

MOROCCO TRIP REPORT

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BACKGROUND

Carol Engebretson Byrne, Executive Director of the Minnesota International Center and National Executive Committee member of the World Affairs Councils of America, took the initiative in planning the Leadership Mission to Morocco back in 1998 after successfully hosting then Moroccan Ambassador to the United States, Mohamed Benaissa, in Minnesota at a World Affairs Council Program.

Ambassador Benaissa had strong ties to Minnesota, having been graduated from the University of Minnesota, and was warmly welcomed back. During this time, he became familiar with the grassroots work of World Affairs Councils in international education and deep community involvement.

Carol Byrne broached the subject of Morocco's sponsoring a WACA leadership tour. With a long history of U.S.-Moroccan friendship, and particularly close ties between hundreds of Moroccan alumni (including Mr. Benaissa himself) and the University of Minnesota, it seemed a promising match.

Mr. Benaissa was initially very supportive of the idea, but felt the ultimate decision was up to the Foreign Ministry in Rabat. Upon the death of King Hassan II, and the accession to the throne by his son Mohammed VI, Mr. Benaissa soon found himself appointed Foreign Minister. And the rest, as Carol Byrne stated, "is history."

The official host for our delegation was Morocco's Ministry of Foreign Affairs, who arranged our itinerary. The complete schedule of meetings is attached, and several events were added on an ad hoc basis at the request of trip participants: a meeting with the American Chamber of Commerce in Casablanca; a follow-up meeting with the U.S. Consul General in Casablanca; and a meeting with perhaps Morocco's most well known political prisoner and exile, Abraham Serfaty, now an advisor to the King on mining and engineering.

Finally, this report and our leadership mission in general owe a large debt of gratitude to the translating skills of Jennifer Roberts. Unanticipated by all of us, and particularly by Jennifer, many of our briefings were conducted in French; therefore, what understanding of Morocco we were able to achieve is due in large part to her good-natured willingness to act as mission translator.

OVERVIEW

Whether our briefings were from the political sector or the economic one, each government official and/or private individual stressed two major themes: Morocco's 200+ year friendship with the United States and Morocco's current status as a country in transition to democracy.

Most of our briefings began with a warm welcome and the proud reminder that Morocco's friendship with the United States dates back to 1787, when the two nations negotiated a Treaty of Peace and Friendship that remains the longest unbroken treaty relationship in U.S. history. The friendship also continues through the present, with Morocco's late King Hassan II having welcomed every U.S. president since WWII. Even throughout the various stages of crises in the Middle East, Morocco has remained a staunch friend and ally, with perhaps the most tolerant and inclusive policies towards its Jewish community in the Arab world.

Just as our bilateral friendship was noted throughout our mission, so was the need for trade and investment from the West, particularly from the United States, as essential to transforming both Morocco's economy and its developing civil society. While aid is obviously appreciated, it was the opportunity to develop strong economic and commercial ties on a competitive basis, which our Moroccan hosts emphasized.

KEY ISSUES

GOVERNMENT

The Kingdom of Morocco is a constitutional monarchy, with the King, Mohammed VI, as chief of state, and the Prime Minister, Abderrahmane El Youssoufi -- a member of the opposition party -- as head of government. King Mohammed VI succeeded to the throne in 1999, following the death of his father, King Hassan II, who had ruled Morocco since 1961.

The government is organized into three branches: the executive -- king (chief of state) and Prime Minister (head of government); the legislative, with a bicameral legislature; and the judicial. The legislature consists of a directly elected lower chamber, "La Chambre des Représentants," and an upper body, "La Chambre des Conseillers," whose membership is indirectly chosen by professional bodies and trade unions. Our mission did not include a trip to Parliament or to the Supreme Court. Mustapha Mansouri, Minister of Industry, Trade, Energy and Mining, who hosted several of us at dinner one evening, briefed us on the legislature by top advisors to the King, as well as. The Cabinet currently consists of 33 ministers, having been pared down from 43 just last fall by the King.

The role of the King in Morocco is a given. No one seemed to sense any contradiction between the existence of a monarchy on the one hand, and an evolving democratic, civil

society on the other. Those we encountered not only in official meetings, but also on the streets or in the hotels, seemed genuinely proud of their king and loyal to the crown. In fact, the King himself seems behind many of the efforts to decentralize his own authority over the government bureaucracy. U.S. embassy officials in Rabat consider Morocco to be “the best example of democratic reform in the Middle East.”

