors. Additionally, 47.1% of respondents mentioned a skills mismatch with market demands, indicating that their education or skill sets do not align well with the requirements of available jobs.

Another significant barrier is the lack of work experience, affecting 36.5% of respondents. This challenge is common for young people just entering the labor market, as many jobs require prior experience that they do not yet have. Limited access to job networks is also an issue, with 29.8% indicating that not having the right connections hinders their ability to find employment.

A smaller proportion, 12.5%, mentioned gender-based discrimination, highlighting that gender inequality still plays a role in access to job opportunities for some respondents. These findings

emphasize the various obstacles young people face in entering the labor market, with a combination of economic, social, and skill-related factors contributing to the high unemployment rates.

Figure 20: Skills Considered Most Important for Finding a Job in Morocco

What type of skills do you think are most important for finding a job in Morocco? (Select up to three) / Selon vous, quelles compétences sont les plus imp... emploi au Maroc ? (Sélectionnez jusqu'à trois) 116 réponses

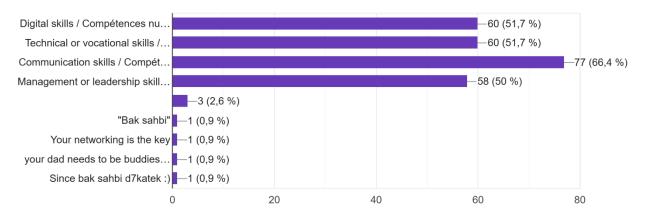


FIGURE 20

Source: own research

Figure 20 highlights the skills that respondents believe are most important for finding a job in Morocco. The most commonly selected skill was communication skills, chosen by 66.4% of respondents. This reflects the importance of being able to effectively interact with others in both professional and social settings, which is often crucial for securing employment.

Digital skills and technical or vocational skills were equally considered essential, with 51.7% of respondents identifying each as important. This suggests that job seekers recognize the increasing significance of digital competencies in the evolving job market, as well as the value of specialized technical knowledge in securing employment.

Additionally, 50% of respondents chose management or leadership skills, indicating the perceived value of being able to lead teams or take responsibility within a work environment. A few respondents also highlighted less conventional responses, such as networking and personal

connections, pointing to the idea that "who you know" can sometimes play a role in finding job opportunities.

Overall, these findings indicate that a mix of both soft skills (communication, leadership) and technical abilities are seen as key to finding employment in Morocco, with an emphasis on adaptability to meet the demands of a rapidly changing labor market.

Figure 21: Biggest Challenges to Reducing Unemployment in Morocco

What do you think is the biggest challenge to reducing unemployment in Morocco? / Selon vous, quel est le plus grand défi pour réduire le chômage au Maroc ?

114 réponses

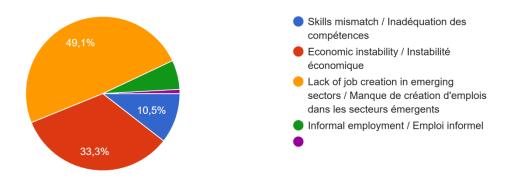


FIGURE 21

Source: own research

Figure 21 shows the perceived biggest challenges to reducing unemployment in Morocco. The most cited challenge, identified by 49.1% of respondents, is the lack of job creation in emerging sectors. This indicates a need for more focus on developing new industries and opportunities, particularly in sectors that are growing globally, to better absorb the young workforce.

Economic instability is seen as the second biggest obstacle, with 33.3% of respondents highlighting it as a significant factor. Economic instability can hinder both job creation and the stability of existing jobs, making it harder for individuals to find secure employment.

Skills mismatch, cited by 10.5% of respondents, also presents a key challenge. This mismatch suggests that many young people are not equipped with the skills that employers are seeking,

pointing to the importance of aligning educational curricula with labor market needs. Additionally, 6.1% of respondents identified informal employment as a barrier, which reflects the challenges faced by workers without formal job contracts or access to social protections.

These findings underscore the complexity of tackling unemployment in Morocco. They point towards a need for diversified economic development, improved education and training programs, and better labor policies to ensure both formal job opportunities and stability.

