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THE POLITICAL ECONOMY OF MOROCCO

Caroline McElligott
112674009

Dr. Öğr. Üyesi İnan Rıma

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THE POLITICAL ECONOMY OF MOROCCO

FAS'IN EKONOMİ POLİTİĞİ

Caroline McElligott

112674009

Supervisor : Dr. Öğr. Üyesi İnan Rüma, İstanbul Bilgi Üniversitesi

Jury Member : Dr. Öğr. Üyesi Can Cemgil, İstanbul Bilgi Üniversitesi

Jury Member : Dr. Öğr. Üyesi D. Arıkan Açar, Yaşar Üniversitesi

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FOREWARD

I arrived in Morocco the fall of 2014, an assigned adjunct faculty member, teaching a clever, diverse, trilingual student population in the capital city of Rabat. Students have always served as vehicles for my ongoing social science projects, assisting my life long learning, and filling in the gaps of my observation. As a teacher, I have been fortunate to teach handfuls of special students; and after my first-year, one was found here - the relationship that would change my future. Day after day, leading up to year after year, it has been a pleasure to watch you grow into your own and in parallel the country in which we live. Life in moderation. You have shown me yourself, given me access to your family life, culture, and provided me with a greater appreciation for the things I saw but didn't understand. There are many things I still do not know, understand, nor appreciate about Morocco, but thank you, Lalla Abla Benslimane, and the Benslimane family for being generous, sharing your lives, and being supportive of me and my work; and an infinite amount of gratitude to all my students for your honesty and fellowship over the years. Also, thank you Dr. Allen Greb, Dr. Inan Ruma, Veysi Kondu; over the years you have provided pearls of wisdom that continue to serve me to this day.

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LIST OF ABBREVIATIONS

- AGTF** China's Africa Growing Together Fund
- ADFD** Abu Dhabi Fund for Development,
- AFDB** The African Development Bank
- AIIB** The Asian Infrastructure Investment Bank
- AU** African Union
- BRI** Belt and Road Initiative
- BRICS** Brazil, Russia, China, India, South Africa
- CAP** Common Agricultural Policy
- CRA** Contingent Reserve Arrangement
- CEMAC** Central African Economic and Monetary Community
- CCME** Council for the Moroccan Community Abroad
(Conseil de la Communauté Marocaine à l'Étranger)
- CDAC** Centre for Development of Advanced Computing
- CGEM** General Confederation of Enterprises of Morocco
- ECLA** Economic Commission for Latin America
- ECOWAS** Economic Community of West African States
- EDF** European Development Fund
- EIB** European Investment Bank
- EMP** Euro-Mediterranean Partnership
- EU** European Union
- EEC** European Economic Community
- ETA** European Trade Agreements
- FDI** foreign direct investment
- FDIC** Defence of Constitutional Institutions
- FOCAC** The Forum on China-Africa Cooperation
- FTA** Free Trade Agreement
- GATT** General Agreement on Tariffs and Trade
- GCC** Gulf Cooperation Council
- HDI** Human Development Index

IAFS-III India-Africa Forum Summit
IGO Informal Intergovernmental Organization
IMF International Monetary Fund
IMACID Indo Maroc Phosphore SA
INPT Institut National des Postes et Télécommunications
ISI Import substitution industrialization
ITEC Indian Economic and Technical Cooperation
JICA Japan International Cooperation Agency
KSA Kingdom of Saudi Arabia
MASEN Moroccan Agency for Solar Energy
MBS Crown Prince Mohammed bin Salmans
MEG Maghreb-Europe Gas
MFA Multi-Fiber Agreement
MNF Most Favored Nation
MSV Morocco's Strategic Vision
MERCOSUR South American Le Marche commune du Sud
NDB New Development Bank
NATO North Atlantic Treaty Organization
NSSD National Strategy for Sustainable Development
OAU Organisation of African Unity
OCP Cherifien Office of Phosphates
ODA Official Development Assistance
ONA Omnium Nord-Africain
ONAREP l'Office national de recherches et d'exploitation pétrolières
PDC Defence of Constitutional Institutions
PMP Popular Movement Party
PN Promotional National
PBOC People's Bank of China
ROI Return on Investment
SA South Africa
SAP Structural Adjustment Programs

SADR Sahrawi Arab Democratic Republic
SDG Sustainable Development Goals
SOMACA Société Marocaine de Construction Automobile
TEA Trade Expansion Act
UAE United Arab Emirates
UN United Nations
UNDP United Nations Development Programme
UNFP National Union of Popular Forces
UNSC United Nations Security Council
US United States
USFP The Socialist Union of Popular Forces
VAT Value-added tax
VC Venture Capitalists
WB World Bank
WAEMU West African Economic and Monetary Union
WTO World Trade Organization

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ABSTRACT

Morocco's political economy belongs to multiple geographical spaces: the Maghreb countries, Africa's North West Atlantic, the Arab Islamic world, sub-Saharan Africa, and the Mediterranean. Each region has different political and economic characteristics that influence Morocco's cross-regional evolution and interdependencies between other regions. The primary purpose of this study is to determine if Morocco can shift its position within the modern world-system, manifesting characteristics of a semiperipheral country as defined by Wallerstein. This study first examines Morocco's relationships between its national society, and the characteristics of its domestic political economy and the implications of trade, and social ties with neighboring and intra-regional countries. It is followed by an investigation of Morocco's foreign policy, and its political and economic relationships. Followed by an examination of Morocco's relationships with new actors, such as the BRICS, and longstanding relationships with the west, which has supported the country's strategies and success in moving up the hierarchical ladder within the modern world-system. The study establishes that Morocco, as a stable peripheral country, has been able to manage its dependency and advance itself through exceptional political cooperation, strategic relationship management, and diversification of products that serve the core and semi-periphery. Most importantly, Morocco serves a distinct role in the modern world-system as a middleman possessing a broad network and ability to connect and forge political and economic alliances. As a result, utilizing Wallerstein's framework, Morocco's political economy has manifested characteristics of a semiperipheral country through its policies of "Development by invitation" and "Seizing the chance" which have enabled Morocco to shift its position in the modern-world system.

OZET

Fas'ın politik ekonomisi birden fazla coğrafi bölgeye aittir: Mağrip ülkeleri, Afrika Kuzey Batı Atlantik, Arap dünyası, Sahra-altı Afrika ve Akdeniz bölgesi. Herbir bölge kendisine özgün politik ve ekonomik karakteristik yapısı bulunmakla beraber ve Fasın bölgeler arası gelişimini ve iç bağımlılığını etkilemektedir. Bu çalışmanın temel amacı, Wallerstein tanımının temelinde, Fasın modern dünya sistemi içinde sahip olduğu pozisyonunu değiştirmesi, temel politik ekonomik sistemden uzaklaşması durumunda sonuçlarını belirlemek. Bu çalışmada Fasın ulusal kimliğiyle, iç politik ekonomik yapısını, ticaret etkilerini, komşularıyla ve bölge içi ülkeleriyle kültürel bağlarını analiziyle başlayacak. Çalışma Fasın dış politika temelinde siyasi ve ekonomik yapısının analizi takip edecek. Bu çalışma Fasın BRICS gibi yeni aktörle olan ilişkilerini takip edecek. Yeni aktöre örnek olarak BRICS ve BRICS ile yeni bir ilişki kurarak, tarihsel ilişkisi olan batı devletlerinin nasıl Fas'ın ulusal stratejilerini desteklediklerini ve modern dünya sistemi içerisinde hiyerarşik bir sıralamada nasıl başarılı bir şekilde hareket ettiğini gösterecek. Bu çalışma, bölgesel bir devlet olan Fasın bağımsızca hareket etme yeteneğine sahip olduğunu ve bölgedeki gücünü yeni güçlerle ilişkiler kurarak, stratejik ilişkiler yöneterek, ve üretimini çeşitlendirerek yarı bölgesel gücünü ve önemini geliştirmesini sıfırlayacak. En önemlisi, Fas orta ölçekli bir devlet olarak politik ve ekonomik dostlarıyla sahip olduğu geniş bir ağla ve yeteneğini kullanarak ve geliştirerek modern dünya sisteminde bölgesel bir rol üstlenmektedir. Sonuç olarak, Wallerstein teorisi temelinde, modern dünya sistemi içerisinde Fasın ekonomik yapısı orta ölçekli bir devlet tanımlanmıştır. Ve siyasetini “davet üzerine gelişime” ve “sansiz kaçırılmama” destekleme üzerine kurmaktadır.

I. SECTION ONE

1.1. INTRODUCTION

There are very few countries that can trace their name, geographical position, and continuous administrative existence before 1450, Morocco is one of them. Morocco possesses a strategic location between Europe and Africa, situated in the Northwest, at the entrance to the Mediterranean Sea, with only eight miles separating Europe's closest point, Spain. Morocco belongs to multiple geographical spaces: the Maghreb countries, Africa's North West Atlantic, the Arab Islamic world, sub-Saharan Africa, and the Mediterranean, including Europe. These connections induce an ongoing evolution of interdependences between other regions. Since the late 1600s, Morocco has been part of the global economy through its involvement in the trans-Saharan slave trade, and imperialist activities in sub-Saharan Africa. Two additional integration periods occurred during the European colonization of the 1880s to 1956, and into the modern world system in 1983, after the implementation of Structural Adjustment Programs (SAP) proposed by the International Monetary Fund (IMF).

During the last decade (2008- 2018), starting with the 2008 mortgage meltdown and financial crisis, the majority of the core global economy seemed to be unraveling before our eyes,. The financial crisis triggered a global recession, government bailouts, growing income inequality, and a string of anti-globalization (neoliberal) protests in the Arab world, Europe, and the United States (US). All manifesting signs that the modern world-system is in crisis. Despite the 2008 Global Financial Crisis; the European Union (EU) bailout for Greece, Portugal, and other southern tier EU states; and the European Sovereign Debt Crisis, Morocco's financial sector appeared to be "sound and resilient to shocks."¹ According to the International Monetary Fund, the "remarkable fiscal consolidation efforts of recent

years”² permitted the Moroccan economy to weather the effects of severe economic conditions.

Not devoid of their own Arab revolt, Morocco experienced peaceful protests with the “mouvement 20 fevrier”, which emerged in early 2011, after Tunisia, Egypt, Bahrain, Libya, Syria and Yemen. Moroccan issues were rooted to some degree in a “crisis of globalization.” Protestors were interested in better education, healthcare, employment, and equality. “Le mouvement 20 fevrier” triggered a long-awaited constitutional change, social and economic justice remained the same.

Elsewhere in Africa, many countries were afflicted with coup attempts and fracturing political systems, from Madagascar to Niger, Mali, and Congo. Morocco became active as a mediator, demonstrating a commitment to lasting security and stability in the region. Toward the end of the decade, in 2017, shortly after the inauguration of President Donald Trump, Morocco discreetly rejoined the African Union (AU) organization after more than thirty years, becoming the 55th member. Morocco was the only country in Africa not a member of the AU; thereby, cultivating relationships with other African countries and establishing closer regional ties.

Africa exists as one of the last spaces for development. In the last decade (2008-2018), there have been pockets of investment from East Asia, Russia, and the West into developing African economies and the Middle East. All of which have favorably affected Morocco. These investments reflect moments of expansion, which are necessary to address because they provide information about the global economy and the evolution of core-periphery relationships. The primary purpose of this study is to determine if Morocco can shift its position within the modern world-system, manifesting characteristics of a semiperipheral country as defined by Wallerstein.

In order to understand a countries development, the study will provide an overview of various developmental approaches. Andre Gunder Frank, the founder

² IMF (2011) Morocco country report Number 11/341, Retrieved from <https://www.imf.org/external/pubs/ft/scr/2011/cr11341.pdf>

of “Dependency Theory,” explains the cross-border movement of capital, goods, labor, and information as a result of policies of corporations, states in the core, and interstate agencies that advocate “free trade” in the “world-economy,” which eventually leads to “underdevelopment.” Similarly, the “hyperglobalization thesis,” with origins in globalization argues that capital invests where it can ensure the highest rate of return (ROI) by playing off the regulatory regimes within the differing economies. Capital benefits by relocating productivity to reduce production costs: from high taxation regimes to low-taxation ones and minimizing labor costs by moving from highly regulated labor environments to more flexible low-wage labor markets. Central to this argument is that foreign investment triggers the recipient state to maintain its competitiveness by “competitive deregulation” of the economic environment in order to avoid the divestiture of funds. The process to avoid an economic crisis is assuredly a race to the bottom.

Walter Rostow, “Modernization theory,” and argues that all countries developed in the same way, but at different speeds with economic growth occurs in five linear stages. The five stages are : Traditional Society, Preconditions for Take-off, Take Off, Drive to Maturity, and High Mass Consumption.³ Each stage contains specific measures within economics and social society that reflects one stage of modernity from another.” In practice, “Modernization is very much the same as Westernization”.⁴

“Modernization” is considered opposite of traditionalism, which works to maintain tradition and customs. Rostow believed that the “most developed” states, could serve as a role model for the “less developed”. In Western industrialized countries, modernization is based on industrialization and democratization, which creates an incongruity when scholars attempt to apply Western experiences to

³ Roscow, Walter (1960) *The Stages of Economic Growth : A Non-Communitic Manifesto*. Cambridge: Cambridge University Press

⁴ Hettne, B (1995) *Development Theory and the Three Worlds : Towards an international Political Economy of Development* London: Longman p52

“developing countries”.⁵ As a result, not all countries can develop into a “model of western capitalistic society,” because development requires several different aspects and does not allow one classification of measurement.

Other scholars that have examined core-periphery relationships, Gramsci, Althusser, and Chomsky, argue that the core uses force “hegemony” over the periphery and that the hegemonic forces generate economic, political, military, and cultural superiority. These arguments focus on a country’s inability to move beyond a current state of development.

Neorealism is an adaptation of Realism (1990) commonly referred to as “structural realism.” Neorealism is a holistic approach that tries to explain international events within the structure of the international system. Neo-realism assumes that states, identified as units, and other actors exist in the system. The structure of the system is anarchic and competitive which determines how states act. The “anarchic and competitive” system requires states to maintain a self-interest-orientation focused on survival instead of cooperative behavior. In states attempting to balance power. In neorealism, states are ranked based on power and focus on their survival by pursuing security policies that weaken potential enemies or threats to national (physical) security and an increase in power “relative” to others.⁶ Lastly, neo-realists believe that states are the principal actors and that globalization challenges areas of state authority and control.

In “World-Systems Analysis,” Immanuel Wallerstein argues that interdependent relationships occur based on unequal exchange between actors within the global economy. Additionally, though it is not possible for all states to “develop” simultaneously, the potential for “changes of position” exists within the system. Furthermore, it is possible for countries theoretically to shift in three ways; “seizing the chance” via import substitution industrialization; “semiperipheral development by invitation;” and a policy of “self-reliance.”

⁵ Smith, B (2003) *Understanding Third World Politics : Theories of Political Change and Development*. New York : Palgrave Macmillan

⁶ Waltz, K. N. (1979). *Theory of International Politics*. Reading, Mass.

Therefore, among all the development theories, this study will utilize “World-Systems Analysis,” by Immanuel Wallerstein because it provides a framework to prepare a study in political economy which requires a focus on: multiple events and development over time - “long duree”, utilizes multiple social science fields of study, and consists of one unit of examination “a capitalist world-system,” versus an examination of power/dominance, national security, or state ranking. Also, “World-Systems Analysis,” is an optimistic perspective, supports the premise that no single path to evolution exists, and potential for a shift in exists.

Gregory White has made substantial contributions to research on Morocco’s political economy, “On the Outside of Europe Looking in” (2001). White’s research examines the core-periphery relationships through trade agreements, arguing that European Trade Agreements (ETA) has allowed the integration of Maghreb countries, including Morocco, into the world economy. White (2001) asserts that Maghribi countries are not separate entities from Western Europe, and therefore, are part of the Mediterranean political economy. White’s premise demonstrates Morocco’s dependencies and vulnerability to specific economic sectors and European recession. White’s research spans the period of the 1980s to 2000s. The past decade is not examined, nor has Morocco’s intra-regional preferential trading agreements within Africa (periphery - periphery or south- south) or intercontinental with China (semiperiphery to periphery).

For past the decade (2008-2018), Morocco has endeavored to be an “exception” and model student. It has remained unbeaten in the North African panorama, out-competing other semi-developed and developing countries for capital and market access. This study will argue that Morocco, as a peripheral country, has been able to manage its dependency and advance itself through exceptional political cooperation, strategic relationship management, and diversification of products that serve the core and semiperiphery. Given the economic decline in many core countries, the examination of “development by invitation” from the semiperiphery provides evidence of ongoing system expansion and keys to identifying the new players who are working to “shift” their position within the modern world-system.

This study will focus on Morocco's metamorphosis in the modern world-system via "development by invitation", and "seizing the chance" framed within the concept of Wallerstein's "World-Systems Analysis." Additionally, the study will provide an analysis of Morocco's political economy and also examine the historical relationships between Morocco and the European Union, the US, Russia, India, and Mediterranean countries; also new alliances with Brazil, China and members of the AU.

Since the early 2000s, Brazil, India, Russia and China (BRIC) have endeavor to "shift" their position in the world economy. In the study, examines Morocco's alliances with these states because they serve as examples of present-day "shifts" in position, and states who have gain intermediate strength moving up the hierarchical ladder in the modern world-system. These states also present Morocco with multifaceted relationships as allies, who can serve as mentors and role-models to emulate, the source of economic opportunities, or competitors.

Morocco presents itself as a valuable, stable and resilient ally through its longstanding relationships with Russia and India, and developing relationships with Brazil and China. Overall, Morocco, Brazil, Russia, India, and China share a like mindedness, all seek to balance the power within their respective regions and utilize state power to consciously raise their status as a producer and accumulator of capital. Ultimately, Morocco benefits from the synergies gained from cooperation with these semiperipheral states because of their increasing role in the world economy.

This study also assumes that middle-income countries are not the same, even within the same region. In today's modern world system, moreover, middle-income economies cannot operate as a "lone wolf" and "disengage." Neither are they self-sustaining or have the ability to reach economic independence alone. Each states development experiences and openness to the international economy are not choices, but rather a necessity, particularly for countries that lack active internal markets and resource endowments. This study will also examine the country's domestic and international politics because of the amalgamation that occurs vis-à-vis security, investments, trade, immigration, stability, tourism, and natural

resource exploitation. All indicators point to the need to explore domestic and international politics concurrently.

Also, the goals of this study are to identify what the factors of economic and foreign policy are for countries, located between the outer edge of an advanced – industrialized bloc and a regional periphery. Additionally, aims to explain: How can countries manage dependency while shifting themselves within the world economy? What are the constraints and opportunities that affect development? What environments need to exist for greater economic openness, and closer relationships with core, semiperipheral, and peripheral countries? Due to King’s control of the regimes, opposition to the states control is “muted or repressed” and frequently legally prohibit.⁷ Therefore, not every political question can be answered, particularly if it contains unfavorable discussions towards the monarchy and palace. Regardless, Morocco can offer a beneficial case study on evading dependence on the mighty few, and the importance of diversifying and fostering political and economic collaboration with the many whom they seek to emulate.⁸

The study is organized as follows. First will be the presentation of a theoretical framework – focusing attention on world-systems analysis - and the methodology of research. Next, the study will address the domestic structure and its relationship to foreign relations. It will conclude by integrating the theoretical framework with the results that have emerged from the study.

⁷ White, G. (2001). *A Comparative Political Economy of Tunisia and Morocco: The International Realm and Maghribi Political Economy*. State University of New York Press.

⁸ Tome-Alonso, B., & Abouzzohour R, Y. (2018). Moroccan Foreign Policy after the Arab Spring: A turn for the Islamists or persistence of royal leadership?. *Journal of North African Studies*.

1.2. THEORETICAL FRAMEWORK AND METHODOLOGY

Wallerstein said that the world-systems perspective is “a protest” and an attempt to “present rationally the real historical alternatives”. (Wallerstein,1987 p.309). This section will begin by presenting an introduction to Wallerstein’s World Systems theory, provide the historical context, and an examination of its theoretical heritage. Next, a discussion of significant contributions and influences to its evolution, an explanation of the theory’s key definitions and theories. Concluding with a presentation of the study.

World-systems theory is a macro-sociological method utilizing historical viewpoints with the world-system as the unit of analysis. The approach examines development over long periods and utilizes multiple social science fields of study, which supports a variety of social structures and processes while maintaining a historical and global frame of reference.

Post World War II, the US, became the most influential as well as the world’s largest economy. The world-economy was expanding, along with the Western proclivity to “democratize,” which triggered the expansion of the global university systems. From 1945 to 1970, academic debates provided the background for the inception of the world-systems analysis. Dominant arguments of the time shaped the world-systems analysis. It centered on a liberal ideology of “modernity” that defined three distinct social spheres: the market, the state, and political conflict and struggled for self-assertion by Third World countries.

In the 1950s, the modernization school dominated the field of development. Social scientist introduced the concept of “development” to expose exploitive forces in the modern processes of global production within Third World development. Development was based on a theory of stages, where all countries developed in the same way, but at different speeds, and believed that the “most developed” state could serve as a role model for the “less developed.” In Latin America, the failure in economic programs led to the emergence of the Neo-Marxist Dependency School. The evolution of the “Dependency Theory” came across as a criticism of the fiscal policies practiced and propagated by the West.

According to Wallerstein, Oliver C. Cox is considered the founding father of World-Systems Analysis. Cox published his first significant work, "Caste, Class, and Race," in 1948, ten years before Wallerstein. Cox's work attempts to explain the sociology of race (race relations, racism) and the economic history of the modern world. Cox determined that the distinction between caste and race were rooted in the fact that racism was an invention of the modern world. The modern world was a capitalist world, and hence, it was not possible to examine one without the other. In the early 1960s, society considered these ideas radical and unpopular, mainly coming from a Black intellectual.

Wallerstein, a graduate and faculty member at Columbia University between 1958 and 1971, began his career as a specialist in Africa. His research focused on the development problems facing West Africa after independence. In his book, "The World-System and Africa" (2017) Wallerstein acknowledges using some of Cox's first arguments developing his work. Cox and Wallerstein shared five parallel statements of the world-systems perspective:

(1) capitalism is not merely a system; it is a world-system; (2) capitalism operates as a capitalist world-economy, based on the endless accumulation of capital; (3) there is an axial division of labor in the capitalist world-economy, based on the core-periphery antinomy; (4) there inevitably occurs a steady shift in the location of the central states in the system; (5) capitalism not invented multiple times, but only once. (Cox, 1948 pp)

One of the gaps that Wallerstein found in Cox's work was the failure to explain, "When and where do we locate the origins of capitalism?" Cox argued that capitalism was "a chance occurrence among whites," but did not explain anywhere in his literature what "chance occurrence" meant.

In 1968, world university revolutionaries began to raise issues about the theory of knowledge, neglected areas of work, and significant political issues. The scene was set for a radical change of perspective. World-Systems Analysis originated as a protest to the traditional social sciences, questioning the tools used

to perform empirical analysis. In the nineteenth century, traditional social science disciplines were studied within single subject frameworks of economics, political science, and sociology, using “deceptive epistemologies” to observe phenomena. Wallerstein’s use of “deceptive” was to support his argument that “reality is socially constructed.” Not a new idea entirely, but a powerful statement that challenged scholars to examine their perception and perspective, understanding that it is distorted and creates obstacles and limited understanding of extensive world events.

