

MOROCCO

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ISSUES

- Prior to the pandemic, Morocco's economy was improving due to poverty reduction, job creation, and the development of the world's largest solar plant and Africa's largest port. In 2019, Morocco welcomed 13 million tourists, the most in Africa, and it now ranks third after the UAE and Bahrain in the Arab world on the World Bank's Doing Business Index.
- In 2020 the economy faced stiff headwinds, with the government pointing to the "triple threat" of two years of drought in combination with local and global economic contractions. GDP declined by an estimated 6.9% and unemployment rose from 9.2% at end-2019 to 11.9% at end-2020. Agricultural exports, overseas remittances, and tourism were all hard hit. Morocco had risen to 121st internationally in human development but remained in the bottom 40% of countries. The economy is expected to grow by around 4% in 2021 as tourism and exports recover and the impact of the drought wanes.
- Morocco had a strong initial response to the COVID-19 pandemic, imposing lockdowns and closing its borders, but cases spiked over the summer and into the fall, peaking in mid-November. As of March 2021, it had roughly 480,000 cases and more than 8,600 deaths, comparable to Tunisia (one-third its size). So far Morocco has received 7 million doses of the AstraZeneca and Sinopharm vaccines and is vaccinating 50% faster than Germany and most large European countries, with one of the most efficient SMS-based sign-up systems in the world.
- Economic inequality and youth unemployment remain high, especially among university graduates, and are an ongoing source of unrest. Strong majorities of Moroccan youth believe in the ideals of the Arab Spring and would prefer to emigrate. Morocco typically has over 10,000 socioeconomic micro-protests annually. In 2018, an unprecedented boycott targeted companies tied to the king, who controls 8% of the economy.
- King Mohammed VI's political reforms and decentralization program are stalled and remain unfinished. Parliament and opposition parties remain relatively weak, with civil liberties seriously curtailed. Continued crackdowns on activists and journalists, including invasive "Pegasus" surveillance and detentions for "fake news," have grabbed international headlines. Morocco's human rights record in Western Sahara remains exceedingly poor.
- Hundreds of Moroccan foreign fighters have returned from Syria and Iraq. Some have been reintegrated, but more needs to be done. Morocco is encouraging African migrants to remain as lawful residents.
- In Western Sahara the Polisario Front, which controls 20% of the territory and contests Morocco's control of the rest, announced the end of a 29-year-old cease-fire in mid-November following a Moroccan attack on peaceful Saharan protesters. In a reversal of long-standing policy, the lame-duck Trump administration became the first country in the world to recognize Morocco's claims to the entire territory of Western Sahara, including the Saharan-controlled zone (under U.N. auspices), in conjunction with an agreement normalizing relations between Morocco and Israel.

US INTERESTS

- Enhance the security and viability of America's second oldest ally by assisting with pandemic response and recovery, institutional reform, socioeconomic resilience, and overall human security.
- Continue to foster improvements to civil liberties, human rights, and justice, as well as educational training and entrepreneurial job creation for youth and university graduates.
- Expand upon the U.S.-Morocco free trade deal, which benefits the U.S. twice as much as Morocco, supports more than 12,000 American jobs, and can support more.

- Assist Morocco in reducing flows of foreign fighters and African migrants from Morocco to Europe and ensure their (re)integration in Morocco.
- Support Morocco's exemplary religious education and counter-terrorism efforts in Africa, especially the training of female religious leaders known as *mourshidat*.

POLICY RECOMMENDATIONS

- Continue to support Morocco through USAID, the second Millennium Challenge Corporation compact, other assistance, and intelligence cooperation. USAID has maintained focus on implementing Morocco's reformist constitution and on human development index indicators.
- Invest in Morocco's private sector through the creation of an investment fund, by assisting with entrepreneurship and by helping scale to U.S. demand exports of popular products like textiles, citrus, "Moroccan Oil" (for haircare) and essential oils, and telecommunications and internet-based services, given skyrocketing Moroccan command of American English.
- Assist Morocco with scaling production to reap the rewards of bilateral free trade and stimulate the economy.
- Support U.N.-led Western Saharan final status talks between Morocco and Polisario in a way that respects human rights, democratic self-determination, and the principle of non-annexation of territory by force (in line with the U.S. position on Crimea and eastern Ukraine and on the South China Sea).