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AMERICAN FOREIGN DIRECT INVESTMENT IN MOROCCO:
HOW CAN WE HELP?

An Undergraduate Honors Thesis
Submitted in Partial fulfillment of
University Honors Program Requirements
University of Nebraska-Lincoln

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Abstract

As the flurry of modern-day threats begins to take their toll on the world, it has never been more crucial to examine interstate relationships. In this pursuit, this paper investigates contemporary American foreign direct investment efforts in Morocco by asking the following questions: (1) what areas of the Moroccan economy are in the most trouble; (2) how has the presence of American foreign direct investment impacted Morocco; and (3) how can these American-led efforts be improved? By answering these questions using case studies, this paper provides policy recommendations that can begin to alleviate some of the problems facing the Northwest African country.

Moroccan Government's decision to open their gates and restructure their economy in 1983 increased America's involvement in the Kingdom beyond economic development to include several important issues including gender inequality, climate change, healthcare systems, education, and economic empowerment. Relying on publicly available information, this thesis argues that America's foreign direct investments in Morocco have substantially improved the lives of Moroccans through the implementation of intersectional programming. Furthermore, this thesis offers recommendations on how the United States government can further improve their relationship with Morocco that is mutually beneficial.

Introduction

As the United States was struggling in its battle for independence from Great Britain, Sultan Mohammed III of Morocco was among the first heads of state in the world to grant American ships port access. By royal decree in 1777, Sultan Mohammed III provided the Americans with an economic ally and began what would become the longest unbroken diplomatic relationship in the history of the United States. With the more contemporary 2006 free trade agreement causing an increase in American and Moroccan exports from \$481 million to \$3.5 billion and \$446 million to \$1.6 billion, respectively, this bilateral partnership has led to shared prosperity for both nations (United States Department of State 2020).

However, the United States' oldest ally now finds itself facing environmental, economic, security, and health concerns which have most recently been further exacerbated by the COVID pandemic that promises to erase the economic, political, and social gains that this bond has generated over the centuries. The United States has a vested interest in further investing in, and therefore buttressing, both the Moroccan people and state through targeted foreign direct investment campaigns. In doing so, the U.S.' investments in regionally appropriate renewable energies, healthcare fortifications, sustainable and resilient development and farming technologies, and education would provide Morocco with the hard and soft infrastructure it needs to establish itself as a 21st century economic power capable of adapting to modern-day threats.

In this thesis, I investigate how American foreign direct investment efforts can be made more efficient in pursuit of its shared interests with Morocco. I will first provide a brief introduction to the nation itself. Then, I will discuss the Moroccan industries best suited for American foreign direct investment, including agriculture, transportation, manufacturing, and healthcare (Central Intelligence Agency 2021). These four industries, although broad, account

for over half of the Moroccan economy. I will then review these industries as they relate to the destabilizing threats currently facing the country. Afterwards, via a historical analysis of foreign direct investment in Morocco, as well as a synthesis of publicly available data from different sources, I will argue that American agencies are well-prepared and able to offer Morocco the assistance it needs to prepare for this century's challenges. Finally, I will provide recommendations for the most effective foreign direct investment policy changes. America's economic cooperation with Morocco is historic, and its continuation can lead to social developments that will thrust Moroccans into a positive feedback loop of prosperity and security.

Overview of the Kingdom of Morocco

Formally referred to as the Kingdom of Morocco, this nation's territory consists of roughly 440,000 mi² of land in Northwest Africa; this figure, however, does not include the disputed lands of the Western Sahara (Encyclopedia Britannica 2021). The country "retains much of its ancient architecture and even more of its traditional customs," which have sometimes collided with modernization efforts by various governing personalities (Encyclopedia Britannica 2021). Today, Morocco is a constitutional monarchy governed primarily by two legislative bodies (called the House of Councillors, and the House of Representatives, respectively) and the Prime Minister (Encyclopedia Britannica). This governing structure was established in the aftermath of Morocco's gaining of independence from French colonial rule in the years after WWII. However, its most well-established ancestor-state, the Kingdom of Mauretania¹, first emerged in 400 BC (Pennell 2003, Abstract).

¹ The Kingdom of Mauretania existed as various Tribal Berber Kingdoms from 400 BC until 25 BC, when it was integrated into the Roman Empire. The Kingdom's historical lands stretched across the Maghreb and included modern-day Morocco, as well as Algeria.

