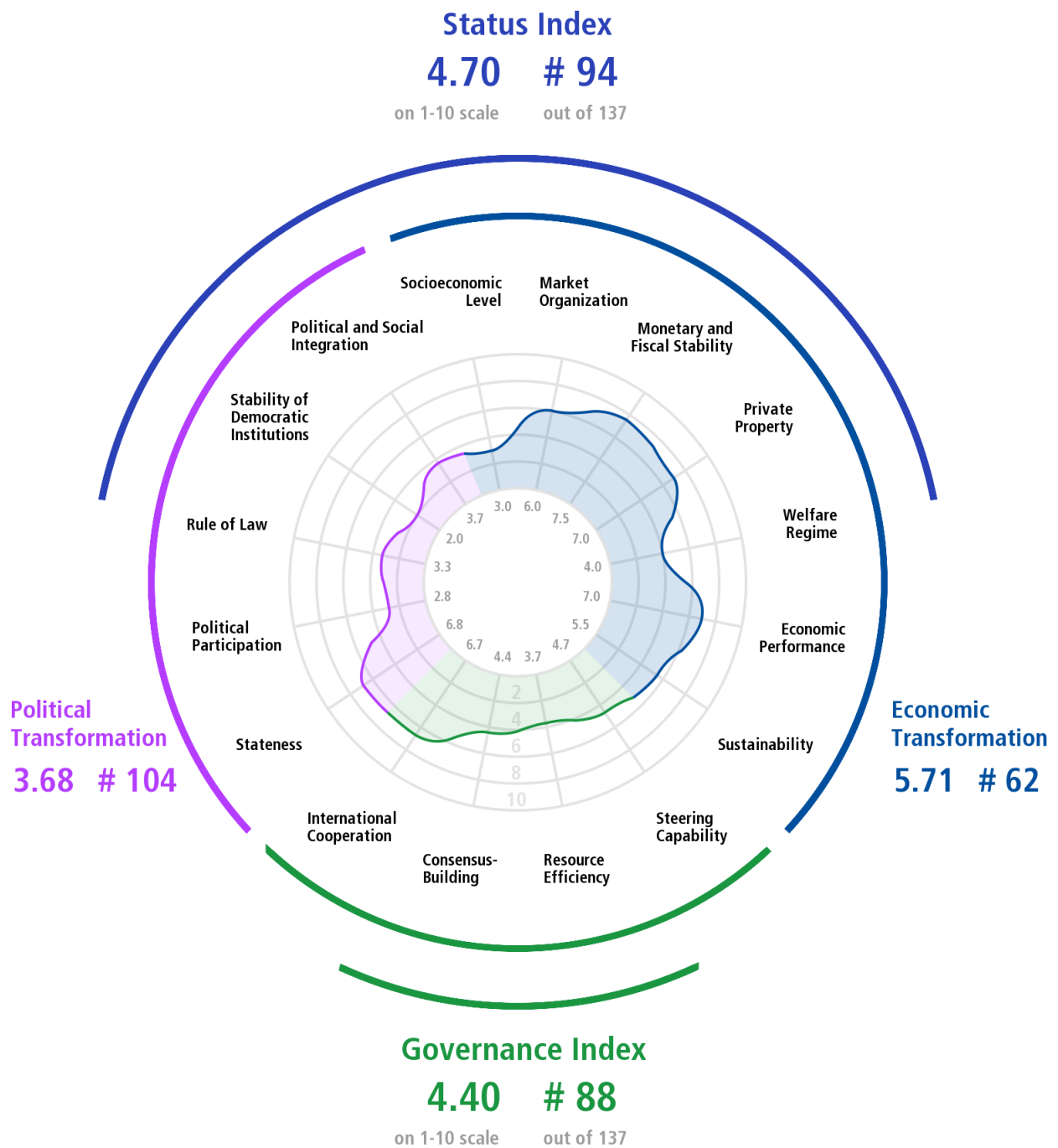


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BTI 2020 Country Report

Morocco



This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2020**. It covers the period from February 1, 2017 to January 31, 2019. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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Key Indicators

Population	M	36.0	HDI	0.676	GDP p.c., PPP \$	8587
Pop. growth ¹	% p.a.	1.3	HDI rank of 189	121	Gini Index	39.5
Life expectancy	years	76.2	UN Education Index	0.547	Poverty ³	7.7
Urban population	%	62.5	Gender inequality ²	0.492	Aid per capita \$	53.0

Sources (as of December 2019): The World Bank, World Development Indicators 2019 | UNDP, Human Development Report 2019. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.20 a day at 2011 international prices.

Executive Summary

The most significant political trends in Morocco during the current review period remain largely unchanged since the previous review period. Reforms undertaken in the wake of the Arab Spring in 2011 have done nothing to alter the distribution of power in Morocco. Provisions relating to the issues of judicial independence and auditing have not yet led to any actual changes in practice. Several months of stalled negotiations following the 2016 parliamentary elections led to the forced resignation of Prime Minister Abdelilah Benkirane (of the Party of Justice and Development, PJD), and King Mohammed VI appointed Saadeddine el Othmani (also from PJD) as Head of Government in March 2017. This only reinforced the perception that the monarchy keeps a tight grip on power in the country and tarnished the PJD's reformist credentials. Levels of political disaffection remain high among the general population, as demonstrated by high electoral abstention rates and the low levels of trust in parliament and political parties. The so-called Hirak Rif movement's protests and ongoing consumer boycotts are signs that a large share of the population is tired of living in conditions of socioeconomic misery and is losing tolerance for the regime's poor governance and corruption. Press freedom remains constrained, and human-rights abuses continue. In addition, the activities of local human-rights associations remain restricted.

The government has continued its program of economic liberalization, further reducing tariffs and strengthening investor protections. Although economic growth remains heavily dependent on agriculture, there have been improvements with regard to macroeconomic performance. Most notably, the budget deficit has been successfully reduced, and reforms likely to increase macroeconomic stability and boost foreign investment have been passed. Although Morocco has begun to implement a health care scheme for the poor, the reality of insufficient social safety nets, widespread illiteracy and persistent gender inequality remain major challenges.

Morocco continues to enjoy strong financial and political support by both the United States and the European Union. The country has also continued its strategy of diversifying its international cooperative relationships, with one significant step being its readmission to the African Union in

January 2017. Relations with neighboring Algeria remain tense, but there are signs that the United Nations is seeking to move the Western Sahara agenda forward.

History and Characteristics of Transformation

Following the country's independence from France in 1956, the Moroccan monarchy based its rule on support from the rural elites, the urban bourgeoisie and the military. Over the next decades, political opposition from leftists and nationalists was contained through harsh repression, co-optation and divide et impera politics. As the regime relied on the support of the major rural landowners, it refrained from initiating industrialization programs financed through wealth transfers from the agricultural sector. At the same time, it emulated other developing nations by implementing tariff barriers in order to promote national industries, a policy that also helped to generate support among the bourgeoisie. Unlike its neighboring former French colonies Tunisia and Algeria, Morocco did not follow an explicit agenda of modernization upon independence. As a consequence, education and literacy levels remained comparatively low.

In the late 1960s and early 1970s, King Hassan II reacted to social unrest and two military coup attempts with redistributive policies aimed at appeasing the constituencies of the political opposition. He raised the minimum wage, granted scholarships to all students attending university and expanded the parastatal sector. During the early 1970s, the financial cost of this economic reorientation was initially borne by a surge in phosphate prices, Morocco's key export. Subsequently, Morocco resorted to foreign loans, which eventually led the country into massive debt. Additional costs were generated by Morocco's annexation of the Western Sahara territory in 1975, which led to an expensive and lengthy war with the Polisario Front.

The ensuing crisis in the public finances, along with the subsequent restrictions associated with structural adjustment programs, triggered waves of social unrest and bread riots in the 1980s and early 1990s. Morocco's economic and social challenges strengthened the political opposition, forcing the regime to enact economic and political reforms in the 1990s. On the economic front, Hassan II modernized the legal environment for the business sector. New laws were implemented in the banking sector, the tax system was overhauled to simplify and optimize tax collection, and a major privatization program was set in motion. However, this fell short of dismantling Morocco's complex and deeply entrenched patronage system.

Political liberalization measures appeased the opposition and lessened international pressure regarding Morocco's deplorable human-rights record. Political prisoners were released and press freedom increased. A constitutional reform provided for the first direct elections of all members of parliament in 1997. This same reform also introduced a new upper chamber with wide-ranging prerogatives and a pro-regime composition to counterbalance the strengthened lower chamber. King Hassan II reached out to the political opposition and appointed opposition leader Abderrahmane Youssoufi, then secretary-general of the major opposition party, the Socialist Union of Popular Forces, as prime minister in 1998. The government also included two other

opposition parties: the Istiqlal and Party of Socialist Progress. Until 2011, these parties and various pro-regime parties formed the government coalition, losing much of their reform drive and mobilization potential over time.

Another important feature of the 1997 elections was the participation of the first Islamist political party, the Party of Justice and Development (PJD), representing one of the two main currents of political Islam in Morocco. The other major current of Islamism, the Justice and Charity (JC) association, has to date refused to accept the monarchy's religious and political leadership; it remains illegal and is occasionally persecuted.

After Hassan II died in July 1999, his successor, Mohammed VI, positioned himself as a political and social reformer. Initially, two symbolic gestures stood out: his release of the JC leader Abdessalam Yassine from house arrest, and his dismissal of Driss Basri, the former interior minister. Basri had been Hassan II's most trusted adviser, but had also been the architect of human-rights abuses and rigged elections. Mohammed VI also established the Equity and Reconciliation Commission, with a mandate to identify and compensate former victims of human-rights violations. Additionally, he initiated a new personal status law that improved the legal situation of women. In spite of these improvements, Mohammed VI's reign has not changed the underlying configuration of power, and the political system thus remains undemocratic. Parliamentary elections (in 2002, 2007, 2011 and 2016) under his reign have been more transparent, but excessive gerrymandering and the toleration of vote-buying have ensured a fragmented parliament. Since the Casablanca terrorist bombings on May 16, 2003, human-rights abuses and violations of press freedom have again been on the rise.

Like other Middle Eastern and North African countries, Morocco experienced significant protests early in this decade, in this case led by the February 20 movement in 2011. The monarchy managed to stay in power despite these protests with two key initiatives. The first were constitutional reforms, approved in a popular referendum. The second were early parliamentary elections in November 2011, in which the PJD, previously the most important opposition party, gained the largest share of seats. Its leader, Abdelilah Benkirane, became the head of government. Nonetheless, the PJD – like other previously co-opted opposition parties – has not been able to implement the elements of its political agenda that may run counter to the monarchy's interests. The regime's apparent interference in preventing Benkirane's continued tenure after the 2016 elections, and the appointment of the less charismatic Saadeddine el Othmani instead, is a telling example in this regard.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

Overall, the Moroccan state can be said to uphold the monopoly of the use of force throughout the territory internationally recognized as belonging to Morocco. However, Morocco also annexed the former Spanish colony of Western Sahara in 1975, and effectively controls about two-thirds of the territory of the Western Sahara. Morocco's claims to sovereignty in the Western Sahara are not internationally recognized, and are disputed by the Algeria-supported Polisario Front, which seeks to establish an independent state.

