



Agricultural Workers and Morocco's Economy Benefit from Collective Bargaining Agreements

IN MOROCCO, as in many countries, the lowest-paid workers typically labor in informal employment, many of them in agriculture where the reach of national labor laws and regulations is poor at best. When labor laws are not upheld, frequent and ongoing violations of worker rights occur. Workers often are forced to work long hours, are paid less than the minimum wage and rarely receive retirement or other benefits that they are guaranteed under national law. This is especially true for women, who are typically the most precarious and lowest-paid agricultural workers in many value chains and who are especially subject to sexual harassment and other forms of gender-based violence and harassment at work.

This brief is based on findings in *The Benefits of Collective Bargaining for Women: A Case Study of Morocco*, which explores the landmark collective bargaining agreement (CBA) in Morocco's agricultural sector that the Confédération Démocratique du Travail (CDT) negotiated with Domaines Brahim Zniber¹ Diana Holding Group in 2015.

Morocco adopted its Labor Code in 2004 after a long series of negotiations and consultations with many stakeholders.² The labor code guarantees the main principles and fundamental rights and freedoms at work and establishes mechanisms for social dialogue at the national and enterprise levels. The Labor Code specifically established the right to form and join a union and collectively bargain. In addition, the Moroccan constitution also grants workers the right to form and join unions, strike and bargain collectively.³ Yet despite these guarantees, few collective bargaining agreements exist at private companies in Morocco.

Because collective bargaining significantly improves workers' wages and working conditions, the CDT has reached out to workers on Domaines Brahim Zniber Diana, helping them form unions since 1992. After a series of conflicts and strikes that lasted many years, CDT succeeded in negotiating a collective bargaining agreement. The landmark agreement made significant improvements for workers, and particularly for women workers. The agreement established new wage rates,

salaries, seniority, and merit-based payments; specified training opportunities; improved production facilities; and enhanced health and safety compliance. There had been significant inequality between male workers and female workers in terms of pay, opportunity and job security, and the agreement enabled women to take on production and processing roles that they had previously not held, with greater opportunities for advancement and higher wage rates.

The CBA significantly improved overall wages and working conditions. Men and women report that their wages are more stable, predictable and transparent. They are now paid for the full day, regardless of hours worked. They also receive mandated social security contributions. In addition to regular weekends off and (select) national and religious holidays, there now are provisions for taking time off for illnesses, deaths in the family and other emergencies without fear of job loss. In addition:

- ▶ **The collective bargaining agreement has ensured stability and sustainability in employment all year**, particularly for temporary workers, the majority of whom are women and have been integrated gradually as permanent workers.
- ▶ **Promotion and bonuses are generalized for temporary workers as well.**
- ▶ **The CBA has offered other advantages on social benefits beyond the labor code** for women who

benefit from 15 days' leave from work in case of death of the woman's husband (with 6,311 dirhams/\$500 as allowance).

Importantly, the agreement has stabilized labor relations between CDT and Diana Holding Management, and has ensured the social advancement of employees as well as the productivity of the company. The CDT's strategy is to use collective bargaining to ensure the labor code is implemented at the workplace, and to expand beyond the scope of national legislation to improve terms and conditions of employment.

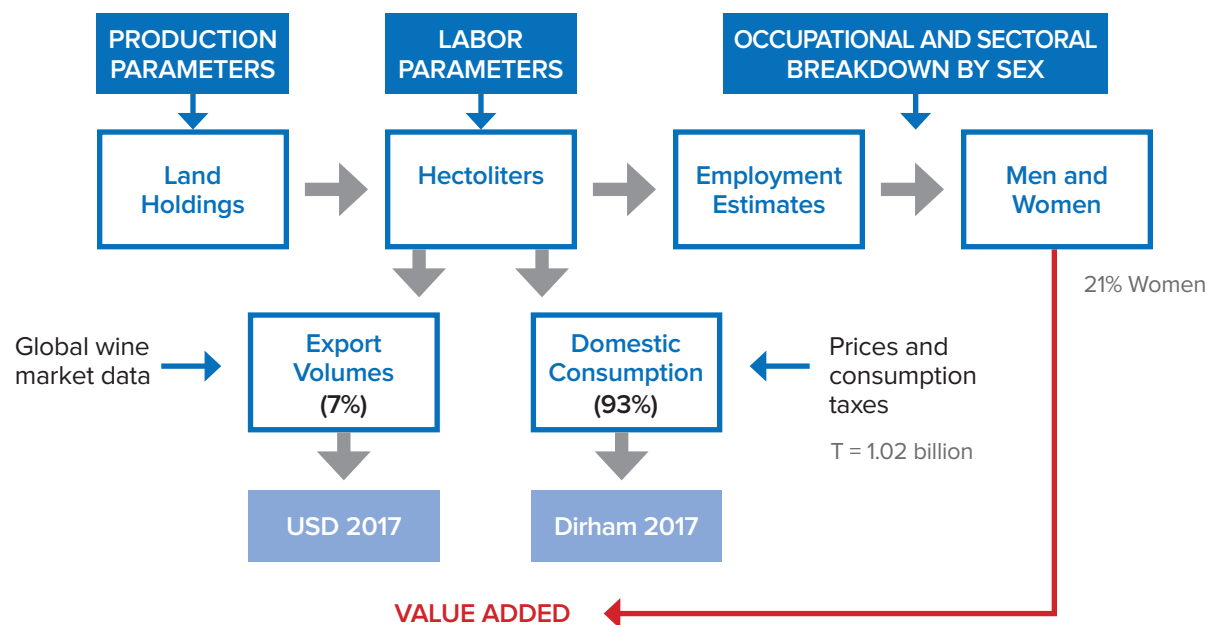
If other farms and agricultural employment were covered by similar agreements, more than three million agricultural workers throughout Morocco would benefit from formal employment and improved working conditions and women, in particular, would benefit from increased job security and gender equality.