In addition to being influenced by Cox, Wallerstein’s World-Systems Analysis evolved by incorporating concepts from the following primary intellectual sources – Marx’s “Asiatic mode of production,” Fernand Braudel and the French Annales School, Karl Polanyi and Raul Prebisch. Wallerstein acquired many ideas from Marx’s concept of “Asiatic mode of production” and the discussions between communist scholars. The “Asiatic mode of production” refers to centralized imperial systems: the bureaucratic and autocratic empires historically developed in India and China arranged because of the demand to supply and control irrigation for agriculture. Marx analyzed the social conflict, the transitory nature of social forms and theories, the means or forces of production, and the relations of production. Significantly, he also explored the accumulation process and class struggles that resulted from such a system.

Fernand Braudel was responsible for Wallerstein’s shift in thought regarding the social construction of time and space and “social transformations over long historical time.” Braudel, the French scholar, and leader of the Annales School created his narrative of “global” history and established a language to define social times. He argued to disregard “structural time” (“long-lasting, but not eternal, basic structures that underlay historical systems”) and “cyclical processes” (“medium-run trends, expansions, and contractions of the world-economy”) within the structures. In Braudel’s first piece of literature, “The Sixteenth-century Mediterranean,” the history of the sixteenth-century Mediterranean world-economy became the object of his study. Braudel is responsible for the revised concept of structural time, “longue durée,” defined as the duration of a specific historical system and focused on geo-ecological regions.

Wallerstein also borrowed concepts from Karl Polanyi, an economic anthropologist, and a former Hungarian political leader. Polanyi wrote "The Great Transformation" in 1944, which focused on the development of the market economy in the nineteenth century. Polanyi defined the existence of three discrete forms of economic organizations: reciprocal, redistributive, and market, which are comparable to the category types within historical systems—"mini-systems" used reciprocity, "world-empires" re-distribution, and "world-economies market exchanges."

World-systems analysis also benefited from academic debates rooted in the unit of analysis. In 1946, a Marxist economic historian, Maurice Dobb, wrote "Studies in the Development of Capitalism," which traced origins of "the transition from feudalism to capitalism" in Europe, specifically in England. The American Marxist economist, Paul Sweezy, challenged Dobb's explanation in his article "the transition from feudalism to capitalism," suggesting that England was part of the larger "European-Mediterranean zone," and that this zone was responsible for the transformations occurring in England. Sweezy disagreed with and questioned the value of using England as the unit to analyze social action in the division of labor within the European-Mediterranean zone.

Raul Prebisch, former director of the United Nations Economic Commission for Latin America (ECLA), was a contributor to "Dependency Theory," a neo-Marxist explanation of development processes. Prebisch's concepts of the "core-periphery" analysis of the world-economy and the axial division of labor within the capitalist world-economy greatly influenced Wallerstein. Prebisch argued that a couple of contradictory processes existed, development, and dependency. International trade did not occur between equals but contrarily created an "unequal exchange."

The unequal exchange benefited those who were involved in the core-like production processes frequently grouped within particular countries. Stronger countries, politically and economically, could make exchanges based on terms that permitted the "surplus-value" to transfer from the emerging countries (the periphery) to the core. In world-systems analysis, the definition diverges from

dependency theory it is not the “states,” but the “core-periphery” production processes, which were core-like and peripheral.

Although world-systems analysis has borrowed from “dependency theory” and the two are often used interchangeably, the theoretical framework, methodologies, and research focus are different. The world-systems analysis recognizes that not all countries follow a single path of evolution and that the potential for a shift in position exists. This divergence results in the generation of innovative studies on the patterns and flows of the capitalist world economy that surpass the limits of dependency studies.

The world-systems theoretical approach provides a new theoretical model for the examination of the evolution of capitalism in the world economic system. Furthermore, this approach enables the understanding of long-term development of core-periphery models within specific systems and the examination of gross social inequalities. It examines such ideas “in a collectively rational way to avoid predictable disasters, such as global war and environmental collapse” (Chase-Dunn & Grimes, 1995, p. 414) which all contribute to the implications for future social order.

World-systems analysis substituted the “national state” as the “standard unit of analysis,” and called it the “world-system.” In traditional social sciences, the first units of analysis were “societies” because this was a social framework where human beings lived. Later, the concept of “society” because of the opposite to that of “state.” (Wallerstein 1987, p 315) The new object of study “historical systems” would replace the “National states.” The three variants of “historical systems” were: “mini systems”; and “world-systems” comprising of—“world-economies” and “world-empires.”

The social systems that historically existed are mini-systems, which used reciprocity. The “world-empires” utilized re-distribution and world-economies employed the “market exchanges.” Therefore, the only “world-system” is a “capitalist” world-economy. Furthermore, Wallerstein determined the capitalist world-economy emerged in the sixteenth century. In the nineteenth century, it grew into a world-economic system. Wallerstein defines capitalism as “an appropriation

of the surplus of the whole world-economy by core areas,” establishing a “single division of labor.” The theory assumes that the world-economy is divided into three economic regions of the core, the periphery, and semiperipheral. Core-periphery relations are linked to the capital accumulation process. The core consists of affluent industrialized economies that extract the most significant part of global exports and raw materials. Core economies also gain the most advantage from the international division of labor. The polar opposite, the periphery, is made up of economies that export few commodities, raw materials, or commodities to the core and serve as cheap labor for the core.

Wallerstein argues that the semiperipheral exists to avert the crises that could arise if only two sectors existed. If the core and periphery made comparisons, the differences between the group on top or bottom would lead to conflict. The semiperiphery serves as the political middle man (Wallerstein 1979). Countries in the semi-periphery remain dominated by the core, but are also able to take advantage of the periphery, and supply moderately diversified exports.

World-Systems Analysis deviates with “Dependency Theory” because of the belief that not all countries follow a single path of evolutionary development. The potential for “changes of position” exists within the system, though it is not possible for all states to “develop” simultaneously. The most common shift discussed is the one from peripheral to semiperipheral. Theoretically, countries can achieve a “shift” in position in three ways: by “seizing the chance,” “semiperipheral development by invitation,” or policy of “development through self-reliance.”

The first strategy is “seizing the chance,” which usually occurs through a process of import substitution industrialization (ISI). Wallerstein explains that when world markets shrink and the market price of the peripheral countries primary exports drops more quickly than the core’s advanced industrial exports, it triggers a balance-of-payments problem, triggering an increase in unemployment and decrease in state earnings. Import-substitution is a solution to elevate these conditions. It is called “seizing the chance” because the state must seize the moment and quickly take advantage of a weakened political or economic situations of opponents. (Wallerstein (1979, p76) “Seizing the chance” is not always practical.

A small industrial base must already exist that is ready and able to expand in the right moment to take advantage of the opportunity. Another big stumbling block is "technological dependence" from lack of technology and machinery needed to support the production of the foreign manufactured good.

The second, "Development by invitation," is synonymous with direct investment, with origins in the desire to evade political limitations to growth. Core capital expands in search of peripheral labor because of its wage "flexibility." Semiperipheral countries compete with one another for multinational investment because of the distinct advantages in it. This is also a strategy of "seizing" the chance through the collaboration with external capitalists, and a "phenomenon of moments of expansion" then contraction. The collaboration is not devoid of risk if, for example, the core country experiences economic difficulties that will withdraw its collaboration. The third is a policy of "development through self-reliance," which is not very practical because of the makeup of the world capitalist economy. Most importantly, though the balance of power may shift between connecting states over time, the overall structure of the system remains intact. The entire system evolves and adjusts, but the fundamental hierarchical arrangement persists.

Wallerstein identified 1968 as the year of the world revolution and the start of the modern world-system. It is the start of the current long and final phase of the capitalist world system. Wallerstein explains the approach for security and relative political stability of the modern world-system "(1) the concentration of military strength in the hands of the dominant forces (2) a persistent ideological commitment to the system as a whole, (3) the division of the majority into a larger lower, stratum and a smaller middle stratum." The elimination of one part of the system stratum, either the core, semi-periphery, or periphery leads to the disintegration of the world-system.

An essential aspect of the world-system is in regards to expansion, maturation, and decline of the capitalist world system, the definition that explains this with the concept of hegemony. Hegemony is defined as the core using force over the periphery. Hegemony brings economic and cultural superiority, together with political and military superiority. Hegemons are not permanent, nor do they

last for infinite amounts of time, because the system evolves. During the period of power, the hegemon usually propagates “its language, culture, and currency as ‘global’ standards” (Chase-Dunn & Grimes, 1995, p. 412).

There are differences in opinions between scholars regarding hegemonic chronology. However, the most commonly recognized periods of economic growth and rise to expand hegemonic powers are the Genoese, the Dutch, the British and the US. The first, the Genoese, dominated the surge of economic growth through Italian merchant capitalism in the second half of the sixteenth century. During the seventeenth century, the Dutch became the second hegemon through the inter-state economy joint-stock chartered companies. The next period was in the early nineteenth to the early twentieth century when the British economy rose to power through free trade imperialism. After World War II, the last reigning hegemonic power is the US.

In the twentieth century, The US experienced rapid and swift upward mobility in the modern world-system. The US shifted from the periphery to the semi-periphery transforming itself into a dominant force in world production (Wallerstein, 2006), becoming the global hegemon post-World War II (Chase-Dunn & Grimes, 1995). The US emerged as the most potent military force and the largest economy. From then on, the US endeavored to preserve its power through a liberal world order.

The US created financial, economic, and military institutions that served to support the infrastructure of the liberal world order. The institutions that supported economic order: the World Bank (WB), the International Monetary Fund (IMF), the World Trade Organization (WTO) and its predecessor, the General Agreement on Tariffs and Trade (GATT), and security and peace: the United Nations (UN) and the North Atlantic Treaty Organization (NATO). Employing these institutions, the US has been able to promote its economic interests, prescribe geopolitical solutions, and utilize considerable political and economic force throughout the world.

Since the 1970s, the US hegemony has been experiencing a decline, Wallerstein explains this as the “normal consequence of the operations of the modern world-system, in which the moments of true hegemony are not, and cannot

be, long-lasting” (Wallerstein, 2006, p. 9). Consequently, increases in power struggles from other core countries of the world-system will arise as a result of the decline of hegemonic powers.

The global capitalist economy has been in existence for over five centuries, and the hierarchical structure of the world-system has remained intact. Although the core and the periphery countries have shifted to improve their position, the essential elements of the permanent structure of the world-system remain. The gap between the core and the periphery continues to expand.

To sum up, world-systems analysis is a “protest,” constructed in the 1970s after the expansion of US hegemony. It served as a tool to understand events shaping the world and their interconnectedness. Modernization school developed World-Systems theory through the attempt to understand the exploitive forces of modern processes. The Modernization school evolved into “Dependency Theory,” which would serve as the most significant contributions to Wallerstein’s work. However; world-systems analysis deviates with “Dependency Theory” because of the belief that not all countries follow a single path of evolutionary development. Wallerstein’s theory includes concepts from Marx’s “Asiatic mode of production,” Fernand Braudel and the French Annales School, Karl Polanyi and Raul Prebisch. Some key concepts include “single division of labor,” “core-periphery,” and “world-system.” The “single division of labor” assumes that the world economy is divided into three economic regions of the core, the periphery, and semi-periphery. The “core-periphery,” links the economic regions through the to the capital accumulation process. Also, the “world-system,” is a “capitalist” world-economy in which everything functions within. World-systems theory also explains how countries can achieve a “shift” in position between by “seizing the chance,” “semiperipheral development by invitation,” or policy of “development through self-reliance.” Lastly, Wallerstein offers information regarding the final phase of the capitalist world-system. He argues that at present, “the world is running out of new zones into which to relocate” (Wallerstein, 2005, p. 1270). Therefore, the modern world-system is in crisis. Due to its underdevelopment, Africa can play an essential role in resolving the current structural crisis of the modern world-system.

(Wallerstein, 2017, p 2) For that reason, Morocco is committed to playing a role in the development of the continent, based on mutually beneficial collaboration strategies while shifting itself to a semiperipheral position within the world-system.

II. SECTION TWO

THE POLITICAL ECONOMY OF MOROCCO

2.1. INTRODUCTION

The first section will discuss Morocco's political economy by examination of its domestic structure and relations providing an introduction to Morocco's colonial legacy and how it influenced their initial interactions with the world-system. Followed by Morocco's post-independence existence and an explanation of how Morocco's colonization history played a significant role in shaping its domestic and state-society relations.⁹

The section is presented chronologically, a decade by decade examination of the evolution of Morocco's post-colonial to present political economy as well as international and regional political economies that influence the country's geopolitics. The world-economy experienced an enormous amount of expansion during 1945-1960. Since independence, Morocco's political economy has been inconsistent but changed substantially during the 1960s. The 70s brought a turbulent decade for Morocco. The early years brought a military coup attempted, followed by an assassination attempt of Hassan II rooted in the desire to create a republic. In November 1975, the Moroccan government led a campaign in the Western Sahara, "The Green March," to force Spain to turn over the disputed territory. Meanwhile, the Reagan administration developed strong ties to Hassan II after the 1978-79 Iranian revolution and supplied military support for the conflict in the Western Sahara. During the last years (78 - 80), Morocco burnt through

⁹ Anderson, L. (2014). *The state and social transformation in Tunisia and Libya, 1830-1980*. Princeton University Press.

much of its capital gains from the phosphate and implemented the first series of stabilization programs.

The 1980s, Morocco experienced a financial crisis and a series of imposed structural adjustments by the IMF. In 1982, the US shaped Morocco's political environment because of the imposed embargo against Libya. The US would continue to pressure other states to boycott the Organisation of African Unity (OAU) summit. Washington rewards Morocco for their boycott the summit, and withdrawal from the OAU severing relations with Gaddafi.

In the 1990s, more conflicts arose as the US tried to maintain its hegemony. The early 1990s, US economic assistance to Morocco exceeded military aid at around \$100 million per annum. During this decade Morocco remained a loyal ally to the US, and Hassan II served as a mediator in the region. In 1994, Morocco closes the border with neighboring Algeria because the country entered into a civil war. In the summer of 1999, Hassan II dies, and the reign of Mohammed VI began. In 2001, Morocco remained a loyal ally to the US and was one of the first Arab nations to condemn the September 11 attacks.

In 2002, Moroccans vote in a new regime which worked to mend relations within the domestic society, but the country continued to slowly deteriorate. By the mid-2000s, the new regime managed a series of domestic terrorism and extremists activities with the police delivering a repressive responses. Police misconduct and totalitarianism became par for the course. Meanwhile, a pro-independence movement began to spring up the Western Sahara. By 2010s, the Arab Spring and spillover anti-systemic in the capital would trigger some big changes and a constitutional reform followed by a amendments to the penal code. Later in the decade, the new regime would be challenged with finding solutions for the uprisings in the Rif.

The second section will discuss Morocco's Foreign relations and provide an examination of the political and economic factors governing the driving forces of Morocco's foreign relations. It will also show Morocco's strong desire to present a pro-western front, as a loyal American ally, "model student" of the EU, and a "good son" of France. Next, it will look at Morocco's trade groups; Euro-Mediterranean

Partnership (EMP) , Gulf Cooperation Council (GCC), BRICS, and Africa. The trade groups highlights significant economic and political alliances as well as efforts the country makes towards the diversification, regional integration, and desire to strengthen its role in providing political stability to the region. Finally, it will show Morocco as an “exception” within its foreign relationships which have allowed the country to accumulate economic and diplomatic power from their self-promotion as a modern, democratic, partner facilitating a shift of its position in the modern world-system.

2.2 DOMESTIC STRUCTURE AND RELATIONS

Most African countries can trace their peripheral economies to colonialism. During the 11th – 12th century, the former Almohad Caliphate, Morocco, ruled North Africa and maintained control of Iberia located in the southern region of Spain and Portugal. Morocco had been part of the global economy during the eighth century up to the seventeenth century on account of the trans-Saharan slave trade.¹⁰ In the mid 17th century, the core European states (Spain, France, Portugal, Belgium, and Great Britain) abolished the slave trade to ensure the existence of available low-cost labor to support capital accumulation and territorial expansion thru the colonization of neighboring Africa transforming her into the periphery.¹¹ Most African countries remained colonial territories except for the founding members of the United Nations: Egypt, Ethiopia, Liberia, and South Africa. In 1415, Portugal began its expansion into the coastal parts of Morocco and in 1912, with the signing of the Treaty of Fez, Morocco was carved up between Spain, and France until its independence in 1956.

¹⁰ Beach, A. R. (2013). African Slaves, English Slave Narratives, and Early Modern Morocco. *Eighteenth-Century Studies*,46(3), 333-348. doi:10.1353/ecs.2013.0023

¹¹ Wallerstein, I. (2017). Africa and the World System: How Much Change since Independence? In *The World-System and Africa*. New York: Diasporic Africa Press. (Kindle Edition)

The French have settled in Morocco since the 1600s as entrepreneurs, technicians, and builders long before colonization and their geoculture which has influenced Morocco for centuries. Morocco expelled the French in 1689, an expulsion that would last until 1757. In 1830s, the country was economically strapped and searching for opportunities to stimulate their economy and resolved to reacquaint themselves with France in 1832.

Morocco is a constitutional monarchy, led by the Alaouite Dynasty, a tribe originally from Saudi Arabia who came to Morocco in the 1300s. The French authorities support the Alaouite dynasty because it was under their leadership that Morocco reengaged relations with France. The French reinforced the Sultanate as the legitimate leader and religious leaders also corroborated their support because they recognize the Alaouite as legitimate descendants of the Prophet Mohammed. In its history, there have been multiple attempts to transform Morocco into a republic. The first attempt in the early 19th century, when the Berbers of the Rif fought off Spanish colonial rule and established the Rif Republic and also, during the early 1970s with the coup attempt of King Hassan II.

Moroccans are made up of a diverse ethnic population which consists of various racial, religious, and linguistic identities. Tribes of Arabs, Amazigh, Muslims, Jews, Sahrawi and Africans, have lived together for many centuries devoid of inter-ethnic or interracial conflict. The French believed it was their responsibilities to "civilize" the natives whom they considered an "inferior" race. Due to the long-standing relationship, Morocco received different treatment by the French, who encouraged the elites to educate their children. The French liberal belief was that one group should lead by becoming specialists and then an educated person became a specialist who could then perform the role of a citizen. Additionally, the French developed civil service, language policies and education methods, which all served as an attempt to reinforce long-term links between the Moroccans and French people. In other parts of Africa, the colonist had a different experience and encountered a great deal of discrimination and racism by their colonizers.

Makhzeni politics was in existence prior to independence, as product of Morocco's ruling state elites being influenced by the French geoculture, and adopted a hierarical social structure. Islam and Judaism also play a role in the Moroccan identity. Moroccans citizens are subjects of the king, and the Moroccan society maintains a patronage system.¹² The king serves as the "Patron-in-chief" at the top of the system. The word makhzen (مخزن) is the Moroccan word that is synonymously used and signifies the ruling elite. The word makhzen mean "warehouse" or "to store up" and was the location where the king's civil servants received their wages.¹³ Today, "Makhzen" refers "to those associated with the king, his entourage and those who either officially (police and military) or unofficially serve his interests." Consequently, the ruling elites owe much of their "power" to the different relationship held with the palace, and unique relationships with "Makhzen" or central government¹⁴.

Morocco's ruling elites fall into three categories of urban, rural, and religious leadership. The ruling elites served as the non-European face, the Muslim-man, who shared a similar language (Darija – the local dialect of Arabic in Morocco) and culture, making him accessible to everyman. During French colonization, it allowed colonial powers to avoid accusations of racism, cultural inferiority from local populations and at present the ruling elite continue to serve as a liaison between the people and the monarchy.

The urban elites were located in the predominantly coastal regions (except Fez) and were the most affected by European colonization. The urban elites are composed of two subgroups, those who provide crucial support to the monarchy and others those who seek reform the system. The rural elites serve a "middle-man" role between the state and the agrarian peasantry, working to maintain continuity

¹² Anderson, L. (1987). The state in the middle east and North Africa. *Comparative Politics*, 20(1), 1-18.

¹³ Hamblin, A. (2015). Morocco: The Struggle for Political Legitimacy. *Arab Spring: Negotiating in the Shadow of the Intifadat*, 9.

¹⁴ White, G. (2001). A Comparative Political Economy of Tunisia and Morocco: The International Realm and Maghribi Political Economy. State University of New York Press.

concerning land reform policies. Many of the state elites were educated in Europe - predominantly in France, with many maintaining their ties after returning to Morocco. The wealthy elites maintain high consumption lifestyles of imported products; have more significant social mobility; travel, and transnational family ties. The ultra affluent elites possess ownership of foreign assets, such as homes and bank accounts, typically in Europe or the US. The last group comprises of religious leadership, who support the king as the legitimate descendant of the Prophet Mohammed, and "Commander of the Faithful," or Amir al-Mu' minin.¹⁵

The three elite groups are diverse, but even more diversity exists within these groups because of their geographic locations, and divergent economic and political interests. Waterbury, the author of "The Commander of the Faithful" (1970), wrote:

"intra-elite conflict prevents anyone elite faction from attacking the problems of social transition...The vitality of the monarchy arises from the fractional stalemate within the elite, and the king has been an active factor in the prolongation of elite embolism".¹⁶

The "intra-elite conflict" results in the fractionalization and minimal interest insupport for the monarchy. Yet, the competing self-interests between the groups facilitate monarchical domination through group manipulation and division.¹⁷

The king serves a vital role and functions as the lead country promoter, who shows the world that the Moroccan Kingdom is a "liberalizing, democratizing, peaceful and reasonable country." The system is resilient from attack, due to Mohamed VI being a "descendant of the divine" ruling the country. The nature of Morocco's government helps to explain its ability to adjust to changing

¹⁵ Fernandez, I. (2014). Moroccan and the Middle East under Mohammed VI., Discussion Paper. Durham University, HH Sheikh Nasser Al-Sabah Programme, Durham

¹⁶ Waterbury, (1970). The Commander of the Faithful: The Moroccan Political Elite: A Study in Segmented Politics (New York: Columbia University Press) 10.

¹⁷ibid.

circumstances and its aptness to construct a development strategy. In Morocco, it is inconceivable to separate religious and national identity away from the Alaouite family. If the public chose to have a different political system or a different king, they would be replacing most everything, including the monarchical economic system, national identity, and unity.¹⁸

Morocco is broken up into two geopolitical regions: the “Golden Triangle” and the “Triangle of despair.” The Golden Triangle extends along the coast from Tangier in the north, to aFez in the east and Laayoune in the south. The “Triangle of despair,” former Republic of the Rif, was a protectorate of Spain. The region holds two Spanish enclaves, Ceuta and Melilla, and is located in the northern part of the country along the Mediterranean expanding toward the border of Algeria. The Rif is an arid mountainous region with little opportunity for vegetative growth and food security remains a chronic issue. Previously, the Riffian people engaged in seasonal migration to French Algeria to work in agriculture to support their families and tribal lands.¹⁹ Riffians are mostly maraboutic Sunni Muslims and an ethnically different group of people. They speak a Tamazight group of Berber languages - though many Rifian also speaking Arabic or Spanish.

The history of the Rif Republic may seem unimportant, but it is a region of the country with the most active resistance movements opposing the central government. In the early 1900s, the Amazigh tribes actively attempted to stop the invading Western powers. Known as, bled siba or “land of dissidence,” the indigenous Amazigh (Berbers) refused to pay taxes to the central government, because they considered it to be unjust and a form of racketeering executed by the colonial powers of France and Spain.²⁰ In 1921, under the leadership of Abdelkrim El Khattabi, the Riffians defeated Spain in the Battle of Anoual and a Republic of

¹⁸ Hamblin, A. (2015). Morocco: The Struggle for Political Legitimacy. *Arab Spring: Negotiating in the Shadow of the Intifadat*, 9.