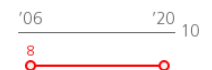
The presence of the Moroccan state in the northern parts of the country (Rif region) has historically been weak, and the region is still marginalized in terms of socioeconomic development. The Moroccan state's capacity and willingness to stop drug production and trafficking in the region has been questionable in the past, and still the state seem reluctant to exercise full control. Elements of the Moroccan security forces and other local political elites are allegedly connected to drug networks.

Terrorism is a security threat, although few large attacks have occurred in the 2000s (though incidents did emerge in 2003 and 2011). Currently, the main concern is so-called foreign fighters – that is, Moroccan radical Jihadist militants returning home after fighting in Iraq, Syria or Libya. These individuals are predominantly concentrated in northern Morocco. In December 2018, two Scandinavian tourists were brutally murdered in the Atlas Mountains in an attack perpetrated by a group of Moroccan Jihadists. Moroccan police and security forces are focusing increasingly on countering this threat.

Question
Score

Monopoly on the
use of force

8



1

There is a broad consensus in Moroccan society regarding Morocco's status as a nation-state, not least due to the country's long historical legacy. In recent years, Amazigh groups have successfully claimed more cultural rights without questioning the legitimacy of the Moroccan nation-state. However, the key battleground over state identity relates to the geographical boundaries of the country, especially in the Western Sahara: The Moroccan state has proposed to increase local autonomy in this region, but has rejected the prospect of a referendum on potential independence. Groups and individuals questioning the legitimacy or even usefulness of Morocco's claim over the Western Sahara are either marginalized from public debates or harassed and potentially persecuted.

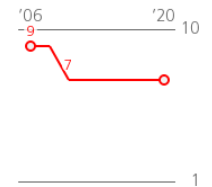
Morocco's state identity as hereditary monarchy, in which the monarch exercises a heavy political and economic influence in the country, is also a source of criticism. This critique is often heard from Islamist movements such as Al Adl wal Ihsane (Justice and Spirituality), radical left-wing forces associated with al-Nahj al-Dimocrati (Democratic Path), and other NGOs. The recent Hirak Rif protests could possibly be understood as a reaction to perceived discrimination and as an expression of limited state identity in the Rif region.

Islam is the official religion of the state, and Sunni Muslims make up a large majority of the Moroccan population. The Moroccan king is the guardian of so-called Moroccan Islam, which is based on Sunni orthodoxy, Malikism and Sharifism. The constitution prohibits any citizen from criticizing Islam, a crime punishable by imprisonment. While the constitutional reform in 2011 stated that the king is no longer "sacred," it stated that the persona of the king is "inviolable." King Mohammed VI still holds the title of "Commander of the Faithful," and the legitimacy of the monarchy is linked to the king's ability to maintain and constantly make use of his religious authority. The Moroccan legal system has mainly secular origins (to some extent a heritage from French colonialism), but laws pertaining to personal status (marriage, inheritance, etc.) often have a religious basis. Religious communities are allowed to practice their faith without government interference, but proselytizing for a religion other than Sunni Islam is against the law, and may be punished by terms in prison ranging from six months to three years.

There are an estimated 3,000 to 4,000 Jews in Morocco, approximately 2,500 of whom reside in Casablanca. In addition, there are small populations of Christians and Shi'a Muslims, each of around 5,000 people, mostly made up of foreign residents. The Mohammed VI Institute for Training Imams, opened in 2015, is part of Morocco's strategy to control religious practices in the country, and to promote what it sees as a moderate interpretation of Islam in various state institutions (e.g., in the content of sermons in mosques). Control over the religious field is so important for the Moroccan authorities that they have coined the concept of al-amn al-ruhi (spiritual security), which seeks to legitimate various practices of control over religion, including in the context of the fight against terrorism, and in promoting a moderate

State identity

7



No interference of religious dogmas

6

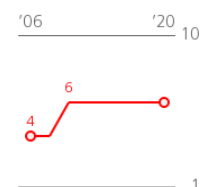


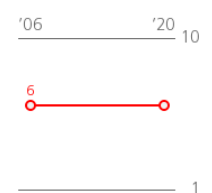
image for Moroccan Islam on the international scene. However, the role of religion in Morocco society and politics is not fixed. For example, the ruling PJD party often downplays its religious orientation, but the recent Paris headscarf incident, in which a photo of a female parliamentarian without a headscarf caused a scandal within the party, suggests that there are latent tensions as to how to interpret and uphold religious dogmas in practice.

The Moroccan state's administrative infrastructure extends throughout the territory of the country, including the occupied parts of Western Sahara. In general, ministries responsible for social welfare and public goods (e.g., transportation, health and education) are less efficient in terms of providing services to Moroccan citizens compared to the Army and the Ministry of the Interior, for example, which receive more funding and are more efficient in exercising control. The service ministries are often understaffed and corruption is widespread. The decentralization of the Moroccan state that was initiated in the early 2000s has not led to any substantial devolution of power to elected municipal or provincial entities.

Access to water, electricity and sanitation is slowly improving, but displays a marked pattern of urban-rural inequality. About 85% of the Moroccan population has access to portable drinking water, but there is a stark urban-rural divide in this area (98.7% vs. 65.3%) as there is for access to sanitation facilities (76% total, 84% urban, 65.5% rural). In 2014, the rate of physicians was 0.62/1000 inhabitants and the rate of hospital beds was 1.1/1000 inhabitants. Moroccan authorities also struggle to prepare and respond adequately to frequently occurring natural disasters (e.g., floods). Some mountainous areas in the country are frequently inaccessible in winter due to poorly built and poorly maintained infrastructure facilities and roads. In general, Morocco faces major challenges in its public education and health systems.

Basic
administration

6



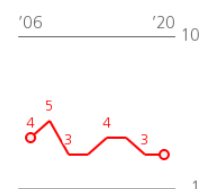
2 | Political Participation

National and local elections are held regularly, but under the clear control of the monarchy and the subservient Ministry of Interior. These entities seek to shape electoral results either by supporting certain political parties or through other informal practices such as vote-buying or gerrymandering.

The latest parliamentary election was held in October 2016, confirming the Islamist Party of Justice and Development (PJD) and the monarchic Party of Authenticity and Modernity (PAM) as the strongest parties. However, voter turnout rates were low (43%). The figure is even lower (around 30%) if one takes into account the large share of voting-age Moroccans that are not registered to vote, most of whom are young people. In addition, reports suggest around 1 million ballots (around 15%) in the 2016 parliamentary elections were deemed invalid, though official figures have only been provided for the 2015 municipal elections, in which around 11% of ballots were ruled invalid.

Free and fair
elections

3



The elections were boycotted by Morocco's largest Islamist group, the banned Justice and Spirituality association (al-Adl wal-Ihsan). Even citizens not supportive of this association often abstain from voting due to a rather widespread notion that real political power is not held by elected officials.

Elected officials in Morocco do not possess the effective power to govern the country. Although the king is obliged to appoint any member from the party winning the largest seat share as head of government, effective power rests with the monarchy. The 2011 constitution does not provide for separation of power, and still reserves three areas of exclusive domain to the king: religion, security and "strategic policy choices." The king still appoints key ministers such as defense and interior. He also appoints the secretaries of state of all ministries, all the governors, heads of administrative provinces, directors of public agencies and enterprises, and judges and magistrates. Royal commissions with more power than the ministers remain an important feature of the autocratic nature of the regime. Under the umbrella of the palace, the interior minister remains a central figure in the political process.

To the extent that their policies do not stand in contrast to the monarchy's interests, the national and municipal governments have some scope to design and implement policies.

Despite dissatisfaction, PJD has recently been more concerned with normalizing relations with the monarchy than promoting democratic reforms. This became particularly clear after the regime-led interference that led to the marginalization of charismatic Prime Minister Abdelilah Benkirane in 2016, which eventually led to the appointment of the much less appreciated Saadeddine el Othmani in March 2017. This was understood as clear signal to the PJD regarding the limits to its governmental power.

The current government's independence is said to be compromised by the "secret leadership" of Aziz Akhannouch, the minister of agriculture and party leader of the National Rally of Independents (NRI), and a close friend of the king.

The Moroccan constitution guarantees the right of assembly and association. The 2003 labor laws refer to the International Labor Organization's (ILO) Convention No. 87 on the Freedom of Association and Protection of the Right to Organize, but Morocco yet has to ratify the convention. New laws have been passed to limit labor strikes, including introducing the practice of docking employee salaries for the days they have participated in a strike.

NGOs are subjected to extensive administrative and financial regulation by the state. Registration procedures may create obstacles. Islamist groups, organizations supporting self-determination for the Western Sahara and some native Amazigh organizations in particular struggle to gain legal status. Legal registration is required in order to access government funds or accept contributions.

Effective power to govern

2

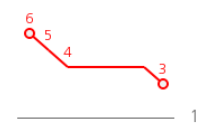
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Association / assembly rights

3

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Civil society organizations are quite active in Morocco, but are often subject to legal harassment, travel restrictions, excessive police violence and other impediments to their work. The authorities regularly block activities such as demonstrations, but also conferences and workshops that are critical of the state. State officials have increasingly acted to expel or bar entry to representatives of international human-rights organizations.

These already difficult conditions have further deteriorated over the assessment period. It is estimated that state abuses in Morocco have intensified since 2017 in response to continued social unrest triggered by the death of a fish vendor in al-Hoceima. In the unfolding Hirak Rif movement, more than 10,000 people took to the streets of Rabat in June 2017, and other protests were held in Casablanca in October of the same year. The Moroccan state reacted harshly, dispersing assemblies and carrying out hundreds of arrests. Authorities arrested Hirak Rif leader Nasser Zefzafi and other protesters in 2017. Zefzafi's lawyer recently asked for and received political asylum as a result of continuous harassment from the state. The king pardoned some protesters, but others received sentences of up to 20 years in prison, and many detainees accused the police of mistreatment and abuse. In 2018, protesters clashed with Moroccan security forces in Jerada, a poor mining town in the northeast, where residents have been demanding government help in tackling poverty.

As documented by Reporters Without Borders and other organizations, the situation regarding freedom of expression in Morocco has worsened recently. This freedom is curtailed using discrete strategies of control and intimidation that make use of the legal system and put financial strains on independent journalists, some of whom prefer to live in exile outside of the country.

Moroccan authorities use an array of financial and legal mechanisms to punish critical journalists or bloggers, especially when it comes to what is popularly referred to as “red lines,” which include subjects related to Islam, the monarchy and Western Sahara (and to some extent corruption within the armed forces). The Press and Publications Code, adopted in July 2016, eliminates prison sentences for speech-related offenses; however, the penal code maintains prison as a punishment for a variety of nonviolent speech offenses.

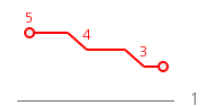
The king has the authority to name the heads of all public radio and television stations, and appoints the president and four board members of the High Authority for Audio-Visual Communication, which issues broadcast licenses. The state-controlled media is fully dependent on the regime and generally publishes favorable stories about the monarchy and the progress of the country.

The 2018 World Press Freedom Index ranked Morocco 135 out of 180 (compared to 133 in 2017 and 131st in 2016). Since 2017, the authorities have cracked down on activists and journalists especially in relation to the Hirak Rif movement. Hamid el Mahdaoui, a prominent journalist, was sentenced to three years in prison in June 2018 for “not denouncing” attempts to harm state security after he received a call from a

Freedom of expression

3

'06 '20 10



man who said he planned to create armed strife in Morocco, according to Human Rights Watch. Also, a recent report from the UN Working Group on Arbitrary Detention argues that Taoufik Bouachrine, an editor of the daily Akhbar Al Yaoum who was sentenced to 12 years in prison on charges of sexual assault and human trafficking in 2018, was detained arbitrarily and should be released. The Casablanca-based Racine association was closed after its office was used as a venue to record an episode of the talk show 1 Dîner 2 Cons (One Dinner, Two Fools) in August 2018. During the show, some guests criticized the king.

