

Ongoing Debates over Water and Electricity Privatization in Morocco

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Brief Analysis

The implementation of the privatization project of the water and electricity sector will fundamentally alter the way in which essential services are provided to Moroccan citizens.

The issue of privatization in Morocco is not a new phenomenon; In the 1980s, the Moroccan government launched World Bank- and International Monetary Fund-sponsored “structural adjustment programs,” the first of many initiatives that relinquished certain public services (such as mail, transportation, health, education, etc.) to the private sector. Furthermore, this free market approach to basic services formed one of the pillars of the state's policy in the new millennium, exacerbating public pushback to such measures.

Many political and human rights circles in Morocco have been hopeful about strengthening welfare programs and empowering public institutions, especially in light of the [current government program \(https://www.cg.gov.ma/en/node/10417\)](https://www.cg.gov.ma/en/node/10417) (2021-2026), which includes a number of state-led initiatives in the fields of education, infrastructure, and women’s participation in the economy. However, this optimism was dampened on February 10 of last year after the government proposed a [draft for Law \(https://www.cg.gov.ma/en/node/11642\)](https://www.cg.gov.ma/en/node/11642) 83.21. The bill essentially turned the management of drinking water, electricity, liquid sanitation, and public lighting over to regional multi-service companies. Despite criticisms from political activists, human rights advocates, and some stakeholders, the law was approved and ordered to be implemented on July 12, 2023.

Law 83.21—and the manner in which it was passed—have raised a number of worrying questions for many concerned parties in Morocco, namely: the lack of political public discussion around the bill, the potential weakening of state authority, and the potential economic burdens and social upheaval it could wreak on average citizens.

The Rushed Nature of the Law’s Passing:

Morocco has an established tradition of extensive discussions about public laws and policies, through which various social and political elements contribute to formulating legislation. The confluence of competing currents in

Moroccan society can lead to contradictions and multiple adjustments, as is the case with successive amendments to the personal status law, labor law, and criminal law. This societal momentum was linked in the mentioned contexts to official initiatives to involve various social circles. No such debate was allowed for Law 83.21. Discussion of the law in both chambers of parliament lasted only 5 months, despite its potential impact and its minute details that warrant deliberation. Additionally, the speed of the law's implementation after approval further exemplifies the frantic pace of the legislative process. Perhaps this is what made some political parties and "social partners" **vote against the law (<https://en.hespress.com/78905-privatizing-water-management-in-figuig-sparks-outrage-protest-among-locals.html>)** in parliament. Even during the direct implementation of the law, some political parties described that step as "rushed" and having neglected the participatory approach.

The reasons behind narrowing the scope of public discussions in the law may be attributed to the prevailing fear among public administrators that this step would lead to the emergence of protest movements opposing the law, thus hindering the privatization project. Therefore, the law was passed in the two parliamentary chambers at the end of the spring legislative session of last year.

Concerns over Water and Energy Sovereignty:

The idea of regional companies handling basic services is largely in line with the Moroccan government's stated goals. Decentralization was a core tenet stipulated in the Moroccan constitution of 2011, with an emphasis on local government. According to Law 83.21, the state will take the lead on establishing the contracts and provide the initial capital, with local private companies taking over services thereafter. Yet despite the "official reassurances" that the law does not overlook the social dimensions and does not exceed the "public functions" of the state, many trade unions, human rights, and political bodies have criticized the project because "privatizing" the sector means "subjecting it to the monopolistic market logic through which prices are determined according to the logic of supply and demand without considering the significant disparities in water abundance or scarcity" and "commodifying basic services that fall within the framework of the public service that does not tolerate privatization," as this critical discussion of the project recalled the issue of the state's share of the company's stock, legally set at ten percent, which many considered a weakening of the state's decision-making authority on a strategic sector, where "the mentioned share only grants it the rights of information, attendance, voting, and profits."

One of the issues also raised by the law is the replacement of the national office for electricity and water, including the transfer of its properties, assets, and liabilities to regional companies, which was considered a "legal and actual liquidation of a strategic public institution."

It is noticeable that the privatization project coincides with the water scarcity crisis in Morocco over the past few years, especially in light of low rainfall which reduced dam filling rates. This raises the question whether privatization process would help solve this problem or exacerbate it.

Potential Social and Economic Impacts:

The implementation of the privatization project of the water and electricity sector will fundamentally alter the way in which essential services are provided to Moroccan citizens. This new law will open the door to transforming water and electricity from a "public and service" formula to a "profitable economic service" formula. In the near future, implementation may lead to a revision of water and electricity prices to match the new situation, and it is likely to inevitably affect the economic and social rights of Moroccans, which have been deteriorating and declining in recent years according to many international indicators.

In addition to the above, the future of employees in the water and electricity sector remains at stake, especially given the expected dissolution of both the national office for electricity and water and the independent agencies for water and electricity distribution. Transferring public sector employees to regional companies instead of placing them "at the disposal" of the company—as some union proposals have suggested—means changing their administrative

status, despite the law claiming to preserve the same "systematic rights" that employees had in the previous situation. Unsurprisingly, many employees and labor groups have railed in Moroccan cities against the new law, gathering for protests in cities across the country.

It can be said that the developments in the coming months regarding the implementation of Law 83.21 will intensify the public debate about the feasibility and effects of "opening" the electricity and water sector in Morocco to the capitalist sector and gradually "liberating" it from the concepts of public management. It is likely that the results of this will be reflected in other sectors, and the success or failure of the Moroccan government's latest privatization effort will likely shape how the public and the state will approach "economic liberation" in the future. ❖

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