¹⁹ White, G. (2001). A Comparative Political Economy of Tunisia and Morocco: The International Realm and Maghribi Political Economy. State University of New York Press.

²⁰ Gellner, E. (1962). Patterns of Rural Rebellion in Morocco: tribes as minorities. *European Journal of Sociology/Archives Européennes de Sociologie*, 3(2), 297-311.

the Rif was established.²¹ The Republic lasted until 1926 when they were defeated by a coalition whose members included France, Spain, and Sherifian (Royal) armies who aggressively and ruthlessly wiped out hundreds of military and civilian populations with deadly gas attacks.²²

In 1930, Morocco put into effect a “Berber law” (Addahir Al Barbari) which allowed people of the Amazigh descent to follow their customary (tribal) laws instead of the common Sharia. The Berber law triggered a sense of nationalism within the population, and required the Sultanate to establish a renewed union between the Arab and the Amazigh populations. During World War II the Sultan of Morocco called his people to serve and support France’s war effort which would reduce the Amazigh nationalist efforts towards independence. Four Moroccan groups served with the Allied forces in World War II (1942 and 1945). The Berbers, from from the Middle Atlas Mountains became known as the Goumiers - “Les Goumiers Marocains.”²³

In March of 1956, Morocco became independent from France and its political economy was influenced by the countries developing relations with Europe. The European Union was not yet in existence at the time of Morocco’s independence. The “Treaty of Rome” was the start of the European Economic Community (EEC) whose aim was to establish economic and political integration within the region. The EEC promoted a common market place and tariff system. Participant countries: France, Belgium, Italy, Luxembourg, West Germany, and the Netherlands were the founding members of the EEC. Morocco was not included in the treaty because they had only gained ‘nominal’ independence from France in 1956-1957. Also, the founders considered Morocco a “Third World Country,” or a third state and not a party to the action, nor eligible for membership. Subsequent accords dictated the terms of the agreement between the countries. Morocco’s colonization history played a significant role in shaping its agricultural economy.

²¹ ibid

²² ibid

²³ Bene, K. (2013). Les troupes coloniales françaises dans la Grande Guerre. *HUMANITAS-Uluslararası Sosyal Bilimler Dergisi*, 1(2), 63-76.

Previously, Morocco served as the primary agricultural exporter to the French metropole and benefited from greater market access under colonialism than in a post-colonial world.²⁴ At this time, agriculture served as the primary products of export making them essential parts of the European economy and most economies within the world-system.

In 1958, the French used Amazigh leaders to pursue their agenda,²⁵ and an armed uprising in the Rif directed against the Istiqlal Party pro-independence party occurred. The Istiqlal Party wanted to seize the power of the central government by establishing a single party political system. Crown Prince, Moulay Hassan II saw this as an opportunity to assert his political and military authority as to future king by eliminating the disturbing Rif and also the Istiqlal party. Then, Moulay Hassan II, chose to use excessive military force, of approximately “30,000 men” to suppress the uprising; afterwards subjected the Rif to a military regime and continued to neglect and marginalize the region.²⁶

In 1960, the EEC’s Common Agricultural Policy-1960 (CAP) placed constraints on agricultural exports coming from Morocco. The primary purpose of CAP was to ensure the regional agriculture productivity, maintain a standard of living for rural farmers, domestic market stability, food security, and fair pricing.²⁷ Additionally, the CAP expressly provided price guarantees for producers that were higher than the market price and imposed taxes on imported goods. The taxes created a situation where the imported products were more costly than the domestic ones which make the sale of these goods unprofitable for the country of origin. Next, the EU provided subsidies to producers to ensure products sold in the world-system were lower than the global market price – or product dumping. Product

²⁴ White, G. (2001). *A Comparative Political Economy of Tunisia and Morocco: The International Realm and Maghribi Political Economy*. State University of New York Press.

²⁵ Loudiy, F. (2018) *African Comparative Transitional Justice Study: Moroccan Case*.

²⁶ *ibid*

²⁷ White, G. (2001). *A Comparative Political Economy of Tunisia and Morocco: The International Realm and Maghribi Political Economy*. State University of New York Press.

dumping triggers the global price to fall and reduces the income earned by competing producers. The effects of dumping lead to governments purchasing goods because they were cheaper to buy than produce themselves.

The use of subsidies by stronger states such as the EEC, impeded the weaker states ability to achieve self-reliance. For non-members, this was a recipe for disaster and a form of “agricultural import substitution.” It pressured Morocco to keep their borders open to production that was useful and profitable to the EEC. Meanwhile, the ECC could disregard non-member demands and maintain a policy of non-reciprocity. As more countries entered into the ECC, Morocco became increasingly impacted by the evolution of external policies to manage the admission of new members.

The UN called the 1960s the “decade of development,” because it was time when former colonies in African gained independence and a new period of partnerships began. From the time of Moroccan independence until the late 1960s, US hegemony dominated the world-system.²⁸ In 1962, US President John Kennedy introduced the Trade Expansion Act (TEA). The acts intended, “to promote the general welfare, foreign policy, and security of the United States through international trade agreements, through adjustment assistance to the domestic industry, agriculture, and labor.” Kennedy’s policy was in response to the EEC’s CAP that threatened US agriculture exports. Kennedy made a shift from the classical political and economic isolation model to a liberal plan opening up US markets.²⁹

TEA served as the vehicle for international economic integration. The three primary tenants were first to stimulate economic growth of US and enlarge foreign markets for US agriculture, industry, mining and commerce, next to strengthen economic relations with foreign countries through open and nondiscriminatory

²⁸ Wallerstein, I. (2004). *World-Systems Analysis – An Introduction* (a John Hope Franklin Center Book) (p. 15). Duke University Press.

²⁹ Ready, R. K. (1964) *Leadership in the 1960’s*. *California Management Review*. Spring64, Vol. 6 Issue 3, p37-46. 10p. 3 DOI: 10.2307/41165590.

trading in the free world, and finally, to prevent communist economic penetration (Trade Expansion Act). The last tenant, “to prevent communist economic penetration,” would become of great importance and serve as a driving force for the US until the end of the Cold War. According to critics, TEA was viewed as “self-serving” because it failed to consider the interest of other core nations and entirely ignored problems in other countries.³⁰

In 1960, King Mohammed V, appointed Crown Prince Hassan II as the deputy Prime Minister of Morocco. The following year, Hassan II ascended to the throne after Mohammed V death and became King of Morocco at thirty –two years old. Hassan II would become the visionary leader who transformed Morocco’s political landscape for the next 38 years.³¹ Hassan II, born in 1929, and grew up during the French protectorate attending French schools. Hassan II became a nationalist while in France, where his opposition to colonialism increased, a fierce supporter of Moroccan independence long before becoming King.

During the 60s as communism grew in popularity, Morocco would create a multi-party system which would deepening their ties to the west. Opposition parties grew impatient waiting for the amendments to the constitution, which had been under development since independence. In December of 1962, Morocco held its first election based on a commitment established by Mohammed V. It would take almost seven years before Moroccans would vote, for a constitutional reform transitioning from an absolute monarchy to a constitutional one. The referendum won in a landslide and the “Sharifian Empire” transformed into the Kingdom of Morocco.

Morocco held its parliamentary elections almost one year later in 1963. Morocco had several well-organized parties even before the election: The Istiqlal Party, The Popular Movement Party (PMP), Union Nationale des Forces Populaires (UNFP), the Defence of Constitutional Institutions (PDC), and the Liberal

³⁰ *ibid*

³¹ Hamblin, A. (2015). Morocco: The Struggle for Political Legitimacy. *Arab Spring: Negotiating in the Shadow of the Intifadat*, 9.

Independent Party. The PMP represented a predominately Berbers population who served in the Moroccan Army of Liberation. The Istiqlal Party continued to demand democratic institutions and the restriction of the king's powers leaving him to serve only as a figurehead. The urban voters supported the Istiqlal Party because they believed it to be the party for the modernization of Morocco; but the rural populations were not as interested in modernization or industrialization. As a result, the party split, and the educated western camp formed the left-wing UNFP. The UNFP continued to support the monarchy, as well as the Liberal Independent Party which comprised of a small group of people who maintained close relations with the monarchy known as "Kings's Men."³² Moroccan party conflicts lie between the palace, the conservative coalition and the UNFP.

By the first election, the pro-Monarchy front, for the Defence of Constitutional Institutions (FDIC) gained sixty-nine seats, and the Istiqlal party forty-one leaving the remaining twenty-eight seats for the UNFP forces. After the election, the UNFP dismissed the constitution in protest, and Hassan II was able to secure a pro-palace coalition. In 1963, Hassan II imprisoned many UNFP party members including the leader, Mehdi ben Barka, who was exiled in 1963. Barka was educated in Algeria and opposed Hassan II because he did not support the pro-western stance and believed Hassan II to be a supporter of western imperialism. Barka also challenged Hassan II because of the failure of efforts in education and employment. Barka also claimed that Hassan II assumed control over everything despite the established national ministries. He also criticized the establishment of Promotional National (PN) an organization that exploited Moroccan labor.³³ PN which still exists today and employees are paid at minimum wage or below.

In 1965, in Casablanca, thousands of students gathered to protest the rights to higher education in Morocco. The police aggressively used firearms to break up

³² Beling, W. A. (1964). Some implications of the new constitutional monarchy in Morocco. *The Middle East Journal*, 163-179.

³³ Barka, M. B. (1966). *Option révolutionnaire au Maroc: Suivi de Écrits politiques, 1960-1965*. François Maspero. French

the student protesters and pushed them into the interior of the city. The protesters would gain support from the local unemployed populations who agreed meet the next day again. As a result, the anti-systemic movement more than doubled in numbers and force from this serendipitous encounter. Consequently, the police continued to aggressively suppress protests and made broad sweeping arrests of educators who were suspected of being dissidents.³⁴ The UNFP was very vocal in criticizing the brutal actions of the regime. These events lead to a declared state of emergency in June of 1965, which lasted until 1970, followed by suspending the constitution and imposing military rule. In late 1965, Moroccan forces in Paris, France allegedly assassinated Mehdi ben Barka.

During his reign, Hassan II received external criticism regarding the lack of democratization and increasing human rights violations occurring in Morocco. Religious leaders criticized Hassan II for his poor religious leadership and his support of the relentless interests of the west. The UNFP created an alliance with the Union of Moroccan Workers, the most significant labor organization, and through their various anti-systemic protests they impeded Hassan II ability to make constitutional amendments, or feasible development strategies...During this time, resource rich Morocco made little to no economic progress even with phosphate exports to France.

In the 60s, most Moroccans continued to live rurally and work on large modern farms. Most modern farms belonged to the French, who used Moroccans as a source of labor. Few Moroccans were able to learn new methods or gain anything from the French expertise resulting in a continued practice of antiquated subsistence farming techniques. Between 1960-1964, Hassan II implemented agrarian reforms to reduce dependency on France. Hassan II used agrarian reform to posture and establish a bargaining tool when negotiating between the elite landowners, the French colonized lands, and the rural poor. The proposal allowed the state to intervention in product distribution, but the ruling elite failed to support

³⁴ Hamblin, A. (2015). Morocco: The Struggle for Political Legitimacy. *Arab Spring: Negotiating in the Shadow of the Intifadat*, 9.

these programs.³⁵ As a result, Hassan II diligently crafted another plan, but once again, no action made toward the implementation.

Morocco was trapped between the desire to be independent of France, and the need to establish economic relationships while, remaining distrustful of any industries that were associated with former colonial interests. Meanwhile, in post WWII Europe, France attempted to unify the country through the French Fifth Republic endeavouring to resurrect the European opulence of the past and to build stronger bonds within the EEC through an interstate system. Additionally, France aspired to operate in the “middle” counterbalancing the US and Russia forces.

Wallerstein recognized 1968 as the “world revolution” and the commencement of the modern-world system. During this decade, people challenged the US war in Vietnam (1955-1975) and the Bay of Pigs invasion in 1961. Also, regional conflicts were part of the landscape from the Portuguese Colonial War, Arab-Israeli conflict and the Six-Day War, Nigerian Civil War, and Al-Wadiah War. In Africa, many countries transformed through decolonization to independence and the discourse of the time would become the gap between the developed “industrial” and underdeveloped “agrarian”. “Development” would be identified as the solution, to alleviate this gap, and “development” became part of the geoculture of the modern world-system.

In 1969, Libya experienced a coup d' état or “al-Fateh” revolution against King Idris I the first and only King installed by the United Nations. Muammar Al Gaddafi was the leader of the d' état and the catalyst for the abolishment of the countries monarchy and the considerable reorientation that followed (1969-1972).³⁶ Libya was not alone. Many countries would embark on anti-systemic movements and undergo socialist revolutions maneuvering away from the capitalist west and US hegemony. At the same time, Morocco and the EEC entered into an

³⁵ White, G. (2001). *A Comparative Political Economy of Tunisia and Morocco: The International Realm and Maghribi Political Economy*. State University of New York Press.

³⁶ Zartman, I. W. (1987). Foreign Relations of North Africa. *The ANNALS of the American Academy of Political and Social Science*, 489(1), 13-27.

“Association Accord” designed to recognize the importance of maintaining its relationship. Morocco was granted preferential association and provided open access to European markets for industrial products. The accords restricted Morocco’s primary agricultural products of olive oil, citrus fruits, and vegetables. For Morocco, the most significant percentage of exports remained primary agriculture products; therefore, the total exports were not affected. While the accord did not significantly improve any economic relationship between the EEC and Morocco, it did establish a framework for Morocco to establish export-oriented growth strategies in Europe.³⁷

The 70s became known as the “Era of Alternatives,” with the expansion of the modern world-economy reaching an apex, and entering a phase of stagnation. This stagnation would trigger a slow steady decline in US hegemony and would also be a turbulent decade for Morocco. The country experienced a great deal of political instability with labor strikes, food riots, and Islamist protests due to Hassan II’s authoritarian rule.³⁸ Hassan II worked to single out all dissidence and preserve support for the monarchy. As a consequence, in 1971 and 1972, two coup attempts were made against him. The first coup attempt comprised of three Moroccan Air Force fighter planes attacking his jet while returning to Morocco from France. In July 1971, the second attempt occurred when rebel Army cadets burst into the summer palace during the king’s birthday party. Both attempts were rooted in the desire to transform Morocco into a republic and independent from monarchy rule.³⁹ Hassan II continued to obstruct Islamist opposition through the use of repression and the religious legitimacy of his rule.

After the coup attempts, the 70s served as Morocco’s period of “Morocanization” where Hassan II, and his regime pushed for control over the

³⁷ White, G. (2001). *A Comparative Political Economy of Tunisia and Morocco: The International Realm and Maghribi Political Economy*. State University of New York Press.

³⁸ Storm, L. (2010). *Democratization in Morocco the Political Elite and Struggles for Power in the Post-Independence State*. Routledge

³⁹ *ibid*

financial and economic activities within the country.⁴⁰ In, 1973, as a consequence of the Yom Kippur War, neighbor Libya spearheaded an oil embargo against the US, which triggered economic shocks throughout the modern world-system. Morocco; however, because of its sizeable natural resource endowment of phosphate reserves, transformed itself into the world's largest exporter of phosphates. Morocco to benefit from the global economies desire for phosphate, and the booming industry which allowed Morocco to benefit from the foreign exchange earnings. Morocco was able to find economic relief from the external shocks and reliance on the EU. The boom in exports allowed for the financing and expansion of the public sector, civil service, and the military.

“Morocanization” allowed the government to retain control over key sectors through direct ownership via Omnium Nord-Africain (ONA). ONA is a holding company with an ownership interest in most all Moroccan industries except the informal ones. The government also seized control over foreign-owned lands, parceling out these lots to small landowners with the balance held by the state corporations and sold off to ruling elites. Another feature of “Moroccanization” was the requirement that significant business holding retains at least fifty-one percent Moroccan ownership.⁴¹ This served to maintain appeal for both domestic and international investment. Lastly, Hassan II extended the country's territorial waters to develop the deep-sea fishing sector exercising another maneuver toward greater jurisdiction.

In 1974, Spain decided to relinquish control of the Western Sahara, which presented an opportunity for Hassan II to expand the authority of the state. In November 1975, the government led a campaign in the Western Sahara, “The Green March,” a symbolic march, to force Spain to turn over the disputed territory and to

⁴⁰ Dillman, B. L. (2000). *State and private sector in Algeria: the politics of rent-seeking and failed development* (pp. 11-15). Boulder, CO: Westview Press.

⁴¹ White, G. (2001). *A Comparative Political Economy of Tunisia and Morocco: The International Realm and Maghribi Political Economy*. State University of New York Press.

mark Morocco's claim to the resource-rich land.⁴² The march led to the transfer of administrative power of the Western Sahara from Spain to Morocco. According to the United Nations, Morocco under the "Madrid Accords," had no legal validity, resulting in an unrecognized transaction.

In 1976, Libya and Algeria supported the Polisario Front a resistance movement of the SADR by putting pressure the OAU to recognize their sovereignty. Libya's Gaddafi played an active role in the conflict by providing weapons for the Polisario guerrillas.⁴³ Additionally, Gaddafi frequently spoke out against Morocco objecting to their claim of sovereignty over the Western Sahara. The OAU members place pressure on Morocco to resolve this conflict, as well as the United Nations Security Council (UNSC). The UNSC determined that Morocco invaded and called for the withdrawal of military forces.

The Western Sahara is one of the modern world's oldest conflicts, which surfaced during the Cold War, when Morocco sided with the West and Algeria was perceived to be an ally of the former Soviet Union.⁴⁴ Since the conflict began, neighbor Algeria has proposed a division of the territories. At the time, Morocco accused Algeria of creating an artificial conflict in order to weaken and impede their ability to recover the "Southern Provinces," from a historical dispute. The US is blamed for making the seizure possible; as well as France, and Great Britain who are all permanent members of the UNSC.

In 1976, the EEC created the second generation of accords with Morocco. After the expiration of the previous, the new accords continued to restrict agricultural exports. Morocco continued to remain focused on the EEC instead of venturing out and demanded greater access to the international community and

⁴² Zartman, I. W. (2007). Time for a solution in the Western Sahara conflict. *Middle East Policy*, 14(4), 178-184

⁴³ Anderson, L. (1987). The state in the middle east and north africa. *Comparative Politics*, 20(1), 1-18.

⁴⁴ White, G. (2001). *A Comparative Political Economy of Tunisia and Morocco: The International Realm and Maghribi Political Economy*. State University of New York Press.

economic balance.⁴⁵ In line with Moroccan demands, the 1976 Cooperation Accord consisted of trade, financial, and technical components. Once again, the accords allowed for duty-free imports of industrial products, excluding textiles and garments. In relations to agriculture products, Moroccan citrus fruits gained “privileged” access because they were not considered in direct competition with European goods. Lastly, as part of the accord, Morocco received financial support from the European Development Fund (EDF) and loans from the European Investment Bank (EIB) to develop its agro-industry. The net results, not quite the economic success; however; it did intensify the relationships and prodded Morocco a step closer to the development of an export-oriented manufacturing sector.

Morocco continued to support its campaign in the Western Sahara through its phosphate exports; consequently, the country wasted much political and human capital on the conflict. Morocco ruined the state’s fiscal health after spending approximately three hundred million per year.⁴⁶ Once Morocco burnt through its capital gains, the government feared insolvency and implemented the first series of stabilization programs. The government began to reduce its public service spending, which triggered high unemployment and local riots followed by rapid military suppression. For Washington, Hassan II was an asset in the fight against the spread of communism. Literature suggests that the Western members of the UNSC, particularly the US, “rewarded” Morocco for its longtime loyalty and moderate position in regards to the Arab-Israeli conflict.⁴⁷ The Reagan administration initiated strong ties with Hassan II after the Iranian revolution of, by providing Morocco military support for their efforts in the Western Sahara.

In the early 1980s, within the modern world-system, the surplus of oil triggered a fall in commodity prices, which included global phosphate. In 1982, the US continued to strategically pursue Morocco while imposing a unilateral embargo

⁴⁵ White, G. (2001). *A Comparative Political Economy of Tunisia and Morocco: The International Realm and Maghribi Political Economy*. State University of New York Press.

⁴⁶ Zartman, I. W. (2007). Time for a solution in the Western Sahara conflict. *Middle East Policy*, 14(4), 178-184.

⁴⁷ *ibid*

against Libya. Later that year, the US began to use its influence to pressure OAU members, such as Morocco, to withdraw their attendance from the proposed summit held in the Libyan capital of Tripoli.⁴⁸ Morocco would withdraw from the OAU and severed relations with Libyan leader Gaddafi. By 1983, Morocco's currency reserves were near exhausted, and the government restricted its imports. In 1984, Morocco turned to the IMF for a loan, which called for the second round of structural reform and austerity measures.

The Moroccan government began to implement a structural adjustment program through the devaluation of the currency, austerity measures, high-interest rates, liberalizing trade, and privatizing state-owned sectors.⁴⁹ The USFP and Istiqlal parties, both opposition parties, accepted the logic behind the structural adjustments and did not challenge it in principle. The labor parties complained about the liberalization of the economy and the negative effects on the majority of Moroccans. The macroeconomic stabilization and devaluation of the dirham led to the floating of its currency, followed by the elimination of price controls, capital market reforms, and changes in agricultural incentive.⁵⁰ The government also implemented fiscal reforms, which included value-added tax (VAT), corporate tax, and global income tax. The structural adjustments and process of "de-Moroccanization" triggered shocks throughout the Moroccan economy.⁵¹ The price increases triggered weeks of anti-systemic protests in Marrakech followed by police crack-downs. The government permitted the police to use repressive measures to suppress and arrest dissidents.

In August of 1984, Hassan II established a federation with Libya, Algeria, Mauritania and Tunisia called the Arab-Maghreb Union (AMU). The intent was to

⁴⁸ Zartman, I. W. (1987). Foreign Relations of North Africa. The ANNALS of the American Academy of Political and Social Science, 489(1), 13-27.

⁴⁹ White, G. (2007). The Maghreb's subordinate position in the world's political economy. *Middle East Policy*, 14(4), 42-54

⁵⁰ Mossallem, M (2015) The IMF in the Arab world: Lessons unlearnt, The Bretton Woods Project

⁵¹ Payne, R. (1993). Economic crisis and Policy Reform in the 1980s. *Polity and Society in Contemporary North Africa*.

gain political and economic regional synergies and to provided an opportunity for discounted oil, labor migration to Libya, and an end to the aid given to the Polisario.⁵² The majority of the public viewed the cooperation as a favorable union and gave the regime a needed reprieve from the international criticism of their controversial management of dissidents and human rights violations.⁵³ The US continued to kept a close watch on Morocco's structural adjustment process because of its allegiance, service as the host many summits, and active participation as a mediator in the Arab-Israeli conflicts. Also in the 1980s, Morocco's exports and industrial production would be impacted by the southern European countries gaining admission into the ECC. Greece (1981), Spain and Portugal (1986), were all powerful southern agricultural economies which produced similar Mediterranean products, reducing the demand for imports that were previously supplied by Morocco.⁵⁴

In the 1990s, external regional dynamics significantly impacted Morocco. Saddam Hussein, leader of Iraqi forces, invaded Kuwait, an event that set off a series of subsequent events. The UNSC immediately condemned the invasion and imposed sanctions and President George Bush responded by sending US troops and US-led coalition to defend Saudi Arabia. Morocco also condemned the invasion and joined the coalition by sending troops. Saudi Arabia rewarded Morocco allegiance by canceling its debt obligation, which was just under three billion US dollars.⁵⁵ Austerity measures also continued until the early 1990s and Morocco continued to experience labor strikes and student protests resulting in violent clashes between anti-systemic protestors and the police. Political Islamist and women's groups also began to spring up. The women's groups demanded reform

⁵² Zartman, I. W. (1987). Foreign Relations of North Africa. *The ANNALS of the American Academy of Political and Social Science*, 489(1), 13-27.