Figure 22: Job Satisfaction Among Employed Respondents

If you are employed, how satisfied are you with your current job? / Si vous êtes employé, quel est votre niveau de satisfaction par rapport à votre emploi actuel ?

104 réponses

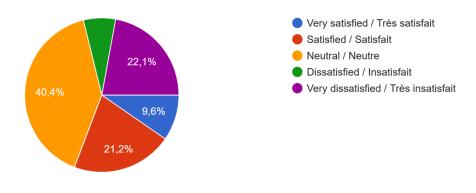


FIGURE 22

Source: own research

Figure 22 provides an overview of job satisfaction among employed respondents. The largest segment, 40.4%, reported feeling neutral about their current jobs. This indicates that many workers may not be experiencing either a high level of fulfillment or dissatisfaction, suggesting room for improvement in job quality or workplace conditions.

On the more positive side, 21.2% of respondents expressed being satisfied with their current jobs, while a smaller group (9.6%) indicated that they are very satisfied. This highlights that approximately 30.8% of respondents are generally content with their employment situations, though a majority may not share the same sentiment.

However, dissatisfaction is a notable concern, with 22.1% of respondents indicating that they are very dissatisfied with their jobs, and an additional 6% feeling dissatisfied. This could point to issues such as underemployment, inadequate working conditions, or a lack of growth opportunities within their roles.

The mixed responses regarding job satisfaction underline the importance of addressing workplace factors that contribute to dissatisfaction and promoting job quality. Employers and policymakers may need to focus on enhancing job satisfaction to reduce turnover and foster a more motivated and productive workforce.

7.5. Perception of Government Programs

Figure 23: Awareness of Government Programs Aimed at Reducing Unemployment

Are you aware of any government programs aimed at reducing unemployment (e.g., Idmaj, Taehil)? / Connaissez-vous des programmes gouvernementaux vi...ire le chômage (par exemple, Idmaj, Taehil) ? 118 réponses

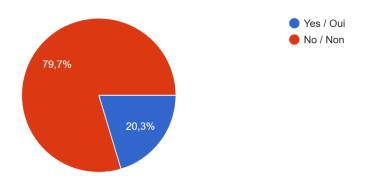


FIGURE 23

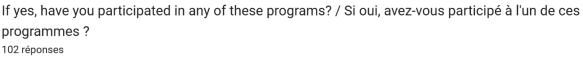
Source: own research

Figure 23 shows the level of awareness among respondents regarding government programs designed to reduce unemployment, such as Idmaj and Taehil. A significant majority of participants, 79.7%, indicated that they are not aware of any such programs. Only 20.3% of respondents reported being aware of these initiatives.

This lack of awareness is concerning, given the role these programs play in supporting young people to secure employment and improve their skills. It suggests that the dissemination of information regarding government efforts may be inadequate or that these initiatives have not been effectively communicated to the target audience.

Improving awareness about such programs could significantly impact their effectiveness, as more young people could take advantage of training and employment opportunities provided by these initiatives. Strengthening communication strategies and ensuring that program information is accessible to all could help bridge this gap.

Figure 24: Participation in Government Programs



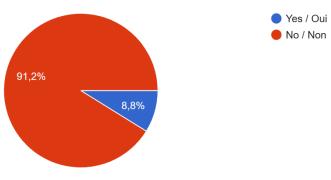


FIGURE 24

Source: own research

Figure 24 illustrates the level of participation among respondents in government programs aimed at reducing unemployment, such as Idmaj and Taehil. A large majority, 91.2%, reported that they have not participated in any of these programs, while only 8.8% indicated that they had.

The low participation rate might reflect several underlying issues, such as insufficient outreach by these programs, perceived inefficacy, or barriers to accessing the opportunities provided. Despite some awareness of the existence of these initiatives, the lack of engagement suggests that there are significant gaps in how these programs are reaching and supporting the youth. Improving

accessibility, reducing bureaucratic obstacles, and enhancing the perceived value of these programs could help boost participation rates.