The example of Domaines Brahim Zniber Diana allows us to closely estimate the cost to formalize all agricultural workers in the wine value chain. This brief summarizes some of the key findings from these simulations which were conducted using data from numerous farms and domaines in Morocco, along with data from the Haute Commissariat au Plan, the International Labor Organization, the Food and Agricultural Organization, the World Bank, European export-import databases, and in consultation with experts in wine, fruit and olive oil production in Morocco.



Photo: Solidarity Center/Kate Conradt

MAPPING THE WINE VALUE CHAIN IN MOROCCO



Since the “value added” (land holdings, hectoliters, employment estimates and employment by sex) for wine production is not available in national reports, value added was estimated by comparing it with similar production elsewhere. Specifically, the value added in Morocco’s wine production was calculated by applying simple production criteria to the size of landholdings and area under vines on similar production environments in the Mediterranean, South Africa and California.⁴ This produced an estimate of the total hectoliters of production in 2017, a figure then validated through online research on wine production in Morocco and in consultation with wine and agricultural experts in Morocco.

Employment estimates were based on criteria from the same studies of wine production. Specifically, the hectoliters of production were valued, distinguishing between domestic and export markets and applying prices from national price indexes and European Union estimates of the value of Moroccan wine per hectoliter. The estimates for domestic value added were then compared with estimates of tax revenues generated and reported through wine consumption. The sex breakdown of employment was determined by applying ILOSTAT⁵

parameters to occupational categories and checking these against criteria from domaines and estates that shared their data.

Based on this analysis, we estimate the wine sector generated about 2.1 billion dirham in 2017 (\$211.5 million), of which exports comprise 7.5 percent. The remainder is generated through domestic sales. Applying remuneration criteria from the Diana Holdings/Zniber group, about 18.4 percent of all the value added accrues to workers; 14 percent to men and 4.4 percent to women. This generates a higher estimate when workers are formalized. A lower estimate based on variable wages and benefits typical in non-formalized employment concludes that 15.7 percent of all the value added goes to workers; 11.8 percent to men and 3.9 percent to women. This allows us to estimate that approximately 3 percent of the value added in the wine production chain would need to be redistributed to secure formal employment for informal workers laboring in wine production.

This calculation allows us to see the approximate cost to formalize all workers laboring in the wine value chain in Morocco. But this analysis does not consider how

formalization can increase efficiency and productivity on the wine estates. Zniber reports that productivity has risen and investment conditions have improved as a result of the CBA. Further, ensuring that workers have access to the decent working conditions when work is formalized also may contribute to expanding access to international markets abroad. The Moroccan wine industry is well-placed to increase production and export to European and North American markets. Proudly proclaiming the benefits of labor formalization could help wine producers access fair trade wine markets and increase their ability to sell to consumers who care about the terms and conditions of employment. This could increase earnings in the wine value chain and enable further improvements in the terms and conditions of employment.

“We want to export and accept international auditing. We realized we need to be socially responsible—it is important for us to have this CBA. We want to be pioneers in social marketing. We are the first while others are so reluctant to follow lead.”

—Management, Domaines Brahim
Zniber Diana



Photo: Solidarity Center/Karim Achalh

Endnotes

1 Domaines Brahim Zniber engages in multiple businesses including wine and olive oil production, horticulture, poultry and animal feed, seafood, packaging and fertilizer production. In addition, the company has a bottling franchise for Coca Cola.

2 ILO, “Good Practices on the Promotion of Freedom of Association and Collective Bargaining Rights in Morocco,” ILO, Morocco, 2015.

3 With some exceptions, most notably members of the armed forces, police, and some members of the judiciary.

4 Vlachos, V. 2017. “A Macroeconomic Estimation of Wine Production in Greece,” *Wine Economics and Policy* 6: (2017), 3–13.; Marone, E., M. Bertocci, F. Boncinelli, and N. Marinelli, “The Cost of Making Wine: A Tuscan Case Study Based on a Full Cost Approach,” *Wine Economics and Policy* 6: (2017) 88–97.; Seifert, S. and M. Valente, “An Offer that You Can’t Refuse? Agrimafias and Migrant Labor on Vineyards in Southern Italy,” Working Paper, German Institute for Economic Research, (2017); Visser, M. and S. Ferrer. 2015. “Farm Workers’ Living and Working Conditions in South Africa: Key Trends, Emergent Issues and Underlying and Structural Problems,” Report to the Pretoria Office of the ILO: (2015); Shabazian D., G. Ballard-Rosa, A. Holmqvist, L. Ormiston, “Food System Multipliers for Specialty Crops: Executive Summary, Sacramento Region,” A Project of the Rural-Urban Connections Strategy: (2016), Korri 2018. “An Analysis of Wine Production in Morocco,” report produced for the Solidarity Center, Rabat.

5 The International Labor Organization’s interactive digital platform, ILOSTAT, provides users with comprehensive international data across a wide range of labor-related topics with the goal of disseminating internationally-comparable datasets through a variety of data tools.