The various states that have claimed the territory of modern-day Morocco have contributed to the diverse ethnic groups, religions, and languages among the nearly 40 million people who call Morocco their home (World Bank n.d.). From the nation's capital of Rabat to its more isolated villages, various languages can be heard regularly. In addition to Moroccan Arabic (Darija and various regional dialects) and varieties of Berber, French, English, and Spanish are also regularly taught to Moroccan children.² These languages are spoken among the predominant ethnicities in Morocco, Arabs and Berbers, as well as the one percent of Moroccans who cannot be identified as either of the two and are comprised of people of diverse ethnic backgrounds (Central Intelligence Agency 2021). Morocco's state religion is Sunni Islam; despite the nation's constitution technically providing for a limited freedom of religion, discrimination against non-Muslims remains an issue throughout the country. I will begin my discussion with a focus on what is Morocco's most social institution of all, its economy.

Overview of the Contemporary Moroccan Economy by Industry

Agriculture

Considering its geographical size and position within the international community, the Moroccan economy "is well diversified," especially when directly compared to its Middle East and North African (MENA) neighbors (Encyclopedia Britannica 2021). Although its economy does have a relatively impressive level of variation, Morocco's geographic location, and particularly its "fertile north," makes agriculture a sector of national importance (Encyclopedia Britannica). This industry is responsible for roughly 15% of Moroccan gross domestic product (GDP), and some estimates project that "up to 40% of the working population" are employed in some fashion within this sector (United States Trade Administration 2020). The U.S.

² Arabic was first introduced into Moroccan territory via the Muslim conquest around 700 AD, and other foreign languages were popularized as a result of later trade and European expansionism (Abun-Nasr 1987, p.33).

International Trade Administration has reported that agriculture “has an outsized impact on the economy due to highly variable rain-irrigation-based grain production, its role as an employer, and its role as a major export industry” (United States Trade Administration 2020). Because employment statistics of the agriculture industry have already been discussed, I will elaborate on the variations that have allowed the industry to gain such importance to the national economy, as well as its products’ importance to Morocco’s exports.

International Trade Administration identifies three important subsectors within Moroccan agriculture. These include the “export-oriented farms [which produce] mostly fruits and vegetables,” the “dam-irrigated perimeters” that grow products for the “local market,” and the “rain-fed agriculture” that occurs both in the aforementioned fertile north as well as the southern and eastern parts of the nation (United States Trade Administration 2021). This mixture of agricultural operations has allowed Moroccan cultivators to nourish both their nation and export to international markets. Agricultural products like tomatoes, fish, and mollusks bring in billions of dollars of income from the international market (Observatory of Economic Complexity n.d.). The nation’s agriculture sector benefits greatly from having customers on all six habitable continents, from India to the United States, but is extremely vulnerable to the effects of climate change (World Integrated Trade Solutions n.d.); these fragilities and effects will be expanded upon in a later section. For now, however, a brief discussion of the transportation industry, another pillar of the national economy, follows.

Transportation

Much like its agriculture industry, the Moroccan transportation sector is quite varied in its makeup. It includes whole products like cars and trucks, as well as the individual parts needed to make those products. Such variation accounts for the sector being a pillar of the national

economy. Altogether, this industry accounts for about 19% of the nation's GDP (World Integrated Trade Solutions n.d.). Morocco's most fruitful relationships, specifically regarding the sale of transportation products and byproducts, are with western Europe. Nations such as France, Italy, and Germany have consistently purchased billions of USD worth of Moroccan air and space crafts, delivery trucks, trailers, and other forms of or parts for transportation. The last of the three major Moroccan economic sectors, manufacturing, will now be discussed.

Manufacturing

Following the pattern of the two previously included sectors, Moroccan manufacturing is, relative to the nation's size and geographic characteristics, among the most diverse in the world. Insulated wire manufacturing alone accounts for over three percent of Morocco's total GDP. Besides this, the nation's production of semiconductors and circuits, mixed chemical fertilizers, textiles, stone, glass, and other materials account for 28% of its GDP (World Integrated Trade Solutions n.d.). The variety of products manufactured in Morocco is a rather recent phenomenon that has been spurred on by the nation's "need to diversify production capacity and create jobs" and their desire to expand the available number of "trade partners" (Oxford Business Group n.d, "Manufacturing"). Despite different trading partners obviously demanding different manufactured goods from Morocco, there is an underlying theme of globalization that characterizes Morocco's recent efforts to expand its economy.

Diversity within a nation's economic sectors has always been a key indicator of potential success. Such variation in economic ventures has traditionally ensured that even if one sector were to entirely collapse, the entire economy would be spared from the ensuing suffering. However, this traditional economic wisdom has not been sufficiently tested during a time period in which economic, environmental, and extremist threats promise to endanger Morocco with

compounding and worsening crises. Exactly how these three issues are having – and will continue to have – detrimental effects on Moroccan society will be examined in the following section of this paper.