Depending upon with whom one speaks, Morocco is either very close to becoming a meritocracy or has yet quite a ways to go. One government minister told us that 80% of the civil service is merit-based. We also asked the same question of a Moroccan university official, who merely rolled his eyes and smiled. The continuing importance of family ties and connections in securing government positions was confirmed by outside diplomatic sources. As one observer noted, “After 40 years, one cannot automatically move into a meritocracy. King Mohammed VI is going slower than he wants, because he’s surrounded by older, entrenched counselors.”

However, it clearly appeared that these entrenched attitudes are beginning to change. A well educated, professional class is developing and finding its way into the bureaucracy. Slowly, democratic and civil changes are chipping away at traditional practices. However, all of us were quite impressed with some of those long-standing advisors who also happen to be connected by family ties and money. Mr. Andre Azoulay, for example, Counselor for 11 years to both the current King and his father on economic affairs, could hold his own in any boardroom across the United States. An investment banker in Paris for 25 years before returning to Rabat, Mr. Azoulay personifies the type of advisor in whom brains and expertise carry as much weight as personal connections.

One factor that Mr. Azoulay credits for contributing to Morocco’s stability and growing democracy is its pluralistic political culture. The former one-party system was banned in Morocco in 1961. Currently, there are at least 17 political parties, including at least 5 opposition parties arrayed under the “Bloc Democratique” and 5 main pro-monarchy parties. The Istiqlal (PI), founded in 1944, is Morocco’s oldest party and helped lead the fight for independence from France and Spain. Suffrage is universal for all those over 20, and parliamentary elections are held every 5 years.

The King retains a significant degree of control, however, by appointing the Prime Minister, who, in turn, appoints a Council of Ministers that must be approved by the King. The King also appoints the judges of the Supreme Court. According to faculty at Rabat’s Mohamed V University -- the oldest university in Morocco -- the king has no direct role in developing legislation nor does he have a veto over it, but instead uses his power in setting policy.

GEOGRAPHIC AND POPULATION CHARACTERISTICS

Morocco is slightly larger than the state of California (446,550 sq. km), not including the disputed Western Sahara, which has been occupied by Morocco since its Green March there in 1975. The country has one of the richest, most variegated, and most beautiful topographies in the region. It encompasses two long coastlines (one on the Mediterranean and the other on the Atlantic), four distinct mountain ranges, fertile farmlands, and the Saharan desert.

Its superb geographic location, straddling both the Mediterranean and the Atlantic, provides Morocco with easy market access to Europe via Spain, as well as with a gateway to northern Africa. Therefore, as a department head for Morocco's Center for Export Promotion pointed out, even though Morocco's population is 30 million people, its market reach is 60-70 million.

The majority of Morocco's current population of close to 30 million lives west of the Atlas Mountains. 99% of the population is of Arab-Berber origin, with almost the same percentage being primarily Sunni Muslims. (Christians constitute 1% of the population and Jews 0.2%.) About 50% of the population are currently under the age of 20, which could have disturbing implications down the road should unemployment or underemployment remain unresolved issues.

The King is a member of the Alawites, who have been on the throne since the 17th century, and whose family is recognized as having descended from the Prophet Mohammed through Mohammed's grandson, Al-Hassan bin Ali.

ECONOMY AND DEVELOPMENT

More than anything else, economic development and increased and diversified trade relations were repeatedly stressed to us as key to ensuring Morocco's peaceful transition toward democracy. The fragility of Morocco's nascent non-governmental organizations (NGOs), and the need to satisfy the rising expectations of its young population, is worrisome to the country's economic and political leaders. As Mr. Mansouri, the Minister of Industry, Trade, Energy and Mining, put it: "Much of Morocco's population is still poor. The objective of the government is to fight poverty and the marginalization of a large part of the population in order to avoid the appeal of extremism."

Morocco's current economy is undergoing significant reform and modernization. During the early years of independence, Morocco started off on the wrong foot, with too much government regulation and protection and, according to a diplomatic source, a focus on "dividing the existing pie, rather than growing the pie." There was a lack of potable water, and illiteracy and social inequities were worse than usual in developing countries. (Even today, water remains a serious problem -- 90% of Morocco's available water supply goes toward irrigation.)