3 | Rule of Law

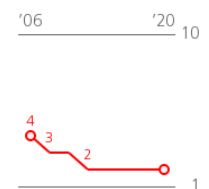
There are no functioning checks and balances in the Moroccan political system. The king legislates via royal commissions and dominates the judicial branch via his right to appoint judges. He also has the power to enact royal decrees (“dahirs”). Constitutionally, the legislative, executive and judicial branches of government are ultimately controlled by the king. The king is also the head of the military. The king takes most of the major decisions and there is no system of accountability. Although the 2011 constitution formally strengthens parliament and the judiciary, it does not decrease the king’s power. For example, the king still presides over the Council of Ministers when “strategic political decisions” are at stake; it is left to the king to decide which decisions are considered strategic. Additionally, there is a large gulf between the constitutional text and actual practices which further limits the prerogatives of the head of government, parliament and the judiciary. The judiciary, in particular, is structurally weak. It has never tried to assert its independence vis-à-vis the executive and is known to deliver rulings that are desired by the regime.

The lack of an institutionally based democratic context makes the judiciary largely dependent on the monarchy. The Higher Council of the Judiciary (Conseil Supérieur de la Magistrature) is dominated by the king’s appointees and judges are appointed by the king. In addition, the judicial system is considered one of the most corrupt sectors of the country. The 2011 constitutional reform does give the judicial branch greater powers and independence, but these have yet to be implemented. In 2016, a law on the status of judges was passed. However, this law has been heavily criticized by international bodies (e.g., the International Commission of Jurists) for not being in line with international standards, and for having insufficient protection for judicial independence. For instance, the law does not allow the Superior Council of the Judiciary to manage the careers of judges (e.g., by selecting trainees). Procedures for the selection and dismissal of key judges were not subject to the reform.

The harsh rulings in 2017 against individuals participating in the Hirak Rif protests (see “Association / assembly rights”) are also widely viewed as being politically motivated, at least to some extent. The judiciary remains an expression of the authoritarian system of rule in which it functions; the piecemeal reforms that the minister of justice has attempted to put forward are technical in nature and ultimately constrained by the system.

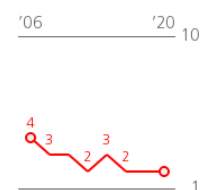
Separation of powers

2



Independent judiciary

2



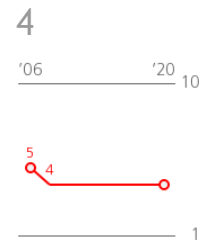
While the adoption of an access to information law in February 2018 was internationally acknowledged and opened the door for Morocco to join the multilateral Open Government Partnership, corruption in Morocco is still systemic. According to Freedom House, the state primarily prosecutes cases of corruption when it considers this to be politically expedient and as serving its interests. Hence, information about the corruption of a high official can itself be instrumentalized within a system of rule in which corruption is endemic. For example, 18 officials from nine state institutions (e.g., the National Society of Transport and Logistics) were convicted of corruption in March 2018. However, the Moroccan government is keen on signaling that it takes these matters seriously; when the Othmani government took office, it declared in April 2017 that rule of law, transparency and good governance were among its top priorities.

In November 2017, a decree was issued establishing a National Anti-Corruption Commission. The commission is placed under the Head of Government and will be in charge of implementation of the national anti-corruption strategy. In December 2018, King Mohammed VI appointed Mohamed Bachir Rachdi as the president of the National Anti-Corruption Authority (ICPC). However, the ICPC, which serves an advisory role to public, private and non-governmental actors on policies to prevent corruption, still lacks power and sufficient independence from the executive to pursue corruption charges adequately. As of the time of writing, the authority's activities do not appear to have led to substantial judicial action.

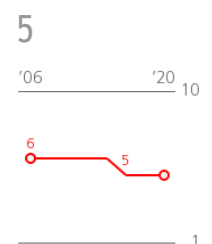
The Court of Auditors publishes well-documented reports on cases of mismanagement, but follow-up remains largely at the discretion of the authorities and depends on political considerations. The 2017 Open Budget Survey awarded Morocco a classification of "limited" transparency, which is a step up from the 2008 to 2015 period, when Morocco was classified as having "minimal" transparency.

Civil rights and equality before the law are constitutionally guaranteed. In practice, after a promising start in the early days of King Mohammed VI's reign, civil rights have been increasingly violated. Morocco has ratified the Optional Protocol to the Convention against Torture, but has not yet taken key steps for its implementation, such as the creation of a "national prevention mechanism." According to Human Rights Watch (HRW), the Moroccan Code of Penal Procedure gives defendants the right to contact a lawyer after 24 hours in police custody, with this period extendable to 36 hours. However, detainees do not have the right to have a lawyer present when they are being interrogated by the police, or when they are presented with their statements for signature. Prison and detention conditions are poor, and pre-trial detention is used extensively, leading to overcrowding. Moreover, pre-trial detention exceeding the authorized time is a common practice in Morocco. In 2017, the International Commission of Jurists claimed that pre-trial detainees constituted more than 40 percent of the prison population, and that convicted and pre-trial detainees

Prosecution of office abuse



Civil rights



were generally not kept separate, violating the latter group's right to be presumed innocent.

The courts rarely investigate complaints concerning torture, and often convict defendants mainly on the basis of contested police statements and "confessions." A report by the U.S. Department of State noted a generally widespread disregard for the rule of law by security forces. Filing a complaint against authorities' misbehavior can actually lead to prison time. The 2018 report from the Moroccan Association for Human Rights (AMDH) states that there have been serious violations in the Rif region as well as in Jerada, Zagora and other regions. The report suggests that over 1,000 people have either been detained or tried for their involvement in or support for protests across Morocco. In 2018, a new law on violence against women was adopted; this criminalizes some forms of domestic violence, establishes prevention measures and provides new protections for survivors. However, according to HRW, it requires survivors to file for criminal prosecution to obtain protection, which few can do in practice, and neither sets out the duties of police, prosecutors and investigative judges in domestic violence cases nor funds women's shelters.

4 | Stability of Democratic Institutions

Democratic institutions – such as parliament and local councils – formally exist, and elections are held regularly, but Morocco's political system remains an authoritarian monarchy. The directly elected parliament cannot legislate independently from the monarchic institution. Informal politics and various forms of pressure and influence on members of the parliament are employed by the regime to control the legislative institution. Co-optation of the members of the parliament is also common. These are basic features of what is commonly referred to as the "Makhzen" – that is, the informal political and economic power structure centered around the monarchy. Importantly, the king continues to convene, preside over and set the agenda for the Council of Ministers. This body has to approve a bill before parliament can consider it. The king also appoints the secretary-general of the government, who has the rank of minister and can block laws even after parliament's approval by claiming incompatibility with other laws or the constitution. If the king puts his weight behind particular laws, political parties do not risk contesting these laws, as was shown in the Islamist PJD party's approval of the reform of the personal status code in 2003, a bill that it had opposed vigorously before it became a royal initiative. The same applies to municipal governments, where policies and budgets have to be approved by the governor – who is appointed by the king. Moreover, democratic institutions further weakened from a constitutional point of view by the fact that the national government and municipal councils include a multitude of parties preoccupied with infighting over ministerial and other political posts and resources.

Performance of
democratic
institutions

2

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At the level of discourse, the Moroccan regime is committed to democratization and judicial independence. In practice, however, the regime is unwilling to relinquish power. Reportedly, King Mohammed VI has successfully strengthened his grip on power since 2016, mainly through informal means. This became particularly obvious in the regime's obstructive role in the establishment of the new government after the 2016 elections, when popular Prime Minister Abdelilah Benkirane was forced to resign.

The reforms following the 2011 Arab Spring protests have not changed the real power distribution, and the regime's commitment to democratic reforms has remained weak. Most parties have become subservient to the regime, if not fully co-opted, and no longer offer credible alternatives. This helps sustain the undemocratic system.

Commitment to democratic institutions

2

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5 | Political and Social Integration

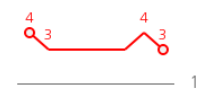
In numerical terms, the Moroccan party system has become less fragmented over the past years. In the 2016 parliamentary elections, only 12 parties won seats in parliament, compared to 18 in 2011. Importantly, there is a clear trend toward consolidation into two major parties, the Party of Justice and Development (PJD) and the Party of Authenticity and Modernity (PAM). Both won a substantial number of additional seats in the 2016 elections, whereas all other parties lost seats. These two parties now hold around 50% of all seats – a level of concentration new to Morocco. Nonetheless, there are significant internal divisions, especially in the PAM, which has no coherent ideology to offer.

However, the internal coherence of these parties is increasingly in doubt. The PJD has its roots in the Moroccan Islamist movement and has continuously increased the number of seats it holds since first entering parliament in 1997. After its victory in the 2011 elections, it also followed the historical path of opposition parties, and has been co-opted into government. While in government, the PJD has not been able to follow through with substantial reforms. During the campaign for the 2016 parliamentary elections, the PJD sought to restore its opposition credentials by making references to “tahakoum,” a term that captures the parallel non-elected power in Morocco. However, it is unlikely that this rhetoric will translate into actual attempts at reform during the PJD's second term in office, and the appointment of Saadeddine el Othmani as Head of Government in 2017 seem to confirm this view. At the same time, the party has faced much criticism about the alleged hypocritical behavior of some of its members, as with the “Paris Headscarf scandal” engulfing parliamentarian Amina Maelainine in January 2019. Moreover, the deeper struggle over PJD's core identity as an Islamist party seems to be taking a toll, with criticisms largely fueled by the “notability parties” close to the monarchy.

Party system

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The PAM in particular is a regime creation organized around Fouad Ali El Himma, a close associate of King Mohammed VI. It has absorbed many politicians from other

parties who are attracted by the PAM's proximity to the monarchy. Indeed, the PAM, the UC (Union Constitutionnelle, Constitutional Union) and the RNI (National Rally of Independents – which is currently expected to become the PJD's next significant competitor) do not stand to gain from democratic reforms, as their electoral support is conditional on their relationship to the monarchy. Indeed, previous studies have indicated that a large majority of Moroccans have “not very much trust” or “no trust at all” in political parties. The main leftist parties have also become instruments of the monarchical state.

With the exception of the PJD, which has generally invested more in organizational development than other parties, the degree of institutionalization shown by political parties is low. Parties tend to reproduce the autocratic system of governance within their own structures, complete with substantial elite infighting. Changes in leadership in political parties are rare. Both the leftist and nationalist parties are internally divided. Additionally, parties have little control over members of parliament, with no enforcement of voting discipline. Accordingly, voters show considerable disaffection with political parties.

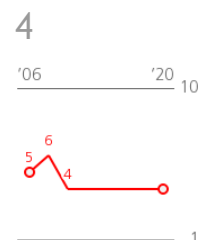
Clientelistic linkages with voters remain a defining characteristic of the Moroccan party system. In rural areas, citizens typically vote for the local notable, regardless of party label. Local notables switch parties often but generally run for pro-regime parties, as they need patrons at higher levels to preserve their interests. Clientelism in Morocco thus plays a stabilizing role for the regime and most parties benefit from it. The leftist FGD coalition (Fédération de la Gauche Démocratique, Federation of the Democratic Left), which was explicitly campaigning for a constitutional monarchy and “true” separation of powers, obtained only two seats in the 2016 parliamentary elections.