Healthcare System

The healthcare system in Morocco is relatively complex and encompasses several diverse actors who control various aspects of their national health services. Like in many other countries, this complexity personifies itself in the form of an arrangement divided between public and private providers. Public health services, designed to be made available to any Moroccan regardless of financial fortitude, are funded through a variety of means. For example, in 2019, the WHO indicated that the totality of Moroccan healthcare expenditures originated from at least six different sources. From greatest to smallest contribution, these were out-of-pocket spending, government transfers, social health insurance contributions, other private funds, voluntary health insurance contributions, and external aid (Global Health Expenditure Database 2014).³ These services are provided to civilians through the Ministry of Health and to security personnel through numerous military health centers.

This share of the national system comprises “nearly 70 percent of the [nation’s] total [healthcare] capacity” (Belabbes 2020). Since Morocco’s independence in 1956, the country’s public healthcare scheme has undergone impressive enhancements. For example, in just under 60 years, the number of public hospitals has increased “from 52 in 1960 to 159 in 2019,” which have the collective capacity to care for more than 25,000 people (Belabbes 2020). Routine visits to primary health facilities have been made easier as well, with over 2,000 dedicated centers spread across the country, with increasing attention paid to rural areas (Belabbes 2020).

³ Exact figures can be located in the Appendix.

Moreover, financially independent Moroccans have become increasingly able to elect to depend on domestic private healthcare facilities and practitioners for their medical necessities, in lieu of having to seek similar levels of care overseas. In fact, the country has witnessed a 378% increase in the number of available private medical offices in just under 30 years (Belabbes 2020). In 2019, there were a total of 359 private clinics that contained more than 10,300 beds capable of serving the most affluent Moroccans (Belabbes 2020).

Moroccans are guaranteed a right to healthcare by Article XXXI of their national constitution, which declares that “the state, the public establishments and the territorial collectivities work for the mobilization of all the means available to facilitate the equal access of the feminine and masculine citizens to conditions that permit their enjoyment of the right: to healthcare; [and] to social protection, to medical coverage and to the mutual or organized joint and several liability of the State” (Country Cooperation Strategy 2018). The most significant implementation of this public right came to fruition in 2005, when the Moroccan government instituted a “payroll-based mandatory health insurance plan for public and formal private sector employees,” thereby expanding the national rate of insured persons from 16 to 30 percent (Ruger and Kress 2007). Simultaneously, the government introduced “a publicly financed fund to cover services for the poor” (Ruger and Kress 2007). In 2019, Morocco spent roughly 5.3% of its GDP on healthcare services, or \$14 billion (Global Health Expenditure Database 2014).

This is the necessary foundation from which one can study the system of healthcare in the Kingdom of Morocco. The crises facing this crucial economic and social sector is examined in the following section of this paper, succeeding discussions on the economic, climate, and extremism crises facing the country.

Contemporary Crises Facing Morocco

Economic Crises

Morocco's economy is facing both internal and external pressures that have had negative consequences to the state and affected the lives of everyday people. The most fundamental mechanism of the Moroccan economy – its currency – is the Moroccan Dirham (not to be confused with the United Arab Emirates' currency). With respect to other monies, this Dirham has, historically speaking, been subject to rising market volatility (Bouoiyour and Rey 2005, 302-334). Many attribute this unpredictability to Morocco's relative dependence on foreign currencies, primarily those of the United States and the European Union; there is little to no remedy Moroccan officials can take to regulate their national currency because it is subject to external directives from the central banks of the economic powerhouses. The effects of this volatility can be seen throughout the entirety of the economy, from national industries to individual wallets. Inconsistent worth of the Moroccan Dirham makes owning, buying, selling, and manufacturing goods and services more complicated and arduous. Over the past few decades, this volatility has been proven to have “affect[ed both intra- and interstate] trade flows” (Bouoiyour and Rey 2005, 302-334).

In addition to the unpredictability of its currency's exchange rate, Morocco is facing an unemployment crisis. While the pandemic has exacerbated an already existing problem, there are systemic and climate issues that have caused the most harm. In 2020, Morocco's unemployment rate rose to almost 12% from just 9% the year before (Eljehtimi 2021). Moroccan officials have attributed the increase to the combining forces of the pandemic, as well as recent droughts that have devastated the nation's agricultural sector. These figures mean over 400,000 jobs and livelihoods were lost in just the last year. Morocco's younger generations were among the

populations most affected by this recent rise in joblessness, with the unemployment rate for those aged 15-24 increasing to over 31% (Eljehtimi 2021).