⁵³ Tessler, M. (2000). Morocco's next political generation. *The Journal of North African Studies*, 5(1), 1-26. doi:10.1080/13629380008718385

⁵⁴ White, G. (2001). *A Comparative Political Economy of Tunisia and Morocco: The International Realm and Maghribi Political Economy*. State University of New York Press.

⁵⁵ Blanchard, C. M. (2010). *Saudi Arabia: Background and US Relations*. DIANE Publishing.

to the family code, Mudawana, which forbade a woman from marrying non-muslims, as well as guidance regarding polygamy, divorce, and child custody⁵⁶. Political Islamist groups inadvertently began to undermine domestic security. The Morocco government, having learned lessons from the Algerian civil war, understood all too well the correlation between domestic stability and foreign investment and began to prioritize domestic security. The security forces of the country worked diligently to monitor and suppress all potential “Political Islamist” incidents at any cost. These events, in combination, triggered a significant decline in tourism and created a negative economic impact for Morocco.

In 1995, the European Union (EU) formed and a third generation of the Cooperation Accords. The 1995 agreement required Morocco to eliminate tariffs and barriers to industrial imports from the EU - exposing the country to savage competition.⁵⁷ The agreement failed to include agriculture, which would result in Morocco losing access to its tomato exports. Tomatoes were one of the “permissible” products for export allowed during the European producer’s offseason. The agreement represented a significant loss of revenues and trade liberalization, which would increase in the consumption of imported goods.

Almost ten years after the implementation of structural adjustments, Morocco became a textbook case of success. In 1996, the IMF and WB championed the government to invest in “human capital” and increase their social spending, offering new loans and funds to finance these activities.⁵⁸ However, the social impacts of these adjustments were too unhealthy and traumatizing - “excessively bullish” - that the Moroccan government terminated its agreement. The paradox, these vital state expenditures for education and health care were cut from the government’s budgets during the years of SAP and austerity measures.

In 1999, Hassan II died, and Mohammed VI assumed the role of the

⁵⁶ Tessler, M. (2000). Morocco's next political generation. *The Journal of North African Studies*, 5(1), 1-26. doi:10.1080/13629380008718385

⁵⁷ White, G. (2001). *A Comparative Political Economy of Tunisia and Morocco: The International Realm and Maghribi Political Economy*. State University of New York Press.

⁵⁸ Mossallem, M (2015) *The IMF in the Arab world: Lessons unlearned*, The Bretton Woods Project

“Commander of the Faithful.” Historically, the regime had been a mix of brutal authoritarianism and liberal democracy. The current king worked to distance himself from his father’s human rights abuses.⁵⁹ Mohammed VI understood the importance of public diplomacy, reputation, and credibility and makes great efforts to manage public diplomacy and image to ensure the legitimacy, stability, and survival of the palace and the Kingdom of Morocco. Mohammed VI aspires to be more like the European monarch, Juan Carlos of Spain, known for his “soft power.” Joseph Nye defines soft power as the capacity to persuade or attract others to do what one wants rather than coercion⁶⁰ King Mohammed VI legitimacy is safeguarded from criticism because of legal bans. Additionally, an attack is viewed as being anti-Islam since the king holds the “highest religious authority in the country”⁶¹..

The 2000s in the west started with the burst of the technology bubble, a series of financial scandals, and the September 11 terrorist attacks in New York. In the MENA region, after time spent alienating himself, Gaddafi attempted to establish stronger alliances with its non-Islamic African neighbors recreating himself as an African “elder.” In Casablanca, Mudawana (family law) protestors, demanded changes to the code which would be implemented in 2004. As the country continued down a path of modernization, the state released previously detained prisoners as well as introducing the Berber language in primary schools. In 2003, Casablanca found itself the victim of -Islamist extremist suicide bombers. These events precipitated Morocco’s counterterrorism strategy, which aimed to increase domestic security and reform religion and economics considered the source unrest.

After 9-11, the US changed its foreign policy shifted its focus toward the Middle East. The US aimed to maintain strong bonds with monarchies, the “containment” of Iraq, Iran, and a peace process between Israeli - Palestine.

⁵⁹ Hamblin, A. (2015). Morocco: The Struggle for Political Legitimacy. *Arab Spring: Negotiating in the Shadow of the Intifadat*, 9.

⁶⁰ Nye, J. S. (1990). Soft power. *Foreign policy*, (80), 153-171.

⁶¹ *ibid*.

Morocco was one of the first Arab countries to denounce the 9-11 attacks and would cooperate with the US in these joint military training exercises and counterterrorism efforts.

In 2004, two external events would shock Morocco's economic future. The first was the integration of East European countries into the European Union. These countries served as competition for Moroccan outsourcing and offered a location for the European core economies to relocate their production and eliminate Morocco. The next event was the expiration of the Multi-Fiber Agreement (MFA). Established in 1974, the MFA, imposed global regulations that establish controls over textile production and exports.⁶² The expiration of this agreement made Morocco vulnerable to competition from producers in South East Asia who had lower production costs.

By the mid-2000s, China and India grew as financial powers; and a few years later, in 2007, the US would enter into a financial crisis caused by sub-prime lending practices. This crisis would trigger a global recession and the Eurozone crisis. The Eurozone crisis would impact the Morocco the most because, in 2007, trade with Europe represented 64% (see table 18) of Moroccan exports. The crisis would also affect tourism, personal remittances, and FDI (see table 2, table 6, and table 7) It was at this point, that Morocco recognized the importance of diversifying its economic relationships and began to pursue relationships in emerging markets. Morocco experienced more suicide bombers later in the decade followed by swift punishment for any parties involved.

In December 2010, Tunisia experienced anti-systemic protests which would deal a blow to the region. In February 2011, a few months later, the spill over effects began in Morocco with "mouvement 20 fevrier". Like Tunisia and Egypt, Morocco experienced multi-city peaceful demonstration starting on the 20th of February 2011; with the Rif being at the heart of protest movement. In 1999, Mohammed VI, began a process of reconciliation with the Rif, making several trips to Alhoceima and

⁶² Hufbauer, G. C., & Brunel, C. (2009). Capitalizing on the Morocco-US free trade agreement: a road map for success. Peterson Institute.

Nador. Morocco suffers from the same social vulnerabilities as other Arab states; high rates of poverty, corruption, income inequality, and a sizeable idle youth population.⁶³ Tens of thousands through the use of social media and went to the streets with their demands - none of which included removing the monarchy.⁶⁴

Just before the second round of protests, the king instantaneously announced significant political reforms to the constitution - in reality, these changes were in line with recommendations from the World Bank and IMF. Many of the changes in the constitution were to address inequality of education, socio-economic issues, and to reduce the gap in regional development. The Riff region is dependent on trade with Europe, particularly Spain. To sustain their livelihoods, many Riffians produce and export cannabis, which is part of Morocco's informal economy.

The anti-systemic protests continued through to Egypt, Syria and Libya, residence of the longest head of state leader Colonel Muammar Gaddafi. The relationship between Colonel Gaddafi and Mohammed VI was strained at best. Colonel Gaddafi was active and vocal about his support of the Polisario Front and opposed Morocco's activities in the SADR. In October 2011, Gaddafi died unexpectedly and his death would end a prolonged and tense relationship in the region.

In 2012, Morocco experienced a constitutional change. Previously, Mohammed VI, retained absolute power over the appointment of public officials such as the prime minister, cabinet members, and also could dissolve parliament.⁶⁵ The constitutional reform adopted several modern structures of democracy, including a bicameral parliament. The monarch actively works towards a balanced power between the monarchy, political parties, and "Makhzen." Mohammed VI promotes economic diplomacy and the reform of the foreign ministry and service - economic and technocratic modernization.

⁶³ Hamblin, A. (2015). Morocco: The Struggle for Political Legitimacy. *Arab Spring: Negotiating in the Shadow of the Intifadat*, 9.

⁶⁴ *ibid*

⁶⁵ Entelis, J. P. (2007). The Unchanging Politics of North Africa. *Middle East Policy*, 14(4), 23-41. doi:10.1111/j.1475-4967.2007.00322.x

Mohammed VI works to develop Moroccan nationalism through the “Morocco’s Strategic Vision” (MSV) in education. The MSV is a cultural strategy, extending fifteen years (2015-2030), to establish a “Unified Moroccan” identity with plural dimensions, and openness to the world. The policies basis on the principles of moderation, tolerance, and dialogue between cultures and civilization education.⁶⁶ Morocco has also made significant efforts to revive the dying national languages Berber Amazigh and classical Arabic. Both languages are not in full used because of the use of French in day-to-day life. Finally, Mohammed VI remains committed in promoting Morocco as a modern, democratic, secure partner to the international community, East and West by mainining the stability of the country..

On the 28th of October, 2016, in the Riffian city of Al-Hoceima, Mohcine Fikri, a fish merchant was killed in the trash compactor of a rubbish truck. The public accused police officers of ordering trash collectors to crush Fikri while he climbed in the back of the truck attempting to recover his allegedly banned swordfish which was caught by drift net. Live video footage of his death went viral in Morocco showing the activated mechanism crushing him to death.⁶⁷ The events were quickly “depoliticized” by the governments reaction. Tens of thousands of people went to the streets all over Morocco triggering a protest movement known as the “Hirak” (uprising) movement.⁶⁸

The people of Morocco see their future as grim and the “Moroccan exception, ‘obsolete’. Many people are a ticking time bomb waiting to implode. The word, “hogra” meaning extreme injustice is used to describe the deteriorating -socio-economic conditions and standard of living in Morocco⁶⁹. It is also used to

⁶⁶ Fernandez, I. (2014). Moroccan and the Middle East under Mohammed VI., Discussion Paper. *Durham University, HH Sheikh Nasser Al-Sabah Programme, Durham*

⁶⁷ Robinson. J (2016, October 31) “Trader Is Killed as He Tries to Stop Police Destroying Banned Swordfish in Morocco.” *Daily Mail Online*, Associated Newspapers, Retrieved from www.dailymail.co.uk

⁶⁸ Heidlmayr-Chegdaly, I. (2018). Foreign policy-making in North Africa: Shifting alliances, emerging rivals and ongoing crises. *Mediterranean Politics*, 23(4), 531-538.

⁶⁹ *ibid*

describe the abuse of power and corruption by the elite. Nasser Zefzafi, a political activist from Al Hoceima, is the assumed leader of the Hirak Rif - Riffian Movement. Nasser is the great-grandson of Shaikh l-Yazid n-Hajj Hammu, who was the minister of interior of the Rif Republic. On the 29th of May, 2017, Zefzafi was abducted by the police along with journalists, and protestors and held without charges. The government charged Zefzafi for disrespecting the king, undermining state security, and receiving funds from abroad used for plots to destabilize the country and sentenced to prison terms of up to 20 years. The government imprisoned Zefzafi and other youth protesters for demanding jobs, economic development and an end to socio-political marginalization.

Since 1975 until the present, the Sahrawi people continue to seek self-determination and independence. The Western Sahara continues to be listed as a “non-self-governing territory,” by the United Nations and that the Sahrawi people have not yet attained a full measure of self-government. All the while, western corporations exploit resources through licensed exploration vis a vis the Moroccan government. The territory under control has a 700- km Atlantic coastline and rich fishing waters. The land is also fertile with resources such as phosphate deposits and other valuable minerals; iron ore, titanium oxide, iron and possibly oil and natural - gas; however; the exploitation of the natural resources is “technically” illegal. Incentivized by economics, Morocco has worked to normalize its control of the Western Sahara by incentivizing the relocation of thousands of rural Moroccans and business, through generous subsidies and taxes-free income. Morocco has spent billions of dollars in infrastructure development to help support the plunder by international companies involved in the exportation of hydrocarbons and the exploration of oil and gas in territorial waters under a license from the Moroccan state oil company l’Office national de recherches et d’exploitation pétrolières (ONAREP).⁷⁰

⁷⁰ White, G. (2007). The Maghreb's subordinate position in the world's political economy. *Middle East Policy*, 14(4), 42-54

No country recognizes Morocco's sovereignty over the Western Sahara⁷¹, and many companies have divested their interests and discontinued activities because it has become increasingly politically unpopular. Many have also called for an end to this conflict without any development. The police suppress pro-independence activists and dissidents face discriminatory employment practices. The US often pressures Morocco to seek a political solution within the United Nations framework, but does not follow through, and generally supports Moroccan efforts, regardless of how futile they may be.

In 2016, Ban Ki-moon, United Nations Secretary-General visited refugee camps in Southern Algeria: Algiers, Tindouf and Bir Lahlou - regarded as the capital of the Polisario Front. During his visit, Ban Ki-moon described the situation as "occupation."⁷² His reaction triggered a dispute between Morocco and the UN. Morocco expelled civilians from the peacekeeping mission, known as MINURSO. At present, there is an unequal distribution of political and economic power, along with domination within social relations. The system excludes the majority of Moroccan citizens from economic and political participation. On the 13th of March, the government organized a country-wide social protest in the capital. Thousands of people from all over Morocco arrived in Rabat to show their disapproval and opposition of Ban Ki-moon's statement. The protest served to engage and include the whole population, "instead of an elite-driven" campaign to maintain the claim of sovereignty over the Western Sahara.⁷³ Most Moroccans believe that the Western Sahara belongs to Morocco, few will acknowledge a different opinion on the matter, but not publically. In October 2018, the Security Council adopted a resolution to allow a six-month extension for the United Nations Mission for the Referendum in

⁷¹ Knight, R. (2005) "Occupied Western Sahara: Campaign to End Kerr-McGee's Involvement." *Review of African Political Economy*, vol. 32, no. 103, 2005, pp. 154-156.

⁷² Nichols, M. (2016, March 28). U.N. chief regrets Morocco 'misunderstanding' over Western Sahara... Retrieved from <https://www.reuters.com/article/us-morocco-westernsahara-un-idUSKCN0WU1N9>

⁷³ Tome-Alonso, B., & Abouzzohour R, Y. (2018). Moroccan Foreign Policy after the Arab Spring: A turn for the Islamists or persistence of royal leadership?. *Journal of North African Studies*.

the Western Sahara and scheduled a meeting in Geneva on 5 and 6 December to commence working toward a political solution.⁷⁴

Domestically, Mohammed VI continues to work on reuniting Moroccans through education and hosting influential people such as the Pope for “inter-religious” dialogue.⁷⁵ Pope Francis joined Mohammed VI in declaring Jerusalem the “common patrimony” of Christians, Jews, and Muslims. Internal communal elections of the Moroccan Jewish community followed this visit also the announcement of the construction of a Jewish museum in the city of Fez.

In summary, Morocco is one of the few countries in the world with “divinity and bloodline.” From its independence, Morocco has maintained a strong allegiance to the West, specifically the US and France. Morocco’s political economy has been inconsistent but changed substantially. Morocco has been slow to liberalize, giving themselves time to adopt new political reforms and manage the criticisms regarding the Palaces’ control over the economy. The political system benefits from the lack of popular participation and a large traditional population that will not criticize the institution of the monarchy. Morocco has undergone significant transformation with changes to its Moudawana (family law), constitutional reforms and economic liberalization though structural adjustments and austerity measures. Morocco continues to “normalize” its control of the Western Sahara and the issue regarding its sovereignty. Also, Morocco continues to seek diversification of its political and economic alliances to reduce its dependence on its European trading partners.

Economy

An investigation of Morocco’s separate economic sectors is necessary to understand its political economy. Morocco’s primary sector includes: agriculture

⁷⁴ United Nations. (2018, October 31) Security Council Adopts Resolution 2440 Authorizing Six-Month Extension for United Nations Mission for Referendum in Western Sahara [Meetings Coverage and Press Releases]. Retrieved from www.un.org

⁷⁵ Pope Francis’ Visit to Morocco Raises Hopes for Its Christians. (2019, March 29). *New York Times*. Retrieved from <https://www.nytimes.com>

and mining; the secondary sector: manufacturing, textile production, and construction and the service sector includes: finance and tourism. Morocco seeks to maintain a balance between attracting foreign investments, creating jobs, and maintaining stability all the while undergoing a rapid transformation of the economy. It continuously works to create domestic policies to enhance the quality of its agricultural, tourism, and transportation sectors.

Table. 1 Morocco's Sectoral shares % of GDP (1995 - 2018)

Year	GDP	Agricultural	Industry	Manufacturing	Services
2005	62.3	12	31	17	52
2010	93.2	13	26	16	51
2015	101.1	13	26	16	50
2016	103.3	12	30	16	50
2017	109.7	12	29	16	50
2018	118.5	12	25	16	51

Source: Compiled World Development Indicators, retrieved from <https://databank.worldbank.org>

Agriculture has played an essential role in the economy since colonial rule. In the 1930s, the French made efforts to develop Morocco's export crops for use in the metropole. The California policy, "a la Californie," has had a lasting impact on the land and agricultural development and its people the affluent rural elite. Agriculture production remains the mainstay for the Moroccan economy averaging 13% of GDP (see table 1). The agro-industry employs 40% (see table 8) of the rural population with the most crucial greenhouse exports are tomatoes, bananas, citrus fruits, and vegetables. In 2008, the "Green Morocco Plan" was developed to enhance the quality of agricultural production through modernization and supply chain integration. According to the "Green Morocco Plan," the secondary intent is to enhance the livelihood of small farmers as well as creating opportunities for collaboration through cooperative investment. Cooperative investments are a

primary source of income for rural women⁷⁶.

Generally, environmental and demographic shifts are responsible for the decline in agriculture exports. Externally, climate change is the source of low yields due to unpredictable weather patterns which affect rainfall. Morocco frequently experiences droughts or flooding. Additionally, the previous decades of dams and hydro-electricity projects as well as antiquated farming practices contribute to soil erosion affecting the overall production and output. Also, demographic shifts such as population growth and migration away from rural areas have impacted the agriculture sector.⁷⁷ The country imports food to ensure food security because of the reduction in the agro-industry work force. Also, protectionist policies from the EU and policies of export promotion from the US creates diminishing returns from agricultural production. For these reasons, the agricultural sector no longer makes up the primary exports for the country.

Morocco's primary exports also include phosphate and related derivative products. Morocco's phosphate economy was not developed during the period of French colonization but afterward in the twentieth century.⁷⁸ Morocco and the Western Sahara represents more than 70 percent of global supply. Moroccan phosphate exports are essential to core economies because phosphates are used in industrialized agriculture as well as military and industrial processes.

In 1920, the Sultanate established the Cherifien Office of Phosphates (OCP) formerly the "Office chérifien des phosphates" a public holding company. After 1973, due to an increase in phosphate price, Morocco's most important economic sector supported the expansion of other public sectors such as civil service, and the

⁷⁶ Accueil. (n.d.). FOOD FROM MOROCCO: Annuaire Officiel Des Entreprises Marocaines Exportatrices Des Produits Agro-Alimentaires Et Maritimes, Retrieved from <http://www.foodfrommorocco.ma/>.

⁷⁷ Tessler, M. (2000). Morocco's next political generation. *The Journal of North African Studies*, 5(1), 1-26. doi:10.1080/13629380008718385

⁷⁸ White, G. (2007). The Maghreb's subordinate position in the world's political economy. *Middle East Policy*, 14(4), 42-54

military. In 1974, Spain renounced control of the western Sahara and triggering Hassan II's military campaign to claim the territory. The conflict would cost the country a great deal and ruin the countries financial wealth accumulated from its phosphate exports. In 1976, after Morocco's conflict in the western Sahara, the US took an interest in the countries phosphate reserves.

Morocco has also worked to attract foreign investment to develop this sector. Currently, the OCP maintains joint investments with India: Indo Maroc Phosphore SA (IMACID) and subsidiaries such as OCP Africa. It also has partnerships with Brazil (Bunge Maroc Phosphore) and Turkey (Toros Tarim subsidiary of Tekfen).^{79 80} As a commodity, the price of phosphate fluctuates, but has declined overall since its peak in the 1970s. In the late 1990s and 2000s, the country began to diversify its partnerships due to the decline in price and the 'country's apparent comparative advantage.

Morocco's secondary sector has been slow to develop because of its energy dependency, lack of infrastructure, technology, and domestic society- human capital. Morocco has no hydrocarbons resources of their own and procures its energy from the Maghreb-Europe Gas (MEG) pipeline located in Hassi R'mel field in Algeria.⁸¹ Initially, Morocco's engaged in light manufacturing of textiles and shoes through subcontracted, off-shore models of peripheral production. It was an outward processing arrangement, which allowed EU companies to benefit from lower labor and ability to re-imported goods with either complete or partial relief from import duties.

Table. 2 Morocco's Structure of Manufacturings (2000 - 2018) in billions usd

⁷⁹ Morocco set to bolster fertilizers production through partnerships with Brazilian and Turkish groups. (2011, December 22). *Morocco World News*. Retrieved from <https://www.moroccoworldnews.com>

⁸⁰ Top Phosphate-Mining Production by Country." (2018, November 23). *Investing News Network*. Retrieved from www.investingnews.com

⁸¹ Escribano, G. (2016). The impact of low oil prices on Algeria. *Rep. Centre on Global Energy*.

Year	Manufacturing value added	Food, beverages and tobacco	Textiles and clothing	Machinery and transport equipment	Chemicals	Other Manufacturing
2000	7.19	34	18	4	12	32
2016	n/r	31	8	6	16	39
2018	17.26	n/r	n/r	n/r	n/r	n/r

Source: Compiled World Development Indicators, Retrieved from <https://databank.worldbank.org>

Outward processing arrangements were beneficial to core economies but extremely disadvantageous to Morocco. Arrangements were also challenging to maintain due to the demand for high-quality fabrics as well as technical support to ensure the quality assurance of the manufactured goods. Morocco has been able to diversify its manufacturing sectors after decades of infrastructure development and foreign investment by the West: specifically the US, France, and Spain.⁸²

Presently, Morocco has a developed auto industry which includes the production of automobiles, automotive components, wiring, and transistors. The country has become a significant supplier for European and American auto factories because of the establishment of ports and trade free zones within the port cities of Casablanca and Tangier which facilitate the movement of goods.⁸³ Finally, investments from Canadian Bombardier have allowed Morocco to develop a budding aerospace industry. Currently, Bombardier has announced the divestiture of its Casablanca and Belfast assets, but the plant will continue to remain in operations and supply parts under subcontract agreements.

Since the early 2000s, the construction sector has also increased due to the government and foreign investments. Infrastructure development includes building ports, roads, railway, and renewable energy grids. The GCC, specifically the UAE, has made significant investments in the construction and development of new cities,

⁸² White, G. (2007). The Maghreb's subordinate position in the world's political economy. *Middle East Policy*, 14(4), 42-54

⁸³ Marsa Maroc partners with European groups to operate Tangier Med port's third container terminal (2019, March 27) *Ecofin Agency*. Retrieved from www.ecofinagency.com

high end residential and retail spaces and hotels. Finally, there is a myriad of technology parks and smart cities planned to support transnational investors.