Figure 25: Effectiveness of Government Programs in Addressing Youth Unemployment

How effective do you believe these programs are in addressing youth unemployment? / Selon vous, dans quelle mesure ces programmes sont-ils efficaces pour lutter contre le chômage des jeunes ? 106 réponses

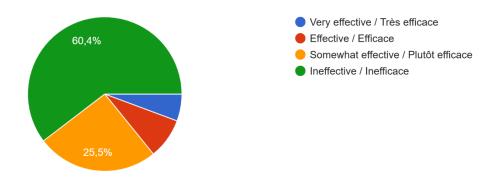


FIGURE 25

Source: own research

Figure 25 shows how respondents perceive the effectiveness of government programs in addressing youth unemployment. The majority, 60.4%, rated these programs as "Ineffective," indicating a significant dissatisfaction with their outcomes. About 25.5% believed the programs to be "Somewhat effective," while only a small percentage considered them to be "Effective" (10.4%) or "Very effective" (3.8%).

The overwhelmingly negative perception of these programs points to several potential issues, such as inefficiencies in implementation, lack of alignment with youth needs, or insufficient scope to make a tangible impact. These findings underscore the need for programmatic reforms and a better understanding of youth-specific challenges to increase the efficacy of government interventions.

Figure 26: Participation in Vocational Training or Skills Development Programs

Have you participated in any vocational training or skills development programs? / Avez-vous participé à des programmes de formation professionnelle ou de développement des compétences ? 115 réponses

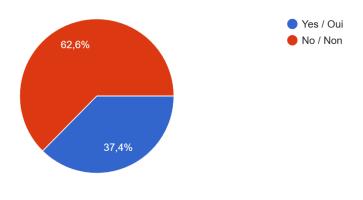


FIGURE 26

Source: own research

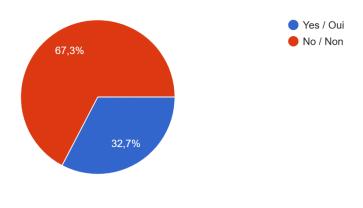
Figure 26 shows the percentage of respondents who have participated in vocational training or skills development programs. The majority, 62.6%, reported that they have not taken part in any such programs, while 37.4% indicated that they have.

This lack of participation in vocational training highlights a critical gap in workforce development efforts. One possible reason for this may be limited access to these programs or a lack of awareness about their availability. Encouraging greater participation in skills development initiatives could be a key step in equipping young people with the skills needed to enter and succeed in the labor market, particularly in a dynamic and evolving economic environment.

<u>Figure 27:</u> Effectiveness of Vocational Training and Skills Development Programs in Securing Employment or Improving Employability

If yes, did it help you secure employment or improve your employability? / Si oui, cela vous a-t-il aidé à obtenir un emploi ou à améliorer votre employabilité ?

98 réponses



Source: own research

FIGURE 27

Figure 27 shows the perceived effectiveness of vocational training and skills development programs among participants. A significant majority of 67.3% reported that these programs did not help them secure employment or improve their employability, while 32.7% found them beneficial.

This suggests that although a third of participants saw positive outcomes from their participation in these programs, the majority did not feel that they significantly impacted their employment prospects. Potential reasons for this could include mismatches between the skills provided by these programs and the actual needs of the labor market, or a lack of practical application and support in connecting trainees with job opportunities.

Figure 28: Effectiveness of Government or Private Training Programs

If you have participated in any government or private training programs, how would you rate their effectiveness? / Si vous avez participé à des progr...u privés, comment évalueriez-vous leur efficacité ? 95 réponses

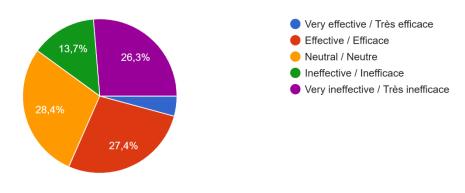


FIGURE 28

Source: own research

Figure 28 presents the participants' evaluation of the effectiveness of government or private training programs. The opinions were varied, with 26.3% of respondents rating these programs as "very ineffective." An additional 13.7% considered them "ineffective." On the other hand, 27.4% found the programs to be "effective," while only a small proportion (4.2%) rated them as "very effective." Interestingly, a notable number of respondents, 28.4%, held a "neutral" view on the effectiveness of these initiatives.