The COVID-19 pandemic, and specifically the responsive measures taken by the government on behalf of its citizens, have led directly to an economic depression. In fact, “household consumption has fallen by over 20%,” and “an already high youth unemployment rate pre-pandemic rose to 33%” (Paul-Delvaux, et al. 2020). While most officials project that these numbers will improve once the COVID-19 pandemic subsides, there is broad agreement that the nation will continue to face issues spawning from the division of labor within its economy. As previously mentioned, Morocco’s economy is heavily divided between three sectors – agriculture, manufacturing, and transportation. The recent, albeit gradual, rise of one additional sector, services, has marked the beginning of the modernization of Morocco’s economy. Due to the sector’s relative infancy, there is not much publicly available in-country data that would allow for an investigation of its importance or lack thereof. However, the International Labor Organization has published a helpful data set that indicates *who* (male or female) is working in Morocco, as well as *where* they are working (by sector). The referenced data can be found in the Appendix.

An analysis of this data confirms that the Moroccan economy is segregated largely by industry. The data also introduces the concept of gender-based discrimination in relevant economic industries. Take, for example, the agriculture sector. Moroccan agriculture, just like agriculture anywhere else in the 21st century, is not the most sought-after career. Therefore, it is not the most lucrative either. The hard and back-breaking work of this industry is generally compensated with low wages. In Morocco, as is the case around the world, women make up a simple majority of the agricultural workforce. At 53%, women statistically do most of the work

in an industry that comprises over one-third of the total national economy (International Labor Organization n.d.). Women are projected to retain their majority in the country's agriculture sector into the future. Meanwhile, women only comprise around 13% of the total industrial workforce and a little over 30% of the employed workers in the service industry (International Labor Organization n.d.). This data indicates that Moroccan men are more likely to be employed in higher-earning jobs and careers than their female counterparts. This income disparity, among many other social issues, contributes to unsustainable economic conditions throughout society.

High import costs are also plaguing this Northwest African country. The aforementioned 2006 free trade agreement between the United States and Morocco mitigated most tariffs and other barriers to trade between the two countries. Still, some tariffs continue to exist for exports like purebred breeding animals, carcasses, fish, human hair, and lentils; however, the agreement allows for these to be phased out completely in 2024 (Export.Gov 2019). Of course, however, Morocco has established trading relationships with many other nations that are not subject to that agreement. Morocco's implementation of a value-added-tax⁴ of up to 20%, para-fiscal tax⁵ of up to 25%, in addition to their standard duty-costs of up to 349%, have contributed to an insufficient and unsustainable national market (Export.Gov 2019). Because the Moroccan government has only slowly begun to limit its preference for in-country goods, these barriers to trade have made international life-sustaining products ranging from foodstuffs to technology much more expensive and unattainable to the general public.

As a result of the economic situation facing the country, the government has been forced to suspend its "foreign debt ceiling" in order to "borrow [the] money" that is necessary for its

⁴ A value-added-tax (VAT) is a "consumption tax on goods and services that is levied at each stage of the supply chain where value is added, from initial production to final point of sale" (Investopedia 2022).

⁵ A para-fiscal tax is a charge "levied by public or private agencies on the production or marketing of agricultural products with a view to financing activities for the benefit of the sector as a whole" (European Commission 1986).

own survival (Reuters Staff 2020). With Morocco's credit ratings, taking on such large external debts has resulted in the nation bearing a significant debt-to-GDP ratio of over 65% (Central Intelligence Agency 2021). While the government has decided that borrowing money to stimulate its economy is the best solution to its economic problems, it will likely have to take a different approach to confront the issues forced upon the nation by climate change.

Climate and Environmental Crises

Extreme natural disasters, water scarcity, and rising sea levels are all contributing to concerns that Morocco is among the nations most susceptible to suffering through climate change's greatest destabilizing effects. However, no climate change-related occurrence has played as much a role in disrupting everyday life in Morocco as droughts. As Verner et al. note in their 2018 World Bank publication, "droughts in Morocco are increasing in frequency and intensity" (Verner et al. 2018, Abstract). This worsens the nation's already challenging geographical situation, considering a significant portion of Morocco's territory is classified as a desert. Almost all projections indicate that "this trend will likely be more evident in the future," and the damages left behind will become increasingly overwhelming (Verner et al. 2018, Abstract).