Table. 3 Morocco's Structure of Services (in millions of usd)

Year	Commercial service exports	Transport	Travel	Insurance Services & Financial Services	Computer, information, communications, and other commercial services
2000	3,81	13	54	1	33
2005	8,736	15	53	1	32
2010	14,329	15	47	1	37
2015	14102	19	44	1	35
2016	14,642	18	45	1	37
2017	16,592	19	45	1	35
2018	17,894	20	44	1	36

Source: Compiled World Development Indicators, Retrieved from <https://databank.worldbank.org>

Morocco is undergoing a de-industrialization phase with its service sector, providing the country the most opportunities for increased economic growth. (Table 3). Up to now, the service sector had been primarily comprised of tourism, but today it also includes assurance and financial services, banking, computer technology, fintech, retail, and telecom.⁸⁴ In 1996, Morocco privatized its telecommunications sector to Spain and France.⁸⁵ In Morocco, approximately 30% of the population have bank accounts - finTech is considered a valuable tool with banks are popping up in all of the major cities. Banks have also increased their service offerings by offering lines of credit to consumers. The financial service sector includes assurance services such as insurance products, auto loans, call centers for France, and cloud hosting. Since the 2011 constitutional reform, Morocco has been working to integrate digital technologies to improve regulatory processes. Additionally, digital technologies are in place to support government processes providing an open and user-driven culture in the public sector and aims

⁸⁴ White, G. (2007). The Maghreb's subordinate position in the world's political economy. *Middle East Policy*, 14(4), 42-54

⁸⁵ *ibid*

to combat corruption through transparency⁸⁶.

Table. 4 Morocco's Structure of Tourism
(2000 - 2017)

Year	International arrivals in Millions	International Tourist receipts % of exports
2000	4,278	26
2005	5,843	33
2010	9,288	30
2015	10,177	23
2016	10,332	23
2017	11,347	23

Source: Compiled World Development Indicators, Retrieved from <https://databank.worldbank.org>

Tourism remains an integral part of the Morocco economy. The country has geographic diversity, favorable weather, and natural beauty that attracts tourist decade after decade. The country maintains a ninety-day visa on arrival (no-cost) and recently removed the visa restriction for China to encourage tourism⁸⁷. The country also works to support the tourism by enhancing transportation infrastructure to facilitate movement. Morocco caters to all types of tourist, but makes efforts to increase its high-end markets.⁸⁸ As part of its 2010 vision, the country builds world-class golf courses in Marrakech, and coastal cities of Agadir, and Essouria. In the last five years, each ancient Medina Quarter - all registered UNESCO World Heritage sites - have received a face-lift courtesy of UNESCO. Morocco's "2020 Vision," set a goal for increasing the tourism sector and making

⁸⁶ Denoeux, G. P. (2007). Corruption in Morocco: Old Forces, New Dynamics and a Way Forward. *Middle East Policy*, 14(4), 134-151. doi:10.1111/j.1475-4967.2007.00329.x

⁸⁷ Morocco attracts 180,000 Chinese tourists in 2018 (2019, February 18). Xinhua New. Retrieved from www.xinhuanet.com

⁸⁸ White, G. (2007). The Maghreb's subordinate position in the world's political economy. *Middle East Policy*, 14(4), 42-54

the country among the top 20 destinations to visit in the world. The plan has cultural and sustainable components to highlight Morocco's cultural identity and preserve and protect its natural areas through sustainability. Demographic shifts and increased industrialization have triggered much environmental degradation to the coastlines and beaches.

The Moroccan government relocated its industrial zone from Casablanca to Tangier-Tetouan a region in northern Morocco that serves as the port of entry to the European Union. The Tangier-Tetouan region, formerly an agricultural area, is now home to a concentration of transnational companies - primarily French and Spanish - a development model based on export-oriented manufacturing and FDI. The desire for a strong manufacturing and production processing border region contributed to the creation of a massive port city - a hub - to support the movement of goods to the EU and elsewhere. The region has become an urban migration center; attracting international migrants and internal migration from within a demographically diverse (minority group) population. In combination, the port and state of the art industrial zone attempts to discourage local workers from the business of growing cannabis. Cannabis is an extremely profitable crop due to demand and decriminalization in advanced industrialized countries. However, the crop production in the Rif Mountains continues and is the largest source of Morocco's informal economy.

To conclude, agriculture has always played an essential role in the Moroccan economy, but environmental and demographic shifts have led to the decline in agriculture exports.⁸⁹ Morocco remains one of the primary sources of phosphate in modern world-economy and works to establish new alliances to expand this sector. Morocco has also worked to attract foreign investment to develop its secondary industry of construction and manufacturing which support Morocco's aspirations to transform into an economic hub between the EU, US, China and AU. At present, Morocco's service sector provides the country with the

⁸⁹ White, G. (2007). The Maghreb's subordinate position in the world's political economy. *Middle East Policy*, 14(4), 42-54

most opportunities for increased economic growth with tourism remaining a vital part of the Morocco economy.⁹⁰

Informal economy

Morocco has a large informal economy made up of micro-enterprises and sole proprietors. In 2018, the General Confederation of Enterprises of Morocco (CGEM) reported that the informal economy represents 20% of GDP.⁹¹ This report did not accurately reflect the total because of the limited data and defined scope. The majority of the informal economy in Morocco occurs in the local Medina quarters - the walled part of the ancient city and also urban centers. In the Medina quarters, people work as kiosk-shopkeepers, reselling second-hand goods-including high-end electronics, equipment repair, street food vendors, artisans, textile workers, traditional tailors, and casual gardeners. Migrants from other parts of Africa exist inside and outside the Medina Quarter walls selling textiles from their country of origin as well as personal care products.

In urban areas, informal workers operate as taxi service providers (Careem and Uber), construction labor, domestic help, caregivers, property managers private parking enforcement, and others self-employed professionals providing consulting services. Recent academic data statics measure the informal economy at 43% of GDP, but from personal observation, the informal economy in Morocco is closer to 50% or larger. It is banal to claim that the informal economy is a result of the lack of employment in informal labor markets and rural-urban migration. It is more accurate to claim that the informal economy is first, the consequence of a poverty trap and marginalization. Many work informally because they lack the right socioeconomics factors of education, opportunity, and language. French is

⁹⁰ White, G. (2007). The Maghreb's subordinate position in the world's political economy. *Middle East Policy*, 14(4), 42-54

⁹¹ Othmane, B., & Mama, H. (2016). An estimation of the informal economy in Morocco. *International Journal of Economics and Finance*, 8(9), 140-147.

something taught at school or the second language that one pays extra to learn. Post-colonization to the past decade, agricultural production was prioritized over education in Morocco, yet for most formal work positions employees must speak French. Most informal workers speak the local dialect of Arabic, Moroccan Darija or they may speak Berber Amazigh. The second claim is that working informally is part of the regional culture. Entrepreneurship is part of the Berber and Arab culture and provides the social exchange and network with the family and greater community (Medina quarter).

Most importantly in the informal economy is Morocco's cannabis production, trade, and smuggling. In 1912, in Chefchaouen, the French encouraged the cultivation of cannabis to pacify rebel tribes. Authorities permit smoking of kief, the cannabis crystals, and hashish – thought not legal.⁹² Commonly, cannabis cultivation is classified under a form of agro-industry, but in Morocco, no official economic data is collected or reported. In Morocco, the cultivation of cannabis is one of the central elements of corruption and represents more than ten billion in exports, most of which is laundered or remitted back into the country. Morocco has a strong cultural heritage and centuries of history surrounding the cultivation, consumption, production, and exportation of cannabis. Cultivation in Morocco can be dated back to the seventh century. Moroccans have specialized skills and expertise, creating a competitive economy and competition with other producers. Cultivation occurs in the mountain regions of the central Rif; primarily between Chefchaouen, Al Hoceima, Laranche, and Tetouan.

Since the 1960s, Morocco is considered one of the leading producers of hashish. The production of cannabis provides opportunities for the marginalized communities in the northern communities of the Rif and Beqaa regions. Cannabis farming families are able to sustain their livelihood and some even become “rich” due to the increasing demand in the modern world-system. Many claim it as “our

⁹² Merzouki, A., & Mesa, J. M. (2002). Concerning kif, a *Cannabis sativa* L. preparation smoked in the Rif mountains of northern Morocco. *Journal of Ethnopharmacology*, 81(3), 403-406. doi:10.1016/s0378-8741(02)00119-8

main source of wealth.” According to research published in 2005, the average annual income earned per family was \$2,200, with the market value exceeding thirteen billion. The cannabis income represents approximately sixty-two percent of their total income earned.

Additionally, Morocco’s cannabis cultivation and culture have a positive effect on tourism. Since the 1960s, “Hippy trail” tourists visited Morocco with the majority coming from Europe where coffee shops in Amsterdam and cannabis clubs in Barcelona sell Moroccan hashish. Several northern cities, such as Chefchaouen, host annual events catering to cannabis tourists. Within the government, Cannabis legalization is an ongoing conversation. The leader of PAM, El –Omari, supports the legalizing the cultivation. In the past, other parties, such as the Istiklal party have also supported legalization. In 2014, the PAM party created a draft law that would maintain recreational use of cannabis as illegal, but allow for the production of medical cannabis and industrial application. El-Omari claims that anti-cannabis laws continue to marginalize the Rif. He also believes that by keeping it illegal allows the “jihadist groups,” who facilitates the smuggling, to destabilize the region and country.⁹³ This region is of particular importance for several reasons; its proximity to Europe, its function as a hub of international investment, and the home for planned transnational smart cities. As it has been stated, Morocco has a large informal economy, which represents at least 50% of GDP – it is almost impossible to know the exact amount. The informal economy is also a primary source of corruption due to the cultivation of cannabis. But this economy serves as a necessary evil, because the population that engages in it does not possess the socio-economics to allow them to participate in the formal economy.

⁹³ Hammond, J. (2017, August 21). The rise and fall of Morocco's opposition leader, legal cannabis advocate. Al Arabiya. Retrieved from <http://english.alarabiya.net/en>

Table.5 North Africa (excluding high income) ODA Received (1990 - 2017)

Country	Year (in Million USD)							
	1990	1995	2000	2005	2010	2015	2016	2017
Algeria	332	296	201	347	201	87	158	189
Egypt	6,065	2,028	1,371	1,046	599	2,499	2,130	114
Libya	8,340	5,840	0	24	7,610	157	179	432
Morocco	1,241	501	447	733	985	1,481	1,992	1,885
Tunisia	393	75	223	368	550	474	627	776

Source: compiled from World Bank Group. Retrieved from <https://databank.worldbank.org>

ODA is an essential component of external financing that is designed to promote the economic development and welfare of the country. Aid typically granted with conditionality policies meaning that some conditions must be in place or met by the recipient country's national policy. During the 80s and 90s, placing conditions on aid served as a useful tool for political and economic reforms. Morocco is the top ODA recipients in North Africa and has been for the last decade.

The countries main donors are from France, the Arab Fund, US, Germany, and Japan. The largest funders of are France, the Arab Fund, and EU institutions, with the majority of funds being delivered to the public sector. The funds provide infrastructure development - road and rail transport, and energy. France is the top donor in education, healthcare, industry, and trade. The US provides food aid - agriculture and food security as well as financial services, governance, and security. The Japan International Cooperation Agency (JICA) provided Morocco ODA loans that contribute to improvements in education and schools. Japan also supplies technical cooperative projects such as road maintenance, port management, improvements to agricultural machinery, assistance to micro fisheries development, and health care.

ODA serves as an essential indicator of growth, which subsequently helps countries to attract other forms of external finance (FDI and commercial loans). There are many critiques regarding aid; first, it does not convert to significant economic growth; second, it encourages corruption, and finally, it impedes

entrepreneurship. In Morocco, corruption is a significant risk. Morocco receives a tremendous amount of private donor funding but also has underdeveloped banking systems, lack of skilled human capital, procedures, or mechanisms needed to combat money laundering. It is difficult to safeguard these resources. To summarize, ODA serves as a valuable tool for domestic development. Morocco is making significant progress towards greater transparency in the legislative, legal, and regulatory framework to safeguard these assets. Yet, the government has not taken steps to amend the Penal Code to criminalize the use of funds generated by corruption, nor do they have whistleblower-protection in the legislation.⁹⁴ Official corruption continues to exist because individuals are at risk of retaliation and choose not to report it.

Table.6 North Africa (excluding high income) Personal Remittances Received (1990 - 2017)

Country	Year (in Million USD)							
	1990	1995	2000	2005	2010	2015	2016	2017
Algeria	352	1,120	790	170	197	1,997	1,989	1,792
Egypt	4,284	3,226	2,852	5,017	12,453	18,325	18,699	23,680
Libya	0	0	9,000	15,000	0	0	0	0
Morocco	2,006	1,970	2,161	4,589	6,423	6,904	7,088	6,823
Tunisia	551	680	796	1,393	2,063	1,971	1,821	1,890

Source: compiled from World Bank Group. Retrieved from <https://databank.worldbank.org>

Remittances

Morocco commenced its labor export program in 1963, recognizing the importance and need of foreign inflows into the country from external sources. Migrants abroad provided and a vital source of foreign exchange earnings for the economy and steady source of international finance, more so than foreign direct

⁹⁴ Denoeux, G. P. (2007). Corruption in Morocco: Old Forces, New Dynamics and a Way Forward. *Middle East Policy*, 14(4), 134-151. doi:10.1111/j.1475-4967.2007.00329.x

investment or aid.⁹⁵ In 1987, remittance receipts stopped rising for the first time since the establishment of the labor export program. (see table.6) The decline was rooted in the failure of Hassan II and the state to engage emigrants. Under Hassan II, emigrants received treatment as a commodity. He viewed them as inputs into the economy, a source of cash, and possible skill resource and nothing more, which lead to a tremendous amount of alienation for Moroccans living abroad.

In the 1990s, Hassan II attempted to ensure these remittances would not escape the state's control through the creation of new institutions to serve the needs of emigrants: a royal foundation, a ministry for Moroccans living abroad, and an investment bank for immigrant entrepreneurs. Lasting only five years, the institutions dismantled and they stopped serving emigrants because of their demands for greater political participation. After the accession of Mohammed VI, the king and Moroccan government made rural development one of their top priorities. They were compelled to maneuver away from outdated mindsets. Their approach to emigrants was to view them as creative problem solvers and not just a primary source of capital. Emigrants could help in new and more valuable ways: supplying infrastructure, providing education, and stimulating domestic and international trade. An essential shift in conversations began, attempting to identify how emigrants could supply rural villages with necessary infrastructure, eventually leading to increased economic development.

According to the WB, Morocco's received \$6.8 billion in remittance revenue in 2017, which was almost three times more than revenue in foreign direct investment. Also, year over year, remittance income has consistently surpassed the countries' earnings from foreign direct investment. Moroccan development policies continued to evolve with a focus on retaining engagement between migrants and the state. Subsequently, privately held Moroccan banks began to provide financial services focused on making it easy for migrants to deposit back into the country via partnerships with money transfer firms, such as MoneyGram and Western Union.

⁹⁵ Tessler, M. (2000). Morocco's next political generation. *The Journal of North African Studies*, 5(1), 1-26. doi:10.1080/13629380008718385

Finally, remittances play a significant economic role in Morocco, but labor migration raises even more significant issues of concern surrounding security. The alienation of immigrants by host country can evolve into strained social dynamics such as discrimination, and make it challenging to manage multilateral relationships between Morocco and the host country. A solution for this created through the Council for the Moroccan Community Abroad (Conseil de la Communauté Marocaine à l'Étranger, CCME), to support the ongoing engagement between migrants and the sending state.

Table.7 North Africa (excluding high income) FDI net inflows (1990 - 2017)

Country	Year (in Millions USD)							
	1990	1995	2000	2005	2010	2015	2016	2017
Algeria	334	0	280	1,156	2,300	-537	1,638	1,201
Egypt	734	598	1,235	5,376	6,386	6,925	8,107	7,392
Libya	159	-88	141	1,038	1,784	726	493	-
Morocco	165	92	221	1,620	1,241	3,253	2,318	2,680
Tunisia	76	265	751	713	1,334	971	623	810

Source: compiled from World Bank Group <https://databank.worldbank.org>

Sustainable Development Goals (SDG) and Human Development Index (HDI) are two important economic indicators that offer insight into the development of countries. Morocco is ranked 77 out of 156, in the Sustainable Development Goals (SDG) global ranking. Due to its geographic location, Morocco, along with most all of North Africa must prioritize food security, sustainable agriculture, and water management. Currently, existing environmental legislation does not protect Morocco's coastal environments, nor are there restrictions on land-use. As a consequence, environmental degradation continues to be a problem. The emphasis on export-oriented industrialization has triggered rapid rural-urban migration with rural populations moving to obtain work in industrial sectors located along the coast. Additionally, interior regions of the country do not

benefit from the same rate of investment, employment, or infrastructure development as industrializing coastal regions.

Table.8 Morocco's Social and Economic Indicators (1980 – 2017)

Indicator	Years				
	1980	1990	2000	2010	2017
Population (Mil)	20	24.9	28.8	32.4	35.7
Urban Population%	43.9	48.4	53.3	58	61.9
Area (1000 sq km)	446.6	446.6	446.6	446.6	446.6
Life Expectancy	57.56	64.73	68.72	74	76.1
Expected years of schooling	-	6.5	8.5	11.1	12.4
Female illiteracy%	71	-	-	-	37.95
GNI (Atlas) (US)	970	1,150	1,390	2,930	2,860
GDP bill (US)	21.73	30.18	38.86	93.21	109.14
HDI	-	0.458	0.53	0.616	0.667

Source: Self Compiled from World Bank & United Nations Development Programme Human Development Reports Retrieved from <https://data.worldbank.org> & <http://hdr.undp.org>,

In 2015, Morocco developed its “National Strategy for Sustainable Development (NSSD),” which facilitated the review of policies and programs to combat environmental degradation, specifically global warming. As a result, Morocco made investments in climate-related adaptations and has become a renewable energy hotspot with solar farms in the Southern Sahara. Also, Morocco made significant progress in reducing greenhouse gas emissions and implementing new climate policies.⁹⁶ Despite Morocco’s progress as the “African leader” in the

⁹⁶ Ngounou, B. (2018, December 20). MOROCCO: Sharing Experience in Renewable Energy with Africa. *Afrik 21*. Retrieved from www.afrik21.africa/en/morocco-sharing-experience-in-renewable-energy-with-africa/.

development of renewable energy, it has failed to reduce the income gap and poverty across the country.

Industrial wages remain low even with the efforts made by the government to support industrial relocation, free-trade zones, and export-oriented industrialization. The World Bank established the absolute poverty-level threshold wage as 70 dirhams (\$7.17) per day. In Morocco, minimum wage is not standardized but assigned by sectors. The minimum wage for industrial workers is 11.10dh/ hour around 108 dirhams (\$11.10) per day and 90dh/day for agricultural workers. The minimum wage earned is not in proportion to the cost of living in urban areas. In addition to low wages, workers experience labor-intensive, highly stressful working conditions due to inadequate labor laws. Workers not only lack money; they lack the freedom to do the things they value.

Moroccans continue to suffer from poor public health services, education, and gender equality. In the 2017 Annual Report, the Court of Auditors found that Moroccan schools do not achieve even basic standards, with 59% of the schools not connected to sewage, 29% without access to drinking water, 6% without electricity, and 87% in classrooms in a state of disrepair. The report identified, "6,437 schools (of 10,756) without connection to sewage, 3,192 schools not connected to drinking water, 681 schools not connected to the electricity network, in addition to 9,365 dilapidated classrooms".⁹⁷ Schools also suffer from overpopulation, shortage of qualified teachers without the required education or training to perform their jobs and high turnover/drop-out rates. The gains from industrial growth are uneven distributed. The rural sectors do not benefit from economic gains or investment and lower classes are directly affected by this decline.

The life expectancy in Morocco has increased by 16 yrs from 1980 to 2017 (see table.8), yet there are not service providers available to support adequate health care.

⁹⁷ Bazza, T. (2018, August 29). Court of Auditors: Serious Irregularities in Morocco's Hospital Centers. Morocco World News. Retrieved from <http://www.moroccoworldnews.com>

Also, mental health services are not readily available, and there is a lack of equipment and paramedics. Hospitals lack skilled administrative labor to manage billing and debt recovery. Additionally, there are inadequate drug supplies, not all prescriptions are available in every pharmacy, nor do all hospitals maintain a pharmacy on their premises. Morocco's Court of Auditors reports states that hospital centers suffer from inefficient management, lack of essential medical services and problems with drug supplies. Generally, hospitals in Morocco do not offer all necessary services to patients, "since there is a not single doctor for each specialty," resulting in long delays for appointments at times exceeding ten months.

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Every year, the central government increases its budget in regards to health care and education, yet it lacks the highly skilled labor to manage the funds and allocate resources to change the situation effectively. People who live rurally, or of a low -socio-economic status within an urban centers find themselves in a poverty trap due to lack of economic and social resources. Also, the poor infrastructure within the country does not facilitate the escape of this cycle. It is argued that the ruling elite maintains this poverty trap because it cultivates capitulation, maintains its domination, and role as the middlemen within the political system. The actuality is that while there is a complexity of factors that affect healthcare and education, on a basic level, Morocco lacks the human capital to support -socio-economic changes - there is a moderate degree of brain-drain that exists, and while personal remittances may benefits individuals, on the whole, the society suffers. In recent years, privatization of education and health care has been on the rise, but not without public criticism regarding quality, costs, and issues of access and discrimination.

In 2017, Morocco ranked 123 out of 189 countries in the United Nations Development Programme (UNDP) Human Development Index (HDI). Though the country has made remarkable progress increasing their score over the past decades, issues in education and healthcare reflect an orientation that economic development

⁹⁸ Bazza, T. (2018, August 29). Court of Auditors: Serious Irregularities in Morocco's Hospital Centers. Morocco World News. Retrieved from <http://www.moroccoworldnews.com>

trumps social development. The lack of social development calls to question Morocco being a "model student".

In summary, Morocco does not have adequate resources to manage its troubled education and health care systems. Morocco uses privatization as an opportunity to improve the quality of the public services, but the transition of public services into privatization means that it is no longer a service. The financial aspects become a priority, which means it becomes expensive. If going to school becomes more expensive, drop-out rates will increase. Also, Morocco uses privatization as an opportunity to transform its educators into yearly contract labor with no long term social benefits or rights to future employment. Teachers and students are protesting this provision and demand more fair tuition, security, and rights. In the short term, privatization of public sectors may seem like a reasonable solution, but it allows Morocco continues down the path of lopsided development in the country - leading to more significant social equity issues, unemployment, and increases the countries income inequality.

2.3. FOREIGN RELATIONS

This section examines and describes the political and economic factors that govern Morocco's external relationships. The driving force of Morocco's foreign relations is the strong desire to present its political identity as a stable, pro-western, moderate Islamic leader.⁹⁹ Over the years, Morocco has accumulated diplomatic power from self-promotion as a modern, democratic, partner, and territory. Morocco is loyal American ally, "model student" of the EU, a "good son" of France. In the past decades, Morocco's has sought to strengthened old alliances as well as seeking out new ones.¹⁰⁰ Morocco's alliances showcase their efforts towards ongoing diversification, regional integration, and their role as an "exception," particularly given its location within a region where greater political instability and authoritarianism exists.¹⁰¹

Pro-Western

Morocco was the first country to recognize the newly independent US, because of this gesture, they hold a special place in US history and alliances. In 1777, Sultan Sidi Mohammed Ben Abdullah proclaimed, "all vessels sailing under the American flag could freely enter Moroccan ports," shortly after that, General George Washington of the US and the Sultan Ben Abdullah of Morocco negotiated a "Treaty of Amity and Commerce" setting the conditions of trading relations¹⁰². Approved in 1787, the final draft of the "Treaty of Peace and Friendship" marks

⁹⁹ Azagury, Y., & Majid, A. (2019, April 9). The Moroccan Exception in the Arab World. *New York Times*. Retrieved from <https://www.nytimes.com>

¹⁰⁰ Mattes, H. (2016) Morocco's Regional Ambitions in West Africa: Strategies, Activities, Track Record. *German Institute of Global and area Studies*.

