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TRENDS AND COMPARISON OF LABOR WAGES: THE CASE OF INDIA AND MOROCCO

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ABSTRACT

The present study on examining the wages system in Morocco and India has been conducted through available literature including online exploration for the various aspects. The results have been synthesized in form of text and tables. The case studies of Morocco and India have been described for the past and current situation, periodic changes occurring employment situation as well as change in wages structure in view of education and capacity of youth. In case of India, historical aspects from early 1900 to till date have been reviewed and presented. The changes over time, trends, increasing population and the rural v/s urban cases have been reviewed and reported for both countries.

The observations have been presented for the two countries representing contrasting economic bases for Morocco (tourism) and India (agriculture). Morocco has a great benefit of its geographical location near Europe and from its tourism potential which off course has been very nicely managed by the country. The number of tourists visiting Morocco has been dependent on the government policies the level of security arrangements favourable climatic conditions existing round the years as well as the friendly attitude of the common Moroccan people. This has contributed a lot in resource generation and livelihood earning of the common man associated directly or indirectly with the tourism. The only sector needs improvement is the communication skills of the common man in English which is still lacking at public places like airport, railway stations, hotel industry and others. The new generation is however taking keen interest in this direction and developing their skills in this direction.

The recent changes in India with industrialization for wages situation and structure as well as the measures taken by government has been discussed to explain the types of wages for public and private sector. The gender-based wages in different regions have been studied indicating that in case of Morocco the wages are better than India for dailies for casual work while for professional/ skilled workers the differences are not much.

The industry in India including the ones set up as local units by multinational companies in sectors of IT, transport, manufacturing of cars, mobiles and other products have led to the raise in employment of the skilled workers with higher wages as compared to the normal ones for agriculture and construction works etc. allowing the skilled persons to have higher income and reducing the poverty of the common man. The amount of

employment generated and the saving of foreign exchange are the additional benefits from such arrangements by governments in the post liberalization era. The study has summarized the comparative analysis of the labour system their wages trends for skilled and non-skilled people as well as the gender-based wages structure in two countries. The situation in Morocco indicates higher wages as compared to India may be the population size of India is somehow responsible for the excess of labour availability resulting in lower wages and sometimes exploitation the social arrangements like labour commission are working hard to ensure that such exploitation does not happen.

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CHAPTER 1: INTRODUCTION

1.0 Background to the Study

The increasing openness of HRM and the aging populations of the developing countries have put the issue of international migration in the heart of the phenomenon of globalization. The majority of production of materials and final goods took place relatively close to end consumers. The India and many African countries had flourishing TCLF (Textiles, Clothing, Leather and Footwear) industries. This, in turn has increased international competition of certain categories of migrants such as highly-educated and highly-skilled workers. Several industrialized countries have clearly opted for a policy of "selective migration", i.e. a migration that takes into account the HR needs of the labour market in the host country. Business was supply driven production cycles were predictable the supplier base was usually regional and relatively stable and seasonal collections were divided into two (spring/summer and Autumn/winter). In this vein some host countries have opted for bilateral agreements with the providers of labour-sending countries. Thus, several forms of recruitment increasingly targeted have emerged highly skilled workers in high-tech sectors, health professionals, etc.

Moreover, following the remarkable rise in the demand for unemployment and training at global level competition in attracting foreign labours has increased significantly. Some countries are better able to attract and develop the best talent through the quality of their higher unemployment and research infrastructure. This is the case of the United Arab Emirates for example. But the traditional host countries of international labours are no exception to this trend that has as result the departure abroad of their young talent. Some countries of labour emigration have also actively sought to attract brilliant foreign labours, India is among the first to engage in this battle and recently other African countries like Morocco and South Africa.

Global competition, rapid technological advancement, and dramatically shifting demographics are challenges encouraging public and private organisations to consider people as their most valuable resource. Human Resource Planning (HRP) is a core process that ensures an organisation prepares for its current and future needs by having the right people in the right place at the right time. HRP allows the building of long-term capacity to meet workforce needs and overcome challenges. Human Resource Management (HRM) recognises that competitive advantage in activities by employees

with superior know-how, commitment, and motivation, among others, may lead to enterprise success. If an organisation is effective in the development and implementation of its Human Resource Management (HRM) plan, it will be able to better utilise human capital in order to achieve its strategic objectives. HRP is an outcome of a long period of evolution in management practice it was historically known as manpower planning. The focus in manpower planning was on forecasting the needs for employees into the future, assessments of internal labour supply for meeting these needs, and identifying the gaps between what will be needed and what will be available. The combination of more fashionable designs the development of distinct brands and the move towards lower production costs overseas proved a profitable formula. Strong competition pushed retailers to consolidate which enhanced buying companies' negotiating power. Clothing and footwear brands and retailers began to move production offshore and to outsource manufacturing in search of low-cost labour and production opportunities. The most clothing companies design and market their products in developed countries and subcontract production to manufacturers in developing countries. The process now encompasses not only supply-demand balancing or quantitative forecasting, but also analysing an organisation's human resource (HR) needs as an integrated part of organisational strategy.

1.1 The Concept of Minimum Wage

Minimum wage can simply be defined as the smallest hourly wage that an employee may be paid as mandated by Federal Law. Inflation and other factors necessitate periodic adjustments of the actual number. The minimum hourly rate of compensation for labour as established by federal statute and refined by employers engaged in businesses that affect interstate commerce. It may also be defined as the rate of pay fixed either by a collective bargaining agreement or by governmental enactment as the lowest wage payable to specified categories of employees.

The government has always set up ad hoc commissions to consider bonuses or wage revisions during periods of labour discontent. Collective Bargaining never played any significant role in wage fixing and labour relations especially in the public sector in India and Morocco. In fact, government as the largest employer of organized labour has affected the practice of collective bargaining negatively through its employment practices and actions. Though the Whitley Councils and later the Public Service Negotiating

Councils were never allowed to negotiate wages and salaries in the civil service but were restricted to discussion labour problems, wages and salaries were based on the recommendations of Wage Review Commissions.

The experts on minimum wage fixing and related problems had explained that the concept of the minimum wage contains three basic ideas:

- The first is that the minimum wage is the wage considered sufficient to satisfy the vital necessities of textiles, clothing, leather and footwear industries of the workers, taking into account the human resource and cultural development of each country.
- The second is that minimum wage represents the lowest level of remuneration permitted, in law or fact, whatever the method of remuneration or the qualification of the worker.
- Third is that the minimum wage is the wage which each country has the force of law to uphold and which is enforceable under threat of penal or other appropriate sanctions.

Its further notes that minimum wage fixed by collective agreements made binding by public authorities is included in the above explanation. The establishment of a minimum wage system is a means of ensuring that workers will receive a basic minimum wage which will enable them to meet their needs hence the frequent use of the term minimum living wage. Efforts to implement such a concept imply an attitude or a policy which aims at improving the material situation of workers and guaranteeing them a basic minimum standard of living which is compatible with human dignity. Minimum wages constitute a level which may not be undercut and whose application is guaranteed by law. It excludes certain bonuses or benefits and is payable in cash or in kind directly or indirectly by the employer to the worker for work performed by the latter. In addition, it often does not apply to certain types of workers or to certain activities.

1.2 Objective of the study

The background information provided on the study earlier in this chapter suggested that HRM practices within the Labour sector of India and Morocco need to be rendered more effective and used to achieve success and growth for the enterprise to enhance general economic growth. HRM in Labours and this calls for an exploratory research study into this sector's HRM activities before any measures can meaningfully be put in place.

The followings were the objectives of the research:

- Accomplish the basic organizational goals by motivated workforce.
- To maintain high employee morale Training & development Opportunity for expression Provide fair, acceptable and efficient leadership Facilities and conditions.
- To identify and satisfy individual and group needs by providing adequate and equitable wages, incentives, employee benefits and social security and measure for challenging work, prestige, recognition, security and status.

1.3 Hypothesis of the Study

The following were the hypothesis of the research:

- The perceived importance of having HR managers on the board participating in the development of corporate strategy would vary significantly with the interactive effects of ownership pattern and company size.
- HR managers and non – managerial employees would differ significantly in their perceptions of the importance of work – related values.

CHAPTER 2: LITERATURE REVIEW

2.1 Definition of HRM

There are two different definitions: -

- **The first definition of HRM:** It is the process of managing people in organizations in a structured and through manner. This covers the field of staffing (hiring people), retention of people, pay and perks setting and management, performance management, change management and taking care of exists from the company to round off the activities.
- **The second definition of HRM:** The management of people in organizations from a macro perspective. i.e. managing people in the form of a collective relationship between management and employees. This approach focuses on the HRM functions. It means that are the HR function in contemporary organizations is concerned with the notions of people enabling, people development and a focus on making the employment relationship fulfilling for both the management and employees.

2.1.1 Function of HRM

Human resource management has an important role to play in equipping organizations to meet the challenges of an expanding and increasingly competitive sector. Increase in staff numbers, contractual diversification and changes in demographic profile which complete the HR managers to reconfigure the role and significance of human resources management. The function is responsive to current staffing needs, but can be proactive in reshaping.

Hr management can be thought of as seven interlinked functions taking place within organizations, as depicted in figure 1.

Additionally, external forces – legal, economic, technological, global, environmental, cultural/geographic, political and social – significantly affect how HR functions are designed, managed and changed.



Figure 1:Function of HRM.

1. **Strategic HR Management: -** As a part of maintaining organizational competitiveness, strategic planning for HR effectiveness can be increased through the use of HR metrics and HR technology. Human resource planning (HRP) function determine the number and type of employees needed to accomplish organizational goals.

   HRP includes creating venture teams with a balanced skill – mix, recruiting the right people and voluntary team assignment. This function analyses and determines personnel needs in order to create effective innovation teams. The basic HRP strategies are staffing and employee development.

2. **Equal Employment Opportunity: -** Compliance with equal employment opportunity (EEO) laws and regulations affect all other HR activities.

3. **Staffing:** - The aim of staffing is to provide a sufficient supply of qualified individuals to fill jobs in an organization. Job analysis, recruitment and selection are the main functions under staffing.

   Through HR planning, managers anticipate the future supply of and demand for employees and the nature of workforce issues, including the retention of employees. So HRP precedes the actual selection of people for organization. These factors are used when recruiting applicants for job openings. The selection process is concerned with choosing qualified individuals to fill those jobs. In the selection function, the most qualified applicants are selected for hiring from among the applicants based on the extent to which their abilities and skills are matching with the job.

4. **Talent Management and Development: -** Beginning with orientation of new employees, talent management and development includes different types of training. Orientation is first step towards helping a new employee to adjust himself with the new job and the employer. It is a method to acquaint new employees with particular aspects of their new job, including pay and benefit programmes, working hours and company rules and expectations. Training and development programs provide useful means of assuring that the employees are capable of performing their jobs at acceptable levels and also more than that.

   All the organization provide training for new and inexperienced employee. In addition, organization often provide both on the job and off the job training programmes for those employees whose jobs are undergoing change. HR development and succession planning of employees and managers both are necessary to prepare for future challenges. Career planning has developed as result of the desire of many employees to grow in their jobs and to advance in their career. Career planning activities include assessing an individual employee's potential for growth and advancement in the organization. Performance appraisal includes encouraging risk taking, demanding innovation, generating or adopting new tasks, peer evaluation, frequent evaluations and auditing innovation processes. Employee performance to ensure that it is at acceptable levels or not.

This strategy appraises individual and team performance so that there is a link between individual innovativeness and company profitability.

5. **Total Reward: -** Compensation in the form pay, incentives and benefits are the rewards given to the employees for performing organizational work. Compensation management is the method for determining how much should be paid for performing certain jobs. Compensation affects staffing and in the matter of staffing; people are generally attracted to organizations offering a higher level of pay in exchange of the work performed.

   To be competitive, employers develop and refine their basic compensation systems and may use variable pay programs such as incentive rewards, promotion from within the team recognition rewards, balancing team and individual rewards etc. This function uses rewards to motivate personnel to achieve an organization's goal of productivity, innovation and profitability.

6. **Risk Management and Worker Protection:** HRM addresses various workplace risks to ensure protection of workers by meeting legal requirements and being more responsive to concern for workplace health and safety along with disaster and recovery planning.

7. **Employee and Labor Relations: -** The relationship between managers and their employees must be handled legally and effectively. Employer and employee rights must be addressed. It is important to develop, communicate and update HR policies and procedures so that managers and employees alike know what is expected. In some organizations, union/management relations must be addressed as well.

   The term labour relation refers to the interaction with employees are represented by a trade union. Unions are organization of employees join together to obtain more voice in decisions affecting wages, benefits, working conditions and other aspects of employment. With regards to labour relations the major functions of HR personnel includes negotiating with the unions regarding wages, services conditions and resolving disputes and grievances.