In 2015, Moroccans were burdened by one of the most devastating drought cycles in recent memory. The nation began that year not receiving 89% of its expected rainfall in January. That negative trend carried onwards and in February, the nation was deprived of 71% of its anticipated precipitation (Verner et al. 2018, 116). While these numbers did eventually decrease throughout the year, the dryness of the early months had rippling effects throughout the country. Some examples of these effects were "heat waves [and] forest fires, [the latter of which] devastated hundreds of hectares of forest" (Verner et al. 2018, 117). Besides these tangential

effects, the drought also compromised Morocco's "rainfed crops...[which] are critical for domestic food security" and the country's overall food exports decreased in the aftermath of 2015 (Verner et al. 2018, 1).

Tragically, Morocco faces severe droughts while simultaneously being burdened by unprecedented flooding. In fact, instances of heavy rainfall and flooding preceded the aforementioned drought in 2015. Beginning in 2007, Morocco was subjected to "several extreme weather events including heavy rainfall" (Verner et al. 2018, 113). Such rainfall caused flooding, and also "caused damage to property and infrastructure and claimed numerous lives" (Verner et al. 2018, 113). In late 2008, Morocco again experienced unprecedented precipitation. This time, the country's reporting locations indicated that during the months of October and November, over "300 percent of the monthly means" of rain fell (Verner et al. 2018, 113). In 2009, "important infrastructure damage and human life loss in many cities and villages" were attributed to higher-than-average levels of precipitation (Verner et al. 2018, 114). In 2010, "heavy rainfall exceeded the monthly average by more than 500 percent" (Verner et al. 2018, 114). Similar patterns continued throughout the years before 2015.

The United Nations Development Program (n.d.) says that "observations from Morocco's National Meteorological Directorate show rising temperatures, less precipitation, and an increase in drought, widening the gap between water supply and demand." Specifically, it is estimated that the average temperature in Morocco will "rise between 2 and 5°C by" the year 2100 (United Nations n.d.). The temperature variability facing the nation threatens to permanently alter everyday life. Climate change is shifting both Morocco's wet and dry seasons and the temperatures one can expect in each. Still, climate change is already having more effects on the country than these. On Morocco's northern coastline, for example, erosion is occurring at "a rate

of 1 meter per year,” which has resulted in vast sediment deposits settling in waterbeds and affecting national farming yields. Moreover, the ocean is expected to rise by nearly two feet by the end of this century, which will present serious challenges to Morocco’s existing coastal communities (United Nations n.d.).

Economic and environmental concerns have, historically, compounded one another. Most economies have been developed on environmentally degrading practices, and when environmental issues do arise in a community, they oftentimes threaten peoples’ livelihoods. These two issues are interwoven in a manner that requires an analysis of one to consider the other. This analytical philosophy has become more popular in the Global North. A less common, though still important, consideration to make when analyzing any region of the world is the relationship between extremism and environmental and economic concerns; this relationship, specifically as it manifests in Morocco, is the subject of the next section.

Extremism Crises

For the purposes of this paper, extremism is considered to be an all-encompassing term used to describe all acts and actors whose primary intentions are politically motivated and violent in nature. There is consensus that “rising terrorist threats in the region have compelled Morocco to enhance the protection of its vast territory, long borders, [40] million citizens, and over 10 million visitors a year” (Alaoui 2017, Abstract). But what exactly is the history and nature of these rising terrorist threats? Answering that question requires an examination of the influence of external threats on internal ones, as well as the relevant support and penance mechanisms that have propagated terrorism in and around Morocco.

Beginning with the internal threats, as Rogelio Alonso and Marcos García Rey note, “Moroccans have been disproportionately involved in jihadist terrorism” (Alonso and Rey 2007,

Abstract). In fact, the nation has been identified as “one of the largest producers of terrorists and insurgents in Afghanistan, Iraq, and throughout Europe” (Alonso and Rey 2007, Abstract).

Through a careful investigation, this research team has determined that there are three driving forces that motivate Moroccan terrorists. They are (1) “the influence of global jihad on Moroccan terrorists,” (2) “the growing Islamization of the country,” and, most important to this research, (3) “deteriorating socioeconomic conditions” (Alonso and Rey 2007, Abstract). These are the three factors that the research team attributes to the “indiscriminate terrorism against civilians in Morocco,” but also to foreign areas of conflict such as “Bosnia, Chechnya, Indonesia, and Afghanistan” (Alonso and Rey 2007, 571).

Moroccan jihadists’ engagement in terrorism has largely been influenced by the “spectacular nature of the 9/11 terrorist acts” (Alonso and Rey 2007, 572). Moroccan terrorists have tended to mimic techniques pioneered by other international jihadists. For example, Moroccan suicide bombers became prevalent only after “suicide attacks [that were] carried out in Saudi Arabia” by other jihadists in early 2003 (Alonso and Rey 2007, 572). This particular attack claimed the lives of dozens of innocent Saudis. Moroccan terrorists’ mimicry was found to be motivated by this type of attack having a “high fatality rate and strong psychological impact” (Alonso and Rey 2007, 572). In fact, Moroccan jihadists were so inspired by the 2003 attack in Saudi Arabia that they launched their own offensive in Casablanca in May of that year. The Moroccans who perpetrated the attacks – which killed over 40 innocent people – all “hailed from one of Casablanca’s most depressed slums” (Alonso and Rey 2007, 572).