Municipal councils became less fragmented in 2009 when a 6% electoral threshold was introduced. This threshold decreased the number of parties in a typical municipal council from 10 to four.

Employer's associations and unions are represented in the upper chamber of the parliament. This chamber was introduced in the constitutional reforms of the 1990s. From the regime's point of view, it serves the purpose of curbing the influence of the lower chamber, and thus has considerable prerogatives. However, its role vis-à-vis the monarchy is subject to the same limitations as the lower chamber.

Trade unions often compete among each other, but cooperate occasionally. In general, unions are affiliated with political parties and suffer from the same disaffection shown by the citizens. Compared to the early 1990s, when unions were able to organize massive strikes, their mobilization potential appears to have decreased. This notwithstanding, a reported 150,000 public employees went on strike against deteriorating working conditions in early 2019, and thousands of public school teachers protested in Rabat against the fixed-term contracts that have been in

Interest groups



force since 2016. The protesters also demonstrated against the limited opportunities for low-ranking teachers, and temporary government contracts that do not cover health care or pensions.

The mediation role of trade unions is restricted by labor-code provisions that prohibit unionization among certain categories of workers, and the right to unionize and strike is often violated. Union access within export processing zones is severely restricted. In addition to organized and incorporated interest groups, there are also important social interests that are not represented in formal institutions. These include illegal Islamist organizations and the youth movement that fueled the Moroccan Arab Spring protests.

According to the 2017 Arab Barometer, Moroccans' general sense of political satisfaction has risen to levels higher than in prior survey waves. About 90% said they were satisfied with government performance providing for the country's security, and the army and police remain the most trusted political institutions. While Moroccans perceive significant corruption in their system, most believe the government is taking at least some steps to tackle corruption. Additionally, more than half of Moroccans believe that the government is undertaking far-reaching reforms. Support for democracy remains strong and has increased slightly since 2013. However, few Moroccans seem to be willing to push for dramatic reforms; four-fifths of Moroccans continue to believe that political change should take place gradually instead of all at once.

These findings confirm findings from previous surveys by the Arab Barometer and the World Values Survey going back to the mid-2000s, according to which large numbers of Moroccan respondents approve of democracy as a form of government. In turn, judgments about "how much of a democracy" Morocco is, remain relatively stable, with about 50% of respondents stating that Morocco was not a democracy, or was a democracy with major problems. Post-Arab-Spring elections continued to show high abstention rates, leading the Arab Transformations Project scholars of the University of Aberdeen to suggest in 2014 that "younger people may be increasingly disillusioned with Morocco's 'façade democracy.'" In the latest parliamentary (2016) and municipal elections (2015), about 60% of registered voters stayed home, indicating continuing dissatisfaction with these elections.

Previous studies from the World Values Survey and the Afrobarometer indicate that social trust is low among Moroccans, and even lower than in many other Arab countries. This might be expected to undermine Moroccans' disposition to engage in activities sponsored by civil society organizations and voluntary associations. However, in 2018, online activists launched social-media campaigns against three leading brands in Morocco: Centrale Danone, Sidi Ali and Afriquia Gaz (owned by Minister of Agriculture Aziz Akhannouch). The campaign criticized the high prices of the companies' products, along with the monopolistic tendencies of the Moroccan market more generally. This eventually led to citizen boycotts, and in June 2018,

Approval of
democracy

n/a

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n/a 1

Social capital

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Centrale Danone announced a net loss of MAD 150 million in revenue in the first half of the year. CEO Emmanuel Faber publicly acknowledged that it would take time to regain consumers' trust. Whether or not these type of citizens' boycotts can be seen as a source of social capital remains to be seen, but it does indicate that there is still potential for mobilization linked to perceived injustice in Morocco.

II. Economic Transformation

6 | Level of Socioeconomic Development

Morocco's ranking in the 2018 Human Development Index was 123 out of 189 countries. This placed it in the bottom half of the group of countries with "medium" human development, well below the average both in the Arab region and among developing countries. A key contributor to this low score was Morocco's extremely low literacy rate of 71.7%, mainly due to the population's 4.4 mean years of education. In contrast, life expectancy at birth tends to be higher than in neighboring countries. Income inequality is average by international standards, with a Gini coefficient of 40.7, according to data from 2010 to 2017.

In terms of gender inequality, the World Economic Forum's Global Gender Gap Report 2018 assesses Morocco's performance as being particularly weak, ranking it 137 out of 149 countries. Gender inequality is strongly driven by imbalances in labor-force participation rates. The rate of participation among women was 27% in 2014, a level that has remained constant over the last decade. Rural areas remain marginalized, with basic health, education and transport facilities unavailable. In the 2015 state statistics, 60% of the population resides in urban centers. The urbanization rate in Morocco was 2.1% on average in 2010 to 2015, creating new sets of social and economic problems as well as opportunities. The recent Hirak Rif protests seem to reflect the country's uneven socioeconomic development.

Question
Score

Socioeconomic
barriers

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Economic indicators		2015	2016	2017	2018
GDP	\$ M	101179.8	103345.3	109708.7	118495.3
GDP growth	%	4.5	1.1	4.1	3.0
Inflation (CPI)	%	1.6	1.6	0.8	1.9
Unemployment	%	9.5	9.3	9.1	9.0

Economic indicators		2015	2016	2017	2018
Foreign direct investment	% of GDP	3.2	2.1	2.4	3.1
Export growth	%	5.5	5.5	10.9	5.0
Import growth	%	-1.1	14.7	7.4	5.5
Current account balance	\$ M	-2160.7	-4179.7	-3677.3	-6444.7
Public debt	% of GDP	63.7	64.9	65.1	65.0
External debt	\$ M	43070.2	46375.4	49796.2	49029.4
Total debt service	\$ M	3546.8	3795.1	3893.4	3878.6
Net lending/borrowing	% of GDP	1.0	-4.2	-3.4	-
Tax revenue	% of GDP	21.2	21.4	21.8	-
Government consumption	% of GDP	19.3	19.3	18.9	19.3
Public education spending	% of GDP	-	-	-	-
Public health spending	% of GDP	2.4	2.7	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	3.2	3.2	3.2	3.1

Sources (as of December 2019): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

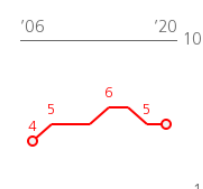
7 | Organization of the Market and Competition

Market competition is hampered by the regime's involvement in the economy. Many sectors of the economy are dominated by the royal family and the so-called 500 families, who control large holding companies. No investment, foreign or domestic, is possible in the subsectors in which the state has a monopoly (phosphates, hazardous waste management, wholesale fruit and vegetable distribution, fish halls and slaughterhouses, some postal services, and water and electricity supplies) or which are under private monopoly (wholesale importation and distribution of manufactured tobacco). Moroccan competition regulations ensure that freedom of pricing has become the general rule, but price controls persist for sensitive products like sugar and bread. Morocco's investment charter guarantees currency convertibility for capital transactions, free transfer of profits and free repatriation of invested capital.

According to the 2017/2018 Global Competitiveness Report, the five most problematic factors for doing business in Morocco are: corruption, inefficient

Market
organization

5



government bureaucracy, access to financing, tax rates and inadequately educated workforce. The least problematic issues are seen to be government instability, crime and inflation. Clearly, the relative stability of Morocco relative to other countries in the region remains a key asset for attracting foreign investment. In the World Bank's Doing Business report, Morocco has continuously improved its rank from 129 in 2008 to 60 (out of 190) in 2019. The country also fares well in the "Starting a Business" sub-index, ranking 34 out of 190, as establishing a business only takes four procedures, nine days and expenditures totaling 3.7% of the average per capita income. However, several sectors including transportation, insurance and maritime fisheries have restrictions on foreign ownership. Moreover, foreigners are not allowed to own agricultural land.

The informal economy is significant, and generates around MAD 410 billion, according to a survey of Morocco's Haut Commissariat au Plan conducted in 2013 to 2014. The High Commission for Planning (HCP) estimates that the Moroccan informal sector has grown by 1.2% annually since 2007. Roughly 57% of those in the informal sector work in retail, while 20% provide services.

Morocco's rank has continuously improved in the World Bank's Doing Business report, reaching position 60 out of 190 countries in the 2019 report (compared to 87 out of 190 in the 2017 report). In the last couple of years, there has been a dramatic decrease in the amount of time it takes to register property, from 77 days in 2013 to 22 days in 2017, and the number of procedures has also declined to six from nine in 2013. This suggests that Morocco is in line, or in some cases above, with the average of the countries in the MENA region.

Morocco's Competition Council is formally a consultative body in charge of encouraging free competition, studying competition in the various sectors and delivering an annual report to the head of government. Cases and complaints can be referred to it by the government, parliamentary committees, judges, regional councils, chambers of commerce and state-approved consumer associations. With the appointment of Driss Guerraoui as president of the council along with new members in late 2018, Morocco's new competition regime can now be said to be up and running. Moreover, new competition rules came into force in December 2018. Oversight of merger control and anticompetitive practices have been strengthened. An important change is that the Council now has the power to investigate and impose sanctions. Moreover, the range of actors able to lodge complaints with the Council has been substantially increased with the crucial addition of private entities.

While international bodies have welcomed these measures, questions remain regarding the effectiveness of the reform. For instance, the president is nominated by the king; moreover, the Council often considered an instrument for the executive to cherry-pick the anti-competition cases it is interested in prosecuting. However, in early 2019, Moroccan media reported that there was tension between the government

Competition policy

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and the Competition Council following the government's refusal to provide Guerraoui with its study on regulating oil prices.

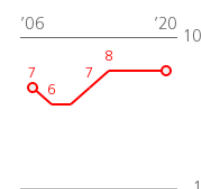
Under the US-Morocco Free Trade Agreement (FTA) and the association agreement with the EU, Morocco has reduced its tariffs on imports from the United States and the European Union. FTAs have also been signed with Tunisia, Egypt and Jordan. In March 2018, Morocco and 44 other African countries (not including Nigeria or South Africa) signed an agreement to initiate a continental free trade area (AfCFTA) with the aim of boosting intra-African trade. Negotiations for a so-called Deep and Comprehensive Free Trade Area (DCFTA) between the EU and Morocco were launched on March 1, 2013. The DCFTA would include trade in services, government procurement, competition, intellectual property rights, investment protection, and, most importantly, bring Moroccan legislation in line with EU legislation in all trade-related areas, including industrial standards, technical regulations, and sanitary and phytosanitary measures. However, negotiations were halted following a European Court of Justice ruling in December 2016 that declared trade deals between the EU and Morocco invalid insofar as they include the territory of Western Sahara. However, the EU and its member states are split on the issue, and in January 2019, the European Parliament voted in favor of the trade deal despite vocal criticism by some MEPs.

According to the WTO, Morocco is among the countries with the most trade agreements. It has concluded 10 trade agreements and implemented several trade reforms that have contributed to vigorous growth. For instance, Morocco reduced the level of its average tariff protection to 11.4% (in 2017). Morocco still imposes some tariffs at rates higher than the bound levels, but the number of items for which this applies has decreased quite substantially from 1,373 in 2009 to 792 in 2016. However, substantial non-tariff obstacles to trade remain, among them lengthy procedures to obtain governmental permits and land approvals.