2.2 Trends in Human Resource Management

- **Workplace Diversity**

The dimensions of workplace diversity include, but are not limited to: age, ethnicity, ancestry, gender, physical abilities/qualities, race, sexual orientation, educational background, geographic location, income, marital status, religious beliefs, parental status, and work experience. The challenges of workplace diversity to the fact that the future success of any organizations relies on the ability to manage a diverse body of talent that can bring innovative ideas perspectives and views to their work. The challenge faced of workplace diversity can be turned into a strategic organizational asset if an organization is able to capitalize on this melting pot of diverse talents. With the mixture of talents of diverse cultural backgrounds, genders, ages and lifestyles an organization can respond to business opportunities more rapidly and creatively especially in the global arena which must be one of the important organisational goals to be attained. More importantly, if the organizational environment does not support diversity broadly, one risks losing talent to competitors. In the real world, diversity cannot be easily categorized and those organizations that respond to human complexity by leveraging the talents of a broad workforce will be the most effective in growing their businesses and their customer base.

- **Talent Management**

Talent management refers to the process of developing and integrating new workers, developing and keeping current workers and attracting highly skilled workers to work for company. Talent management is a process that emerged and continues to be adopted, as more companies come to realize that their employees' talents and skills drive their business success. Companies that are engaged in talent management are strategic and deliberate in they source, attract, select, train, develop, retain, promote, and move employees through the organization. This term is usually associated with competency – based human resource management practices. Talent management decisions are often driven by a set of organizational core competencies as well as position - specific competencies. The competency set may include knowledge, skills, experience, and personal traits.

❖ **Organizing Talents Strategically**

Many companies are now realizing the advantages of a diverse workplace. As more and more companies are going global in their market expansions. With this trend in place, a HR Manager must be able to organize the pool of diverse talents strategically for the organization. Consider a diverse workforce can enable the company to attain new markets and other organizational goals in order to harness the full potential of workplace diversity. An organization that sees the existence of a diverse workforce as an organizational asset rather than a liability would indirectly help the organization to positively take in its stride some of the less positive aspects of workforce diversity.

❖ **Motivational Approaches**

The development of an appropriate organizational reward system is probably one of the strongest motivational factors. This can influence both job satisfaction and employee motivation. The reward system affects job satisfaction by making the employee more comfortable and contented as a result of the rewards received. The reward system influences motivation primarily through the perceived value of the rewards and their contingency on performance. Gain-sharing programs generally refer to incentive plans that involve employees in a common effort to improve organizational performance, and are based on the concept that the resulting incremental economic gains are shared among employees and the company. An effective manager must ensure that the gain -sharing targets are challenging but legitimate and attainable. In addition, the targets should be specific and challenging but reasonable and justifiable given the historical performance, the business strategy and the competitive environment.

2.3 Trend in International HRM

International HRM places greater emphasis on a number of responsibilities and functions such as relocation, orientation and translation services to help employees adapt to a new and different environment outside their own country.

- Selection of employees requires careful evaluation of the personal characteristics of the candidate and his/her spouse.
- Training and development extend beyond information and orientation training to include sensitivity training and field experience that will enable the manager to

understand cultural difference better. Managers need to be protected from career development risks.

- +In many Asian countries – India for one law establishes representation. Organizations typically negotiate the agreement with the unions at a national level. In Asia it is more likely for salaried employees and managers to be unionized.

2.4 Human Resource Practices in India Vs. Morocco

2.4.1 Human Resource Practices in India

- **Recruitment and Selection Practice in India**

Recruitment is described as the set of activities and processes used to legally obtain a sufficient number of qualified people at the right place and time so that the people and the organization can select each other in their own best short- and long-term interests. The recruitment process provides the organization with a pool of potentially qualified job candidates from which judicious selection can be made to fill vacancies. Successful recruitment begins with proper employment planning and forecasting. In this phase of the staffing process an organization formulates plans to fill or eliminate future job openings based on an analysis of future needs the talent available within and outside of the organization, and the current and anticipated resources that can be expanded to attract and retain such talent.

Recruitment and selection process are important practices for human resource management, and are crucial in affecting organizational. Due to the fact that organizations are always fortified to be more competitive it is natural to also consider utilizing this technology to re-organize the traditional recruitment and selection process through proper decision techniques, with that both the effectiveness and the efficiency of the processes can be increased and the quality of the recruitment and selection decision improved.

Business environment in India has been dynamic and continuously changing. Business organizations have been growing at very rapid place and globalizing. Consequently, organizations are now looking for globally competitive workforce. These changing expectations and requirement and selection have compelled the Indian industrial management to introduce changes in every sphere of human resource, activity, including recruitment and selection.

The features of recruitment and selection in India are the following:

- Our industrial labour force consists almost entirely of persons with little experience or no experience of industrial life and work. They keep still strong influences the tradition and values of their rural or pre-industrial background. Often the new recruits to the industrial labour force have great difficulty in adjusting themselves to the rhythm, discipline and social relationships in the industrial undertaking, and to the new way of life in the community of which the undertaking forms a part. Their acceptance of the new environment proceeds at a slow pace and this is often expressed through high labour turnover stoppages of work and other facts of protest. Such factors generally become more important when more advanced technology is introduced and new problem of manpower replacement are created by the higher skills required.

- There is a great disproportion between the number of positions available and the number of aspirants. Not only is the expenditure and inconvenience involved in examining a large number of candidates for a few positions great but also the spectacle of so many persons making applications and getting disappointed is a dismal one. Furthermore, the large number of applications that need to be processed and the equally large number of candidates who need to be examined and evaluated is an important source of delays. On account of the present conditions of acute unemployment the chances of incorrect matching of the job and the individual are higher here than in the developed western countries. The reason for this is that a man whose choice of employment is very limited accepts any job that falls to his lot irrespective of his attitude and suitability.

- Under the existing statutes dismissal of employees is very difficult because it requires certain elaborate procedure involving considerable time and money to be followed by a manager. This means a person once recruited is going to be around longer on any given job and it is not possible to rely on replacement to improve the quality of the work group. The management must count more on utilizing the skills and abilities of the employees that are already present than on replacing them by more able ones.

- **Training and Development and in India**

Training and development extend beyond information and orientation training to include sensitivity training and field experience. Appropriate training can develop managers at all levels including the knowledge and skills required to gain competency in order to manage change in organisation in any business environment. In multinational companies, training can provide an important impetus to achieve shared values and facilitates network building between headquarters and subsidiaries states that training of employees in organisation increases higher productivity through better job performance, more efficient use of human resources and goals more effectively met, reduced cost due to less labour turnover, reduced errors, reduced accidents and absenteeism more capable and mobile workforce and retention of the existing staff.

Employees must be trained, and where possible developed to meet their own career needs and the need of the organization. Training is job or task-oriented. It aims at enabling individuals to perform better on the jobs they are currently doing. Development is career oriented rather than job-oriented. It aims at preparing people for higher responsibilities in the future.

Human Resource Management (HRM) practices of training and development enhance employee skills, knowledge and ability which in turn enhance task performance of individual and in the long run increases the organisational productivity. This is the integrated process employers use to make sure employees are moving towards organisational goals. Taking performance management to approach training means that the training effort must make sense in terms of what the company makes each employee to contribute to achieving the company's goals.

The features of training and development in India are the following:

- The amount and type of training as well as the organization of training function in a company are influenced by employee and manager roles:
  - By top management support for training.
  - By the company's degree of integration of business unit.
  - By its global presence.
  - By its business conditions.
  - By other human resource management practices including staffing strategies and human resource planning.
  - By the company's extent of unionization.

- By the extent of involvement in training and development by managers, employees and human resource staff.

- There several kinds of training methods used by trainers in organizations. The industry of a training programs needs to recognize each of these to determine the best method for meeting and training. Some of the methods are lecture method, conference, role play exercise, induction training, Cross – functional training, creativity training, diversity training, refresher training, and safety training. Besides, there are various product and modern training techniques used by renowned Indian companies.

- Business organizations in India have made outstanding progress in terms of their training initiatives. This is mainly due to the boost in competition and because of the entry of multinational companies in India, which has required them to look for various alternatives to develop organizational effectiveness. Indian organizations have realized the significance of corporate training. Training is considered as more of a retention tool than as a cost to the organization. Not only have organizations increased their investment in training and development practices, but they have also systematized training policies and practices right from the training need analysis to training evaluation. Therefore, the training system in the Indian industry has been distorted to create a smarter workforce.

2.4.2 Human Resource Practices in Morocco

- **Recruitment and Selection Practice in Morocco**

  Human resource planning (HRP) is recognized as the first HR function in an enterprise's staffing activities, which ensures that the enterprise has sufficient staff with the required skills, knowledge and abilities to cost – effectively produce the goods or services required. Recruitment and Selection such as have been noted as major HRM activities in any enterprise for managing its human resource.

  Effective recruiting is a very complex process as it should make sense in terms of the enterprise's strategic plans. There have been diverse claims as to where recruitment starts and ends the stages of the recruitment practices generally aim at attracting the right candidates to the job vacancies, followed by the assessment of those who

responded to the call and the selection of the most suitable candidates. An effective recruitment program identifies job requirements and is built on job analysis and produces a pool of job applicants.

Whereas the function of recruitment attracts candidates from the above sources, it is the function of selection which identifies those applicants with the necessary knowledge, skills, abilities and other characteristics that fit the job task in question and worth hiring to perform the task. The stages of the selection process differ from enterprise to enterprise. Basically, the selection process includes preliminary screening which reduces the number of applicants to the best qualified to perform the job, testing and reviewing work samples in order to rate the abilities of candidates, interviewing candidates with the best abilities and conducting background checks and making a selection decision for the applicant.

New recruiting and testing, create it simple to recruit and place extremely qualified job candidates. In Morocco, that function intermediaries between candidates and HR, became product able within the last decade. Recruiting could be a comparatively efficient method for HRM to publicize vacant positions and eliminate unqualified candidates several HRM in Morocco post job advertisements. Moroccan Work establishment a public establishment providing consulting and placement service to each staff and employers. Worker referrals and suggestions from alternative contacts are still distinguished ways that of finding new staff.

A search for the right talent to build the workforce has been number one priority for most large and multinational enterprises. This has attracted a lot of studies to investigate employee recruitment. Recruitment and selection show that most such studies concentrated on large and multinational enterprise in develop countries. The existence of country specific forces in-group favouritism appears to make divergence. But adaptation of Human Resource management practices, existence of transnational firms, globalization and alternative mimetic forces may eliminate this divergence within the future.

- **Training and Development practices in Morocco**

  General Managers determined training desires and content of training programs supported personal judgements instead of performance knowledge or employees'

specific desires. It is a method to acquaint new employees with particular aspects of their new job, including pay and benefit programmes, working hours and company rules and expectations. Training and development programs provide useful means of assuring that the employees are capable of performing their jobs at acceptable levels.

Employee training are to be grouped into two main categories, namely, training designed to improve performance and training for employee development. Training can be on – the – job, which is the most common and which supports the learning of day – to – day operations and basic concepts of the assigned job task which is usually available for key personnel and contributes to enhancing the intellectual capital and skills of the enterprise.

Effective training and development programs help employees to learn job skills, but also, they help the enterprise to retain and motivate employees. Training helps to eliminate some performance problems and to improve performance. Entrepreneurial enterprise's investment in employee training and development helps build technical expertise and facilitates industrial. Training and development programs need to be accompanied by relevant incentives and working conditions so that improved skills can be properly used to enhance the overall business strategy of the enterprise.

Employee training in Morocco constitutes a true challenge due to requirements in areas of productivity, competitiveness and employability and in building a knowledge – based society. These requirements continue to gain momentum due to due to global transformations in the environment where Moroccan organizations operate. In fact, both agreements of free trade and the dynamics of globalization in Morocco revisits the purposes of its training system. Consequently, the importance of training and education has increased and has been established as a national priority, second to territorial integrity.

In our companies that adopt a proactive HR management approach emphasize the need to train their employees as they consider it mutually beneficial for employers and employees. Within these organizations, line managers, supervisors and HR managers, along with employees are responsible for ensuring that workers are effectively trained. These organizations provide workers with subsidies for job – related training. Every employee's training and development needs are reviewed

annually and plans are established to address any gaps. Conversely, in companies that adopt a reactive HR management approach, the responsibility of identifying employees' training needs rests with personnel managers rather than with line managers, supervisors or the employees themselves. Training activities are designed by senior management in house and are closely related to the position. These companies favour training that is specific to the company and which is provided through on – the – job training programmes and by various means of job rotation methods.