The increase in violent terrorism that began to strike Morocco with a certain ferocity in 2003 must be understood in the context of the War on Terror and Al Qaeda’s omnipresence in the world as a terrorist organization. In fact, Alonso and García Rey explain that “jihadism in

Morocco is very much related to Al Qaeda” in both its “rationale and development” (Alonso and Rey 2007, 572). In 2003, before the terrorist attacks in Casablanca, Osama Bin Laden “identified Morocco as a [sic.] target after including the regime in a list of ‘apostate’ Arab governments” (Alonso and Rey 2007, 571). Among other reasons, this decision by Osama Bin Laden is thought to have been influenced by King Mohammed VI’s decision to provide support to America during its War on Terror. After this designation became known, Moroccan officials were increasingly worried that an influx of their fellow citizens who fled to Afghanistan in support of Bin Laden’s jihad would work to develop an “Al Qaeda connection [within] the country” (Alonso and Rey 2007, 572). In hindsight, their fears were well-warranted.

That is, of course, because Al Qaeda did develop a sophisticated terror cell that operated out of Morocco and manipulated down-trodden Moroccans into providing the manpower for it. However, Al Qaeda’s foothold in the country wasn’t a product of just economic conditions, or even a standard jihadist recruitment focused on defending fellow Muslims, as is so often espoused. In actuality, some of the Moroccan monarchy’s political and religious decisions provided fertile ground for extremist interpretations of Islam to take root in the country. Specifically, the monarchy’s proselytization of Wahabism and Salafism directly “led to the development of an endogenous radical Islamist ideology in Morocco” (Alonso and Rey 2007, 573). These developments were aided by religious leaders who “conveniently manipulated” certain aspects of each tradition in order to better provide “an ideological framework to become involved in conflicts throughout the world,” and bring their experiences and knowledge back home to the Kingdom (Alonso and Rey 2007, 573).

Al Qaeda wasn’t – and isn’t – the only terrorist organization to operate out of and threaten Moroccan territory and sovereignty. In more recent years, members of the Islamic State

(Daesh) have been caught in Morocco with a variety of terrorist paraphernalia, including “firearms, ammunition, butane gas bottles, two belts for making suicide bombs, fire extinguishers, fertilizers, unspecified liquids, a thermometer, a metal tube for making explosives and bomb-making instructions (United States Department of Homeland Security 2017). The Government of the United Kingdom has issued a travel warning for Morocco, indicating “there is an increased threat linked to the number of Moroccans sympathetic or belonging to Daesh (formerly referred to as ISIL) and other extremist groups,” adding that “authorities regularly report the disruption of terrorist cells across the country” (Government of United Kingdom n.d.).

Notwithstanding these three threats concurrently facing Morocco, whether they be environmental, economic, or extremism, Morocco continues to dominate the [Middle East and North Africa] region in “foreign direct investment outflows and the export of services,” as well as being “one of the most important recipients” of such investment (Bouoiyour 2007, Abstract). There are a variety of factors that have kept foreign investors interested in the Kingdom of Morocco. Such interest is not new, either. The next section will introduce some of the largest determining factors of foreign direct investment in Morocco. It will also include a case study of Spanish ventures in Morocco; Spain is among the most involved nations in the world when it comes to investing within Morocco.

Healthcare Crises

Despite the aforementioned healthcare transformations undertaken by the government in recent years, the sector’s capabilities remain less than ideal. According to a recent report published by the World Health Organization’s Eastern Mediterranean Bureau, Morocco’s healthcare system is afflicted by several crises of varying severity (National Health Profile 2015). These include, but are not limited to, the spread of both communicable and

noncommunicable diseases, breakdowns and bureaucratic inadequacies, a lack of personnel, and, of course, the COVID-19 pandemic.