The mixed results suggest that while some individuals find value in these programs, a significant number do not believe they are achieving their intended goals. This could be indicative of inconsistencies in the quality or relevance of the training provided, and possibly a lack of alignment with actual labor market demands. It might also point towards the need for a more individualized or practical approach that better equips participants with the skills that are in demand in the market.

7.6. Open-Ended Responses and Key Themes

Participants offered a wide range of suggestions for how the government could better address youth unemployment. These ideas reflect different perspectives on what needs to change and provide meaningful insights into the types of policies that could make a real difference.

- ➤ Investment and Industry Expansion: Many respondents emphasized the importance of increasing public and private investment and creating more industries and laboratories. They called for more economic activities that could generate jobs for youth.
- ➤ Educational Alignment with Workforce Needs: A frequent recommendation was to adapt education programs to align better with the needs of the job market. This includes making vocational training more accessible and equipping young people with digital skills that fit the so-called "digital generation."
- Facilitating Access to Opportunities: Respondents suggested making it easier for young people to find jobs, such as by creating online recruiting sites, boosting microcredits, and facilitating loans. There was also mention of reducing retirement age to open up more opportunities for younger job seekers.
- ➤ Addressing Clientelism and Bias: A few participants pointed out the issue of clientelism, highlighting the need to address favoritism that often limits access to job opportunities for those without personal connections.
- ➤ Support for Small and Medium Enterprises: Many highlighted the importance of supporting entrepreneurship, particularly by encouraging young people to start small and medium enterprises. They also suggested more funding and better access to support for startups.
- ➤ Social and Economic Development: There were calls for a focus on both economic and social development, as well as measures to encourage the social and solidarity economy. Respondents felt that a more comprehensive approach to development would help address unemployment.

These insights underline the diverse range of areas where respondents see the potential for government intervention, highlighting both immediate policy changes and longer-term structural shifts to support youth employment in Morocco.

Conclusion

Throughout this thesis, I explored the complex issue of unemployment both locally, focusing on Morocco, and globally, incorporating insights from Hungary as a case study. The research highlighted that unemployment, especially among youth, remains one of the most pressing socioeconomic challenges facing Morocco. Through an in-depth analysis of the Moroccan labor market, the findings revealed that structural issues such as skills mismatch, economic dependency on low-productivity sectors, and regional disparities are significant contributors to the high unemployment rate. Youth and women are disproportionately affected, pointing to the need for targeted interventions.

Globally, Morocco's challenges mirror those in many other developing nations, particularly in the Middle East and North Africa region, where unemployment is often driven by a combination of economic constraints, educational inadequacies, and cultural factors. The inclusion of Hungary as a comparative case study illustrated how different policy approaches and regional contexts can influence unemployment trends and outcomes. Hungary's proactive vocational training programs, economic diversification, and employment incentives provide valuable lessons for Morocco.

The survey I conducted added a personal dimension to this research. The responses I gathered showed that young people in Morocco are facing real difficulties in their journey through the job market. Many participants felt that their education didn't adequately prepare them for the demands of the labor market, which made me realize how much needs to change. Aligning education and vocational training with real job market needs could be a game changer.

In terms of policy responses, the research examined various government initiatives aimed at reducing unemployment in Morocco, such as Idmaj and Taehil. While these programs have had some positive impact, it is evident that much more needs to be done to make them effective at scale. I think Morocco could benefit from focusing more on improving education quality, supporting

entrepreneurship, tackling regional and sectoral employment disparities, and strengthening social safety nets. Encouraging innovation and promoting technology adoption, along with implementing gender-specific policies to boost female participation in the labor force, are also crucial for building a more inclusive and dynamic labor market.

Addressing unemployment requires a holistic approach that not only tackles the symptoms but also the underlying causes. Investing in education and vocational training, promoting entrepreneurship, and fostering partnerships between the public and private sectors are essential to creating sustainable employment opportunities. The research suggests that with comprehensive reforms, targeted interventions, and a focus on innovation, Morocco has the potential to significantly reduce unemployment and create a more resilient and prosperous economy.

Ultimately, my hope for this thesis is that it contributes to the broader conversation on unemployment by offering a deeper understanding of the challenges Morocco faces and highlighting possible policy solutions. What I found throughout this research is that there is an urgent need for coordinated action to tackle unemployment, using both local insights and international best practices, to create a future where all young Moroccans have the opportunity to thrive.