CHAPTER 3: METHODOLOGY

3.1 Material & Method

The present study on examining the wages system in Morocco and India has been conducted through available literature including online exploration for the various aspects. The results have been synthesized in form of text and tables. In some cases, the figures have been adopted as it is to show the clear unedited data sets.

First the case study of Morocco has been taken describing the past and current situation, periodic changes occurring in the economy, employment situation as well as change in wages structure in view of education and capacity of youth.

Similarly, for India, historical aspects from early 1900 to till date have been reviewed and presented. The changes over time, trends, increasing population and the rural v/s urban cases have been reviewed and reported. The major aspects have been reported as tables and figures in the text like in the case of Morocco.

In the end the summary observations have been presented for the two countries representing contrasting economic bases for Morocco (tourism) and India (agriculture). The recent changes in India with industrialization for wages situation and structure as well as the measures taken by government has been discussed and presented.

3.2 Genders pay gap: A Global Perspective

Gender inequality has a direct impact on decent work and human development. Whether in the form of unequal labour force participation rates, differences in pay or unequal opportunities for women, it is a burden on society and a barrier to social justice. Equality of opportunity and treatment is addressed in the ILO Equal Remuneration Convention, 1951 (No. 100) and discrimination with regard to employment and occupation in the Discrimination (Employment and Occupation) Convention, 1958 (No. 111) which have been ratified by 90 per cent of ILO member States. These Conventions are two of the eight fundamental ILO Conventions which provide a legal framework for countries to work towards their own legislation. Globally, the gender wage gap has narrowed significantly in the last two decades. In 2015 it was estimated to be about 23 per cent with women earning 77 per cent of what men receive on average (ILO, 2016c). This gap can be estimated on a monthly or an hourly basis and the latter removes the effect on the pay

gap of the fact that women are engaged more often in part-time work than men. This gender wage gap is also referred to as the raw or unadjusted wage gap because it is a simple measure which does not take into account the differences between men and women in their skills endowments and labour market characteristics that directly affect the level of pay. Various studies have shown that across most countries for which data are available the gap has generally narrowed over time but has not been closed in most countries. Blau and Kahn's observation remains valid: "Virtually every industrialized country has passed laws mandating equal treatment of women in the labour market. Yet the gender wage gap while on the decline in many countries is a persistent feature of virtually every nation's labour market" (Blau and Kahn, 2003, p. 107).

At the same time raw gender pays gaps – like all other such pay gaps which emerge when comparing different groups of workers – are sometimes difficult to interpret. This is because the male and female individuals who are employees may differ widely in terms of their personal characteristics (such as age or level of education) and in terms of their labour market characteristics. Occupational segregation, for example, means that women will tend to be overrepresented in particular occupations. Taking all of these factors into consideration there is a need to understand what lies behind raw gender pay gaps through more sophisticated analysis comparing wages of men and women with comparable profiles and jobs.

Much research has attempted to interpret the gender wage gap; the factors that have been advanced by researchers include:

- An undervaluation of women's work and discrimination in pay.
- Workplace characteristics (e.g. how substitutable workers are for each other the value of face time, etc.).
- Gender segregation channelling women into low value-added jobs.
- The overall wage structure in a country – which may be shaped by wage-setting mechanisms that may have been designed with a focus on workers in male-dominated sectors).
- The view of women as economic dependents.
- The likelihood that women are in unorganized sectors or not represented in unions (Chen et al., 2013; Goldin, 2014; Grimshaw, 2011; Heinze and Wolf, 2010; Rubery, 2003; Rubery, Grimshaw and Figueiredo, 2005).
- Family behavioural patterns where motherhood can play a major role.

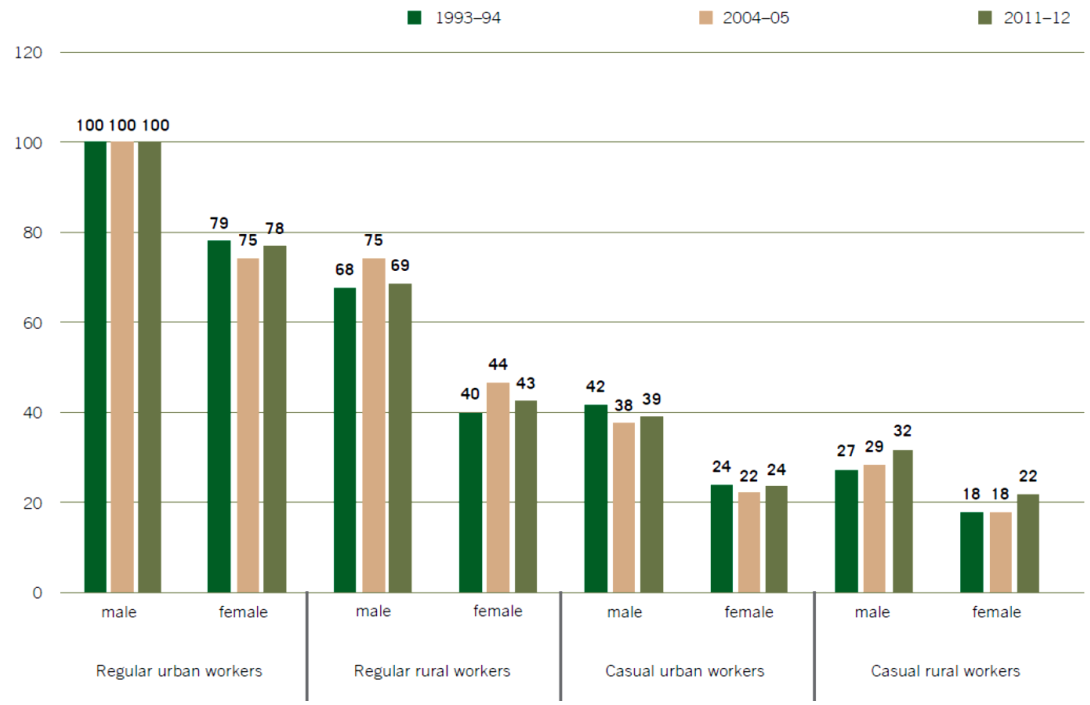


Figure 2:Wage gap between sub-groups and gender, 1993-94 to 2011-12.

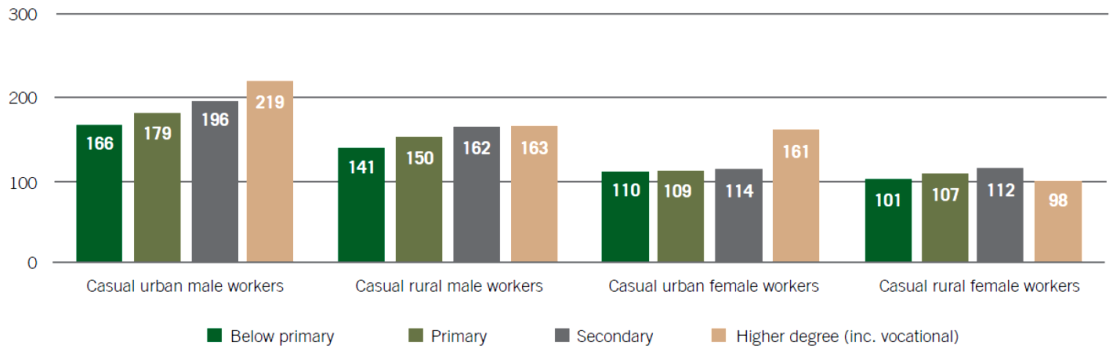


Figure 3:Nominal average daily wages for casual workers by level of education, 2011-12(INR).

Table 1 Real wage growth rates of regular and casual workers by economic sector (percentage)

Sector	1993–94 to 2004–05		2004–05 to 2011–12		1993–94 to 2011–12	
	Regular	Casual	Regular	Casual	Regular	Casual
Primary	3.4	2.2	6.6	6.5	4.6	3.9
Agriculture and allied activities	3.4	2.2	6.6	6.5	4.6	3.9
Secondary	1.4	1.5	4.4	4.6	2.6	2.7
Mining and quarrying	5.7	1.6	6.1	3.9	5.9	2.5
Manufacturing	0.8	1.5	4.9	4.8	2.4	2.8
Electricity, gas and water	4.4	– 0.2	– 0.4	1.3	2.5	0.4
Construction	0.5	0.9	5.2	4.3	2.3	2.2
Tertiary	2.3	1.5	4.0	5.6	3.0	3.1
Trade	1.3	1.0	5.2	6.7	2.8	3.2
Hotels and restaurants	2.9	2.4	3.8	7.5	3.3	4.3
Transport, storage and communication	2.4	1.0	2.0	4.9	2.2	2.5
Banking and finance	3.7	6.7	1.4	– 3.8	2.8	2.5
Real estate and business services	7.2	5.9	4.7	– 0.3	6.2	3.4
Public administration and defence	3.7	– 1.3	4.3	2.9	3.9	0.3
Education	2.2	0.4	4.0	3.8	2.9	1.7
Health and social work	2.8	0.5	3.9	3.9	3.3	1.8
Other social and personal services and private households	1.1	1.2	3.3	5.5	1.9	2.9

Source: ILO estimates based on NSSO data.

3.3 Collective Bargaining

Collective bargaining offers a mechanism for inclusive, coordinated wage setting. Collective agreements on wages can be used to establish minimum standards as well as to set wages above an existing wage floor. It is important to understand how minimum wages and collective bargaining interact. In most countries where a statutory minimum wage exists, minimum wages provide a wage floor for the lowest paid and collective bargaining can determine higher wage floors or lift wages for those above the minimum. The relationship between statutory minimum wage policies and collective bargaining is thus of particular importance. Minimum wages should not be used as a substitute for collective bargaining. It is thus recommended that the government strengthen the framework for collective bargaining. Tripartite cooperation between government and social partners can play an important role in creating the conditions for effective collective bargaining at all levels by ensuring the appropriate framework is in place. To be more inclusive the organizational basis for collective labour relations could be

strengthened drawing on new networks and sources of power including those in the unorganized or informal sector. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act are interesting initiatives to bring informal sector workers into the realm of legislations. Other efforts could be undertaken to bring the informal within the country's legislative framework and into the framework of social dialogue and collective bargaining.

3.4 Data Collection and Analysis

An evidence-based approach to minimum wage fixing, collective bargaining and the development of adequate labour market policies requires regular production of good and reliable national data on employment, wages, productivity and hours worked based on which policymakers can make informed decisions. In India, such data are not collected on a regular basis; due to this even in this report the latest data for analysis refers to 2011–12. In this report we raise for consideration some recommendations on improving coverage and data collection towards a more timely and in-depth empirical analysis to effectively inform policymakers and social partners. Given the regional variation in levels disparity and growth in wages there is a need for a more detailed understanding of the working of the labour markets at the state level. This calls for state-specific and comparative studies on wages and for collaborative work between government agencies academic institutions and expert organizations.

3.5 Other Measures

Many other publications (including various editions of the ILO *Global Wage Report*) have provided more comprehensive sets of policy orientations, which can be considered to address wage inequality.

- **Higher Skills and Productivity Growth for Sustainable Enterprise:**

  The ILO's *Conclusions concerning the promotion of sustainable enterprises* (2007) emphasizes the importance of an environment that is conducive to the creation and growth or transformation of enterprises on a sustainable basis. In developing countries structural transformation from low-productivity to high-productivity sectors may play an important role in achieving higher overall labour productivity. This usually requires and fosters an accumulation of skills, and eventually a growing supply of more educated

workers. Governments can facilitate these developments through quality public education, skills-training programmers and job-matching services. A growing supply of higher-skilled workers may also push up the wages of low skilled workers relative to more skilled workers and thus reduce inequality.

- **Promoting Equal Pay for Work of Equal Value:**

  A significant source of wage inequality can be found in exclusion or discrimination against some categories of workers, including women and scheduled castes. To reduce wage gaps national legislation must provide for the right to equal remuneration for work of equal value and effective access to justice to claim this right. But overcoming unequal pay across groups requires sustained effort at various levels and through a wide range of policy approaches. Equal pay for men and women needs to be promoted through strong policies, including awareness raising, combating gender-based stereotypes about women's roles and aspirations, strengthening polices on maternity leave and advocacy for better sharing of family responsibilities. Equal pay at the enterprise level also requires job evaluation methods free from gender bias.