The spread of diseases – either communicable or noncommunicable – is endemic throughout the Kingdom. HIV, Tuberculosis, Malaria, tropical diseases, and vaccine-preventable illnesses are among the most common ailments. While the rates of infection of these sicknesses are noteworthy, non-communicable diseases, those which cannot be passed from person to person, are more destructive to the Moroccan people. In fact, “75.3% of all deaths” are caused directly by afflictions such as cardiovascular disease, cancer, respiratory disease, and diabetes (National Health Profile 2015). Roughly ten percent of adolescents smoke cigarettes, and 20 percent “live in homes where others smoke in their presence” (National Health Profile 2015). Elevated levels of alcohol consumption, insufficient physical activity, and high blood pressure are also present throughout the Moroccan population (National Health Profile 2015). Tragically, the WHO estimates that one out of every four Moroccan adults will die prematurely due to this grave reality.

Compounding the situation is the country’s rural-urban/wealthy-impooverished divide. Morocco’s ability to treat its citizens who suffer from noncommunicable diseases is largely reserved for those who can afford the private healthcare system – less than half of the “11 essential medicines for treatment of noncommunicable diseases are available in the public health sector” (National Health Profile 2015). Furthermore, the number of available healthcare personnel in rural areas is diminutive in comparison to those who chose to practice in cities such as Casablanca and Marrakech. Moroccan officials attempted to address this reality through a proposition to require all medical students to work in underserved communities for a period of

two years. Unfortunately, this suggestion resulted in a two-month long protest that was “the longest health worker action initiated in Morocco’s history” (Lofti and Bentaleb 2015).

These protests rendered an already precarious staffing situation even worse. Although the World Health Organization has set its ideal number of physicians per 650 inhabitants at one, Morocco only has one doctor for every 10,000 citizens (Guerraoui 2019). This equates to the country’s population having the chance to receive treatment from two times fewer physicians than the WHO’s base recommendation. This statistic has, in turn, resulted in Morocco’s classification as a country with “an acute shortage of healthcare workers,” according to the WHO. The nation’s health ministry has estimated that the deficit of medical and paramedical staff facing the country to be nearly 130,000 personnel. This problem, rooted in the professionals’ pursuits of better living and working conditions overseas, has been exacerbated by an unrealistically competitive public selection process, budgetary constraints, and unexpected retirements and/or resignations (Belabbes 2020).

The country’s healthcare infrastructure is therefore “unable to provide vital care due to a grave lack of health care staff” (Semlali 2010). Worse yet, this shortage of staff has been accelerating because Morocco is “included among the countries that remain extremely vulnerable to the exodus of health care professionals to other countries” (Semlali 2010). This issue could not have presented itself at a worse time than during the COVID-19 pandemic, which has overwhelmed the country. Since the first case was identified on March 2nd, 2020, over 1.16 million cases of the disease have been confirmed in the country, 1.14 million Moroccans have recovered, and, tragically, 16,000 of their compatriots have succumbed to their infection (Crisis 24 2020; World Health Organization Country COVID-19 Dashboard 2022). Despite these crises,

Morocco continues to be a top destination of foreign direct investment. The following section will discuss this reality while providing a brief history of the practice in the country.

Historical Analysis of Foreign Direct Investment in Morocco

International Monetary Fund and World Bank Entries

Although there is evidence of foreign direct investment being present in the country in the early 20th century, the details of contemporary investment efforts are more numerous and valuable to this study. Specifically, flows of foreign direct investment into the country began to increase exponentially in the 1990s as a direct result of the Moroccan government's decision to accept the economic restructuring terms set forth by the International Monetary Fund (IMF) and World Bank's "adjustment plan of 1983" (Bouoiyour 2007, 4). Many credit this adjustment plan with reimagining the Moroccan economy into what it is today – a more diverse and varied one. Despite still heavily relying on agriculture, the economy prior to the IMF and World Bank intervention was even more so. It was, in fact, this restructuring of the economy that influenced so many foreign backers that Morocco was worthy of their investments despite finding itself in a neighborhood typically inhospitable to such partnerships.

So, where did the foreign direct investment go? Due to the nature of private ownership of corporate investments, and the bureaucratic red tape of government investments, many efforts remain unknown. However, publicly available records corroborate the assertion that foreign direct investment in Morocco was inspired by the 1983 economic reforms. For example, in the year 1950, about half a percentage point of Morocco's GDP was attributed to inflows of foreign monies. This low level of investment persisted throughout the 1960s, 1970s, and early 1990s, and began to rise in the mid-1990s to one-and-a-half percentage points of Morocco's overall GDP. As previously mentioned, the IMF and World Bank's restructuring plan was agreed to in

1983. Once the society and its institutions were able to adapt to its requirements, unprecedented levels of foreign monies poured into the nation. In 2001, for example, foreign direct investment accounted for over seven percent of national GDP.