¹⁰¹ Azagury, Y., & Majid, A. (2019, April 9). The Moroccan Exception in the Arab World. *New York Times*. Retrieved from <https://www.nytimes.com>

¹⁰² Moroccan American Center for Policy (MACP). (2017, July 20) Celebrating 230 Years of US-Morocco Friendship – A Lasting Partnership. *Business Wire* Retrieved from www.businesswire.com.

one of the most prolonged treaties in US history. Since this time, Morocco and the United States have maintained strong relations. Morocco assisted the United States and allied partners during World War I and II. Morocco has remained a steadfast partner, when the US used its power to interfere with the political processes within the region - which was very unpopular in the Arab world. In 1986, King Hassan II worked to break down Arab-Israeli obstacles by hosting meeting and organizing trips such as the one between Egypt and Israel that led to President Anwar el-Sadat's trip to Jerusalem. The US played a role in supporting Morocco's military to ward off foreign challenges to territorial claims by other actors, such as Algeria.

In 2004, the US and Morocco entered into the "USMFTA Implementation Act," a bilateral FTA, which became effective in 2006. Morocco made reforms to its legal system to ensure the guarding of intellectual property rights and other provisions to reduce risks for business investors in support of this FTA. Ironically, this FTA does not include goods or services that originate from the Western Sahara due to its unresolved legal status as a non-self governing territory.

The US is one of Morocco's top ten export partners, four percent of total exports, though it does not account for a significant percentage of Morocco's total exports. Morocco exports, fertilizers, minerals, electrical machinery, textiles, agriculture products. The US, on the other hand maintains a trade surplus and supplies the country with the following: mineral fuels, aircraft, agriculture products for animal feed such as soybean meal, corn, wheat, and nuts and machinery, as well as industrial processes services. The relationship with the US is not the most profitable nor does it bode well for Morocco's agricultural sector.¹⁰³ Morocco previously prohibited imports of US beef due to halal restrictions, recently Morocco agreed too accept approximately 80\$ million worth of US beef and poultry exports under the terms of the U.S.-Morocco Free Trade Agreement (FTA)¹⁰⁴. However, the

¹⁰³ White, G. (2007). The Maghreb's subordinate position in the world's political economy. *Middle East Policy*, 14(4), 42-54

¹⁰⁴ U.S Department of Agriculture. (2018, December 6). *U.S. Beef Gains New Market Access in Morocco* [Release No. 0264.18]. Retrieved from <https://www.usda.gov/media/press-releases/2018/12/06/us-beef-gains-new-market-access-morocco>

enduring and uninterrupted relationship between them aids in the preservation of the territorial integrity of the Kingdom. The US provided Morocco with ODA, FDI and loans to ensure its ongoing development.

The majority of Morocco's trading partners is within the EU. The top spot is fluctuating between France and Spain. Morocco exports agriculture products, textiles, clothing, and automotive parts. All countries, notably France, have increased their investment in Morocco as well as providing development assistance. Rabat works diligently to strengthen and preserve its privileged bilateral relationship with the US and the EU. For decades, Morocco accepted unfavorable trading terms, but its trade with the EU is constant and remains high. (see table 9)

Table.9 Morocco's Top Ten Exports Partners (2007-2017)

Country	Year (in millions USD)										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
France	4,081	4,104	3,509	3,992	4,564	4,619	4,717	4,951	4,389	4,828	5,868
Spain	3,032	3,633	2,934	3,004	3,954	3,541	4,142	5,206	4,997	5,336	6,067
India	555	1,372	728	1,076	1,505	1,161	815	867	877	758	663
Italy	745	947	658	799	908	782	830	1,024	975	1,062	1,181
Brazil	468	983	291	670	1,118	1,266	1,312	1,089	665	590	757
US	346	794	443	670	984	930	927	857	772	795	1,009
Germany	360	526	476	556	618	645	597	682	570	629	722
Netherlands	375	477	364	501	674	621	654	662	671	503	556
UK	754	698	469	516	605	597	594	715	615	670	606
China	112	163	150	245	196	279	341	271	243	228	307
	10,716	13,534	9,872	11,784	14,930	14,162	14,588	16,053	14,531	15,171	17,429

Note. Self Compiled with data collected from United Nations Comtrade, retrieved from <https://comtrade.un.org>

Table.10 Morocco's Top Ten Import Partners (2007-2017)

Country	Year (in millions USD)										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
France	5,008	6,355	5,118	5,508	6,309	5,548	5,849	6,225	4,755	5,514	5,351
Spain	3,299	4,732	4,004	3,753	4,859	5,901	6,120	6,161	5,225	6,554	7,601
China	1,856	2,407	2,568	2,968	2,885	2,968	3,137	3,507	3,153	3,804	4,075
US	1,930	2,163	2,282	2,495	3,591	2,859	3,397	3,220	2,441	2,659	3,088
Italy	2,036	2,817	2,154	2,105	2,297	2,196	2,413	2,278	2,053	2,264	2,616
Germany	1,508	1,973	1,792	1,626	1,981	2,139	2,167	2,398	2,180	2,452	2,723
Netherlands	991	890	790	617	729	667	718	935	695	798	744
UK	850	1,173	598	750	887	983	852	831	819	797	1,019
Brazil	555	715	753	765	1,040	1,013	806	548	625	654	716
India	314	353	398	579	589	508	629	508	400	634	617

Note. Self Compiled with data collected from United Nations Comtrade, retrieved from <https://comtrade.un.org>

Mediterranean

Morocco is a member of the Euro-Mediterranean Partnership (EMP) and has free trade agreements with the other member countries: Tunisia, Jordan, Egypt, Turkey, Algeria, Israel, Libya, Palestine, and Syria. This group, shares the same culture, language and region. Morocco entered into a two separate free trade agreement. The first with Agadir Agreement consisting of Egypt, Tunisia, and Jordan. The Agadir Agreement is an effort towards greater regional integration between the Arab States and are considered traditional trading partners. The Agadir Agreement of 2004, was enforced in 2007, with group members sharing similar histories, Arab-Islamic associations, as well export-oriented economies with similar products such as; mining, textile and agricultural/food products, and a link to the EU through Association Agreements or an FTA.¹⁰⁵ Morocco maintains a separate trading agreement with Turkey.

¹⁰⁵ Haddadi, S. (2003). The EMP and Morocco: Diverging Political Agendas?. *Mediterranean politics*, 8(2-3), 73-89.

For the last decade, trade had been growing steadily within the Euro-Mediterranean Group. Year over year, Moroccan exports average five percent of total exports to the EMP. Within the Agadir members, trade steadily increased the past decade until the 2016 implementation of Egypt's macroeconomic stabilization reforms. Morocco has operated with trade deficits between Algeria, Turkey, Egypt, and Tunisia. The EMP represents 7% of Morocco's exports, and the Agadir Group represents 1.5% of total exports. The overall performance over ten years has reflected a steady. There was a 1% decline in 2017, due to the reduction of the trade from Egypt and Algeria.

According to the IMF, Egypt launched reform programs to balance out its public debt and applied economic reforms during the second half of 2016. The government introduced the tax, such as value-added tax (VAT), and the discontinuation of energy subsidies. The reduction in energy subsidies has impacted the production of energy-intensive industries, such as the Egyptian automotive industry.¹⁰⁶

Table.11 Euro-Mediterranean Members: Morocco Exports to (2007 - 2018)

Country	Year (in millions USD)										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Turkey	134	296	178	342	347	338	416	547	682	758	709
Algeria	75	114	132	138	235	229	209	210	197	236	199
Egypt	41	49	106	104	77	139	167	132	254	274	60
Tunisia	81	91	91	144	112	122	87	96	109	98	92
Libya	42	64	43	38	30	81	87	36	68	90	75
Syria	39	45	54	62	38	41	35	45	41	38	47
Jordan	34	38	39	47	47	42	26	26	22	26	31
Palestine	1	0.5	1.6	-	0.8	0.8	3	2	7	7	4

Note. Self Compiled with data collected from United Nations Comtrade, retrieved from <https://comtrade.un.org>

¹⁰⁶ IMF Country Focus (2017, September 26) Egypt: The Economy Is Gathering Strength. Retrieved from <https://www.imf.org>

Morocco is energy dependent and primarily imports natural gas from Algeria. In 2015, Morocco benefited from the global decline in natural gas prices. Morocco's exports to Algeria have been declining since the Arab revolts in 2011, due to social unrest, the decline in energy prices, and the destabilizing impact in the world-economy. The shift in energy prices has created some opportunities for Morocco and Algeria. Morocco entered into a new agreement with Nigeria to develop a regional gas pipeline that would connect the countries gas resources with the rest of West Africa.¹⁰⁷ In Algeria, the low oil prices serve as an impetus for Algerian reforms as due to the threat of US competition through the exports of liquefied natural gas.

In 2018, during the 43rd-anniversary commemoration of the "Green March," Mohammed VI extended an olive branch to the Algerian people by saying that the dispute between the two countries was an "unreasonable situation [that] is utterly inconsistent with the brotherly bonds uniting our peoples."¹⁰⁸ A conciliatory message and attempt to engage Algeria in an economic and political win-win. Morocco aspires for the movement of regional energy supplies and integrated industrial clusters to connect West African countries.

In summary, the Euro-Mediterranean Partnership group represents the Maghreb region of North Africa and also the integration of Arab states, except for Turkey. This group reflects Morocco's traditional economic partners who share similar histories, culture, agriculture products, and textiles markets; however, they also served as rivals for the European market. While trade has grown steadily interregionally the differences amongst the group and internal conflict in countries make it difficult for the members to rely on each other for economic growth. For Morocco, these relationships serve to develop their influence and leadership within the region

¹⁰⁷ Morocco, Nigeria agree on next steps for offshore/onshore gas pipeline. (2018, June 11).

Reuters Retrieved from www.reuters.com

¹⁰⁸ Moroccan King Extends Olive Branch to Algeria. (2018, November 8). *Albawaba*. Retrieved from <https://www.albawaba.com>

Gulf Cooperation Council

By and large, relations within the Persian Gulf have not been a priority for the Rabat; instead, the country has prioritized relationships within the region based on solid economic ties rather than following the “demagoguery of Arab unity.”¹⁰⁹ Taieb Fassi Fihri, The Moroccan Minister of Foreign Affairs, said, “We can not feed ourselves with politics alone. The world has changed: Arab countries must develop bilateral or multilateral relations, looking for human, economic and social development.”¹¹⁰ Accordingly, Morocco’s foreign policy in the Middle East is one that works to attract financial aid, foreign investment, and promotes political alliances with Gulf Arab conservative monarchies such as Saudi Arabia, UAE, Kuwait, and Qatar.¹¹¹ In May 2011, Morocco joined the Gulf Cooperation Council (GCC) despite the different geography and differences in “democratizing” image between the other GCC members -Saudi Arabia, Bahrain, Kuwait, Oman, Qatar, and the United Arab Emirates.

During the past decade, the UAE has been one of the largest sources of foreign direct investment in Morocco, second to France. Morocco and the UAE have had bilateral ties since 1974, when Sheikh Zayed first came to visit Hassan II. Mohammed VI has made frequent visits and attends significant events to promote closer ties between the two countries. In 2015, the UAE presented Mohammed VI with the Order of Zayed, the highest civilian award, further binding bilateral relations. The two monarchs often publically express congenial sentiments toward one another; Mohammed VI paid tribute to Sheikh Zayed referring to him as a twin brother, and Zayed praises Mohammed VI for his wisdom, farsightedness, and charitable and humanitarian actions. In 1993, Sheikh Zayed created a foundation

¹⁰⁹ Fernandez, I. (2014). Moroccan and the Middle East under Mohammed VI., Discussion Paper. *Durham University, HH Sheikh Nasser Al-Sabah Programme, Durham*

¹¹⁰ Fadel, A., & Filali-Ansary, H. (2008, July 25). Les ressorts de la diplomatie marocaine. *La Vie Eco*.

¹¹¹ Fernandez, I. (2014). Moroccan and the Middle East under Mohammed VI., Discussion Paper. *Durham University, HH Sheikh Nasser Al-Sabah Programme, Durham*

in the capital, Rabat, to improve the healthcare system.

Morocco's relationship with the UAE has been one of the most beneficial because of the country's collaboration with China and the Belt and Road Initiative (BRI). The UAE has made great efforts to secure its position as a critical transit point for Chinese exports to Africa and European countries under the BRI. The Abu Dhabi investment group, Mubadala, the China Development Bank, and the Chinese State Administration of Foreign Exchange created a ten billion dollar joint strategic investment fund. The UAE and the Gulf states recognize the importance of African countries and continue to invest in agriculture, ports, infrastructure, mining, and other strategic sectors actions which Morocco receives benefit.

Furthermore, Morocco has been a reliable trade partner, friend, and aid recipient from Saudi Arabia, the UAE, and Qatar. After joining the GCC, the Moroccan Royal Armed Forces and the Saudi armed forces increased military defense cooperation, which resulted in a twenty-two billion dollar investment into Morocco's military. The two kingdoms also share family ties, through Mohammed VI, first cousins; Moroccan Prince, Molay Hicham and Moulay Ismail and Saudi Prince Al-Waleed bin are first cousins through their respective mothers.

During the past few years, the relationship between the two countries has become tenuous. The deterioration started in 2017 when the UAE and Saudi Arabia news networks made claims that, "Qatar worked to support terrorism, and maintained too-close relations with Iran and meddled in the internal affairs of their countries," violating an existing agreement within the GCC. What followed was the severing of diplomatic relationships between Qatar and Saudi Arabia, the UAE, Bahrain, Egypt, as well as an imposed blockade. The blockade intended to cut Qatar off from its vital trade routes by air and sea, resulting in a detrimental effect on its economy. During the Saudi Arabian imposed a blockade against Qatar, Mohammed VI declared the country as "neutral." Morocco, along with Turkey, were the first countries to provide food supplies to ease the effects of the blockade against the country.¹¹²

¹¹² Bennis, S. (2019). *The Moroccan-Saudi Rift: The Shattering of a Privileged Political Alliance*, Al Jazeera Centre for Studies

The results of the blockade led Qatar to increase foreign investment in Southeast Asia, a liberalization of previously state-owned projects, and invest billions in weapons, naval forces and an expansion of its Al Udeid Air Base. The relationship between Morocco and Saudi Arabia continue to deteriorate even further after the assassination of Jamal Ahmad Khashoggi, a Saudi dissident, at the Saudi consulate in Istanbul, Turkey. Morocco has become increasingly concerned about the Crown Prince Mohammed bin Salman's (MBS) bold policies across the region, as well as being frustrated by the pro-Saudi news broadcast of a documentary questioning Morocco's sovereignty over the Western Sahara.

Table.12 Morocco's Exports to Gulf Cooperation Council (2007-2017)

Country	Year (in millions USD)										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Saudi Arabia	66	176	30	44	41	105	64	110	123	90	123
UAE	31	38	35	150	92	57	50	70	56	98	97
Kuwait	9	9	9	6	3	6	6	13	21	7	73
Qatar	4	5	5	6	8	5	8	8	19	11	25
Oman	5	2	2	2	0.5	11	7	6	7	8	9
Bahrain	1	2	3	2	2	3	3	3	4	5	4
Total Exports	116	232	84	210	147	187	138	210	230	219	331

Note. Self Compiled with data collected from United Nations Comtrade, retrieved from <https://comtrade.un.org>

Morocco is not reliant on its trade with the GCC, it represents one percent of Morocco's total exports. Nonetheless, Saudi Arabia continues to be the primary export partner in the group. Through the Société Marocaine de Construction Automobile (SOMACA) in Casablanca, Morocco has become the leader of Africa's automotive production and Saudi Arabia is the largest importer of passenger

vehicles as well as zellige tiles, and agriculture products. Generally, Morocco maintains a significant trade deficit (over four billion USD over a ten-year look-back period) with GCC Group. The deficit does serve as a reminder of Morocco's energy dependency. Saudi Arabia serves as China's largest trading partner. Both countries further develop their relationship as oil consumption in the West declines. China is also the UAE's largest trading partner – the UAE also hosts one of the most astronomical shipping and logistics hubs for the country.

The GCC has traded with Africa for centuries. As western economies slow down, the GCC views Africa as an opportunity. The GCC is expanding its oil economy and well-developed shipping and port infrastructure. They are also providing investment to create logistic facilities and other infrastructure projects such as ports and economic zones as well as security to protect their interests militarily. The Gulf countries share common religious, economic and linguistic affiliations with North Africa and the sub-Sahara and recognize that Morocco serves as the matchmaker to the rest of the region.

Table.13 Morocco Imports from Gulf Cooperation Council (2007 - 2018)

Country	Year (in millions USD)										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Saudi Arabia	1,747	2,833	1,439	2,108	3,050	2,832	2,783	2,515	933	799	875
UAE	158	244	181	195	304	521	305	430	542	666	522
Qatar	41	53	45	56	142	141	102	80	53	54	47
Bahrain	34	47	22	36	66	49	64	73	68	63	78
Kuwait	32	73	29	56	34	45	40	86	38	26	12
Oman	4	5	7	12	19	37	21	40	46	19	46
Total	269	422	284	355	565	793	532	709	747	828	705

Note. Self Compiled with data collected from United Nations Comtrade, retrieved from <https://comtrade.un.org>

BRICS

In 2001, Chief Economist of Goldman Sachs, Jim O'Neill, invented the acronym for Brazil, Russia, India, and China (BRIC) who were considered to be the superstars, destined to be the most important emerging markets economic saviors of the time. The BRIC have gained intermediate strength by moving up the hierarchical ladder in the modern world-system. The last member, South Africa, joined the group in 2010, transforming the group into the BRICS. In 2013, the five represented almost half of the world's population, one third of the world territory and one fifth the global output. Yet, they still found themselves underrepresented in prestigious international economic and political institutions. The group decided to coordinate their diplomatic and negotiating positions by organizing themselves into an Informal Intergovernmental Organization. (IGO)

The BRICS IGO is a post-Bretton Woods organization that provides an alternative to development policies by promoting south to south initiatives and financial support of the southern countries of the periphery. The BRICS serve a role in reinforcing global governance and security in the shifting modern world-system through the creation of independent financial institutions and monetary systems. These financial institutions provide an alternative to the WB and IMF. The new institutions are the New Development Bank (NDB) and the Contingent Reserve Arrangement (CRA). They provide the financial and policy cooperation for advanced industrialization and infrastructure development challenges. The NDB has cooperations with the Asian Infrastructure Investment Bank (AIIB), the European Investment Bank (EIB) and the WB.

Despite the geographic incongruence, Brazil, Russia, India and China have all fallen into Morocco's radar, not only because they play an increasing role in the world economy, but share several things in common regarding the value placed on national unity and sovereignty.¹¹³ Morocco's developing alliance with the BRICS comes from their desire to have like-minded affiliates to advance their development agenda and the desire to transform their political and economic relations within the region and throughout the African continent. Morocco has at least one or more

¹¹³ Boutaima, I (2015, March) Moroccan-Brazilian Bilateral Cooperation: Achievements and Prospects. *Paix et Securite Internationales*. 61-81. retrieved from <http://catedras.uca.es>

commonalities with each one - all benefit from potential growth and maintain prestige within in their regions. The BRIC present Morocco with multifaceted relationships as allies, who can serve as mentors and role-models to emulate, and also the source of economic opportunities,

Brazil

Morocco and Brazil share a common history and culture through Portugal. As mentioned previously, Portugal began its expansion into the coastal parts of Morocco in 1415, with the city of El Jadida, formerly known as Mazaghan, which was one of the remaining Portuguese colony until 1769.¹¹⁴ Portugal also seized Ceuta, currently an autonomous city of Spain in the north of Morocco. The Portuguese established several trading posts along the Moroccan coastline in the late eighteenth century. The trading posts served as staging points for the trans-Atlantic trade between Africa and the North and South America continent.¹¹⁵ In 1822, Morocco was the first country to acknowledge Brazil's independence and also became the first African country to establish diplomatic relationships with the new country opening a consulate in Tangier.

South-South cooperation describes Morocco and Brazil current relations. A south-south cooperation attempts to create environments where equal distributions of goods, services, and power exist. In 1999, Morocco and Brazil entered into a Memorandum of Understanding, followed by a visit to the country by Mohammed VI as part of a larger Latin America tour. In 2012, Brazil became Morocco's fourth largest export market as well as its seventh largest supplier (see table 9). The relationship between the countries has progressed steadily. Brazil and Morocco's relationship is not mature enough to reach its full trading potential. Morocco acknowledges that its relationship with Brazil serves as a stepping stone to reach the more extensive South American Le Marche commune du Sud (MERCOSUR).

¹¹⁴ *ibid*

¹¹⁵ Beach, A. R. (2013). African Slaves, English Slave Narratives, and Early Modern Morocco. *Eighteenth-Century Studies*, 46(3), 333-348. doi:10.1353/ecs.2013.0023

Currently, Morocco's main imports from Brazil are primary exports: food products consisting of sugar, cereal, and fats. Morocco supplies Brazil with primary products such as phosphate and fishery as well as secondary electronic components. Brazil has a tremendous amount of natural resources, and a sizeable domestic market makes her an attractive primary and secondary production investment partner for Morocco. Additionally, Brazil maintains a geographical position that could serve Morocco in reaching the market of Latin America, particularly the Mercosur member countries.¹¹⁶ This relationship is more about introductions and access and less about economics.

Morocco gains to learn from Brazil, who identifies as a transitioned multicultural democracy, that ascended on to the global stage because of the strategic orientation of its foreign policy as well as its economic standing. Brazil maintains leadership and serves as a partner for democracy, which is what Morocco aspired to replicate.¹¹⁷ A key driver in Brazil's diplomatic relations is the perpetuation of the unique role it plays in the political stability of South America. Wallerstein argues that "semiperipheral states must choose their alliances and their economic opportunities "carefully" and "swiftly" because they are in competition with each other." (Wallerstein p.57) Brazil believes that Morocco is reliable and similar to itself, holding multiple identities; Morocco is Arab, African, and Mediterranean. Morocco and Brazil share the desire to preserve their geopolitical position and demonstrate leadership, which is the bedrock of this important strategic partnership. Also, both countries share the Atlantic ocean which allows them to connect their continents. Most importantly for Morocco, Brazil also makes an effort to maintain neutrality regarding the Western Sahara and abstains from voting on the issue.

¹¹⁶ Boutaima, I (2015, March) Moroccan-Brazilian Bilateral Cooperation: Achievements and Prospects. *Paix et Securite Internationales*. 61-81. retrieved from <http://catedras.uca.es>

¹¹⁷ Boutaima, I (2015, March) Moroccan-Brazilian Bilateral Cooperation: Achievements and Prospects. *Paix et Securite Internationales*. 61-81. retrieved from <http://catedras.uca.es>

Russia

Russia and Morocco can trace their relationship history back to 1777. In October 1777, the Sultan Sidi Mohammed Ben Abdallah sent a royal edict proclaiming free access for Russian ships and vessels. This correspondence led to future exchanges between the Sultan and Empress Catherine II who established commercial relations through the principle of national treatment. The Sultan's policy was in support of "general peace" and to secure a beneficial environment for merchants, which resulted in the signing of a peace treaty. In 1880, Russia joined the "Madrid Convention" recognizing Morocco's sovereignty. In 1897, the Russian Empire established a General Consulate of the Russian Empire in Tangier. In the late 19th century, Morocco became a contested sphere of interest for European countries; France, Spain, Germany, Great Britain. All the while, the Russian Empire supported the maintenance of Morocco's territorial integrity and independence.¹¹⁸ In 1912, regardless of the French and Spanish protectorate, Russia maintained its diplomatic relation with Morocco through Paris and Madrid. The relationship was interrupted from WWI (1914) until after the Russian Revolution of 1917.