The first stage of serious reforms followed a 1980 debt crisis, during which the government simply ran out of money. At that point, following tough IMF measures, tariffs were lowered (in some cases from 400% to 35%), the budget was stabilized, and the process of rooting out corruption began in earnest. Total external debt, which rose to about \$23 billion about 5 years ago, has dropped to about \$17 billion today. Saudi Arabia deserves some thanks for its role in Morocco's debt reduction, having forgiven \$3 billion in loans following the Gulf War. Inflation has also been reduced from highs of over 12% to 2.5%, and the growth rate predicted for 2000 is 0.7%.

The biggest issue currently facing the labor-based Moroccan economy is the high rate of urban unemployment, which exceeds 20%. The King's economic counselor, Mr. Azoulay, considers that rate unsustainable, as is this year's dip in the growth rate (which had been 3%) due to drought during the last growing season.

But Morocco is rich in resources, and its economy is becoming increasingly diversified. Mining, agriculture, manufacturing, textiles and tourism are the chief income earners, and Morocco is said to have between two-thirds and three-quarters of the world's phosphate deposits. (Phosphates provide about 90% of mineral exports and are also a substantial part of the manufacturing and agriculture sectors.) While we were there, the country was abuzz about the discovery of a new oil field, which was being explored by the Texas oil company, Lone Star. But while that may open up some new energy sources, few expect it to be of such magnitude that it will have a dramatic impact on Morocco's economic fortunes.

To put Morocco on a sustainable path of economic growth, the country's leadership is looking toward several major tracks: attracting outside investment; diversifying export products and trading partners from Morocco's traditional reliance on Europe and, particularly, France (e.g., 65% of Morocco's exports go to Europe, and of that, 60% go to France); privatizing key sectors, such as telecommunications and electricity; and developing information technology. In each of these areas, all of our various hosts stressed the importance of a U.S. role. Chiding us in his very gracious and eloquent manner, Mr. Azoulay described the close ties between our two countries and yet wondered why US aid to Morocco has dropped so dramatically from \$100 million during the early 1990s to only \$10 million now. (This amount was confirmed by US embassy officials.) Although Morocco has never bargained for assistance, many officials there feel that our system of aid allocation is not on their side.

Morocco is putting quite a bit of energy into making itself an inviting place for outside investment. Foreign companies are permitted full ownership and repatriation of profits; regulations are moving toward transparency; and, while family connections may still carry undue influence, corruption is not considered a major issue. As the executive director of the American Chamber of Commerce in Casablanca explained, corruption in Morocco is more equivalent to the "good old boy" network back home than the out-and-out bribery rampant in some developing countries. Minister Mansouri described Morocco's efforts to reform customs laws, establish copyright and intellectual property rights and, in general, conform to the existing laws of the EU in order to form a free-trade

zone with Europe by 2010.

According to one official, some of our European competitors are currently receiving a 10-15% premium on their investments in Morocco because of their governments' participation in debt-equity swaps; Morocco has proposed a similar debt-equity swap to U.S. Treasury officials, but so far without results.

EDUCATION

Overall, Morocco's public education system is a work in progress. Several briefings described the shortcomings of the government schools in preparing Moroccan students for the "twentieth century, let alone the twenty-first." The overall illiteracy rate is currently about 50%, with a much higher rate for rural areas: 80-90% for women, and 60% for men.

To the government's credit, officials recognize the problem and list education and literacy as top priorities. In addition, non-governmental agencies such as the Moroccan Women's Forum have literacy programs as a major focus and receive some funding from the Ministry of Social Development for their projects. Unfortunately, there is a sense that the public education system by itself cannot handle the illiteracy problem, while the private, technical schools springing up to fill the gap are beyond the financial means of the country's poor.

Education seems to fare better at the higher levels, and the delegation visited two universities: the oldest university in Morocco -- Mohamed V in Rabat -- and the newest university in Morocco -- Al Akhawayn University in Ifrane. The latter is a private English-speaking university based on the American model and has a substantial number of American faculty in residence. It also offers exchange programs with universities in the U.S., including a joint doctoral program with George Washington University on Information Technology. Mohamed V University has a joint Moroccan Study Center at Harvard University.