Completing my thesis on examining unemployment has been a significant milestone, one that reflects the dedication, effort, and perseverance that both my supervisor and I have put into this work. Throughout my research, I have gained a deeper understanding of the complexities of unemployment and how it impacts both individuals and society at large. This experience has opened my eyes to the far-reaching consequences of unemployment—its effects on mental health, the social fabric, and economic stability. It's a problem that is not just about numbers, but about people and their livelihoods.

This journey has also been a personal one. As I prepare to step into the world of employment myself, the insights I have gathered through my research have made me even more aware of the challenges many young people face. This topic has become incredibly relevant to me, and it has driven me to think critically about what can be done to create better opportunities for young people, not just in Morocco but everywhere.

My thesis represents more than just an academic achievement—it is a reflection of my passion for contributing to positive changes. Through this research, I have developed skills in critical thinking, data analysis, and problem-solving, which I am confident will serve me well in my journey. Moreover, I have gained a unique perspective on unemployment that has made me more empathetic towards those who are struggling to find a job. I hope to use this knowledge to advocate for solutions that will not only create more jobs but also foster environments where young people feel supported, empowered, and are hopeful for their futures.

Analyzing Unemployment locally (Morocco) and Globally / Analyse du Chômage au Niveau Local (Maroc) et Mondial

Hi there!

My name is Youssra El Khourchi, and I'm currently conducting a research on youth unemployment in Morocco. I'm really interested in understanding the challenges young people face when looking for jobs, as well as how government programs can better support them. I would love to hear about your experiences and opinions through this short survey. Your answers will remain anonymous and will only be used for my research. Thank you for taking the time to contribute to this important study!

Bonjour!

1

Je m'appelle Youssra El Khourchi, et je mène actuellement une recherche sur le chômage des jeunes au Maroc. Je m'intéresse particulièrement aux défis que rencontrent les jeunes dans leur recherche d'emploi, ainsi qu'à la manière dont les programmes gouvernementaux peuvent mieux les soutenir. J'aimerais beaucoup connaître vos expériences et opinions à travers ce court questionnaire. Vos réponses resteront anonymes et seront uniquement utilisées dans le cadre de ma recherche.

Merci de prendre le temps de contribuer à cette étude importante!

What is your age? / Quel est votre âge?
Une seule réponse possible.
18-24
25-34
35-44
44 and above / 44 ans et plus

2.	What is your gender? / Quel est votre genre?
	Une seule réponse possible.
	Homme
	Femme
3.	What is your highest level of education? / Quel est votre niveau d'éducation le plus élevé ?
	Une seule réponse possible.
	No formal education / Aucune éducation formelle
	Primary education / Enseignement primaire
	Secondary education / Enseignement secondaire
	Bachelor's degree / Licence
	Master's degree / Master
	PhD or higher / Doctorat ou plus
4.	What is your current employment status? / Quel est votre statut d'emploi actuel ?
	Une seule réponse possible.
	Employed (full-time) / Employé (temps plein)
	Employed (part-time) / Employé (temps partiel)
	Unemployed (actively seeking work) / Chômeur (recherche active d'emploi)
	Unemployed (not seeking work) / Chômeur (ne cherche pas d'emploi)
	Self-employed / Travailleur indépendant
-	
5.	Which country do you currently live in? / Dans quel pays vivez-vous actuellement ?
	Une seule réponse possible.
	Morocco / Maroc
	Autre:

6.	au chômage, depuis combien de temps cherchez-vous du travail ?
	Une seule réponse possible.
	Less than 6 months / Moins de 6 mois
	6 months to 1 year / 6 mois à 1 an
	1-2 years / 1-2 ans
	More than 2 years / Plus de 2 ans
7.	What challenges have you faced in finding employment? (Select all that apply) / Quels défis avez-vous rencontrés pour trouver un emploi ? (Sélectionnez tout ce qui s'applique)
	Plusieurs réponses possibles.
	Lack of job opportunities / Manque d'opportunités d'emploi Skills mismatch with market demands / Inadéquation des compétences avec les besoins du marché
	Lack of work experience / Manque d'expérience professionnelle
	Gender-based discrimination / Discrimination basée sur le sexe
	Limited access to job networks / Accès limité aux réseaux d'emploi
	Autre:
8.	If you are employed, how satisfied are you with your current job? / Si vous êtes employé, quel est votre niveau de satisfaction par rapport à votre emploi actuel ?
	Une seule réponse possible.
	Very satisfied / Très satisfait
	Satisfied / Satisfait
	Neutral / Neutre
	Dissatisfied / Insatisfait
	Very dissatisfied / Très insatisfait