The second phase of the relationship began in 1956 when the Union of Soviet Socialist Republics (USSR) was the first country to recognize Morocco's independence. Once again, the countries reestablished bilateral diplomatic relations. Morocco is recognized as the, "First Arab country to establish diplomatic relations with Russia." Russia appears aloof in its relationship with Morocco, but this image could not be further from the truth. In actuality, Russia is a strong ally, and both countries have a "deep strategic partnership" working to address anti-terrorism and to develop military cooperation.¹¹⁹ In 2016, the two countries entered into a "Comprehensive Strategic Partnership," followed by 11 agreements to

¹¹⁸ Russia-Morocco talks. (n.d.). Retrieved from <http://government.ru/en>

¹¹⁹ Russia-Morocco talks. (n.d.). Retrieved from <http://government.ru/en>

increase bilateral cooperation within the following sectors: energy, agriculture, culture, education, investment, and trade.¹²⁰

Morocco has been Russia's leading partner in Africa, through the export of agricultural products such as citrus, vegetables, fish meal, as well as textiles, and minerals. The country manages a trade deficit with Russia due to massive oil imports, as well as iron, copper, chemical, wood, and paper products. In return, Russia provides financial assistance through a line of credit. Previously, Morocco has benefited from Russian geological and engineering services: bituminous schists, phosphates, liquefied gas, electro plants, and oil prospection.

Morocco's relationship with Russia discloses more about opportunities than economics. Morocco is committed to and has prioritized the preservation of its relationship with Russia to the extent that it minimized 'Putin's actions in Syria, even though the public condemned its role in the war. Following suit, Russia a permanent UN Security Council member, has remained relatively neutral regarding the Western Sahara, but recently gave Morocco a direct mention and requested a "recommitting to UN efforts in a spirit of realism and compromise."¹²¹ Morocco has moved past traditional relationships and heads toward partnerships that provide strategic resources, and helps the country gain relevance within the region as well as the world.¹²² Russia is a reliable hard power resource and alliance that can help Morocco fulfill its aims to take a leading role in the region.

China

In 2018, Morocco and China celebrated their 60th anniversary of diplomatic relations. The relationship began when Morocco, the second African country, recognized the People's Republic of China in 1958. China, comparatively weak in

¹²⁰ Morocco to host 6th Arab-Russian Cooperation forum. (2019, April 17) *The North Africa Post*. Retrieved from <http://northafricapost.com>

¹²¹ Roussellier, J. (2018, June 5). A Role for Russia in the Western Sahara? Retrieved from <https://carnegieendowment.org>

¹²² Mattes, H. (2016) Morocco's Regional Ambitions in West Africa: Strategies, Activities, Track Record. *German Institute of Global and area Studies*.

1945, began to rise after the integration into the world economy in 1972. The early 70s was the beginning of the slow decline of American hegemonic power and withdrawal of US involvement in Indo-China. China's integration was limited to production and trade and did not include financial markets. During the 1980s and 1990s, East Asian economies continued to grow and China experiencing average annual GDP growth of 9.5 percent.

During the 2000s, China began to reflect a significant level of integration into the global economy. China experienced extraordinary expansion and a resource binge within African. At the time, Morocco was overlooked due to the lack substantial oil reserves to satisfy China's appetite. The events of 9-11 triggered an accelerated decline of the US, who was no longer the "savior" of the free world. China saw this as an "opportunity" and transformed itself into a dominant force on the global political stage, precipitating new alliances to counterbalance the American contraction.

China serves as permanent member of the UNSC and is a new actors on the scene regarding the conflict in the Western Sahara. Influenced by its historical territories, Hong Kong and Macau, Taiwan, and Tibet; China does not support the idea of "self-determination," as necessarily leading to independence. Ultimately, China and Morocco make compatible bedfellows because they both share the policy of non-intervention. Following suit, Morocco has remained silent on China's actions towards its Muslim population in Xinjiang. Morocco generally has not been overly critical of China, despite being an essential ally of the United States. As member of the UNSC, China has refused to comment on issues related to the Western Sahara. Morocco has been seeking both public and private investment in the Sahara region (Laâyoune, Boujdour, Dakhla) for the development of its fisheries industry. China grew interested in the Western Sahara to gain access to Morocco's Fisheries, Aquaculture Assets, and oil.¹²³ The fisheries sector provides food security for China and are an essential part of the Moroccan economy. Additionally, the privately owned Chinese company, China Great United Petroleum

¹²³ Kasraoui, S. (2018, July 30) China Takes Interest in Morocco's Fisheries and Aquaculture Assets. *Morocco World News*, Retrieved from www.morocoworldnews.com

(Holding) Limited, is replacing the US-based Kerr-McGee as the party involved with illegal extraction of hydrocarbons and the exploration of oil and gas.¹²⁴

In 2016, Mohammed VI visited China, which sparked the *affaire du cœur* between the two countries. Since then, Morocco has received an outpouring of Chinese interest as Beijing diversifies its investments in the region. It has signed fifteen project agreements with Morocco, which include the construction of a high-speed railway.¹²⁵ The China Railway bid aims to construct the multi-billion dollar link between Marrakesh and Agadir. Additionally, Chinese tourism to Morocco has skyrocketed, after the loosening of visa restrictions.¹²⁶ The Moroccan Agency for Solar Energy (MASEN) chose the Chinese China Group and Saudi Acwa Power International to construct a 170MW solar plant in Laayoune.¹²⁷ China also built the impressive Mohammed VI bridge connecting the capital city Rabat and Salé.

On the economic front, Chinese Yangzijiang Dongfeng Automobile, a bus manufacturer, invested \$100 million in Tangier - Tetuan metropolitan region to produce electric cars and buses for export to Europe. Morocco's geographic proximity to Europe allows for an escalation of its exports to Europe with the added benefit of reduced supply chains. Additionally, China's HAITE Group has invested one billion dollars in building a smart city within the Tangier - Tetuan industrial region.¹²⁸

¹²⁴ Bennis, S. (2016, May 19) The Morocco-China Partnership and Its Impact on Western Sahara. *Alaraby*, The New Arab. Retrieved from www.alaraby.co.uk

¹²⁵ Bank of China (BOC) and Attijariwafa Bank of Morocco recently signed Memorandum of Cooperation (MOU) in Beijing to enhance finance cooperation. (2018, September 14). Xinhua New. Retrieved from www.xinhuanet.com

¹²⁶ Morocco attracts 180, 000 Chinese tourists in 2018 (2019, February 18). Xinhua New. Retrieved from www.xinhuanet.co

¹²⁷ China speeds green financial system establishment to build green Beltand Road (2019, April 28). Xinhua New. Retrieved from www.xinhuanet.com

¹²⁸ Sherlock, R., Al-Arian, L., & Wei, S. (2018, October 03). Will Morocco's Chinese-Funded 'Tech City' Ever Break Ground? *National Public Radio*. Retrieved from <https://www.npr.org>

China has been on the move with a definite 21st-century agenda determined to connect itself with the rest of Asia, Africa and Europe via land and sea, enhancing its regional integration, and expanding trade and economic growth. In 2017, the Morocco-China joint committee for economic cooperation formalized the Chinese initiative “One Belt One Road.” (BRI) Morocco has been invited to join in this intercontinental system and has to juggle the competing demands of the international domain, internal stability, and the compulsion to open to the international market. BRI works to provide infrastructure development by facilitating the movement of trade and aims to connect three regional African markets under one FTA. BRI initiatives have resulted in new Chinese language centers, universities opening up joint political institutes and state bank branches of the Bank of China. China’s government-run news agency, the Global Times, has declared and promoted Morocco as one of the best travel destinations in 2017, contributing to a significant boom, in tourism.¹²⁹

In 2019, China continues to support Morocco’s economic and social development, pledging approximately 14 million US dollars to finance public projects in critical sectors such as information and communications technology, and education.¹³⁰ Morocco has approximately fifty-eight percent of the population using the internet with relatively stable digital and physical infrastructure. Chinese venture capitalists (VC) and angel investors have started to take notice and are interested in developing Morocco’s e-commerce market. Morocco has benefited from China’s desire to diversify its foreign investment and has become the default investment destination in North Africa, in part due to the stability of the region.

China has also become one of Morocco’s most significant economic partners reinforcing their ties in several sectors, including agriculture, media and tourism. Morocco, third largest global citrus exporter, supplies high-end Moroccan citrus exports to China meeting their increasing demand for food imports. China is

¹²⁹ B&R destinations more popular among Chinese tourists (2019, February 13). Xinhua New. Retrieved from www.xinhuanet.com

¹³⁰ China grants Morocco 14.9 mln USD to finance public projects (2019, March 20). Xinhua New. Retrieved from www.xinhuanet.com

also a phosphate buyer for their expanding agricultural sector.¹³¹ Morocco is also exporting live animals (donkeys), hides, and gelatin to meet the demand of China's traditional medicine market.¹³²

India

According to the Indian Embassy in Rabat, Morocco and India have had relations since the 14th century, through Ibn Batuta who visited India. Batuta's writings provide a valuable source of information about past relationships within medieval Indian society as well as ones with Morocco. India was an active supporter of the Moroccan freedom movement and recognized their independence from the French on June 20, 1956.¹³³ Since then the countries have friendly relations. India hosts an annual "India-Africa Forum Summit" (IAFS-III) which provides opportunities for the leaders and the private sector of both countries to discuss development within education, space, information technology, cybersecurity, pharmaceuticals, and potential bilateral trade relations.¹³⁴

Morocco works to attract Indian intellectual capital, due to its lack of internal resources, to support their growing agricultural, medical, transportation, maritime, scientific, and technological sectors. The IAFS-III development program has contributed to the construction of "The Centre of Excellence in Information Technology" a training institute at the Technopark, Casablanca; the Computing (CDAC), and India and Institut National des Postes et Télécommunications (INPT). The Indian Economic and Technical Cooperation (ITEC) provides Indian IT firms and programmers, based in the Casablanca industrial area, to help support the back end technical consulting for web development and digital infrastructure for the

¹³¹ White, G. (2007). The Maghreb's subordinate position in the world's political economy. *Middle East Policy*, 14(4), 42-54

¹³² Luedi, J. (2017, September 04). What's behind China's love affair with Morocco? Retrieved from <https://www.asiabyafrica.com>

¹³³ Embassy of India Rabat (2019). *India-Morocco Bilateral Relations*. Retrieved from <https://indianembassy rabat.gov.in>

¹³⁴ *ibid*

finance and industrial sector. There is also a growing expat population working with multinational firms such as Mittal (Steel production), Unilever (hygiene and personal care), Ericsson (power and lighting products) and Arcelor (steel and mining).

In 2000, India without explanation decided to withdraw the previous recognition granted in 1985 to the SADR.

“Keeping in mind all aspects of the evolving situation in the region and discussions currently on between the parties concerned, it has been decided to withdraw recognition from the SADR with immediate effect. India continues to keep in touch with developments in line with its support for UN efforts and the warm and friendly relations traditionally existing with all the parties concerned” ending with, in response to a question, the briefing official said that “India supports [the] UN settlement plan on this issue” (The Indian Ministry website, 2000

Morocco provides India with a vital source of phosphate and chemical fertilizers and the Western Sahara a potential source of sand. India, as well as China, have exceeded their “sand budget” as a consequence of decades of urban development. India has been plundering sand from lakes, rivers, and coastal communities and neighbor, China, is home to more than fifty-eight percent of global cement production. In the 1900s, the Derhem family of the Western Sahara became legendary for selling sand for one dirham per kilo. Morocco has already extracted much of its sand from coastlines to support urban development, but the Western Sahara could become a valuable resource for sand.

In 2018, India invested fifty-four billion dollars as well as establishing lines of credit into Africa, making it the fifth largest African investor. Investments are to support existing government corporations as well as private sector areas such as telecommunications, hydrocarbon, agriculture, education, IT services, drugs and pharmaceuticals, and automobiles. India has also partnered with Japan and the US to build sustainable infrastructure in Africa.

Table.14 Morocco's Export to BRIC countries (2007-2017)

	Year (in millions USD)										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
India	555	1,372	728	1,076	1,505	1,161	815	867	877	758	663
Brazil	468	983	291	670	1,118	1,266	1,312	1,089	665	590	757
China	112	163	150	245	196	279	341	271	243	228	307
Russia	183	298	189	205	266	252	273	210	169	185	198
S. Africa	6	11	10	17	11	30	17	15	78	67	41
Total	1,318	2,816	1,358	2,196	3,085	2,958	2,741	2,437	1,954	1,761	1,925

Note. Self Compiled with data collected from United Nations Comtrade, retrieved from <https://comtrade.un.org>

Table.15 Morocco's Imports from BRIC countries (2007-2017)

	Year (in millions USD)										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
China	1,856	2,407	2,568	2,968	2,885	2,968	3,137	3,507	3,153	3,804	4,075
Russia	1,570	2,116	943	1,338	2,048	2,350	1,907	1,948	1,621	1,021	957
India	314	353	398	579	589	508	629	508	340	634	617
Brazil	555	715	753	765	1,040	1,013	806	548	625	654	716
SA	306	315	152	131	46	49	78	115	364	185	100
Total	4,601	5,906	4,814	5,781	6,608	6,888	6,557	6,626	6,103	6,298	6,465

Note. Self Compiled with data collected from United Nations Comtrade, retrieved from <https://comtrade.un.org>

Within the BRICS, India is Morocco's largest export trading partner followed by Brazil. The two countries also represent Morocco's top ten non-western trading partners. On the other hand, China and Russia account for a large and chronic external trade deficit. Russia's alliance serves as a source of reliable hard power and energy diplomacy. The alliance with China provides Morocco a source of inexpensive consumer goods as well as access to commercial loans.

Russian and India have been long-standing alliances and have provided scientific and technical expertise to support significant infrastructure project within Morocco. India supports Morocco's development through their brain power providing advancement in technology through IT firms and programmers.

Table.16 Morocco's Trade Deficit/Surplus to BRICS
(2007-2017)

Country (in millions USD)					
Year	Brazil	China	Russia	India	South Africa
2007	-87	-1,744	-1,387	241	-300
2008	268	-2,244	-1,818	1,019	-304
2009	-462	-2,418	-754	330	-142
2010	-95	-2,723	-1,133	497	-114
2011	78	-2,689	-1,782	916	-35
2012	253	-2,689	-2,098	653	-19
2013	506	-2,796	-1,634	186	-61
2014	541	-3,236	-1,738	359	-100
2015	40	-2,910	-1,452	537	-286
2015	-64	-3,576	-836	124	-118
2017	41	-3,768	-759	46	-59
net total	1,019	-30,793	-15,391	4,908	-1,538

Note. Self Compiled with data collected from United Nations Comtrade, retrieved from <https://comtrade.un.org>

Russia has been disengaged from the African continent for the past twenty years, but now is in a competition with China to scramble to fill in the gap created by the absence of the US hegemonic powers. Morocco has benefited politically and economically from their alliances within the group. Brazil is the gateway to the Latin America, particularly the Mercosur member countries. The BRICS as a group represent transnational development investing in Africa, with the aim to provide infrastructural, development, educational investments, security and also technological exchange. Development without social disorder. Lastly, the BRICS provide Morocco an opportunity diversification away from the western core, economic growth and leadership opportunities through supplying regional security.

Africa

At present, the modern world-system is experiencing a structural crisis due to the continuous pursuit of profit and cheap labor, as well as a depletion of finite resources and being on the verge of catastrophic environmental degradation. Wallerstein argues that at present, “the world is running out of new zones into which to relocate” (Wallerstein, 2005, p. 1270). The African continent transformed into countries made up of the least developed in the world — a place where most populations live under poverty and unequal exchange occurs between the core and the periphery. Therefore, due to its underdevelopment, Africa can play an essential role in resolving the current structural crisis of the modern world-system. (Wallerstein, 2017, p 2) For that reason, Morocco is committed to playing a role in the development of the continent, based on mutually beneficial collaboration strategies while shifting itself to a semiperipheral position within the world-system.

The “scramble” for Africa began with the Berlin Congress and ended with the dividing up the continent for colonization. Since this time, all African countries belonged to peripheral economies. A key date in modern African political history is 1957, the year that Ghana became the first independent state in Africa. The “Report of the Committee on Constitutional Reform in 1949” prepared by the Coussey Commission lead to their independence. The article “Colonialism: A Realistic Approach” written in 1945, by American lawyer Felix S. Cohen, was

included in the report. Cohen believed that in order for the US to achieve post-war "prosperity," it required intercultural integration. Along these lines, Cohen introduced the theme of neocolonialism by stating, "colonial status was a temporary institution that gave way to independence or assimilation" and that "economic imperialism is not necessarily dependent on political imperialism." Cohen posed the question, "How can we minimize the evils of political overlordship without increasing the evils of private economic exploitation?" Cohen believed that states could extend their power and influence economically, but should allow states to maintain a degree of political autonomy.

The power of Africans through the world-system has moved slowly. In Africa, a variety of class and wealth divisions still exist. The interstate system often constrains political actors, yet some intra-regional actors have been successful in gaining advantages from working with others. The others experience constraints from geography suffer from political instability, and the inability to accumulate wealth and power. At present, Africa is a continent that comprises of fifty-four sovereign states and two disputed territories (Western Sahara and Somaliland). Most all are members of the UN as well as the AU. Also, Africa is comprised of failed states as well as the fastest growing economies in the modern world-system. The continent has been in metamorphosis since the mid-2000s due to its rich natural resources. Angola, Sudan, Equatorial Guinea, and San Tome have profited from oil and gas exports to China. Also, Madagascar, Malawi, and Mozambique have supplied India with key raw materials of nickel, uranium, and steel.

Foreign relations within Africa are complex, and competition for political and economic leadership is fierce. Morocco belongs to the Arab African region of North Africa, and its primary rivalries are Algeria, Tunisia, and Libya. The unique characteristics of the region is that they share the idea of "brotherhood" unhindered by borders. All exist as Arab and Islamic, which shows their interconnectedness and inescapable link to one another. Each country has maintained association agreements but have yet to negotiate an interregional agreement. Morocco and Algeria are neighboring states that are equal in size but not in natural resources, histories, ideologies or alliances. Morocco and Algeria experienced a border

conflict in 1963. After the conflict, the OAU created a divide between the two and established a border in 1973. Algeria ratified the agreement, but not Hassan II. Neighbor Libya, on the other hand, disagrees with the concept of imposed boundaries because they serve the interest of ruling elites and serve as "imperialist dividers and conquerors."¹³⁵ In 1974, a new conflict arose between the group over the disagreement regarding the Western Sahara. Algeria and Libya entered an agreement to work together and support the Polisario and committed to opposing Morocco's position. In 1983, Algeria and Libya were also responsible for the admission of the Polisario and SADR into the OAU which triggered Morocco to resign from the group.

Libya maintained radical, isolating, and arguably abrasive leadership within Arab coterie. However, Gaddafi found his place among African revolutionaries and became a beneficial ally. Libya served as a mediator of disputes between the Liberia, Somalia and the Sahel countries. Additionally, the Libyan Arab African Investment Company provided financial resources for Sahel and Sudan, where Gaddafi aimed to expand his leadership throughout the continent. Gaddafi also cultivated relations with the West African countries of Ghana, Benin, Burkina Fasso and the southern countries of Mozambique, Zimbabwe, and Angola. All the while, Gaddafi maintained hostilities with the west.¹³⁶

Morocco does share similar features with most African countries such as geography, colonization, and empirical history; but many find Morocco to be very European. North Africa's colonization experience was not the same as others, and the differences create rising challenges within the anarchic interstate system. Other actors within the continent, may too, have aspirations to increase their status and power. The series of events, which occurred in North Africa, that led to Libyan

¹³⁵ Zartman, I. W. (1987). Foreign Relations of North Africa. *The ANNALS of the American Academy of Political and Social Science*, 489(1), 13-27.

¹³⁶ Zartman, I. W. (1987). Foreign Relations of North Africa. *The ANNALS of the American Academy of Political and Social Science*, 489(1), 13-27.

leader Muammar Gaddafi being overthrown and assassinated were impossible to predict. Consequently, the events angered most political leaders because Gaddafi's death created a power vacuum. Europeans feared security and migration risks, and African leaders were cut off from vital capital investment and aid.

Morocco identified a significant gap of power within North Africa and was determined to fill the gap. In 2013, Morocco created the New Africa Policy which includes a combination of religious association, economic, educational and security activities. Morocco aimed to secure its position as an ally, economic and leader, and regional power. The policy required that the country recreate itself and diversify its relations to increase multilateral security cooperation. Morocco would begin to take a more active approach by engaging with larger economies within Africa and work towards finding a middle ground regarding opinions on the Western Sahara.

Since 2013, Mohammed VI prioritized Africa and championed the new inclusive development policy by using his popular appeal, excluding old colonialism, to sell the message. "Africa is the future. Moreover, the future starts today." A simple and profound message from Mohammed VI's that appeals to all because it shows intent and sense of belonging as a genuine member of the African continent. The New Africa Policy's fundamental focus is on maintaining and enhancing security, increasing enforcement, intelligence gathering, and monitoring. Maintaining stability is of crucial importance to secure ongoing investment, and to keep a tight reign on inter-state anarchy that can arise within the diverse ethnic groups, languages, and religious beliefs.

Another fundamental principle of the policy is to mitigate risks by reducing the opportunity. In 2015, the Mohammed VI Foundation for African Ulama, a school of religious thought, was created to reduce the risks associated with radicalization. The institute teaches a combination of Sufism and traditional moderate Islamic practices with a mission to promote Malikism. Additionally, the Ministry of Islamic Affairs and Endowments and the Mohammed VI Foundation worked to develop programs to provide training for local imams as well the public. Using soft power, Morocco works to attract African Muslims attendance by granting scholarships. A decisive action because most of North Africa is Islamic as

well as parts of the West Coast, but the further one travels south, or to the center, the diversity of beliefs grows exponentially as well as the history of warfare and conflict. Morocco and its Islamic neighbors share a religious history of invasion and trans-Saharan trade since the spread of Islam in Africa. Through these actions, Mohammed VI, and religion play an indispensable role in cementing economic and political relations.

In January 2017, Morocco re-entered the African Union (AU) to expand its influence thru the New Africa Policy. The importance of Morocco's rejoining the AU is related to expanding the country's status and maintaining the status quo, not necessarily an economic one. The country had been benefiting economically from trade surpluses for the last decade. Infact, trade surpluses increased more than 55% since the death of Libyan leader Muammar Gaddafi. (see table 16). The reunion was a critical strategy to collect a variety of partners and strategic support for Morocco's claim of sovereignty of the Western Sahara.

Mohammed VI has traveled extensively throughout the continent, working to re-strengthening damaged bilateral relations since Morocco's departure from the AU. As of recent, Morocco has also shown a presence through its active participation in joint military land and sea exercises. Maritime actions are concentrated on the coastal security of the Mediterranean as well as the Atlantic seaboard. Joint exercises serve to combat illegal trafficking, migration, and piracy of fish and oil. Morocco pledged to support cooperative exercises such as the G5 Sahel joint task force, which focuses on counter-terrorism and transnational crime. The joint task force efforts also serve a dual purpose and provide Morocco's military border security, food security and military training - in 2018, the country reinstated its mandatory military service for citizens between 19 to 25yrs.

