

## **Determinants the informal employment and gender difference in Morocco**

### **Abstract**

Informal employment is an important source of employment for men than women in Morocco where a large share of employees works informally without any protection. The objective of this paper is to identify the main determinants of informal employment. For this purpose we build our definition of informal employment following the latest guidelines of ILO. We estimated a logit model, using data from the Moroccan Labour Force Survey (LFS, 2018). Separate coefficients are estimated for Male, Female and full sample. The findings revealed that unschooled and less qualified individuals are more likely to be in an informal employment; that the probability of working informally is higher for women than for men; that the probability of being informal decreases with the age of the individual (with the marginal effect being negative on average : -0.011 for female against -0.017 for male); that being married decreases a individual's likelihood of participating in the informal labor force by 6% compared to single individuals; that individuals in the agriculture sector are more likely to be informal than those in the service (with average marginal effects of 23.4%) and industrial sectors (with average marginal effects of 25%); and that individuals living in urban areas are less likely to fall into informal employment compared to individuals in rural areas (with average marginal effects of 6.2%).

We try also to verify the hypothesis of the existence of a gender difference in prevalence of informal employment and compare this gap with the one observed in the formal employment. To this end, we used Oaxaca-Blinder (OB) decomposition techniques. It finds that while the major part of the prevalence differential is attributed to observed characteristics, there is a significant unexplained component and the gender gap is more pronounced among informal workers than the formal ones.

**Keywords:** Informal employment; Morocco; Oaxaca-Blinder; gender gap