One of the longest standing and largest international academic projects in U.S. history is the remarkable 30-year relationship between the University of Minnesota, the Kingdom of Morocco and the U.S. Agency for International Development (USAID). From 1969 to 1993, the Agronomic Institute Project provided technical assistance to Morocco's new Institut Agronomique et Veterinaire Hassan II (IAV). The goal of this innovative program was nothing less than to help Morocco develop its own agricultural university (IAV) to international standards of excellence. It helped IAV, which had only six faculty members -- all non-Moroccan -- and 12 students in the late 1960's, grow into one of the preeminent universities of agricultural science on the African continent. Today, its faculty of 350, 98% of whom are Moroccan, offers courses in 70 disciplines on two campuses to over 2,500 students.

This Minnesota project is an example of a long-lasting and successful collaboration that has shaped the development of two nations and created enduring bonds between people

of different cultures. It is a model that could be emulated between other U.S. and Moroccan universities.

But improving the educational system in Morocco also creates an accompanying conundrum: how to both increase the educational and literacy levels of Moroccans while at the same time resolve the serious underemployment problems of this educated class? Mr. Abdelouahed Belakziz, the President of Mohamed V University, recognizes the dilemma. The university is now trying to form partnerships with industry and outside entrepreneurs to modify the curriculum to adapt to Morocco's changing economy and prepare students to be "work ready," particularly in high-tech fields. Questioned on the extent of "brain drain" in Morocco, officials at Al Akhawayn acknowledged the problem and noted that only 1 out of 100 children reach university level and, of that number, many graduates move to Europe, particularly France. For example, 15% of Al Akhawayne's alumni are currently working outside Morocco.

The issues of women's rights and women's roles in a democratic society were woven throughout our meetings, but it appears to be the university setting where equality seems to be most easily attained. Those we met hoped that the democratic ideals that men and women learn during their university years would continue beyond the ivory tower to society at large. Referring specifically to the ripple effects of extending education to Morocco's remote, rural areas, a professor at Mohamed V University stated, "If you educate a woman, you educate the community."

CIVIL SOCIETY

Both government officials as well as outside analysts describe Morocco as a country in transition, and in the very beginning stages at that. Although Hassan II took some steps to loosen his grip toward the latter years of his rule, such as freeing most political prisoners in 1991 (including Abraham Serfaty whom we had the honor of meeting), overall the government and society were under tight control. His successor, Mohammed VI, is trying to dismantle some of the ossifying remnants of the old system, but the going is slow. Early steps taken by the new king include firing the much disliked Interior Minister Driss Basri; trying to change the regional governors; and modifying the Family Code, which is based on Islamic Code and administered by a judicial tribunal. This Family Code was cited by the Women's Forum of Morocco as the document that most restricts women's rights in Morocco. Interestingly, this code does not apply to non-Muslims; therefore, Jewish and Christian women living in Morocco have many more freedoms.

Committed to developing democratic institutions, but also aware of the fragility of the process, both Moroccan and U.S. officials emphasized the need for U.S. support particularly for non-governmental organizations. Outside observers believe these NGOs are the driving force behind reforms in Morocco and cite the Women's Forum, "rule of law" projects, health projects, and university linkages as examples. With approximately 40,000 various associations and non-profits operating independently of the government in various fields including literacy, education, health reform and women's rights, civil

society is doing its part to bolster Morocco's growing democracy.

Political and cultural pluralism is credited by Moroccan officials as keeping the radical elements of Islam at bay and the keys to social tolerance. In their view, radicalism is the result of a failed economy or a one-party system, which allows extremist elements to step into the vacuum. That is one reason why Moroccans see U.S. investment as a critical element in helping to create economic opportunity, providing much needed social services, and fostering NGO activities.

Morocco also claims to enjoy freedom of the press, and US officials acknowledge that the press has grown freer in recent years. Outside papers and news programs are readily available, and there is no restriction of Internet activities (with the exception of pornographic sites). Editors of both a daily newspaper, *Matin du Sahara*, and a weekly news magazine, *Maroc Hebdo Inter*, told us that there was no press censorship with the exception of three issues that are strictly taboo: the King, Islam, and Morocco's territorial integrity (code words for the problems in the Western Sahara -- see below). The editor of *Matin du Sahara* takes no issue with these restrictions. He describes the King and Islam as the two pillars of Moroccan society that give identity and a sense of purpose to Moroccan citizens.

FOREIGN RELATIONS

With the exception of Algeria and disputes over the Western Sahara, Morocco enjoys peaceful and stable relations with its neighbors. In spite of the conflict in the Middle East, Morocco has managed to avoid the fray. While sympathetic to the Palestinians, government officials credit the United States with playing an important role in a "devastating situation." As an Arab Muslim country in a volatile area, Morocco is truly exceptional in two areas: its open friendship and alliance with the United States and its continued tolerance towards and protection of its Jewish community.