For the period examined, Morocco has maintained a trade surplus with the AU. The surplus has steadily increased an annual average of 13.5 %. Interestingly, trade surplus increased dramatically 57% in 2012, thereafter reaching greater than 1 billion per up to 1.5 billion in 2017. Due to the scope of the study, relationships between Morocco and the top ten AU export partners was not examined only the top three Senegal, Mauritania and Cote d'Ivoire – which are examined as a group.

Senegal, Mauritania and Cote d'Ivoire are all former French colonies (francophone) located in West Africa and belong to the Economic Community of West African States (ECOWAS). ECOWAS is an important milestone for access to the rest of Africa. Currently, Morocco exports agricultural products, machinery and phosphates to these countries and benefits from trade surpluses that it reinvests as FDI. Morocco is the second largest investor in the continent after SA and the largest investor in Cote d'Ivoire. Moroccan investment in Cote d'Ivoire includes construction, IT, agriculture and pharmaceuticals.¹³⁷ Moroccan investments in Senegal and Mauritania are in insurance, banking (BMCE), telecommunications (Maroc Telecom), air transport (Royal Air Maroc) and manufacturing – most aim to support the development of Morocco's service sector. Mohamed VI, by royal donation, from the Mohammed VI Foundation for Sustainable Development, provides medicines to diseases and infections associated with AIDS. Morocco has also signed agreements to secure pharmaceutical, develop public transportation, security as well as entrepreneurial sponsorships for women and the creation of a "Technocenter" in Abidjan.

Morocco's presence in Africa is not without controversy or opposition. Senegal's private sector expressed concerns about Morocco's manufacturing productivity eroding local production. In January 2017, Morocco applied to join the Economic Community of West African States (ECOWAS) but membership has not been accepted – pending an "impact report." Morocco is considered more developed than the other countries and would enter the economic community from "position of power". Additionally, given all of its other alliances, Morocco could serve as a hub and create a tariff-free gateway into this region for Chinese, Russian and Indian companies.¹³⁸ Nigeria is the chief opposing force to Morocco joining the ECOWAS. According to Mansur Ahmed, president of the Manufacturers Association of Nigeria, Morocco's pro-western alliances could

¹³⁷ Morocco Third Largest Investor in Côte d'Ivoire in Five Years. (2018, May 13). *The North African Post*. Retrieved from <http://northafricapost.com/>

¹³⁸ Mattes, H. (2016) Morocco's Regional Ambitions in West Africa: Strategies, Activities, Track Record. *German Institute of Global and Area Studies*.

lead to dumping and give the country a “a significant advantage over the other members of the west African community”.

For Morocco, entrance into ECOWAS is not only economically beneficial, but it will create a political shift the in the regional power. Currently, Nigeria is the most influential country in the group, but if Morocco gains access they will quickly replace Nigeria. As Morocco, Nigera aimed to fill the gap in the power vacuum cause by Gaddafi’s death. Morocco also continues to be a good agriculture partner supplying phosphate to Nigeria and is currently engaged with Nigeria to create an onshore and offshore natural gas pipeline. Time will show, how effective Morocco’s win-win strategies are with its political chief opponent in the region.

Table.17 North Africa (excluding high income) FDI net Outflows (1990 - 2017)

Country	Year (in Million USD)							
	1990	1995	2000	2005	2010	2015	2016	2017
Algeria	5	-	14	55	219	101	47	-3
Egypt	12	93	51	92	1,176	182	207	199
Libya	105	69	98	128	2,722	395	440	110
Morocco	13	15	59	74	580	657	636	1,012
Tunisia	-	6	27	12	74	31	242	57

Source: compiled from World Bank Group <https://databank.worldbank.org>

In summary, the US financial crisis in 2007, followed by the Eurozone crisis triggered Morocco to reduce their dependence on Europe and start looking at other markets and partners for growth. Over the past decade, Morocco has diversified its trading partners. In 2007, 64% of its trade was dominated by Europe with only 15% into the emerging markets (AU, EMP and BRICS). By 2012, Morocco decreased trade with Europe to 50%, while increasing trade with the the emerging markets to 28%. As of 2017, trade with Europe has built back up to 58%, and trade with the BRICS returned to its starting position, but trade within the AU has doubled as well

as the trade within the EMP. The trade between Morocco and the AU has doubled, and the country is aggressively pursuing growth in this market due to their relative competitiveness. In 2017, Morocco applied to join ECOWAS but their membership is pending. Morocco and its alliances anticipate the outcome, if it is favourable, everyone will benefit from their relationship with the country that can provide greater access to West Africa and the continent at large.

Table.17 Morocco's Exports Percentages per Group (2007-2017)

	Year (in millions USD)										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Europe	64%	51%	60%	53%	52%	50%	53%	56%	55%	57%	58%
African											
U	3%	3%	4%	4%	4%	7%	6%	6%	7%	7%	7%
Euro-Med	3%	3%	5%	5%	4%	5%	5%	5%	6%	7%	5%
USA	2%	4%	3%	4%	5%	4%	4%	4%	4%	3%	4%
GCC	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
BRICS	9%	14%	10%	12%	14%	14%	12%	10%	9%	8%	8%
Other	18%	23%	18%	21%	20%	19%	19%	19%	18%	17%	17%
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Note. Self Compiled with data collected from United Nations Comtrade, retrieved from <https://comtrade.un.org>. Other includes any country not already accounted for - such as MECOSUR & SE Asian Economies

III. CONCLUSION

Wallerstein identified 1968 as the year of the world revolution and the start of the modern world-system. For Morocco, 2011 is the year of their “tipping point”. Up until this point, Morocco existed as a “democratic monarchy” undergoing a slow-moving transformation. A “darling” for the West, Morocco shows potential to be a stable, democratic country in the Arab world. The country has increased its foreign investments and maintained a myriad of political alliances due to its neutrality. Meanwhile, the king maintained “absolute power” retaining the ability to appoint the prime minister, and various ministry positions as well as those in charge of religious affairs. A handful of elites continued to monopolize political and economic resources and also maintaining military power. Though elections took place regularly and the country has a history of multiparty activism election turnouts remained low. Morocco continued along its uneventful and predictable path.

In 2011, it abruptly changed. Previously, in December 2010, Tunisia experienced anti-systemic protests which would deal a blow to the North African region. In February 2011, the spillover effects began in Morocco with “mouvement 20 fevrier”. This anti-systemic protest would lead to a long-awaited constitutional change that seemed to occur instantaneously, though the IMF pushed Morocco towards creating reforms to build its “human capital”. Before the second round of protests, Mohammed VI announced significant political reforms to the constitution adopting several modern structures of democracy, including a bicameral parliament. Though, these events had a hand in the series of change, if viewed in isolation they are not enough. Moroccans are used to the political process that operates both formally and informally, where constitutional changes are not necessarily articulated at the local level, and things pretty much remain the same.

The anti-systemic protests continued through Libya to Egypt and Syria. Libya, the residence of the longest head of state leader Colonel Muammar Gaddafi. The relationship between Colonel Gaddafi and Mohammed VI was strained at best. Colonel Gaddafi was active and vocal about his support of the Polisario Front. He

also opposed Morocco's activities in the SADR. In October 2011, Gaddafi died. His death ended a prolonged and tense relationship in the region. The combination of the events within the same year created the synergy to eject Morocco into a different sphere. Since then, Morocco has managed to perform significant reforms, stabilize the economy, and also make investments in education and social sectors. Morocco has also expanded its economic and political relations regionally and internationally.

According to Wallerstein, capitalism is in decline; the modern world-system is in crisis and facing structural meltdown. Currently, the continent of Africa is one of the only available "zones to relocate" and accumulate capital which serves a role in helping correct the crisis.

Morocco has transformed itself the past decades, seeking out alternative markets, sources of capital investment and performed the political and economic change. It seems to gather cooperation and allies to support their claim of sovereignty over the western Sahara but during the process has also benefited economically.

Wallerstein started his work in Africa, believing that Africa was going to play a significant role in resolving the structural crisis of the modern world system. The capitalist modern world-system can avoid a crisis. But if Africa is transformed into another Europe, through its development the tipping point of an even larger environmental catastrophe occurs. Many scholars readily accept this idea, but then, how to proceed?

Franz Fanon, author of "The Wretched of the Earth" argues that Africa must not try to "catch up" and become another Europe. He posits that "humanity is waiting for something other from us than such imitation, and if we want humanity to advance a step further, we must invent, make discoveries, turning over a new leaf, trying new concepts, and set a foot a new man." Perhaps what Fanon alludes to is a new historical system rooted in a middle way, with more equal distribution of goods, services, environmental sustainability, and power. It appears utopic, resembling south-south cooperation, but is it? The modern world-system needs

more countries in the semiperiphery, not only to keep the system going but also to balance out the disparities.

How does a country shift its position? Morocco has employed two methods: “seizing the chance” and “development by invitation.” Morocco recognized an opportunity when Libya Colonel Gaddafi died in 2011. It “seized the moment” and quickly took advantage of the chaos and weakened political position of Libya. Between 2011 to 2012, Morocco’s trade surplus within the African Union increased fifty-seven percent, from 440 million to 1 billion, and in 2017 it has reached 1.5 billion. From this point on, Morocco was also able to become reacquainted with old alliances. Also in this period, trade with the BRIC (G20) countries and the generation of new alliances have enabled the country to further shift via “development by invitation.” as well as create new alliances facilitating a political and economic shift in position within the modern world-system.

How do you identify a country in the semiperiphery? Wallerstein explains that the means of production is not a sole factor in identification of the semiperiphery because there are no such thing as semiperipheral products only “core-like and peripheral.” Wallerstein asserts that an examination of the country’s “production processes” must occur. If you calculate the proportions and a fairly even distribution exists the country core like and peripheral production processes exist it can be considered semiperipheral. Morocco’s sectorial shares are relatively proportionate (see table1), and their sectorial share ratios resembles India. But, production processes are not enough, an identification of trade partners becomes important because the semiperiphery should be trading core-like products to peripheral zones and peripheral products to core zones. Wallerstein says that, if these questions produce positive results, it can be the starting point to the identification of the semiperipheral. (Wallerstein. 2004 p. 91).

In the past decade, Morocco has been successful in the diversification of its primary, intermediate and tertiary export products, as well as diversification of its trading partners to include south-south cooperation. Wallerstein offers another criterion for identification, which is the advantage taken one takes from peripheral economies. Within the existing south-south cooperation, Morocco has established

a trade surplus, and an comparative advantage from other peripheral economies within the African Union. Morocco has also been able to maintain trade surpluses with the semiperipheral economies of India and Brazil.

The last criteria for identification, which Wallerstein determines to be the most important is the “special¹³⁹” kind of politics, and a particular role in the world-system functioning as a “middle-man”. For a decade, perhaps centuries, Morocco has operated as a middle-man and mediator, organizing political agreements between other conflicting countries and ideologies. Since the Arab Spring, Morocco promoted and shared its narrative of “Moroccan exceptionalism”¹⁴⁰. As well as its role as the regional security leader mitigating ideological radicalism and terrorism. The religious aspect is easy to disregard, but in the context of the modern world-system, it also plays a role.

In the past, “world-empires” developed a common language, religion, and customs, all of which continued into the current century. Additionally, the global capitalist economy has been in existence for over five centuries and the hierarchical structure of the world-system has remained intact. The King of Morocco, Mohammed VI “Commander of the Faithful¹⁴¹”, not only represents the country but also functions as a world religious figure serving as an Islamic middle-man. The king promotes interfaith dialogues between Christians, Muslims and Jews as well as a brand of Islam that is peaceful, tolerant, stable and moderate. As we move away from a Pan-European world, interacting with the developing south means, as Fanon says “trying new concepts”. Traditional values must be respected for greater cooperation and this is exactly what Morocco attempts to do.

Morocco is a primary and intermediate exporter of goods and hosts a highly diversified group of trading partners. It has also been able to take advantage of

¹³⁹ Wallerstein, I. (2004). *World-Systems Analysis – An Introduction* (a John Hope Franklin Center Book) (p. 15). Duke University Press.

¹⁴⁰ Azagury, Y., & Majid, A. (2019, April 9). The Moroccan Exception in the Arab World. *New York Times*. Retrieved from <https://www.nytimes.com>

¹⁴¹ Waterbury, (1970). *The Commander of the Faithful: The Moroccan Political Elite: A Study in Segmented Politics* (New York: Columbia University Press) 10

peripheral economies, as well as semiperipheral ones. Most importantly, Morocco serves a special role in the world-system as a middleman possessing a broad network and ability to connect and forge a political and economic alliances. Utilizing Wallerstein's framework, this study concludes, Morocco's political economy has manifested characteristics of a semiperipheral country through its policies of "Development by invitation" and "Seizing the chance" which have enabled Morocco to shift its position in the modern-world system.

IV. APPENDIX

Table.19 Morocco's intra-African Exports to Africa Union Countries
excluding Agadir Group (2007 – 2017)

Country	Year (in thousands USD)										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Senegal	71,972	106,679	86,163	78,463	116,113	244,278	240,685	148,173	151,172	198,623	179,185
Mauritania	43,609	51,202	46,080	74,920	102,256	133,389	141,089	171,681	162,203	172,942	184,344
Cote d'Ivoire	32,193	50,644	37,334	63,016	67,172	66,570	112,373	108,061	200,404	147,588	160,289
Nigeria	15,649	42,842	28,737	45,102	43,213	142,916	106,933	132,757	97,166	139,487	166,386
Ghana	31,028	42,617	36,913	66,916	67,476	117,687	101,991	61,328	64,806	87,944	114,200
Ethiopia	641	25,329	20,294	342	24,699	18,267	639	62,317	182,047	76,942	247,579
Guinea	22,792	25,295	29,806	34,922	52,679	87,088	111,020	93,636	61,590	36,621	66,312
Mali	27,282	26,018	20,878	53,428	53,381	34,568	40,577	64,077	79,079	82,431	70,303
Equatorial Guinea	44,080	61,584	77,044	93,674	43,751	54,243	54,858	49,016	23,184	17,390	13,619
Angola	20,996	32,684	28,872	35,355	33,144	46,405	66,105	82,425	45,202	18,713	44,503
Cameroon	16,038	19,710	19,220	25,237	34,549	36,587	45,608	55,271	60,326	66,423	63,386
Togo	22,292	18,490	22,115	35,820	25,135	60,713	48,507	39,264	51,134	32,133	47,763
Gabon	18,063	25,323	21,155	26,066	29,490	31,436	36,350	67,046	49,461	49,438	45,771
Djibouti	360	344	919	449	14,562	101,816	506	12,513	1,092	200,404	30,604
Benin	27,205	15,313	17,268	24,932	21,600	25,905	25,501	34,439	47,199	38,208	58,054
Burkina Faso	12,096	11,631	19,246	17	19,482	28,915	28,439	30,059	46,312	49,795	48,883
Niger	4,504	9,674	8,024	11,781	19	13,131	15,960	32,608	21,518	23,859	30,204
Kenya	3,071	1,762	478	21,129	36,688	2,066	44,400	1,840	510	35,032	16,193
Sudan	-	-	-	-	-	50,655	8,558	36,347	11,622	20,872	21,010

Note. Self-Compiled with data collected from United Nations Comtrade, retrieved from <https://comtrade.un.org>. Country Data is rank by cumulative total exports over the period

Table.19 Morocco's intra-African Exports to Africa Union Countries excluding Agadir Group (2007 – 2017)

Country	Year (in thousands USD)										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Gambia	14,436	9,401	16,500	12,151	19,142	10,353	19,351	19,356	5,400	9,924	10,088
De. Congo Rep	14,747	16,128	6,585	12,650	10,675	24,634	13,177	19,622	11,716	7,803	5,378
Mozambique	138	294	295	0	7,206	6,947	165	16,450	302	33,033	49,329
Nambia	2,055	4,838	10,107	7,026	4,483	8,027	11,022	6,339	9,786	13,320	15,666
Sierra Leone	7,086	3,585	3,691	3,682	4,924	5,343	11,436	12,257	13,952	12,284	11,476
Mauritius	5,395	7,235	5,756	6,827	9,246	9,323	6,841	7,060	7,127	5,887	6,157
Chad	3,854	10,947	15,732	6,357	3,829	3,978	5,845	7,868	2,922	4,191	2,217
Tanzania	1,570	4,768	277	5,793	4,009	1,282	639	4,140	1,323	10,076	25,959
Guinea-Bissau	2,429	2,595	3,686	4,931	6,447	5,006	4,653	4,465	2,630	4,956	4,297
Madagascar	2,571	3,690	1,488	2,145	4,176	3,867	6,799	2,953	2,581	4,047	6,743
Cabo Verde	198	1,102	1,122	2,728	5,105	2,340	2,353	3,524	1,451	677	886
Central African Republic	1,309	378	836	2,517	3,076	1,588	1,434	1,257	919	1,886	1,811
Uganda	259	506	66	325	1,517	2,186	1,568	2,515	750	1,474	2,248
Rwanda	0	67	68	459	68	2,332	822	2,284	185	1,543	2,300
Somalia	-	-	-	-	-	-	-	-	-	409	6,051
Burundi	114	13	25	520	175	170	206	393	462	2,480	283
Swaziland	70	-	0	43	317	65	330	29	1,950	173	175
Zambia	-	-	95	12	-	1,735	-	3	97	77	19
Zimbabwe	166	-	-	4518	213	21	33	501	255	6	2
Botswana	0	8	47	0	3	0	0	2	0	0	47
South Sudan	-	-	-	-	-	-	-	-	-	-	-
Total	472,275	634,704	588,931	766,263	872,031	1,387,844	1,318,786	1,395,890	1,421,850	1,611,107	1,761,737
Exports											
% of total	3.22%	3.12%	4.17%	4.30%	4.02%	6.47%	5.99%	5.85%	6.44%	7.04%	6.87%

Note. Self-Compiled with data collected from United Nations Comtrade, retrieved from <https://comtrade.un.org>. Country Data is rank by total exports over the period

Table. 20 Morocco's intra-African Imports from Africa Union Countries
excluding Agadir Group (2007 – 2017)

Country	Year (in thousands USD)										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nigeria	10,320	14,878	13,132	171,211	243,403	213,052	76,428	44,213	27,008	35,597	32,133
Gabon	51,488	37,719	18,859	25,340	27,196	22,700	22,144	15,293	15,306	16,283	19,399
Cote d'Ivoire	19,624	13,345	17,972	15,179	16,928	19,602	21,126	10,610	11,485	10,453	18,133
Guinea	12,243	10,501	16,964	9,076	14,502	25,281	14,676	4,837	14,277	21,875	15,263
Equatorial Guinea	2,146	5,191	27,429	101,798	39	593	123	0	114	313	7,088
Ghana	3,829	3,640	6,683	5,749	38,929	4,596	23,681	3,435	3,624	7,376	5,045
Madagascar	6,496	8,533	4,430	5,492	9,429	5,375	14,242	14,335	7,271	11,074	11,884
Central African Republic	13,752	19,332	11,646	11,764	8,840	3,895	7,645	5,953	5,950	3,842	2,313
Dem. Congo Rep	3,661	4,454	6,686	11,226	8,011	1,940	1,578	8,333	8,204	10,943	28,733
Togo	7,291	8,762	4,313	5,782	8,082	10,498	7,526	10,967	12,781	8,816	4,602
Senegal	10,870	11,370	12,606	6,101	5,769	3,416	6,011	8,961	7,349	7,406	7,785
Uganda	2,474	4,514	3,738	2,676	5,935	4,588	13,079	12,290	8,041	6,715	22,273
Cameroon	8,262	5,781	3,287	10,248	15,220	6,656	6,211	8,379	4,008	2,794	2,471
Kenya	2,103	2,366	2,675	2,587	4,484	5,780	5,764	7,367	7,576	8,214	10,202
Burkina Faso	11,135	13,058	6,965	2,981	2,387	2,324	2,438	2,507	1,450	2,465	1,048
Mali	10,271	7,603	6,781	4,104	3,016	964	3,426	1,991	1,530	4,008	4,401
Tanzania	1,139	2,141	3,279	2,134	3,341	3,672	3,244	4,329	4,751	4,658	5,112
Angola	15,079	279	0	0	0	8,876	7,826	0	33	35	1,236
Benin	6,468	7,277	3,314	3,134	165	432	700	2,362	212	1,109	602
Mauritius	741	950	941	467	7,645	407	731	1,405	1,178	745	765

Note. Self-Compiled with data collected from United Nations Comtrade, retrieved from <https://comtrade.un.org>. Country Data is rank by total exports over the period

Table. 20 Morocco's intra-African Imports from Africa Union Countries
excluding Agadir Group (2007 – 2017)

Year (in thousands USD)											
Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Mauritania	1,305	6,072	826	1,279	945	614	1,313	860	633	211	330
Cabo Verde	3,219	584	0	0	0	1	3	3,898	2,347	2,791	1,159
Ethiopia	2,391	1,680	2,363	978	1,697	775	990	441	285	426	981
Sudan	-	-	-	-	-	0	8	49	7,878	1,747	71
Sierra Leone	504	1,337	244	363	299	1,709	1,446	1,033	914	541	891
Chad	2,760	2,037	11	3	2,493	949	14	26	36	181	20
Zambia	-	-	226	927	-	4,002	24	55	1,474	50	15
Zimbabwe	106	9	4	-	276	19	2,827	1,385	890	418	290
Swaziland	136	366	391	131	274	199	362	230	170	237	579
Mozambique	117	0	5	0	80	0	9	0	325	1,106	1,312
Rwanda	96	533	177	239	421	327	66	190	80	61	153
Burundi	3	0	125	680	0	0	0	288	0	50	98
Somalia	64	6	70	63	64	58	12	8	22	178	266
Namibia	0	4	24	3	159	73	64	126	23	97	88
Guinea-											
Bissau	0	0	0	0	290	3	8	24	34	112	0
Niger	19	68	88	0	15	0	5	38	2	114	27
Gambia	0	29	0	10	22	6	0	0	0	17	52
Botswana	0	117	0	3	0	0	0	0	0	0	2
Djibouti	0	3	0	0	0	0	0	8	0	10	7
South Sudan	-	-	-	-	-	-	-	-	-	-	-
Total											
Imports	212,119	196,547	178,263	403,738	432,367	355,394	247,763	178,240	159,276	175,084	208,846
Total											
Exports	472,275	634,704	588,931	766,263	872,031	1,387,844	1,318,786	1,395,890	1,421,850	1,611,107	1,761,737
Trade											
surplus	260,156	438,157	410,668	362,525	439,664	1,032,450	1,071,023	1,217,650	1,262,574	1,436,023	1,552,891

Note. Self-Compiled with data collected from United Nations Comtrade, retrieved from <https://comtrade.un.org>. Country Data is rank by cumulative total exports over the period

Table. 21 Morocco's intra-Africa Trade Surplus (2007-2017)
(in thousands of usd)

Year	Exports	Imports	Trade Surplus	net change %
2007	470,268	210,112	260,156	
2008	632,696	194,539	438,157	40.62%
2009	586,922	176,254	410,668	-6.69%
2010	764,253	401,728	362,525	-13.28%
2011	870,020	430,356	439,664	17.54%
2012	1,385,832	353,382	1,032,450	57.42%
2013	1,316,773	245,750	1,071,023	3.60%
2014	1,393,876	176,226	1,217,650	12.04%
2015	1,419,835	157,261	1,262,574	3.56%
2016	1,609,091	173,068	1,436,023	12.08%
2017	1,759,720	206,829	1,552,891	7.53%

Note. Self Compiled with data collected from United Nations Comtrade, retrieved from <https://comtrade.un.org>

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