9.	market? / Pensez-vous que votre éducation vous a suffisamment préparé au marché du travail ?
	Une seule réponse possible.
	Yes / Oui
	No / Non Partially / Partiellement
10.	Are you aware of any government programs aimed at reducing unemployment (e.g., Idmaj, Taehil)? / Connaissez-vous des programmes gouvernementaux visant à réduire le chômage (par exemple, Idmaj, Taehil) ?
	Une seule réponse possible.
	Yes / Oui
	No / Non
11.	If yes, have you participated in any of these programs? / Si oui, avez-vous participé à l'un de ces programmes ?
	Une seule réponse possible.
	Yes / Oui
	○ No / Non
12.	How effective do you believe these programs are in addressing youth unemployment? / Selon vous, dans quelle mesure ces programmes sont-ils efficaces pour lutter contre le chômage des jeunes ?
	Une seule réponse possible.
	Very effective / Très efficace
	Effective / Efficace
	Somewhat effective / Plutôt efficace
	Ineffective / Inefficace

What additional measures should the government take to reduce youth unemployment in Morocco? / Quelles mesures supplémentaires le	
gouvernement devrait-il prendre pour réduire le chômage des jeunes au Maroc ?	
Have you participated in any vocational training or skills development programs? / Avez-vous participé à des programmes de formation professionnelle ou de développement des compétences ?	
Une seule réponse possible.	
Yes / Oui	
No / Non	
If yes, did it help you secure employment or improve your employability? / Si oui, cela vous a-t-il aidé à obtenir un emploi ou à améliorer votre employabilité ?	
Une seule réponse possible.	
Yes / Oui	
○ No / Non	
What type of skills do you think are most important for finding a job in Morocco? (Select up to three) / Selon vous, quelles compétences sont les plus importantes pour trouver un emploi au Maroc ? (Sélectionnez jusqu'à trois)	
Plusieurs réponses possibles.	
 Digital skills / Compétences numériques Technical or vocational skills / Compétences techniques ou professionnelles Communication skills / Compétences en communication 	
Management or leadership skills / Compétences en gestion ou leadership	
Autre :	

17.	What do you think is the biggest challenge to reducing unemployment in Morocco? / Selon vous, quel est le plus grand défi pour réduire le chômage au Maroc?
	Une seule réponse possible.
	Skills mismatch / Inadéquation des compétences
	Economic instability / Instabilité économique
	Lack of job creation in emerging sectors / Manque de création d'emplois dans les secteurs émergents
	Informal employment / Emploi informel
	Autre:
18.	How do you primarily search for job opportunities? (Select all that apply) / Comment recherchez-vous principalement des opportunités d'emploi ? (Cochez tout ce qui s'applique) Plusieurs réponses possibles. Online job boards / Sites d'offres d'emploi en ligne Social media / Réseaux sociaux Networking events / Événements de réseautage Recruitment agencies / Agences de recrutement Autre:
19.	If you have participated in any government or private training programs, how would you rate their effectiveness? / Si vous avez participé à des programmes de formation gouvernementaux ou privés, comment évalueriez-vous leur efficacité ?
	Une seule réponse possible.
	Very effective / Très efficace
	Effective / Efficace
	Neutral / Neutre
	Ineffective / Inefficace
	Very ineffective / Très inefficace

20.	Would you like to share any additional comments or experiences related to employment and job seeking in Morocco or elsewhere? / Souhaitez-vous partager des commentaires ou des expériences supplémentaires concernant l'emploi et la recherche d'emploi au Maroc ou ailleurs ?

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Google Forms

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