What is also perhaps unrecognized is Morocco's early involvement in the Mid-East peace process and its hosting of Israeli guests, often secretly, even before Egyptian president Anwar Sadat's visit to Israel in 1977. King Hassan II was the second Arab leader to invite then Israeli Prime Minister Shimon Peres for talks in 1987. Years later, another Israeli Prime Minister, Yitzhak Rabin, stopped in Rabat in 1993 after signing a peace accord with the PLO to thank Hassan for his behind-the-scenes efforts.

Morocco enjoys well developed ties with Europe because of its history as a protectorate of both Spain and France, and its 15-km proximity to Spain. Noting similar "geographic, historic and spiritual ties" to Africa, Morocco is also reaching out to its African neighbors. It moved to liberalize trade with Egypt, Tunisia and Algeria. Demonstrating support for its poorer African neighbors, it was our understanding that Mohammed VI forgave all debts at the recent Cairo Conference.

Although a member of the Arab League and the Arab Maghreb Union (UMA), much of Morocco's relations with Africa is based on bilateral, rather than multilateral, ties. The

UMA, which Morocco helped found, exists more on paper than in reality, and Morocco quit the Organization of African Unity in 1984 when the OAU voted to seat a delegation of the Polisario, a rebel group seeking Western Sahara's independence from Morocco.

Relations with Algeria have been problematic over the years. Since 1994, Morocco has closed the border between the two countries due to a terrorist attack. The chief irritant in their relations is the continuing dispute over the Western Sahara. Although Algeria has no direct claims on the area, Algeria financially backs the Polisario fighters. Morocco claims sovereignty over the territory and, in 1975, the government staged a "Green March" into the Western Sahara to demonstrate this sovereignty. Currently, a UN-brokered cease-fire is in effect. A referendum on integration or independence, originally scheduled for 1992, has yet to be held. The main issue over the referendum concerns who is eligible to vote. The Polisario want only those who are resident in the Western Sahara who have fled north, into undisputed Moroccan territory, but would like to return to the Sahara once the political situation has stabilized. James Baker is the UN's special envoy on this issue.

SUMMARY

Overall, it seems that all of us left Morocco feeling that the U.S. has a very loyal, and very underappreciated, ally in the Middle East. As a moderate Arab country transitioning toward democracy, Morocco is looking to the United States for investment and support in solidifying its nascent institutions. While recognizing a political friendship that has existed for over two hundred years, Moroccan officials were quite clear in expressing their desire to build up the economic relationship on an equally strong footing.

With respect to WACA, a number of concrete follow-ups to the Morocco mission come to mind:

- ? Establish links to the universities we visited
- ? Seek to increase Moroccan visitors through the State Department International Visitor Program
- ? Write op-ed articles on the Leadership Mission to Morocco for our local newspapers
- ? Encourage individual world affairs councils to visit Morocco for a better understanding of the current circumstances in that country
- ? Include programming on Morocco in the ten World Affairs Councils that had representatives on the Leadership Mission
- ? Seek to brief the Moroccan Embassy in Washington, D.C. about our mission and findings
- ? Support Mike Maibach's offer to help develop a "road map" for Morocco's

telecommunications and information technology sectors -- one of the country's economic priorities.

Prognosis for Morocco's future development is generally positive: there exists a long state history of identity, stability and national pride. Political pluralism is encouraged, and efforts to reach out to the rural poor, women, and more marginalized members of society are a government priority. The military is loyal, and its influence is checked. With a relatively young king on the throne, and no threats to his rule, observers anticipate long-term stability and continuity -- major assets for Morocco.

But the fragility of Morocco's nascent democratic associations, as well as the need to satisfy the rising expectations of its young population, is worrisome to the country's economic and political leaders. Human rights issues remain somewhat of a problem, while compensation to those jailed and/or exiled under the former king is an ongoing issue. Without a strong economy, Morocco's alternatives are sobering. It has only to look at its next-door neighbor, Algeria, with its depressing regularity of terrorist acts, to see what the alternative could be.

It seems the U.S. would do well to heed Mr. Azoulay's words: "Don't wait for a problem. Invest in our future. Morocco is currently a very stable, peaceful, open-minded country, but don't take it for granted."