- **Formalizing the Informal:**

  The pay gap between workers in the informal and formal can be reduced by laws, policies and practices which facilitate transitions from the informal to formal. According to the recently adopted ILO Transition from the Informal to the Formal Recommendation, 2015 (No. 204) countries should progressively extend minimum wage protections in law and in practice to workers in the informal through the process of formalization. Recommendation No. 204 provides guidance to facilitate the transition of workers units to the formal economy while ensuring the preservation and improvement of existing livelihoods during the transition. It calls for a combination of incentives compliance and enforcement measures including, for example, improving access to business services or finance as a result of transition and reducing compliance costs for micro and small units through simplified tax and contribution regimes as well as more extensive coverage of labour inspection in the informal.

- **Strengthening Social Protection:**

  Social protection systems are key in reducing inequality and contributing to more inclusive growth. It is thus essential that minimum income needs are tackled through both wages and social transfer payments to low-income households. Transfers may take many different forms including direct payments to low income households and the creation of public employment opportunities for low-income households, pensions, or publicly provided or financed health care among others. The appropriate design and mix of social protection measures will vary from country to country (see ILO, 2017) and is beyond the scope of the present report.

3.6 Wage Policies for Decent Work and Inclusive Growth

Sustainable wage policies that promote decent work and inclusive growth have several advantages.

- First, they can contribute to a pattern of sustained and balanced economic growth which relies on the progressive increase of domestic consumption by lower and middle-income groups as a key factor in overall aggregate demand.
- Second, they can contribute to more social cohesion and social mobility making a broad segment of society feel part of the countries.
- Third, with less inequality in the labour market there may also be less pressure on redistribution through fiscal measures which can alleviate demands on the state budgets.

We highlight here some ways in which the system could be improved in order for the minimum wage policy to achieve the objectives identified by the workshop, namely to eliminate exceptionally low wages fulfil the essential needs of workers and their families and provide for equity in the distribution of the fruits of development.

- Extending the legal coverage beyond workers in scheduled occupations.
- Ensuring full consultation and insofar as possible the direct participation of social partners on a basis of equality in the establishment and operation of minimum wage systems.
- Undertaking regular and evidence-based adjustments.
- Simplifying minimum wage structures.
- Ensuring more effective application.
- Strengthening the framework for collective bargaining.
- Skills and productivity growth for sustainable enterprises.

- Promoting equal pay for work of equal value.
- Formalizing the informal.
- Strengthening social protection.

CHAPTER 4: FINDING

4.1 Case Study of Morocco

4.1.1 Accelerating the Liberalization Process, Addressing the Social Deficit in Morocco

Upon assuming power King Mohamed VI, on 23 July 1999, he expressed his intention to address the social and political deficiencies through good governance, in the field of human development and lay down milestones for the timeframe 2025. This reign has been marked by the design and implementation of several development plans in industry, agriculture, fishery, tourism and renewable energies as well as accelerating the process of Morocco's integration in the global.

4.1.2 Population landscape and the Labour Market

The population of Morocco presents, in view of the country's history and geographical position a great diversity with Imazigh (Berber), Arabs, Jews, Andalusian and other African elements. According to the General Population and Housing Census, Morocco now counts 33 million 848 thousand people. The detailed findings of the Census revealed far-reaching changes that affected its population pyramid of which a decline in the demographic growth rate, over the two decades prior to 2014 from 1.38% to 1.25%, a rise in the urbanization rate to 60.3%, as against 55.1% in 2004, a shrinkage in the 15- years age group from 31% in 2004 to 28% in 2014, as against a rise in the 60+ years age group from 8.1% in 2004 to 9.6% in 2014 (or from 2.376 million in 2004 to 3.209 million in 2014), a rise in life expectancy to 74.8 years, an increase in the age group 15 - 25 years and in the working population (15 - 59 years) to 62.4% in 2014 with a forecast peak at 65% in 2018. This portends an increasing pressure on the labour market with a forecast gradual downward trend from 2020 onwards. Such changes also affected family solidarity bonds and family structure with the latter gradually muting from an extended to a nuclear and at times even single-parent structure.

One of the consequences of the demographic change was an increase in the working population that rose from 10.2 million in 2000 to around 11.8 million in 2014, thus causing a rise in employment seekers. Indeed, the age group 15 - 34 years accounted for 36% of the population in 2014 and, with a slack in economic growth, the

unemployment rate rose from 8.9% in 2011 to 10% in early 2016. This rate however, conceals an urban rate of 14%, a gender disparity with 19.3% among women as against 13.2% among men and a rate of 16.3% among young university graduates. Indeed, growth is short of providing sufficient employment opportunities to absorb the increment and inflow of job seekers. Over the period 2010 - 2013 the average net job opportunities stood at around 73.000 annually declining between the first quarter of 2013 and the first quarter of 2014 to a mere 39.000. Both the pressure on the labour marked in the private sector, accounting for 91% of all job opportunities inclusive of the informal sector and an increasingly limited role of the State as employer accounting for a mere 8.9% of all job opportunities 36 coupled with the rapid changes affecting the labour market affected the type of employment contracts in the private sector.

Indeed, an increasing trend has been observed among private enterprises and some semi-public companies to resort to fixed-term contracts which the Labour Code considers as exceptional employment contracts to be resorted to under given conditions with permanent employment contracts being the rule. Notwithstanding the fraud in matter of declaration of employees by employers this indicator does reveal the existence of fixed-term employment contracts at the same time the total number of declared employees gives us in its turn an idea about the share of the informal sector in the labour market. Besides, a survey conducted by the Higher Commissionership for Planning revealed that paid work increased over the period 2000 - 2014 from 37.7% to 44.9%, thus reporting a rise by 6.61%, while unpaid work accounted for 22.5% of national job opportunities and 41.6% in rural areas; that only 20% of employees have social security coverage in 2014; and that 1 out of 3 employees has a written employment contract.

It also revealed that the improvement in the level of education among the working population did not impact on the labour market. Indeed, the qualifications for the labour demand remained low as 60% of the working population in 2013 did not have any diploma. In recent years the labour market has reported an increase in foreign labour force hailing especially from Sub-Saharan African countries. All in all, Morocco is no longer a transit country for many of them; it is gradually becoming a country of settlement for the majority which will in the short term raise a set of integration issues.

4.1.3 Unemployment

The unemployment rate has been quasi-stable over the past five years ranging between 9% and 10%, as against 8.9% in 2011 a rate the Government had pledged to bring down to 8%. In quantitative terms the number of the unemployed decreased between the first quarter of 2015 to the same period in 2016 from 1 million 157 thousand to 1 million 169 thousand. On its part, the employment deficit at national level increased from 10.3% in 2014 to 10.8% in 2015 that is 1.154.000 working persons. Indeed, youth especially graduates have come to represent a burden on employment policies with the unemployment rate among this category standing at over 20% (38.1% in urban environment for the age group 15 - 24). There is particularly high unemployment among degree holders the rate stood at 4.1% among non-degree holders in 2014 as against 17.3% among degree holders. As to the rate of the employed active population without degrees it stood at 61.2%, that of those with secondary level degrees standing at 11.6%, while those with a tertiary level degree not exceeding 11.6%; thus, 4 out of 10 unemployed persons in 2015 were tertiary education (university) degree holders. This gives rise to a paradox education being a contributor to unemployment rather than a factor of keeping out of it.

One of the reasons is the very structure of the economic fabric that relies on middle rank supervisory and labour workforce. Indeed, the studies in support of the Industrial Take off Plan show that 90% of the human resources input for the plan belong in the technician and specialized technician categories they also point out the nature of the needs of the informal sector and the mismatch between training and labour market needs. This causes fluctuation in the impact of growth on the labour market over the years rather than this responding to a clear incremental trend.

According to UNDP data 10% of Moroccans were living in poverty in 2011 three million lived in extreme poverty and three thirds of the poor are in rural environment. The Higher Commissionership for Planning incepted in 2004 in cooperation with the World Bank the development of a Poverty Map in Morocco with the poverty line set then as 3922 dirhams/capita in urban area and 3037 dirhams/capita in rural area. The poverty line for a family was 1828 in urban area and 1603 in rural area. It found that poverty rate for the first category (less than 1 USD) was 0.1%, while for the second category (2 USD), it was

9.7% at national level and 16.4% at rural level with the median poverty rate standing at 14% and the vulnerability rate standing at 17.3% in 2014.

This was confirmed by the World Bank which highlighted geographical disparities as poverty was three times higher in rural areas than in urban areas and 80% of the poor in rural areas have no opportunity to access paid work. The Morocco Poverty Map reveals that the wealth of certain regions did not help reduce poverty in them. For instance, the poverty rate in the Souss-Massa-Draä region a region of great agricultural, tourism and fishery activity report a 20% poverty rate which shows a mediocre geographical distribution of wealth in it.

4.1.4 Wages and Minimum Wages

Morocco has a government-mandated minimum wage and no worker in Morocco can be paid less then this mandatory minimum rate of pay. Employers in Morocco who fail to pay the Minimum Wage may be subject to punishment by Morocco's government. Under the Labor Code the minimum wage in set by a decree issued by the Minister in charge of employment which can be revised in accordance with an agreement under the tripartite social dialogue mechanism. Employees are entitled to seniority allowances. The minimum wage increased by 25% between 2011 and 2013. The remaining categories of salaried employees in the private sector have their wages governed by a contract between the employee and the employer under the wage grid provided for in collective labor agreements or the wage schemes defined by each business enterprise. Concerning public sector positions, the wages, allowances and career promotions are regularized by the public service wage grid and the special schemes for some categories of civil servants. According to the Ministries of Finance, 54% of public servants in 2015 received salaries ranging between 6000 and 14000 Dirhams. Since 2015, minimum wage in public service started to be debated after the government increased minimum wages to 3000 Dirhams a month. It should be noted however that there are differences between civil servants depending on ministerial sectors because of the allowances granted to civil servants without being subject to a specific legal framework.

Wages in public enterprises on the other hand are governed by the by laws of each of these enterprises and are higher than the wages of those working in other public sectors. Some of these wages are even higher than those paid to executives in the private sector. The salaries and allowances granted to senior officials are among the highest today in

the state. The situation was depicted in the report published by the High Council of Accounts which indicated that the total payroll in public institutions and enterprises is too high thus absorbing more than 45% of the value added produced by these enterprises.

4.1.4 Average Wages

To measure private sector average wages the only source available remains the wage statements deposited by business enterprises with the National Social Security Fund. A 2011 study indicates that about 50% of those whose wages were declared receive about 2400 Dirhams a month which amounts to the minimum wage at that time. About 32% receive between 1000 and 2000 Dirhams a month while 6% are paid more than 10,000 Dirhams. The average wage in the agricultural sector is 1337 Dirhams a month. The weak average wages in the private sector could be explained at least in some of its aspects by the fact that the CNSS declarations are capped at 6000 Dirhams a month and that the industrial minimum wage is calculated in accordance with the effective working hour and the effective working day in the agricultural sector. This affects the number of days declared at the CNSS and encourages some business enterprises to cheat on the real wages when submitting declarations to reduce their contributory commitments with the Fund. The number of salaried employees whose declarations cover all the months of a year amounts to 1 million employees out of the 3,100,000 whose 36 declarations were deposited for 2015. In the public sector 54% of civil servants receive wages that range between 6000 and 14,000 Dirhams in 2014 while the wages of 29.77% range between 4000 and 6000 Dirhams.

4.2 What is the Morocco Minimum Wage?

Morocco's Minimum Wage is the lowest amount a worker can be legally paid for his work. Most countries have a nation-wide minimum wage that all workers must be paid. Morocco's minimum wage is 3 000 MADs ($310) per month in public sector, 2 570.86 MAD ($265) per month in private sector and 69,73 MAD ($7) per day for agricultural workers. Morocco's minimum wage was last changed in 1-Jul-2015.

4.3 How does Morocco minimum wage compare to the minimum wage in countries?

Morocco's yearly minimum wage is $2,696.00 in International Currency. International Currency is a measure of currency based on the value of the United States dollar in 2009. There are 62 out of 193 countries with a higher Minimum Wage then Morocco and Morocco are in the top 31 percent of all countries based on the yearly minimum wage rate.

4.3.1 Trade Opportunities in Morocco

The unemployment and dislocation caused by the global financial crisis provides only a part of the explanation. In the United States, the great crisis of 2008-2009 came on the heels of stagnant incomes for the vast majority of households over 30 years a period which also saw nearly all the income gains accrue at the top of the income and wealth pyramid. Trade, especially trade with China and other low-income countries is often blamed for the very high and rising inequality. Very high inequality contributes to a number of ills such as extremely limited opportunity for the children of poor families, poor health outcomes, crime, capture of the legislative process and of government agencies by moneyed interests and profound political divisions that impede the formulation and execution of reforms. Rising income inequality is not only an American problem. With few exceptions it has been a common feature around the world in both advanced and developing countries most notably in many of the largest developing countries such as China and India. A recent IMF report found that over the last 30 years inequality has risen in every region of the world except in Latin America which includes several countries with the world's highest inequality surpassed only by South Africa.