Morocco's central bank, the Bank Al-Maghrib, has historically maintained a very cautious financial policy. The Moroccan banking system has adopted the Basel II standards and, according to the IMF's technical analysis, is successfully preparing to implement Basel III requirements (e.g., a counter-cyclical capital buffer regime). The system is highly concentrated, with five banks owning around 80% of the sector's assets. A legal framework for Islamic banking has been created, with the central bank charged with issuing licenses. In 2018, the central bank widened the band within which the national currency, the dirham, fluctuates as part of a broader plan to open up the economy. However, Bloomberg reported in January 2019 that Morocco intends to pause from the push for a more flexible exchange rate for one year, as the country is struggling to patch up deteriorating public finances and financial aid from Gulf donors is drying up. Speaking on condition of anonymity, two officials suggested that Morocco would wait until at least 2020 before considering further easing its hold on the dirham.

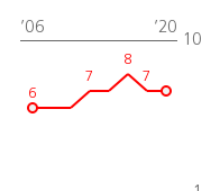
Liberalization of foreign trade

8



Banking system

7



The Moroccan financial sector was relatively unaffected by the 2008 economic crisis due to its low exposure to foreign financial markets. In recent years, the share of non-performing loans has been around 5%, consistently below global averages. This is a substantial decrease from around 17% in the first half of the 2000s. According to the 2017/2018 Global Competitiveness Report, the soundness of the banking sector has been more or less at the same level for a number of (with a score of 5.4 in 2018). The World Bank reported a bank capital-to-assets ratio of 8.9% as of 2014. More generally, nepotism and the unwillingness of financial regulatory bodies to clamp down on irregularities when committed by well-connected institutions remain concerns.

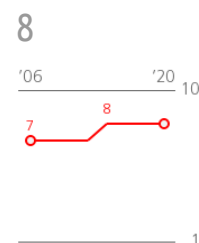
8 | Monetary and fiscal stability

Since a 2006 reform, monetary policy, which was formerly under the joint responsibility of the Bank Al-Maghrib (BAM) and the Ministry of the Economy and Finance, has been under the sole responsibility of the central bank, thus increasing policy independence. The central bank marginally widened the dirham fluctuation band in mid-January 2018. Despite rising inflationary pressures in the first half of 2018, the BAM kept its main monetary policy interest rate at 2.25% in June 2018, as it is focusing on the long-term trend for headline inflation, which the BAM expects to decrease gradually to an annual average of 1.6% in 2019 to 2020. However, as interest rates are rising globally, the Economist Intelligence Unit expects the Moroccan central bank to increase its key interest rates gradually over the forecast period, as it needs to attract capital.

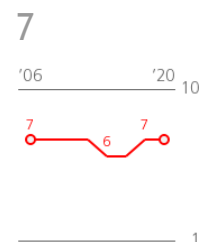
In 2018, the BAM introduced a system under which the exchange rate is allowed to fluctuate freely within predefined bands. However, the Economist Intelligence Unit expects the currency-liberalization process to be very gradual and tightly managed, as the Moroccan authorities have long been concerned about potentially harmful exchange-rate volatility. They do not therefore expect full liberalization of the dirham to take place within the foreseeable future.

While the country weathered the global financial crisis relatively well, Morocco's fiscal performance has been less successful in recent years, with government expenditures leading to an increase in debt. This has partly been due to increases in the wage bill, a considerable increase in subsidies and long-term structural problems in the Moroccan economy. According to the World Bank, the speed of Morocco's fiscal deficit reduction slowed in 2018 compared to the indicative target of the 2018 Budget Law. The fiscal deficit during the first half of 2018 was estimated at 3.3% of GDP as compared to an indicative target of 3%. Public expenditures increased due to higher public investment (capital spending increased by 6%), reaching 19.3% of GDP in 2017 (compared to 17.9% in 2010). Direct tax revenue had fallen by 3.7% as of the end of June 2018, particularly due to diminishing corporate taxes, which have

Monetary stability



Fiscal stability



been on a downward trend since 2012. The overall public debt, at 62.8% of GDP in 2017, is nonetheless expected to stabilize around 65% of GDP, according to the World Bank. External debts reached \$46.26 billion in 2016, with external debt service totaling \$3.81 billion the same year. Total reserves totaled \$24.28 billion that year.

The World Bank expects Morocco's current account deficit (totaling \$3.85 billion in 2017) to improve slightly in 2019, driven by sustained export growth, tourism receipts and remittances, which taken together will offset increasing energy imports. This improvement is related to Morocco's global environment, the economic recovery in Europe, and strong export growth within high-value-added industries (e.g., automobiles). In the view of the World Bank, external financing requirements will remain only a moderate concern, given the relatively low level of external debt and Morocco's investment-grade ratings within international markets.

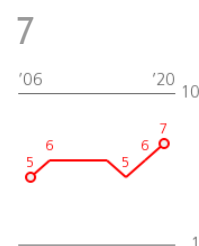
9 | Private Property

Property rights are well-defined under Moroccan law, but pervasive judicial corruption and the judiciary's lack of independence are major sources of concern regarding the enforcement of property rights. Moreover, the state has a policy of selling tribal land to property developers or international corporations. This land legally belongs to the state, as it is the custodian of all communal land. In September 2018, the government approved a bill to strengthen the protection of property rights against real-estate fraud. Real-estate agencies now need to obtain clear legal authority in order to sell properties. The law, encouraged by the king since 2016, has been adopted as a response to many cases of foreigners and Moroccans residing abroad discovering that their properties have been illegally sold.

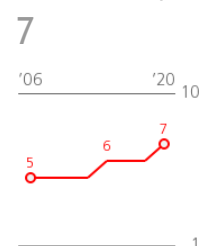
According to the World Bank, Morocco is one of the world's top countries in terms of business-regulation improvements since 2012; moreover, it is among the top three countries in the MENA region in this regard. Overall, Morocco has simplified preregistration and registration formalities; reduced time for registering property and increased administrative efficiency; introduced or improved electronic submission and processing of documents for export and import; strengthened border infrastructure for exports and imports; and improved the likelihood of successful reorganizations. Morocco has also enabled debtors to receive new financing following the commencement of insolvency proceedings, introducing corresponding priority rules and strengthening creditors' rights.

The World Bank's 2017/2018 Doing Business report notes that Morocco has starting a business less costly by abolishing deed registration fees and stamp duties. Morocco has also made registering property easier by increasing the transparency of the land registry and cadaster and by streamlining administrative procedures. Exporting and

Property rights



Private enterprise



importing has also been made easier through the implementation of a paperless customs clearance system and infrastructure improvements at the port of Tangier.

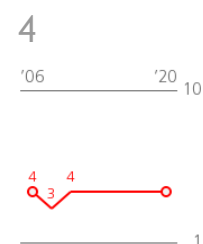
According to statistics provided by the Haut Commissariat du Plan, public-sector employment has decreased slightly over time, and accounted for around 8.1% of total employment in 2018. ILO data shows that public employment is substantially lower in Morocco than the average in the MENA region (e.g., the figure for Egypt is 25%). However, it should be noted that the privatization process of the 1990s mostly benefited the royal family and elites closely connected to them. Several sectors remain under public monopoly; in others, private companies face competition by state-owned companies. These are concentrated in urban planning, housing, fisheries, agriculture and mining.

10 | Welfare Regime

Morocco's social safety nets remain inadequate. Only a small fraction of workers participate in the compulsory social-security scheme, which does not extend to the large workforce in the informal sector. According to the WHO, public health expenditure increased substantially during the 2000s. In the latest WHO figures, from 2014, Morocco's total expenditure on health was 5.9% of GDP. The quality of public health care is mediocre, and cases of negligent deaths or mistreatment are frequent. Rural areas suffer most from the lack of nearby and efficient health facilities. In 2012, Morocco's government launched RAMED, a project aimed at improving access to health care for low-income citizens. This gives beneficiaries access to basic health care in public hospitals and state-owned health-services centers. Coverage through this program has steadily increased. According to the National Agency of Medical Insurance, 11.5 million Moroccans benefited from RAMED in April 2017, up from a reported 6.5 million in 2014. There have been reports indicating that the lack of infrastructure, medical equipment, and financial and human resources limit the efficiency of RAMED.

Figures from WHO indicate that life expectancy at birth was 75 years for men and 77 years for women in 2016. Despite this progress, a large share of Moroccans remain without medical coverage, and the health insurance system remains inefficient due to its fragmentation, according to a report by the African Development Bank. For the majority of Moroccans, health problems still lead to interruptions in income, and can mean a potential slide into poverty. Traditional solidarity networks have been eroded by rural-urban migration. Basic foodstuffs such as bread, sugar and cooking oil are subsidized. Social measures in Morocco often take the form of charity rather than of citizen rights; for instance, the king distributes food baskets to the poor during Ramadan. A pension reform bill was passed in 2016 as part of an effort to reduce the budget deficit. The reforms include an increase in the retirement age from 60 to 63. The reform was passed despite opposition from labor unions.

Social safety nets



Women's rights are seriously impaired in Morocco. Though the 2003 reform of the family code improved their legal status, the reform did not remove inequality regarding inheritance rights. The reformed code faces problems of implementation by conservative judges and illiterate women in the countryside are unlikely to know of its existence. A new law on the issue of violence against women took effect in 2018. The law criminalizes some forms of domestic violence, establishes prevention measures and provides new protections for survivors. However, according to Human Rights Watch, it does not appropriately specify the duties of police, prosecutors and investigative judges in domestic violence cases, or fund women's shelters.

In the 2017 Gender Gap Index published by the World Economic Forum, Morocco was ranked 136 out of 144 countries, a level roughly comparable to that of most MENA countries (except Israel, at rank 44, and Tunisia, at rank 117). Morocco's ranking has held largely steady in recent years (133 in 2014, and 137 in 2016). The index has components assessing gender gaps in health, education, the economy (e.g., labor-force participation rates), and politics. Morocco scores most poorly with regard to economic participation rates and opportunities for women.

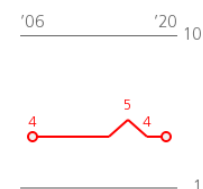
For example, agriculture is the most important job-creating economic sector in Morocco. According to the High Commission for Planning (HCP), 23.6% of women are involved in the workforce at the national level (16.6% in urban settings, and 34.9% in rural settings). The agricultural workforce consists mainly of women and youth who work in overall precarious conditions. However, the work performed by rural women, despite its importance, remains mostly invisible, unpaid and unrecorded in the national statistics. Work conditions for women remain mostly precarious with low pay, an absence of social rights and significant exposure to violence. It is estimated that unpaid work accounts for 40% of labor in rural settings; of this, 74% is performed by working women and 68% by young workers aged less than 25 years old. Besides agriculture, women also predominantly work in low paying jobs in the textile industry or as domestic workers.

There are also significant gender disparities with regard to literacy rates: only 62% of women know how to read and write, compared to 82% of men. This gap narrows slightly among younger generations, but is far from closed (among 15- to 24-year-olds: 74% female literacy, as opposed to 90% male literacy).

A quota for women legislators, first introduced in 2002, has increased the number of female members of parliament. A gender quota was also applied in the 2009 municipal elections, with women competing on separate lists. The current parliament (chosen in the 2016 elections) includes 81 women (20.5%), 60 of which come from a national list reserved for women. These measures did not involve a direct transfer of power to women, but rather were carried out by expanding the total number of seats. Such reforms are part of a regime strategy that appropriates women's topics as a way to improve its image.