There is broad agreement among that unskilled-labor-saving technologies and not trade have played the central role in increased inequality and many believe that the ongoing ICT revolution pretty much guarantees that the trend will continue. However, that trade interacting with these technologies has significantly contributed to the inequality trend in both advanced and developing countries. Since technology and trade also lie at the root of the unprecedented post-war advance in average living standards around the world, the policy response is not to try to suppress or reverse trade (or technology for that matter) even if that were possible but to adapt to it and to mitigate its effects on the most vulnerable.

Dozens of trade deals are being negotiated around the world today including giant mega-regional arrangements such as the Trans Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP) and bilateral agreements such as the Deep and Comprehensive Trade Agreement between the EU and Morocco. These new trade deals remain necessary to sustain growth as previous trade deals were in the past. New trade deals may or may not lead to even more inequality depending on the way they are configured on other reforms that accompany them and on specific country circumstances. This review is the evidence and thinking on the nexus between trade, growth and inequality. It also briefly discusses Morocco an interesting case of a lower-middle income country which has globalized rapidly and has achieved solid growth but where inequality remains high.

4.3.2 Morocco Experience broadly Confirms to these Trends

Its MFN tariffs have come down greatly and are now near the developing country average and as in other developing countries exhibit a high degree of variation across sectors with some such as garments, shoes and agriculture heavily protected and a higher degree of protection for consumer products than for intermediate goods and raw materials (Morocco's trade weighted average MFN tariffs for 2012 is around 9.7). While this means that Moroccan trade is now much freer than its MFN tariffs suggest, it also implies that Morocco may be purchasing products from relatively high cost producers in many instances which it could instead be purchasing in Asia for example. It also means that on account of this discrimination Morocco will struggle to develop further its trade links with Sub-Saharan Africa a region that is of increasing strategic and economic importance.

The cost of complying with these regulations together with the cost of transport, going through customs and the costs of distribution through wholesalers and retailers add up to trade costs which it is estimated can easily amount to one or two times the price of the product at the factory door. Developing and advanced countries have different agendas in addressing the impediments to trade even though within each group there exist a wide spectrum of interests which often leads to the dividing line being crossed. Many developing countries Morocco among them are aiming to reduce the hugely distorting tariffs, quotas and subsidies in advanced countries that limit their agricultural. They are also looking to limit the relatively high tariffs that advanced

countries apply in labor-intensive manufactures such as garments and shoes. In the context of North-South regional agreements such as the Central American Free Trade Agreement or the EU"s Mediterranean agreements developing countries are also those most interested in more liberal rules-of-origin which are often so complex and restrictive that prefer to pay the full duty rather than trying to document their right to preferential treatment. For example, there is heavy underutilizations of preferential treatment by Moroccan to the EU on account of these difficulties.

Advanced countries on their part are looking to limit tariffs in developing countries across the manufacturing sector as well as in many instances improved access for their (subsidized) agricultural and processed food. They are also aiming at access to markets in services such as finance and insurance and for much improved protection of intellectual property. In addition, advanced countries are typically those most concerned with behind-the-border impediments to trade such as subsidies or licenses accorded to State-Owned enterprises.

4.3.3 Trade, Technology and Inequality

The traditional view of trade is that it is triggered by differences in factor endowments, unskilled labor, skilled labor, land, capital and energy, and that it will therefore occur predominantly among countries with different factor endowments. In a model with two-factors, labor and capital traditional trade theory predicts that trade will lead to reduced inequality in labor-abundant developing countries as wages there rise relative to the return to capital and to increased inequality in labor-scarce advanced countries as wages there fall relative to the return on capital. Contrary to its predictions, what we observe is that trade takes place predominantly with similar endowments namely advanced countries exporting to each other highly differentiated products in the same industry such as cars and machine tools. Crucially, we also observe that increased trade has been associated with increased inequality not just in advanced but also in developing countries. The overall picture then is that trade and technology combine to boost efficiency and growth across the world but also tend to cause inequality to increase in both advanced and developing countries. While in developing countries one can expect increased inequality to be accompanied eventually by a rise of wages of unskilled workers as they are absorbed into the urban and modern sector the prognosis is less clear for the wages of unskilled workers in advanced countries

making the policy dilemma there sharper. Already, mentioned the solution is not to stop trade or technology but to find ways to facilitate the adjustment of losers from the process by redistributing some of the gains of the winners. These measures can be directly growth-enhancing for example by eliminating inefficient subsidies closing distortive tax loopholes and investing in health education and infrastructure in disadvantaged regions or to support vulnerable groups.

4.3.4 Implications

As it globalized Morocco has seen notable advances in living standards and human development indicators such as in health, gender and education access which have benefited all sectors of the population. Since 2000 growth accelerated and poverty rates declined sharply. Although the available data on income and regional inequality exhibits no clear trend over the period 1990 to 2007, Morocco continues to exhibit many of the characteristics of a highly unequal and dual with vast differences in income, health and education outcomes across social groups and the cities which host the country's prosperous elites and the countryside. Clearly urban elites have benefited greatly from access to imported consumer goods from the many investment opportunities that opened up with accelerated growth and the most qualified professionals have found high-paying employment in the sectors or in multinational enterprises and their related upstream activities. As in many other developing countries (and not infrequently in advanced countries) Morocco's data on income inequality which is based on household surveys should be viewed with caution. Obtaining accurate information from high-income households is especially challenging. Still the latest available estimate of the Gini coefficient is 0.4 which is high but near the average of Lower-Middle-Income countries.

When examining the trade-growth-inequality nexus in Morocco the issue that is of greatest concern is the weakness of education outcomes across a wide spectrum of the high-school student population. This is reflected in some of the lowest standardized test scores for countries of similar income levels and lower test scores than those of many low-income countries. Such weak outcomes undermine Morocco's international competitiveness its capacity to openness to trade and foreign investment into learning and efficiency improvement and are also likely to accentuate

the inequality-inducing effects of trade widening the gap between skilled and unskilled workers.

Also, of concern is the high rate of unemployment among Morocco's university graduates a feature it shares with many other countries in the Middle East and North-Africa region. In theory as set out in the preceding the globalization of Morocco should be leading to excess demand for these workers. However, as in the case of high-school students the quality of education at the university level appears to be severely impaired or very uneven. In addition, the shortage of jobs for university graduates may reflect weaknesses in the country's investment climate including rigid labor regulations and lack of confidence by private sector operators especially of large companies most likely to employ university graduates.

As Morocco continues to pursue its technological upgrading and integration in the global economy through trade and foreign investment there are important opportunities to fine-tune its trade regime for example by making its tariff schedule more uniform mitigating the trade-diverting effects of its trade agreements with the EU and the US and by insisting on more liberal rules of origin and better access for its agricultural. However, in its efforts to accelerate growth and mitigate the dis-equalizing effects of trade and technology nothing is more important than reform of the country's ineffectual education system.

4.4 Case Study of India

4.4.1 Introduction

Wages are of fundamental importance for the living standard of wage earners and their families. They are also important indicators of economic progress and social justice. In recent years many countries have witnessed a revival of interest in wage policies and policy tools such as minimum wages after a period of relative neglect during the 1980s and 1990s (Belser and Rani, 2015). In developed countries this trend continued after the financial crisis of 2008 and its after effects on the standard of living of a majority of the population. There was a realization among policymakers and researchers that earlier trends in both employment and wages were such that they contributed to socially unsustainable increases in income inequality. In developing countries, especially those that are referred to as emerging a high growth rate in the economy led to an increase in real wages but at a much slower rate and it

is associated with an increase in income inequality. It is thus critical for policy-makers to better understand the nature of wage policies and strategies for setting wages to ensure inclusive and sustainable growth and decent work for all.

In India there has been considerable debate on trends in both real wages and wage policy especially on the question of setting a national floor-level minimum wage as well as the implementation of a large set of minimum wages in different states. Despite being referred to as an emerging given its status as a member of the G20, India presents a rather different picture in terms of employment and wages. The share of population in the labour force is lower than in other emerging Asian and the percentage of wage labour in the total workforce is also quite low. Wage workers constitute only a little less than half the workforce (49 per cent). This, does not reduce the importance of wages and wage setting. Of the other half of the workforce classified as self-employed an overwhelming majority out a living from their homes or outside their homes by engaging in activities characterized as Own Account Work. Any change in the wages of wage workers will also have an impact on the demand for goods and services and hence on the earnings of these workers get paid for the labour they put in. Therefore, while the focus of this report is on the wage workers, there is a larger relevance to what happens to wages in the India. Following subdued growth for some decades from 2004–05 to 2011–12 real wages in India grew strongly (Rani and Sen, 2018; Rodgers and Sundararajan, 2016); compared to the earlier period from 1993–94 to 2004–05.

4.4.2 Wage Trends in India

While the trend in wages is an important indicator of the welfare of the wage-dependent population there are other equally important dimensions to investigate. The dualistic nature has led to a segmentation of the labour market. Therefore, the trends in wages are also examined in terms of type of employment or labour status rural–urban location as well as gender. These are further scrutinized in terms of sectors, occupations and regions given the large size of the country and the variations in development. While a number of studies have examined these aspects covering different time periods, it is important to place them in a comprehensive manner within a longer timespan (1993–94 to 2011–12). The report also investigates the question of wage disparity based on gender, location and social groups (castes) as it is of utmost importance from the point of view of balanced growth and social justice and also in the larger context of increasing income inequality. The report also examines inequality from a distributional point of view by looking at wage shares in national income so as to find out whether or not wage workers have gained or lost in a relative sense.

Finally, there is a revival of interest in the role of labour market institutions, particularly concerning minimum wages and collective bargaining in how they affect wage levels and the distribution of wages. In India, the main legislative instruments regulating wages are: Minimum Wages Act, 1948; Payment of Wages Act, 1936; Payment of Bonus Act, 1965; and Equal Remuneration Act, 1976. Policy debates have included the question of whether India should enact a national minimum wage floor (it was adopted as a policy previously but does not yet enjoy statutory status) and more recently, whether to consolidate the above Acts into a single Labour Code on Wages (an on-going process) and the possible extension of minimum wage to cover all wage workers. The national trade unions have also recently mounted a campaign for a statutory national minimum floor wage at a higher threshold than the current non-statutory national minimum wage. Beyond these steps there are a range of challenges to implementing effective wage policy including full consultation of social partners in the minimum wage fixing machinery evidence-based adjustments that take into account the needs of workers and their families as well as factors, the possible simplification of a minimum wage structure and measures to improve implementation. India is not alone in debating its wage policies. In recent years, many countries have turned to or strengthened wage policy mechanisms and specifically minimum wage setting to address working poverty and inequality (ILO, 2015). At the international level the G20 has agreed on the importance of sustainable wage policies to increase living standards and the United Nations 2030 Agenda for Sustainable Development has called to focus on decent work for all women and men and on reducing inequality as part of the key objectives within universal policy which includes fiscal and wage policies. In Asia, the Bali Declaration adopted at the 16th Asia and the Pacific Regional Meeting has also set policy priorities to confront extreme poverty, income inequality, and the gender wage gap amongst others (ILO, 2016a).