Equal opportunity

4



In addition to significant gender disparities, there are substantial differences in the living conditions of urban and rural communities. Poverty rates are on average three times larger in rural areas. Schooling opportunities are lower in rural areas, with many children dropping out of primary school. There are also large disparities in class. Previous research shows large differences in health indicators depending on the wealth level of the family.

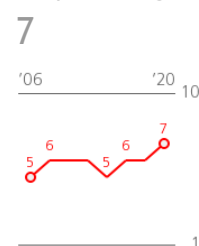
11 | Economic Performance

Since the early 2000s, economic growth in Morocco has been relatively healthy, generally between 3% and 6% per year. The country's economy remains dependent on agricultural output, with better or worse agricultural years leading to faster or slower growth. The Economist Intelligence Unit expects real GDP growth in Morocco to be about 3.6% in 2018. This is somewhat lower than the 4.1% seen in 2017. The higher growth rate in 2017 can be explained by a good harvest, while the lower estimated rate in 2018 is due to slower phosphate production and a more modest contribution of the agricultural sector to national output. However, the EIU suggests that weather conditions in the 2017/18 season were more favorable than expected, while Moroccan wheat production is set to be roughly the same as 2016/2017 record outturn, which probably fed into higher private consumption in 2018. Overall, this suggests that the Moroccan economy might be quite exposed to the negative effects of climate change. For this reason, Morocco lent its support to the African Agriculture Initiative in 2016; this policy is supposed to help small farmers in Africa cope with the consequences of climate change.

Strong external demand (notably in the automobile and aeronautic sectors) also supported GDP growth in 2018. For example, according to the government's estimates, aeronautical exports exceeded \$1.2 billion in 2017. Tourism is likely to remain a major driver of the economy, supported by steady growth originating from the euro zone and sustained growth in arrivals from non-traditional markets. Inflation has remained stable in recent years at around 2% and the Moroccan central bank expects it to decrease gradually to an annualized average of 1.6% in 2019 – 2020.

Unemployment has held relatively stable around 10%. The figure for urban youth, however, is much higher, with 38.8% recorded in 2016. Moroccan exports appear to have recovered in the last years from a drastic decrease in 2009. The country has also recovered from a dramatic halving of foreign direct investments (FDI) that occurred between 2008 and 2010. FDI flows into Morocco have risen since 2012, although there are general weaknesses in terms of investment in heavy industry and information technology.

Output strength



12 | Sustainability

Despite increased acknowledgment of ecological fragility, water use and soil degradation remain key environmental problems. Another major environmental challenge is the use of pesticides and fertilizers in the agricultural sector, which is well-connected with the closest circles of power.

In 2018, the National Office of Electricity and Drinking Water (ONEE) announced a plan to prepare for drinking-water shortage emergencies. The plan provides a strategy to cope with the water deficits experienced in some regions in Morocco during the summer. ONEE is seeking to develop new water sources, in part by deepening existing wells, while also improving maintenance of existing water sources to allow for more efficient production and distribution. In January 2019, a bill was adopted that modifies the law banning plastic bags in Morocco. The modified law now includes new definitions for the raw plastic material and semi-finished plastic material used in bag-making and defines a new legal framework for inspections and seizures, granting the authorities new powers on the issue.

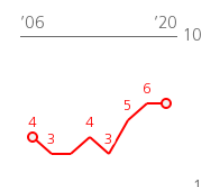
The king's Plan Maroc Vert, dating from 2008 promotes alternative energies as one of Morocco's core forward-looking projects. It includes the ambition of constructing 2,000 megawatts of solar-power generation capacity by 2020, divided between five major solar power plants. Once completed, solar energy will provide 38% of Morocco's annual electricity generation. Moreover, Morocco is the only African country with a power cable to Europe. In early 2019, Spain and Morocco agreed to build a third Moroccan-Spanish electrical interconnection as part of a developing strategic energy partnership between the two countries. These are indeed relevant steps in decreasing the country's reliance on coal.

Achieving universal literacy remains a challenge for Morocco. Compared to neighboring countries such as Tunisia, the expansion of education was rather limited after independence. This led to relatively high rates of illiteracy, particularly in rural areas. In the last decades, strong efforts have been made to increase enrolment, with considerable success. Current literacy rates among the young are high (94% of 7 to 12-year-olds in 2014, according to the 2014 census, compared to 80% in 2004), but overall adult literacy rates remain comparatively low at 68% (though rapidly rising from 57% in 2004). Despite the success in enrolment among the very young, dropout rates remain relatively high, with only 53% of middle school students progressing to high school.

There are substantial gender differences with regard to educational attainment. Whereas enrollment rates among seven- to 12-year-olds is similar for boys and girls (95.7% for boys versus 94.4% for girls, according to the 2014 census), differences increase at higher levels of education, with a girls-to-boys ratio of around 0.85 according to the World Bank. According to UNDP, the expected years of schooling

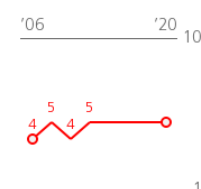
Environmental
policy

6



Education policy /
R&D

5



is 12.4 in Morocco, while the mean years of actual schooling is 6.5 years for men and 4.5 years for women. The UN Education Index assigned a Morocco a score of 0.529 in 2017.

Improving the quality of education is another major challenge for the government. In July 2017, then-Minister of Education Mohamed Hassad presented an action plan for education reform. The plan was based on four key factors: a pedagogical model, organizational aspects, school planning, and governance. For example, the plan aimed to make preschool education mandatory for all children aged four to 10 by 2027, and reduce size of school classes (aiming for 30 pupils per class in the first and second years of primary schooling and 34 per class for the four other levels). The secondary and high-school reform plan aimed to strengthen language and science skills. In terms of vocational training, the plan suggested that the number of trainees reach more than 449,000 beneficiaries in the public sector, 74,000 in the private sector, 4,535 within associations, and 4,155 in enterprises.

In 2015 to 2016, the number of vocational-training graduates reached nearly 316,000. The Office for Professional Training and Promotion of Work (OFPPT) provided training for some 71% of these graduates. The reform aims for a total of 1.7 million graduates by 2021. The number of students enrolled in higher-education institutions was about 838,000 in 2017, of whom 670,000 were in public institutions and 96,239 in private institutions. Some 33% of university-aged young people are enrolled in university, and the government estimates that this rate will rise to around 45% by the start of 2021.

Hassad, who was dismissed by the king in October 2017, after less than eight months in office, for alleged failures in reform implementation in the Rif region, also announced that 100 communal schools would be established in rural areas in 2017 to 2018, with further plans to create an additional 100 communal schools at the beginning of each school year in order to reach a total of 1,000 schools.

Hassad's successor Saïd Amzazi, the former president of Mohammed VI University in Rabat who was appointed in January 2018, seems to have taken up the challenge of tackling the many blatant weaknesses of the education system. Among other initiatives, he announced the introduction of specific study programs for future teachers at universities on March 21, 2018. In January 2019, he criticized the government's low 2017 investment of only 0.8% of GDP in research and development (R&D), which was still a notable improvement compared to the 0.3% of GDP disbursed in 2016. He likewise criticized Moroccan universities' frequent failure to make use of the research funds available due to "complex and slow" administrative procedures.

Governance

I. Level of Difficulty

Young people in Morocco make up 30% of the population. Their levels of exclusion are high: data from the World Bank show that the economic inactivity rate for youth aged 15 to 24 years is almost 70%. Of those participating in the labor force, almost 30% of Moroccans between 15 and 29 years of age are unemployed, with a majority of them being uneducated city dwellers. In consequence, a significant share of young Moroccans say they have considered leaving the country.

The economy still relies heavily on agriculture, which accounts for between 13% and 16% of Morocco's GDP, and employs 40% of the workforce. The vulnerability to rainfall fluctuations makes long-term planning by the government difficult. The informal sector in Morocco accounts for an estimated 40% to 80% of non-agricultural employment.

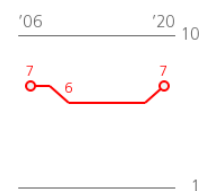
Morocco also struggles with poverty. Among the most problematic factors (access to financing, low workforce education levels and inefficient bureaucracy) highlighted by the expert survey from the 2017/2018 Global Competitiveness Report, low education levels within the workforce is the most structural constraint, as it is difficult to improve and is slow to change.

On the positive side, rural infrastructure, such as roads and access to water and electricity, has been improved over the last decade. Morocco is also strategically located; its proximity to Europe allows it to be a top touristic destination.

Civil society activities encompass a wide spectrum from politics, society, economics to the environment. NGOs, especially human rights and women's organizations, have a long-standing history in Morocco with the first human rights organizations being established in the 1970s. Since the 1990s, the number of NGOs has expanded, with the large majority being development-, sport- or culture-related organizations. In recent surveys, more Moroccans indicate some form of membership in voluntary organizations. Including "inactive members," the figure is 25%, a high share of the population compared to previous surveys that put the figure well below 10%. NGOs are encouraged by the regime, partly as a strategy to marginalize political parties. Only pro-regime NGOs receive public funding (e.g., the Mohamed V Foundation for Solidarity).

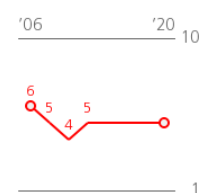
Structural
constraints

7



Civil society
traditions

5



Social trust is very low among Moroccans. According to data from the early 2010s, more than 80% of Moroccans believe that most people cannot be trusted. While newer, comparable data, for social trust is not available, it is unlikely that the country has seen dramatic improvements. Trust in political institutions is, according to new data from the Arab Transformations Project among the lowest in the Middle East and North Africa. However, events such as the Hirak Rif protests and the 2018 consumer boycotts might suggest that new patterns of social and political organization are emerging in the country.

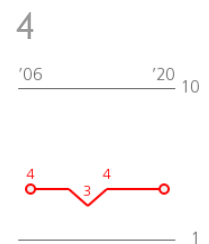
The Western Sahara conflict remains a constant, albeit mostly latent source of tension, but the related conflict is limited to the occupied territories. The great majority of Moroccans appear to agree with the regime's claim to these territories. In October 2018, the UN Security Council adopted Resolution 2440, extending the mandate of the UN Mission for the Referendum in Western Sahara (MINURSO) for six months. The resolution expressed the Council's full support for the intention of the secretary-general and his personal envoy to initiate a renewed negotiations process. Morocco and Polisario resumed direct talks under UN auspices in Geneva in December 2018 (for the first time in six years), and the parties agreed to hold another meeting in the first quarter of 2019.

Demand for greater cultural rights by Amazighs, especially regarding language, have largely been met in the last decade. The 2011 Moroccan constitution additionally recognizes Tamazight as an official national language; moreover, legislation was adopted in 2016 that provides for the use of Tamazight in official documents, and for its gradual introduction in state institutions such as schools and the parliament.

Following the suspicious death of a fisherman in 2016, large countrywide protests have been held over the last years in what has been known as the Hirak Rif protests. Observers have charged that state abuses have intensified in response to the social unrest, as the Moroccan state has reacted harshly, dispersing assemblies and carrying out hundreds of arrests. These recent events suggest that poverty, social exclusion and corruption will remain sources of social tension in Morocco.