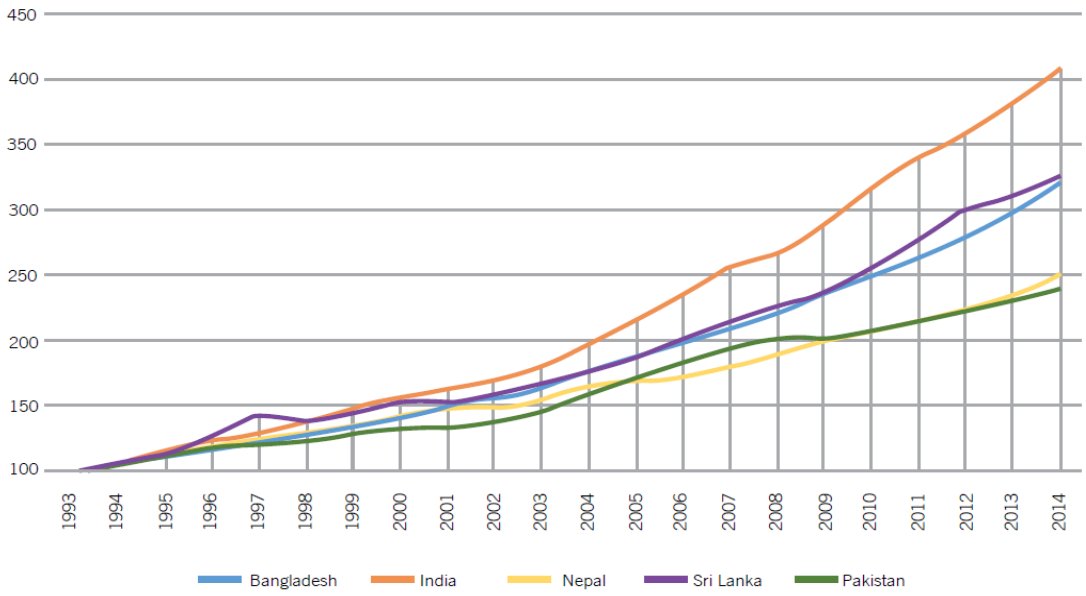
Against this background, this report makes an attempt to discuss the issues raised in the existing literature on the subject provides empirical analysis of recent wage trends and discusses the effectiveness of wage policy and wage setting institutions in the Indian context. Although the main thrust of this report is country-wide analysis we are aware of the importance of the regional dimension which involves state-level assessment and analysis of important issues. The period of analysis is from 1993–94 to 2011–12 and the initial year coincides with the implementation of reforms which began in 1991. The report uses the unit level data of the Employment and Unemployment Survey (EUS) of the National Sample Survey Office (NSSO) for analysis which is the most comprehensive

source for employment, unemployment and wages (Papola and Kannan, 2017). Five rounds of EUS were available for this period; we selected the time periods 1993–94, 2004–05 and 2011–12 for analysis. We did not take into consideration 1999–2000 as there is a debate on methodological comparability across the different NSS rounds on the choice of the reference period for food and non-food consumption which would lead to noncomparability of inequality measures. The 2009–10 NSS round was not taken into consideration due to the controversy around underestimation of female workers.

Given the dualistic character of the India – organized and unorganized or formal and informal – discussion of a single average wage would be inappropriate. In this report, wages are analysed on the basis of this duality taking into consideration the type of employment or labour status of the worker who are referred as regular/salaried and casual workers. The organized sector consists largely of regular workers although there is a growing trend to employ casual and contract workers on short-term or fixed-term contracts. This report follows the general structure of the ILO Global Wage Report and is organized as follows. Part I provides an overview of recent trends in wages and employment by type of employment or labour status, rural-urban location, sector, occupation, education and social groups as well as gender. It then examines wage gaps between different categories of workers including gender wage gaps, and differences across states. This part also presents the trends in wage inequality and discusses the issue of wage shares in national income. Part II is devoted to a discussion on wage policies, legislations and their implementation focusing on minimum wages as well as collective bargaining. Part III provides some policy-oriented conclusions.

4.4.3 Labour in Context of Growth, Employment and Poverty

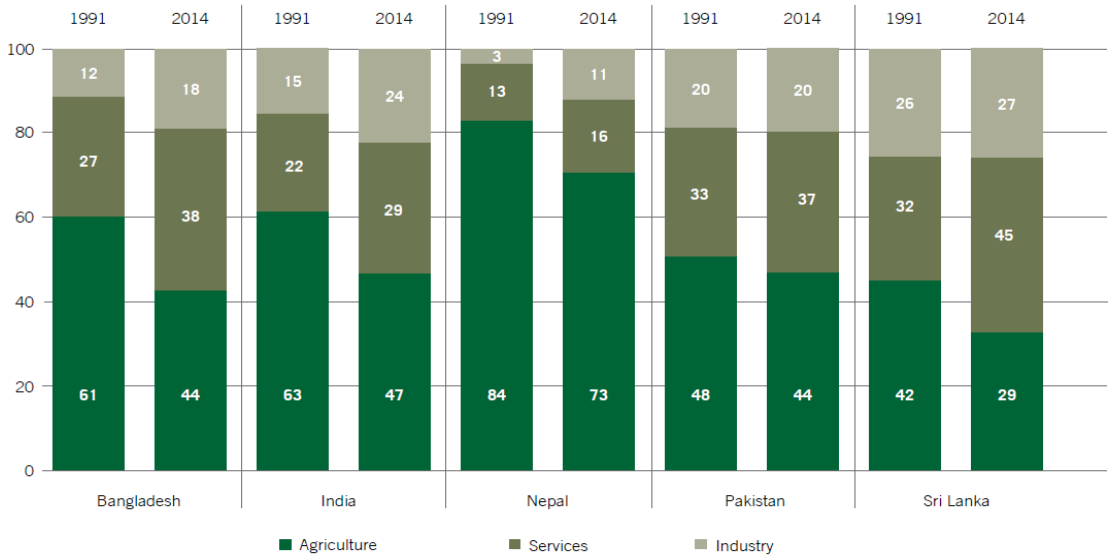
Over the past two decades, economic reforms have contributed to strong economic growth. The Gross Domestic Product (GDP) in India has increased at an annual average rate of about 7 per cent since 1993. Overall, this means that GDP rose more than four-fold since 1993 (figure 4). During the same period, GDP rose more than three-fold in Sri Lanka and Bangladesh, and multiplies by about two and a-half times in Nepal and Pakistan. India's economic growth also proved resilient during the years following the global economic crisis which began in 2008–09. Since 2010 many emerging and developing countries have experienced a decline in growth rate and some have even faced deep economic depression, like Brazil and the Russian Federation (ILO, 2016b). India, however, continued its robust economic growth albeit slowing down in 2017 (World Bank, 2017).



Note: Data adapted from World Economic Outlook Database.
Source: Data retrieved from https://www.imf.org/external/pubs/ft/weo/2016/02/weodata/index.aspx (13 October 2017)

Figure 4: GDP index for South Asian, 1993-2014 (base year = 100).

The structural transformation of the Indian economy has been slow, with labour productivity widening between the agricultural and non-agricultural sector and the agricultural sector is lagging behind. Labour absorption in the expanding manufacturing sector (Lewis, 1954), a result of industrialization, has been quite sluggish. However, India, like the rest of South Asia, has been characterized by service-led growth, as the share of the service sector has expanded.



Note: Data adapted from ILOSTAT.

Source: Data retrieved from http://www.ilo.org/ilostat

Figure 5: Sectoral share of employment, 1991-2014 (percentages)

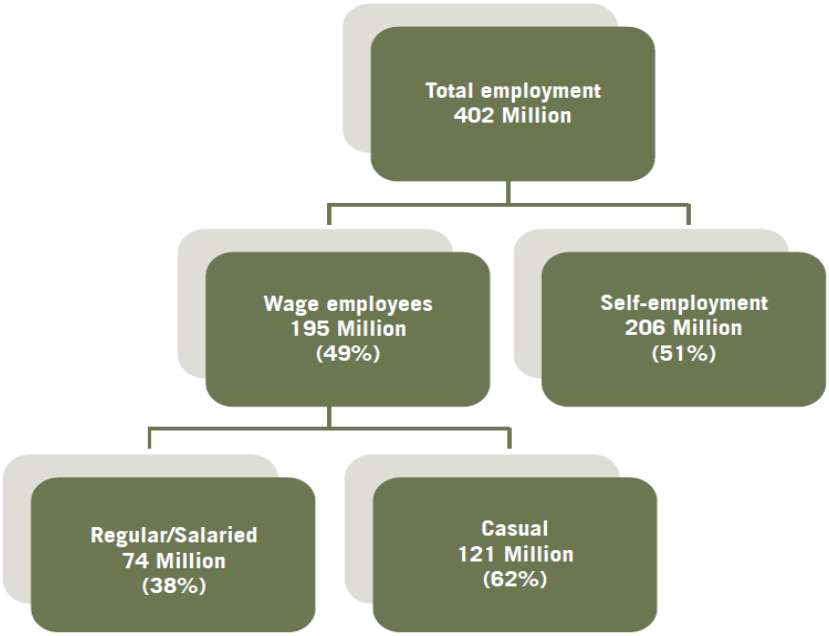
Table 2: Poverty in India, 1993-94 to 2011-12

Poverty (Headcount ratio)		
	Rural	Urban
1993–94	50.1	31.8
2004–05	41.8	25.7
2009–10	33.8	20.9
2011–12	25.7	13.7

Source: Figures for poverty based on Government of India Planning Commission estimates.

Table 3: Structure of employment, 2011-12 (percentages)

		Male	Female	Total
Rural	Self-employed	53.3	59.0	55.0
	Regular/salaried	10.5	5.8	9.0
	Casual	36.2	35.2	35.9
	Total (in thousands)	203 588	90 181	293 769
Urban	Self-employed	41.0	42.5	41.3
	Regular/salaried	44.2	43.6	44.0
	Casual	14.8	13.9	14.6
	Total (in thousands)	86 466	21 503	107 970
Total	Self-employed	49.6	55.8	51.4
	Regular/salaried	20.5	13.1	18.5
	Casual	29.8	31.1	30.2
	Total (in thousands)	290 054	111 684	401 739



Source: ILO estimates based on NSSO data.

Figure 6: Structure of employment in the Indian economy, 2011-12

The high rate of economic growth has been accompanied by a substantial decline in India's poverty rate and changes in employment patterns, with a growing proportion of jobs in services and industry and a declining share of employment in agriculture. The Indian labour market, however, remains characterized by high levels of segmentation and informality. Of the total employed in 2011–12, more than half (51.4 per cent, or 206 million people) were self-employed, and of the 195 million wage earners, 62 per cent (i.e. 121 million) were employed as casual workers. Employment in the organized sector has grown, but even in this sector many jobs have been casual or informal. The *India Wage Report* shows that low pay and wage inequality remain a serious challenge to India's path to achieving decent working conditions and inclusive growth. Based on the Employment and Unemployment Survey (EUS) of the National Sample Survey Office (NSSO), the report estimates that real average daily wages almost doubled between 1993–94 and 2011–12, increasing somewhat more rapidly in rural than in urban areas and increasing more rapidly for casual than for regular workers. Average wages increased more rapidly for women than for men and rose faster in the unorganized than in the organized sector. These are all positive achievements. Nonetheless, low pay remains pervasive and wage inequality is still very high. In 2011–12, the average wage in India was about 247 rupees (INR) per day, and the average wage of casual workers was an estimated INR 143 per

day. Only a limited number of regular/salaried workers, mostly in urban areas, and highly skilled professionals earn substantially higher average wages.



Figure 7: Evolution of daily wages, urban and rural, 1993-94 to 2011-12 (base year 1993-94 = 100)

Daily wages in urban areas remain more than twice as high as wages in rural areas. Although overall wage inequality in India seems to have stabilized or even declined somewhat since 2004–05, wage inequality remains very high: the Gini coefficient for wages is 0.49 and the D9/D1 wage ratio is 6.7. Regional disparities in average wages have increased over time wages rose more rapidly in high-wage states than in low-wage ones. The gender wage gap also remains very high by international standards, although it declined from 48 per cent in 1993–94 to 34 per cent in 2011–12. This gender wage gap can be observed among all types of workers: regular and casual, urban and rural. Of all worker groups, the average daily wages of casual rural female workers are the lowest (INR 104 per day). Finally, because average labour productivity (as measured by GDP per worker) increased more rapidly than real average wages, India's labour share has declined. Labour share refers to the proportion of national income which goes into labour compensation, as opposed to capital or landowners. According to one estimate, the labour share declined from 38.5 per cent in 1981 to 35.4 per cent in 2013.

4.5 Wage Policy in India

Wage levels and distribution of wages are, to a large extent, influenced not only by skills and productivity levels, but also by the role of labour market institutions, particularly

minimum wages and collective bargaining. Part II of this report describes these institutions and some of their characteristics. India's industrial relations system transitioned from a structure of centralized bargaining during the first three decades of planned industrialization to decentralized bargaining, following the partial liberalization of the economy in the mid-1980s. As a result, enterprise or plant-level bargaining has become the dominant level of bargaining in the private sector. Nevertheless, in key industries (banking, ports, oil, and steel) where public employment predominates, national industry-wide bargaining continues. Union density, defined broadly in Indian data as the percentage of members of trade unions and associations across the total workforce, stood at a relatively low 10.7 per cent in 2011–12, increasing marginally compared to the 1993–94 level. Union density among female workers was half that of male workers. Among non-agricultural workers, union density was 17.7 per cent in 2011–12. It is difficult to gauge the extent of collective bargaining coverage in India, as no reliable estimates are available; nevertheless, it would be fair to assume that it is lower than trade union density rates and concentrated in large enterprises. These aggregate numbers hide different trends for different groups. Union density among salaried workers has fallen precipitously since 1993–94, by 17.7 percentage points to 28.8 per cent, while it has increased for casual workers and among self-employed workers. There have been some attempts at unionizing worker in the informal economy, especially among home-based workers either to negotiate for minimum wages or to demand for better conditions (brick workers). India was one of the first developing countries to introduce a minimum wage policy. The Minimum Wages Act adopted in 1948, is considered to be an important piece of labour legislation. It is one of the few protections afforded to both regular and casual workers, and to workers in both the organized and unorganized sectors.