The threat of terrorist attacks remains present in Morocco. A total of 17 people were killed in a bomb attack in Marrakech in 2011, and a terrorist attack left 45 people dead in Casablanca in 2003. More recently, in December 2018, two women (one Danish and one Norwegian) were found dead near the village of Imlil in the Atlas Mountains south of Marrakech. Moroccan security forces have arrested several suspects on terrorist charges related to the killings. The government anticipates that Moroccan fighters returning from Syria, Iraq and Libya will remain a major concern in the immediate future.

Conflict intensity



II. Governance Performance

14 | Steering Capability

Economic modernization and liberalization are clearly prioritized over political reforms that would challenge the regime's power base. The Othmani government (in office since 2017) has announced that it will focus on education, health and consumer prices. These issues are no doubt very important for most Moroccans, but the government suffers from an inability to set long-term priorities due to its lack of initiative and structural power vis-à-vis the monarchy. Most importantly, the government's unequal power relationships with the monarchy makes it less relevant when it comes to decision-making processes in strategic policy areas. Key policies are generally decided by the monarchy, which either "urges" the government to set them in motion or directly bypasses the government with royal commissions. In addition, many political parties are not dedicated to any political program. There is a flurry of reform/development activities and political initiatives in Morocco, but their prioritization, coherence, sources of funding, let alone the leadership's dedication to these policies is not always clear. Political reforms are often used to appease the international community or protesters, but the political will to implement them is low. Economic reforms have been aimed at strengthening foreign investment and boosting economic growth, but corruption and oligarchic tendencies have hampered the effectiveness of the reforms.

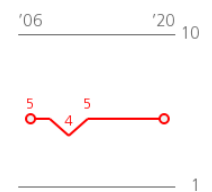
The implementation of economic reforms has generally been more successful than the implementation of political ones, which have less support from powerful actors. The PJD government is trying to slowly put some reforms of a technical nature into place but they have been reluctant to push for political reforms, and this trend has continued under Saadeddine el Othmani as Head of Government. Overall, Morocco does not lack in reform or development initiatives. For example, the high-speed rail connection between Tangiers, Kenitra, Raba and Casablanca, called al-Boraq ("Pegasus"), was inaugurated in November 2018, with King Mohammed VI and French President Emmanuel Macron taking the first trip.

However, many strategic plans and national charters remain as ambitious projects with little follow-up. Some initiatives become severely diluted once reaching the implementation phase (e.g., the upgrade of the Central Instance for Corruption Prevention). Even the reform of the personal status law, a landmark during King Mohamed VI's reign, has been criticized for a lack of financial support and incomplete implementation. The new law on violence against women has also been

Question
Score

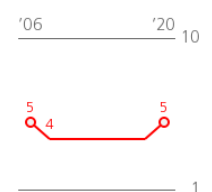
Prioritization

5



Implementation

5



criticized for not adequately specifying the duties of police, prosecutors, and investigative judges in domestic-violence cases.

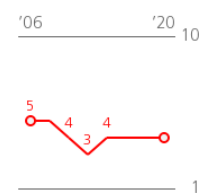
In general, when reforms do not threaten the political status quo, policies have a better chance of being implemented successfully. For instance, this was true with the budget deficit decrease and associated reforms of recent years, including the pension system reform, which was implemented despite opposition from some groups.

The Moroccan government does not suffer from a surplus of flexibility or innovativeness, but this results more from a lack of a political will than from technical incapacity or a lack of know-how. The government does engage in broad and ongoing consultation with international experts on a wide variety of policy issues, but when recommendations collide with regime interests, they are not implemented. However, the monarchy is very good at learning which policies are acceptable to Western governments. For example, an EU-Morocco twinning project on judiciary reform was launched in 2018. The project is funded by the EU, and is a result of cooperation between the Moroccan, French, Spanish and Belgian governments. The objective is to support the Moroccan Higher Judiciary Institute in learning from European and international best practices in the areas of governance, training and communication. Similar twinning projects address issues such as gender equality and energy. However, the repression of journalists, for instance, is still carried out via the judiciary or via a “boycott” of companies, a tactic clearly evident in relation to the Hirak Rif protests.

Elections are manipulated through gerrymandering, the toleration of vote-buying and post-election intervention in the formation of government coalitions. This was seen clearly when the Othmani government took office. The 2011 constitutional reforms enabled the monarchy to preempt any real threat to the maintenance of its power in Morocco, while removing international pressure to reform. When the political status quo is not threatened, however, certain innovative initiatives do result (e.g., Morocco’s ambitious plan to harvest solar energy). In contrast to the period during and following the Arab Spring in 2011, the monarchy does not today seem to think (for now) that broader political or constitutional reforms are needed to counter the protest movements in the Rif region or the consumer boycott movements in other parts of the country.

Policy learning

4



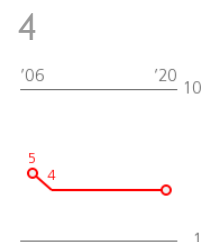
15 | Resource Efficiency

Morocco has around three-quarters of the world's reserves of phosphates (an estimated 50 billion metric tons), which constitutes its most important natural resource. The state-owned mining company, OCP, controls all phosphate mining activities in the country. According to the Natural Resource Governance Institute, Morocco's phosphate mining sector ranks 37 out of 89 countries in the 2017 Resource Governance Index. The score is boosted by a satisfactory enabling environment, but hampered by poor revenue management.

The Court of Auditors published information regarding the financial mismanagement of public companies such as Royal Air Maroc and the National Office for Drinking Water Supply, government projects such as "Maroc Numeric 2013," and the management of public services such as waste removal and transport. There is lack of transparency in budget data. According to the 2017 Open Budget Survey, limited information on the government budget is available to citizens upon request. Morocco's decentralization program has not experienced a devolution of power, resulting in expensive double structures where every representative institution (e.g., municipal council), is monitored by the equivalent of a regime-appointed executive. Another example typical of the costliness of Moroccan politics is the quota for women legislators in politics. To implement this quota, Morocco expanded the overall number of parliamentarians and local councilors to allow for exclusively female-held seats, rather than reassigning existing seats to female candidates.

Personal connections play a large role in civil servant recruitment although this does not necessarily imply that unqualified civil servants are hired. However, ministries as well as local municipalities struggle with large number of "ghost civil servants" (i.e., employees on their payrolls who do not work). The government has launched some e-government measures to increasing efficiency and reduce the scope of corruption and bribes in the civil service. For instance, a portal was launched that allows citizens to access a number of public services. A report by the OECD, however, suggests that the use of the service remains limited. Another major challenge is the mismatch between the country's labor-market needs and the higher education system. According to the High Commission for Planning (HCP), an annual average of 60,000 people graduated from Moroccan universities in the 2013 to 2018, but roughly a third of these graduates do not find a job that match their formal qualifications. The HCP has suggested that the Moroccan higher education system does not adequately prepare students for careers in the economy's most promising sectors, such as renewable energies, aeronautics and automobile manufacturing.

Efficient use of assets



In the structures of the Moroccan political system – a governing monarchy that dominates an elected government – lack of coordination is programmed. The high level of fragmentation of the party system leads to additional political conflicts around issues that are generally technical and to which the monarchy is immune. A Moroccan government typically consists of numerous parties that rather than working together and being united by a common policy vision, compete against each other for ministries, proximity to the palace or government resources that they can hand down to their supporters and local constituencies.

In addition, the largest government party, the PJD, is facing major internal divisions in relation to the consumer boycott movements. In June 2018, then-Governance Minister Lahcen Daoudi of the PJD had to resign after having taken part in a sit-in organized by workers at the Centrale Danone dairy firm. This can be seen as yet another example of the difficulties facing the Othmani government as it tries to retain popular support, but is barred from criticizing the monarchy or its allies too much.

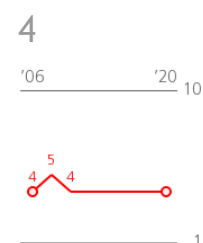
In July 2018, Head of Government Othmani said at a public event that corruption wastes about 7% of Morocco's GDP every year. He suggested that the most effective way to deal with the country's enduring economic and social problems would be to fight corruption in the public administration. Later in 2018, King Mohammed VI appointed Judge Mohamed Benalilou as ombudsman, and Mohamed Bachir Rachdi as president of the National Anti-Corruption Authority (ICPC).

Article 27 of the 2011 constitution recognizes that “citizens have the right to access information held by the public administration, elected institutions, and public service bodies.” Yet despite this constitutional framework, the process of translating this fundamental right into law has stagnated. A bill on the issue was first presented to parliament in July 2014 and finally passed in February 2018, but civil society organizations have expressed repeated concerns about its inadequacy.

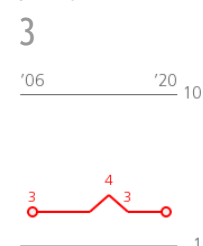
In 2008, the Moroccan government created an anti-corruption agency, the Central Instance for Corruption Prevention (CICP), which has an advisory role toward public, private and non-governmental actors in policies to prevent corruption. However, because it lacked the required investigative and sanction powers to pursue corruption charges adequately, it has remained toothless. However, the CICP has been behind a number of initiatives, one of which was implemented in 2012; here, the Moroccan parliament passed a law to protect trial witnesses and experts, as well as whistleblowers who report corruption. Despite this safeguard, individuals reporting on corruption still face various challenges.

While the constitution defines the Court of Auditors as “the supreme institution of public finance control of the kingdom,” this body continues to lack independence. The Court of Auditors publishes well-documented reports about mismanagement and does not shy away from pointing the finger at mismanagement in public spending, but royal economic circles are beyond its reach. For example, although the Court of

Policy coordination



Anti-corruption policy



Auditors is legally required to examine the accounts of the Office Cherifien des Phosphates Group (OCP), it has never done so. Corruption is also common in the interactions of citizens with state agencies. Bribes are often needed when interacting with the judiciary, the police or the hospitals.

16 | Consensus-Building

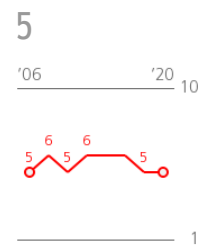
Morocco is a liberalized autocracy, so there is broad consensus with regard to support for the monarchy, and not necessarily in favor of democracy. While the PJD is generally in favor of certain reforms, even this party has recently made an effort to normalize its relationship with the monarchy, especially after the Benkirane/Othmani struggle.

The monarchy itself has meanwhile shown no commitment to meaningful constitutional reforms. The changes in the 2011 constitution have had no bearing on making outcomes more democratic.

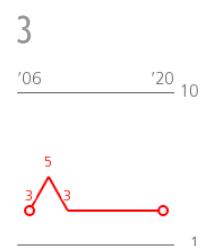
The king and all major parties are essentially in favor of a market economy, with the caveat that the king himself is Morocco's most important businessman, so rules are informally bent in favor of royal companies. Forbes Magazine put the king's net worth at \$5.7 billion in 2016, making him the fifth richest person in Africa, a noteworthy fact given that the country is relatively poor and has – besides phosphates – no relevant natural resources. In addition to his estates, the monarch's main source of wealth is the Société Nationale d'Investissement (SNI), the biggest private corporation in Morocco, which holds stakes in many companies.

Since the political opening of the late 1990s, reformers have either been co-opted or side-lined by the regime. The historical reform actors, the Istiqlal party and the Socialist Union of Popular Forces, were successfully co-opted into government from 1998 onwards and have since not exerted meaningful pressure for democratic reform. Until 2011, the only remaining credible opposition party was the Islamist Party of Justice and Development (PJD). Since the 2011 elections, the PJD is leading the government and suffering the same fate as Istiqlal. By 2016, it had begun to lose ground and cave in to the hegemony and political will of the monarch. The ouster of Benkirane in favor of Othmani in the process leading to the current government was a sign of the PJD's gradual subjugation by the monarchy – a major setback for any prospect for democratic reform. The only party actor with an explicit message of reform was the small leftist FDG coalition, which obtained very little popular support in the 2016 parliamentary elections. Protest movements occasionally press for democratic reforms, as was the case in 2011. The Hirak Rif protests and the consumer boycotts suggest that there is latent and perhaps growing discontent in Moroccan society, and that this might be a source of social unrest, but it remains unclear whether this might be channeled into broad social support for democratic reforms.

Consensus on goals



Anti-democratic actors



The Moroccan regime can be said to exploit and manipulate social cleavages in order to divide its opponents and position them against each other. As a consequence, it is the monarchy that manages cleavages between various actors. The left-Islamist cleavage is exploited to this end, and government responses to the Hirak Rif protests and the Jerada incident in 2018 can be seen in this light. The Amazigh-Arab cleavage, in contrast, has been managed with the goal of not generating a major Amazigh mobilization. Initiatives such as the recognition of Tamazight as an official language in 2011 have been successful in achieving this aim.

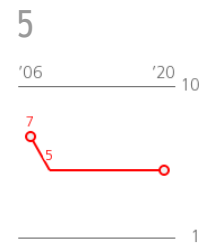
The key conflict is the dispute over the annexed territories in the Western Sahara. MINURSO, a UN peacekeeping mission, monitors a 1991 cease-fire between Morocco and the Polisario. This conflict does not represent a very salient cleavage within Morocco, as the monarchy has succeeded in making opposition to the official line extremely costly. However, it has strong implications for Morocco's foreign policy, with periodic outbursts of tension. Moreover, if Morocco's plans to formally integrate the territory come to pass, such a cleavage could become considerably more relevant domestically.

Civil society is welcome to contribute to policy formulation as long as it acts as a form of consultation. While NGO mobilization might have an impact, it does so through public pressure rather than direct consultation. For example, Human Rights Watch suggests that Morocco adopted the law on combating violence against women after a decade of effective advocacy from women's rights organizations. Public funding is mostly disbursed to NGOs that are less politically inclined (e.g., those working on broader development issues and education). The regime-controlled national media mainly give voice to mainstream civil society actors. Morocco is also attempting to position itself as a country welcoming global civil society events (e.g., by hosting the COP22 Summit in 2016 and the UN summit on migration in 2018). Dissenting opinions are at best ignored and at worst prosecuted, such as in the case of NGOs representing Sahraoui human rights activists or of those close to the Islamist Justice and Charity Organization (JCO). However, the broad repression launched in response to the Hirak Rif protests has worsened the situation for many civil society actors as well as journalists.

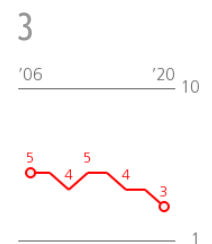
The Equity and Reconciliation Commission (IER), set up by Mohammad VI in 2004 to address human rights abuses under his father Hassan II, worked through December 2005, studying 16,000 cases and deciding to compensate 9,779 victims. While unprecedented at the time in the broader region, the commission's work was still criticized, especially for excluding abuses perpetrated in the Western Sahara region. As the security apparatus often failed to cooperate sufficiently, former perpetrators were frequently left unpunished, and many still hold high government posts. Talks with Polisario, even under UN auspices, have remained largely unsuccessful.

The National Council on Human Rights (CNDH), initiated in 1990 and upgraded in its competences in 2011, continues to investigate some disappearances, although its emphasis has shifted toward reparation programs at the community level. Victims in

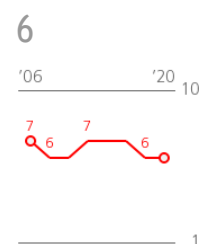
Cleavage / conflict management



Civil society participation



Reconciliation



various land-grab cases have not been sufficiently compensated; a recent request from Israeli government members for compensation related to property losses suffered by Jewish emigrants during the 1950s stirred controversy and protests among Morocco's elites.

17 | International Cooperation

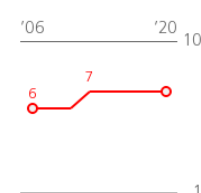
Morocco is adept at seeking assistance for its policies from international donors, and frequently secures significant amounts of funding from the United States and the EU. The country has sought to maintain close relationships with Western powers (e.g., France and the United States), primarily in order to manage its difficult relations with Algeria. The major strategic objective for Morocco long been to deepen ties with the European Union so as to gain economic and political support. However, there has been a shift in Morocco's strategic outlook in the last decade due to ongoing geopolitical power shifts. Partner countries in the Gulf – especially Saudi Arabia – are becoming more important for economic and political reasons, and sub-Saharan Africa is increasingly seen as a region of growing potential for Moroccan exports and investments. Morocco's use of "religious diplomacy" toward West African countries, as well as its support for an African free trade area, should be seen in this light. Following its various national, regional, and local development plans as well as special development plans for large municipalities such as Casablanca and Rabat, much progress has indeed been achieved in the development of the urban centers and certain high-profile infrastructure projects. The periphery, however, remains underdeveloped. The development of the Western Sahara remains a challenge so long as its legal status is not formally established.

Morocco is often viewed in the light of the violence and instability elsewhere in the region, affording it a comparatively favorable image. For example, in 2018, the World Bank's vice-president for the MENA region, Ferid Belhaj, said that Morocco was a "bright spot" in an otherwise rather gloomy region. Political instability, violence or outright civil war in other MENA countries makes Morocco look like a better case scenario. Morocco, moreover, offers a buffer zone for migrants from sub-Saharan Africa, a position that has become increasingly important for European partners in the context of the refugee crisis, and Moroccan-Spanish cooperation is deepening on this issue.

Morocco is the largest recipient of EU funds under the European Neighborhood Policy. For the 2014 to 2017 period, assistance to Morocco was indicatively programmed between €728 million and €890 million, of which €807.5 million had been allocated by the end of 2017. In 2013, Morocco and the EU signed a mobility partnership that aims to steer migration streams. Senior U.S. officials also regularly stress the importance of close relations and a "strategic partnership" between the two countries. According to USAID, the United States provided a total of \$70 million in assistance to Morocco in 2016, with around 22% of this being military aid.

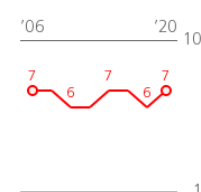
Effective use of support

7



Credibility

7



The European Union is pressuring Morocco to sign a readmission agreement for migrants. Negotiations for such an agreement started in 2000 and have continued over several negotiation rounds since; the 2013 mobility partnership did not end the negotiations. The Western Sahara conflict appears to be the only serious challenge Morocco faces in its dealings with the international community. Tensions have increased following a recent spate of incidents which put into question the international acceptability of Morocco's claims in the conflict. In 2016, the European Court of Justice's ruled that EU-Morocco trade agreements cannot be applied to the Western Sahara territory. Earlier, the UN secretary-general referred to the Western Sahara as territory "occupied" by Morocco, prompting Morocco to expel 73 staff of the MINURSO mission.

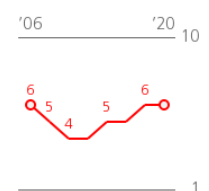
Moroccan diplomacy is mostly characterized by realism and strong concerns about its relations with Europe and the US. Morocco-EU relations suffered a historic low in 2016 with the ECJ ruling. European partners appear divided, with France pushing for continued close relations and other countries adopting a more critical stance over the Western Sahara. Migration flows shifted in 2018, with the Western Mediterranean route (from Morocco to Spain) becoming the most attractive way to get to Europe. In this context, the Spanish government announced in November 2018 that Morocco would receive an additional approximately €140 million from the EU Trust Fund for Africa to support border management in the Maghreb region.

Morocco is diversifying its international relations. In 2011, a strategic partnership was established with the Gulf Cooperation Council, with stronger ties with the Gulf countries deemed important for investment and development aid. These nations also back Morocco's claim to the Western Sahara. In a significant departure from the past, Morocco rejoined the African Union in January 2017, after having left it in the 1980s because of its recognition of the Sahrawi Arab Democratic Republic. This readmission must be seen in the context of Morocco's objective of expanding economic cooperation with West African countries, and of possibly joining the ECOWAS organization.

Relations with Algeria have long been hostile. In 2011, King Mohammed VI and Algeria's President Bouteflika emphasized the need for better relations, and several economic agreements were signed. However, the borders between the two countries have remained closed since the 1990s. In 2018, Morocco accused Algeria of facilitating Iranian support for Polisario. However, later in the year, Morocco, Polisario, Algeria and Mauritania met under UN auspices for the first time in six years to discuss the Western Sahara conflict. The parties were expected to meet again in 2019, as the UN is seeking to move the agenda forward. As of the time of writing, the parties have maintained their respectively intractable positions: Morocco says it is not prepared to grant Western Sahara anything other than regional autonomy within Morocco, while Polisario has demanded the right to hold a referendum on national independence for Western Sahara.

Regional cooperation

6



Strategic Outlook

An entrenched neo-authoritarian system and the absence of a pro-democracy reform coalition within formal political parties continue to obstruct meaningful political transformation in Morocco. The monarchy has repeatedly weakened the political opposition by co-opting major parties into government. This strategy has most recently been adopted vis-à-vis the Islamist Party of Justice and Development (PJD) following the 2011 and 2016 parliamentary elections. The PJD is not a threat to the monarchy, but rather serves to further the regime's guise as a champion for moderate Islam. The PJD, like its predecessors, has struggled to build a governing coalition from among the country's ideologically diverse and self-interested parties.

Human rights violations, lack of press freedom and the harassment of human rights NGOs continue to be worrying trends. These deficiencies have mainly attracted the attention of human rights organizations and press freedom watchdogs, but have not been properly taken up by intergovernmental actors. The ongoing disinterest of other governments signals their tacit toleration. In the wider regional context, Morocco's political stability is likely to become even more valuable and further insulate the regime from critiques of its civil and human rights records.

Economic transformation is well under way in terms of liberalization and, to a lesser extent, market regulation. The consistently low level of inflation and the PJD-led government's budget reforms bode well for macroeconomic stability in the near future. Morocco's economic stability as well as political constancy within a volatile region will most likely continue to attract foreign investment. In contrast, social safety nets and human development remain key challenges for Morocco. Health, unemployment, and poverty are seen as major sources of insecurity by Moroccans and must be forcefully addressed by the government. Urgent policy interventions are also required to address illiteracy, gender inequality and socioeconomic divides between rural and urban communities.

If the government fails on these fronts, a further intensification of protests seems probable, which in turn would be likely to provoke harsher state reactions in the form of police violence and judicial sentences. The question of undocumented emigration toward Europe will remain urgent as well, with a major impact on future EU-Morocco relations. Given that the European Union has much at stake here, especially if right-wing politicians continue to gain ground in Europe, both sides should work on a normalization of relations after the tensions following the 2016 rulings by the Court of Justice of the European Union. This would also be conducive to better environmental policies. Morocco has already taken steps to become a regional champion in the production and use of solar energy; this, accompanied by a more sustainable use of the country's scarce water resources, could be a promising field of cross-Mediterranean cooperation in the future.