However, the minimum wage system is complex, its rates are set mainly by state governments for employees working in selected "scheduled" employment. This has resulted in an estimated 1,709 different rates across the country, at times set somewhat arbitrarily, without full consultation with social partners, revised only about every five years, and applicable to an estimated 66 per cent of wage workers (those working in "scheduled" employment). In around 40 per cent of states, the legal scope of the application of minimum wages was below 50 per cent of wage workers. A national minimum wage floor was introduced in 1991 and was progressively increased up to INR 176 per day in 2017, but it is not legally binding. Moreover, there is a lack of consensus with regard to the methodology used to determine the rate, which has resulted in neither

the central nor state governments using it as a floor for determining minimum wages. Despite this wage floor being non-binding, one estimate shows that in 2009–10, about 15 per cent of salaried workers and 41 per cent of casual workers earned less than this indicative national minimum wage. Overall, 33 per cent of wage workers (i.e. 62 million workers) were paid less than the indicative national minimum wage, and the rate of low pay was higher among women than among men.

4.6 Wage Policies for decent work and Inclusive Growth

Ensuring decent work and inclusive growth through sustainable wage policies is a widely shared objective across many countries. The Preamble to the ILO Constitution calls for "the provision of an adequate living wage" and the ILO Declaration on Social Justice for a Fair Globalization adopted by the International Labour Conference at its 97th Session in June 2008 calls for wage policies which "ensure a just share of the fruits of progress to all, and a minimum living wage to all in need of such protection". In 2016, the G20 – of which India is a member also adopted a call for sustainable wage policy principles, specifically minimum wages and collective bargaining, which ensure that wages grow in tandem with labour productivity and contribute to reducing inequality and promoting inclusive growth. The G20 also agreed on the objective of effective wage policies to address gender wage gaps. The objectives of decent work for all, equal pay for work of equal value and reduced inequality through fiscal, wages and other policies are also identified as key objectives of the United Nations 2030 Agenda for Sustainable Development. Sustainable wage policies that promote decent work and inclusive growth have several advantages. First, they can contribute to a pattern of sustained and balanced economic growth, which relies on the progressive increase of domestic consumption by lower- and middle-income groups as a key factor in overall aggregate demand. Second, they can contribute to more social cohesion and social mobility, making a broad segment of society feel part of the country's economic success. Third, with less inequality in the labour market there may also be less pressure on redistribution through fiscal measures, which can alleviate demands on the state budgets.

4.7 Minimum Wages

There has been a revival of interest in minimum wages in many countries in recent years. Recent literature on the effects of minimum wages shows that if set in a carefully balanced way, taking into account both the needs of workers and their families as well as economic

factors, minimum wages can support the wages of low-paid workers and reduce wage inequality with no significant negative impact on employment. There are several possible options to improve the current minimum wage system. These recommendations have been based on a vast body of existing literature and the ILO standards (particularly the Minimum Wage Fixing Convention, 1970, No.131) as well as the conclusions of a capacity-building workshop titled “Towards more effective wage policies in India”, jointly organized by V.V. Giri National Labour Institute and the ILO, New Delhi in April 2015. These are:

- Extending legal coverage to all workers in an employment relationship.
- Ensuring full consultation and in so far as possible, the direct participation of social partners on a basis of equality in the establishment and operation of minimum wage systems.
- Undertaking more regular and evidence-based adjustments.
- Progressively consolidating and simplifying minimum wage structures.
- Taking stronger measures to ensure a more effective application of minimum wage law.

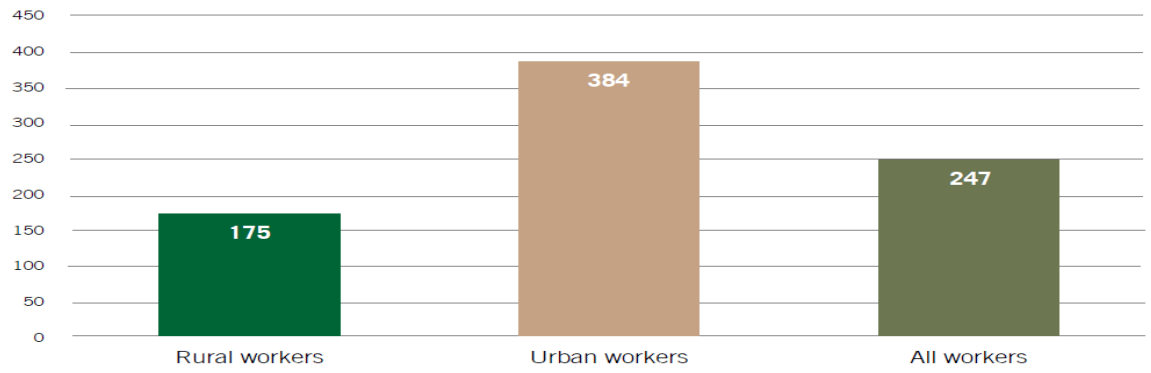
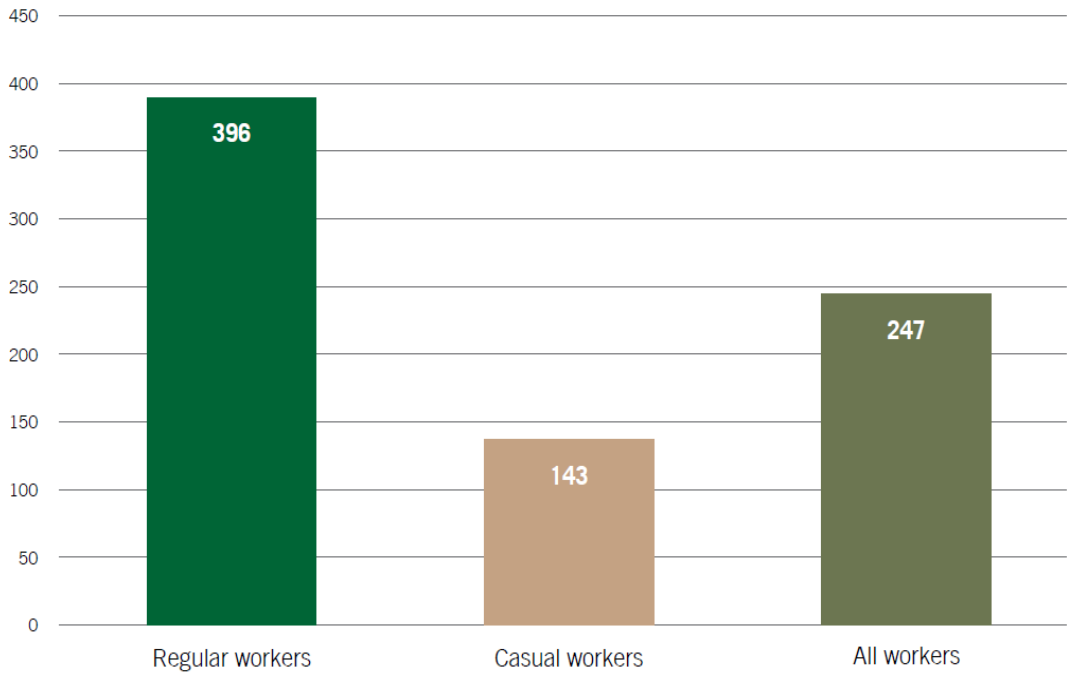
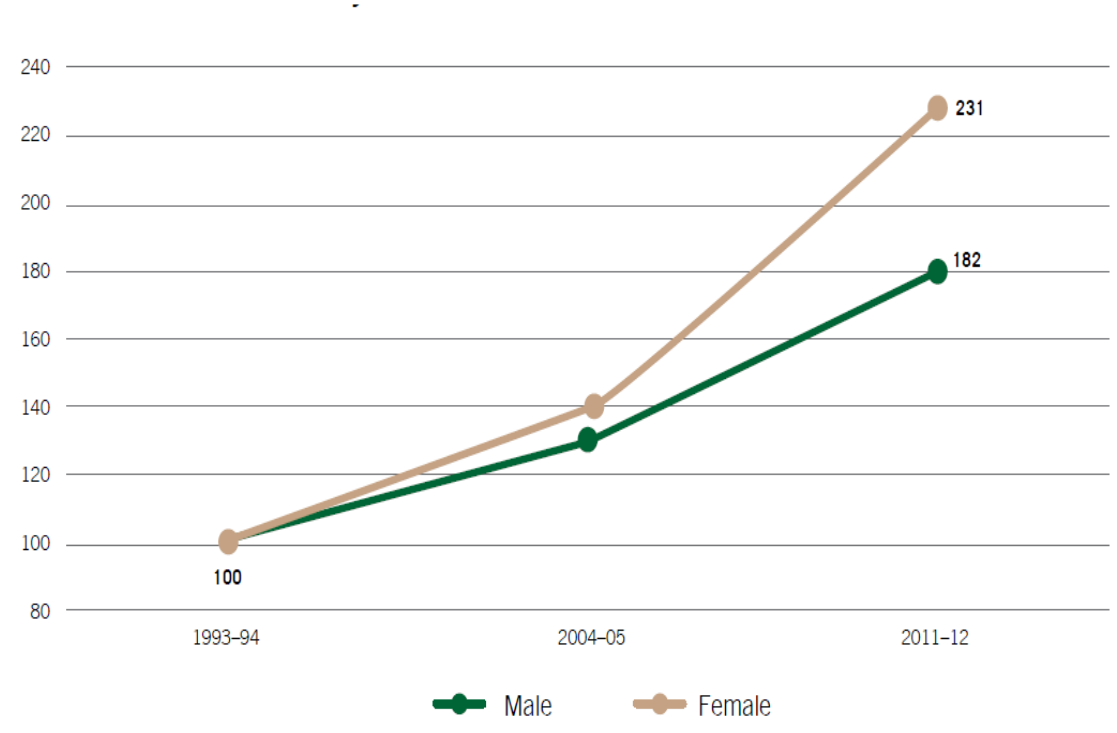


Figure 8: Urban and rural average daily wages, 2011-12 (INR in nominal terms)



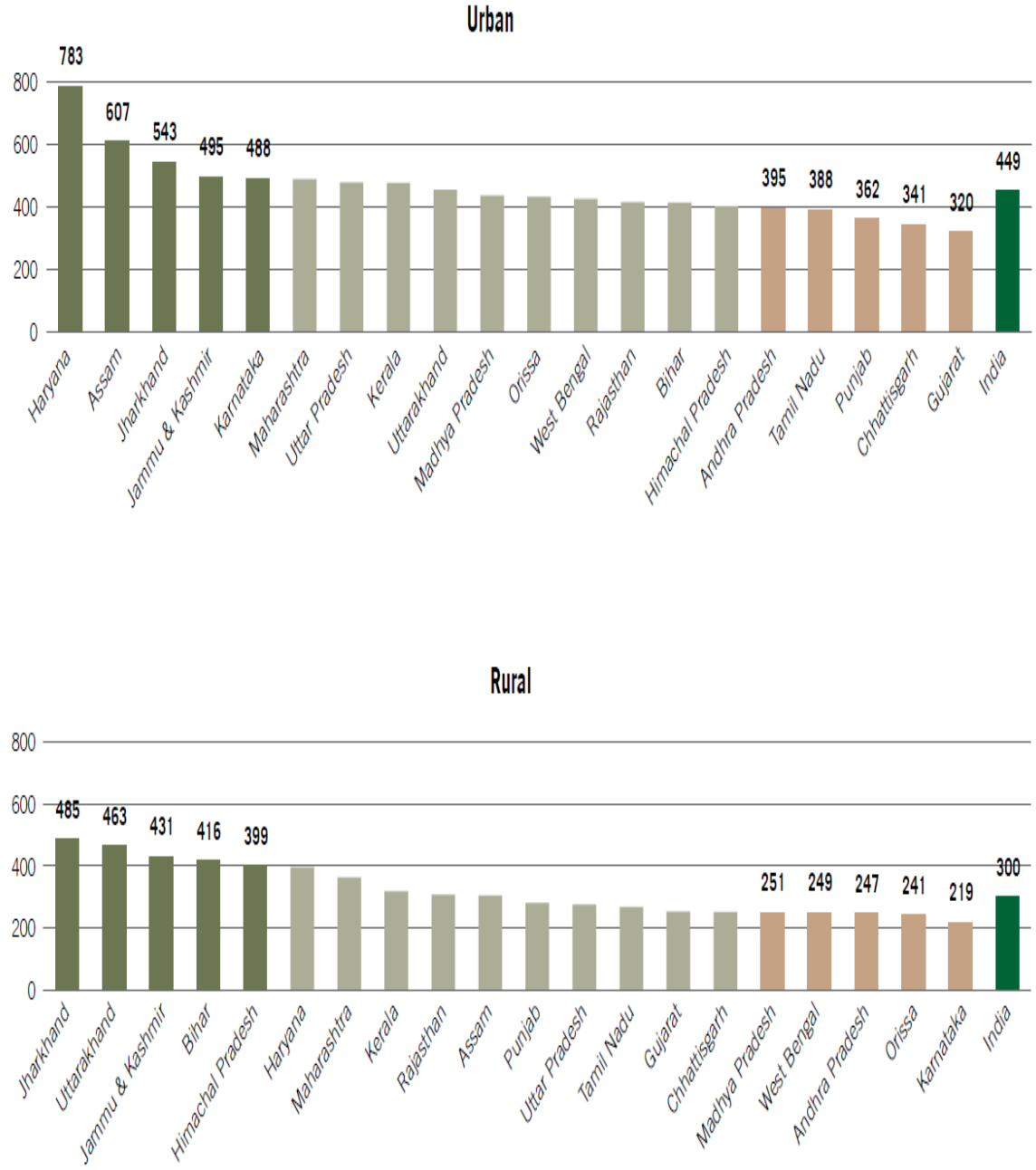
Source: ILO estimates based on NSSO data.

Figure 9: Average daily wages of regular and casual workers, 2011-12 (INR in nominal terms)



Source: ILO estimates based on NSSO data.

Figure 10: Evolution of daily wages of male and female workers in India, 1993-94 to 2011-12 (base year 1993-94 = 100)



Source: ILO estimate based on NSSO data

Figure 11: Nominal regular wages, urban and rural, by state, 2011-12 (INR)

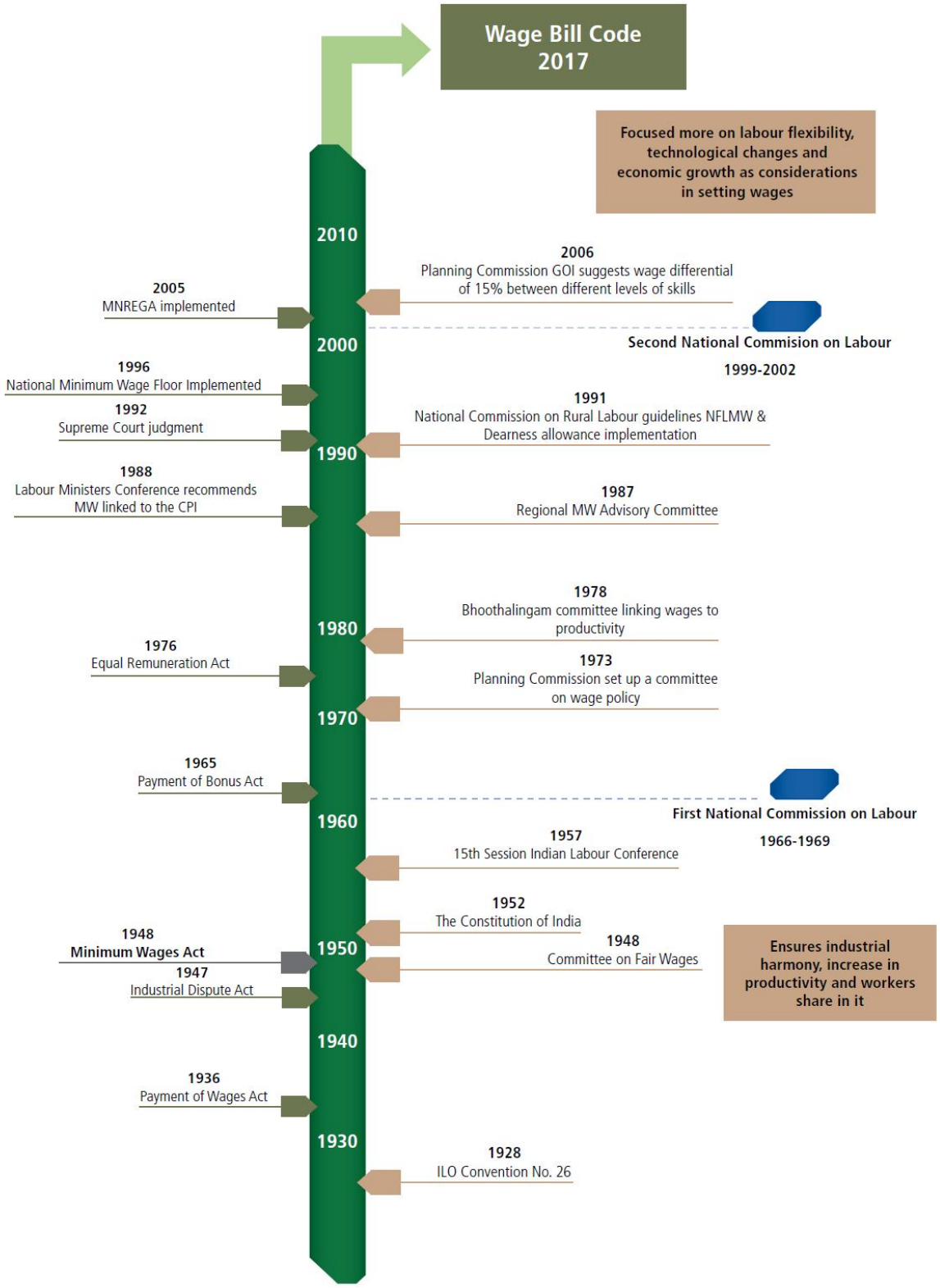


Figure 12: Timeline of wage policy in India

CHAPTER 5: CONCLUSION

5.1 Overview

The present study on examining the wages system in Morocco and India has been conducted through available literature including online exploration for the various aspects. The results have been synthesized in form of text and tables. First the case study of Morocco has been taken describing the past and current situation periodic changes occurring in the economy employment situation as well as change in wages structure in view of education and capacity of youth. Similarly, for India historical aspects from early 1900 to till date have been reviewed and presented. The changes over time, trends, increasing population and the rural v/s urban cases have been reviewed and reported. The major aspects have been reported as tables and figures in the text like in the case of Morocco.

The observations have been presented for the two countries representing contrasting economic bases for Morocco (tourism) and India (agriculture). The recent changes in India with industrialization for wages situation and structure as well as the measures taken by government has been discussed to explain the types of wages for public and private sector. The gender-based wages in different regions have been studied indicating that in case of Morocco the wages are better than India for dailies, for casual work, while for professional/ skilled workers the differences are not much.

Morocco has a great benefit of its geographical location near Europe and from its tourism potential, which off course has been very nicely managed by the country. The number of tourists visiting Morocco has been dependent on the government policies the level of security arrangements favourable climatic conditions existing round the years as well as the friendly attitude of the common Moroccan people. This has contributed a lot in resource generation and livelihood earning of the common man associated directly or indirectly with the tourism. The only sector needs improvement is the communication skills of the common man in English which is still lacking at public places like airport, railway stations, hotel industry and others. The new generation is however taking keen interest in this direction and developing their skills in this direction.

The industry in India including the ones set up as local units by multinational companies in sectors of IT, transport, manufacturing of cars, mobiles and other products have led to

the raise in employment of the skilled workers with higher wages as compared to the normal ones for agriculture and construction works etc. allowing the skilled persons to have higher income and reducing the poverty of the common man. The amount of employment generated and the saving of foreign exchange are the additional benefits from such arrangements by governments in the post liberalization era.

The study has summarized the comparative analysis of the labour system their wages trends for skilled and non-skilled people as well as the gender-based wages structure in two countries. The situation in Morocco indicates higher wages as compared to India may be the population size of India is somehow responsible for the excess of labour availability resulting in lower wages and sometimes exploitation the social arrangements like labour commission are working hard to ensure that such exploitation does not happen.

APPENDIX 1

Comparative situation of Morocco and India:

Table 4: A brief description of India and Morocco

India	Morocco
Capital: New Delhi Population: 1,339,180,127 Surface Area: 3,287,259 km2 Currency: Indian rupees (1 EUR=77.7860 INR) Belongs to: ACD, BIMSTEC, BRICS, G20, IMF, MGC, UN, SAARC	Capital: Rabat Population: 35,739,580 Surface Area: 446,550 km2 Currency: Moroccan dirhams (1 EUR=10.8067 MAD) Belongs to: AMU, Arab League, IMF, UN

Table 5: Evolution of unemployment rate in rural and urban environment in Morocco

Year	2010	2011	2012	2013	2014	2015	2016
Rural areas	3.9%	3.9%	4%	3.8%	4.2%	4.1%	4.5%
Urban areas	13.7%	13.4%	13.4%	14%	14.8%	14.6%	14.6%
National	9.1%	8.9%	9%	9.2%	9.9%	9.7%	10%

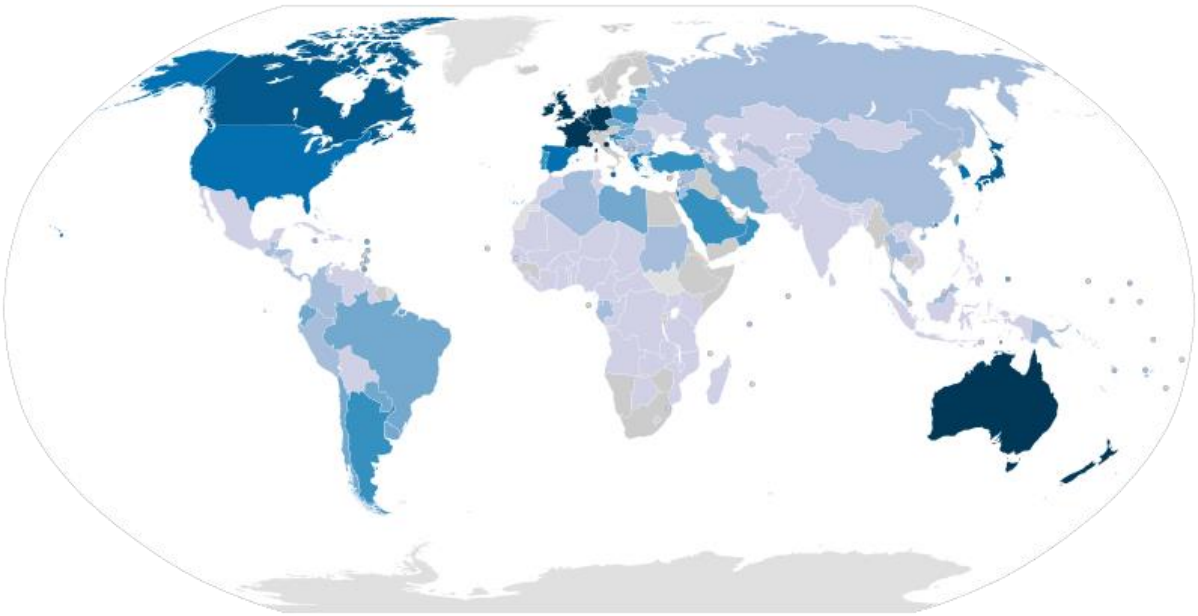
Table 6: Comparison of wages between India and Morocco

Country	Minimum wage	Annual		Work week (hrs	Hourly		% of GDP per capita	Effective from
		Nominal (US$)	PPP (Int$)		Nominal (US$)	PPP (Int$)		
INDIA	Though stipulated by law, it varies from 160 rupees ($2.40) per day in Bihar, Rs. 348/day in Mumbai (2017) 750 rupees ($11.31) per day in Kerala. State governments set a separate minimum wage for agricultural workers. The minimum wages are set according to Minimum Wages Act, 1948.	767	2,498	48	0.31	1	38%	2015
MOROCCO	3,000 MADs ($310) per month in public sector, 2 570.86 MAD ($265) per month in private sector, 69,73 MAD ($7) per day for agricultural workers.	3,709	8,556	44	1.62	3.74	108.9%	July 2015

(Source: Minimum wages by country https://en.wikipedia.org/wiki/List_of_minimum_wages_by_country)

APPENDIX 2

Minimum wages by country in UN countries in US $.



Minimum wages per hour in U.S. dollars:
No data | No minimum wage | $0.00–$1.00 | $1.01–$2.00 | $2.01–$3.00 | $3.01–$5.00 | $5.01–$7.50 | $7.51–$10.00 | $10.00+

Official minimum wage rates of the 193 United Nations member states

(https://countryeconomy.com/national-minimum-wage/morocco)

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