According to the United States Department of State (Climate Investment Report 2020), Morocco has historically encouraged foreign investors to prioritize “sectors like manufacturing,” as well as other “key revenue-earning sectors, such as the automotive and aerospace industries.” While each industry provided investors with unique pull factors, there are several that stayed true regardless of what industry an investor was interested in. One such pull factor was Morocco’s “relatively stable political system” (Němečková 2021, Abstract). Political instability is closely related to economic struggles, and both are worrisome for foreign investors. Another pull factor has been Morocco’s increasingly business and outsider-friendly regulations concerning investment, employment, and related fields. Over time, the Moroccan government has made investing in the nation and its people much easier, and even provides more sophisticated guidelines and resources that take out much of the footwork needed when investing in a foreign nation.

Moroccan efforts to entice foreign investors to bolster its industries and people have paid off. In 2019, over a billion U.S. Dollars invested into the country came from a variety of foreign sources. One of the countries most heavily involved in Morocco, as far as foreign direct investment is concerned, is Spain. Spanish firms have historically, both before and after the 1983 realignment plan, taken a keen interest in Morocco. While there are several different reasons for this, this paper will consider the most frequently cited motivations for Spanish investment within the Kingdom.

Spanish Ventures

Among the most often cited reasons behind the referenced investment originating in Spain is “Morocco’s geographical proximity, strategic location, and workforce” (Quer and Clavere 2007, Abstract). For Spanish investors, there is an argument in favor of investing in Morocco that is rooted in its relative closeness to their country of origin; this seems like an obvious, and widely applicable, pull factor. However, there is something much more unique and captivating about Spanish investment in Morocco, historically speaking.

Whereas typical foreign direct investment has been characterized as inflows of money to in-state actors who run industries, Spanish investors have taken a different approach. Instead, they pursue opportunities that allow them to maintain full ownership and operational control over whichever business, industry, or technology they invested in. This unique “total control” approach is advocated for by the Spanish Secretary of Trade and the Spanish Institute of Foreign Trade. Companies like Irizar and Alsa (both related to transportation) have found that approaching their foreign direct investments as opportunities to involve themselves in the country, rather than being passive backers of other operations, yields stronger in-country relationships with their partners and greater shared economic prosperity. The success of these Spanish firms begs the question, are American strategies following these strategies, and are they producing the same results?

Contemporary Foreign Direct Investment Strategies in Morocco

American Economic Investment in Morocco

Present-day American Foreign Direct Investment in Morocco can be distinguished between both public and private ventures. One of the most well-known private investors in Morocco is Boeing, though specifics regarding their involvement in the country are difficult to

find. Due to the excessively private nature of Boeing-like companies' foreign operations, this paper will focus on public ventures. Several of these efforts will now be discussed.

The primary American providers of foreign direct investment in Morocco are “USAID, the Middle East Partnership Initiative (MEPI), and the Millennium Challenge Corporation” (United States Department of State 2020). USAID, or the United States Agency for International Development, has developed, funded, and implemented a variety of projects intended to advance the quality of life for Moroccans. These projects are aimed at providing meaningful improvements in the social sectors of “women’s political and economic inclusion,” national “water scarcity,” “youth employability,” “public education,” and “democracy and governance” (United States Agency for International Development 2020, Fact Sheets). These USAID projects, in addition to many others, have become huge successes in Morocco; but how exactly was this success achieved?

As mentioned in the *Economic Crises* section of this paper, the disparities between men and women in Morocco have major implications for the nation as a whole. In response, USAID has decided to address what the agency deems to be the “underlying causes of instability in Morocco by providing positive opportunities for youth with a strong focus on young women, who make up a mere 23 percent of the labor market” (World Bank 2018). USAID has focused on ensuring their investments empower women because the unemployment rate among those without degrees and those with degrees is 13.8 percent and 17.1 percent, respectively; these rates are higher than the national average. Moreover, the unemployment rate of those with a vocational training certificate is 36.5 percent for women, compared to just 19.3 percent for men (United States Agency for International Development 2020, Closing the Gender Gap).

Specifically, USAID has worked to address these gender inequalities through the development and implementation of several key programs. These include USAID’s Career Center,

which is focused on “designing and delivering work-readiness training and career-counseling services” to over 40,000 Moroccan women; the Civil Society Strengthening Program, which works “with civil society groups to develop indicators that capture gender imbalances and social exclusion so that [civil society organizations] can better perform advocacy and watchdog roles on gender issues;” the Favorable Opportunities to Reinforce the Self Advancement of Today’s Youth Program, which “partners with local community actors to tackle deep-rooted gender issues to encourage greater female participation in school, the workforce, and extracurricular activities”; the National Program for Reading, which “offers professional development coaching for women and works to develop policy actions that reduce stigma for female teachers”; the Training Academy for Heavy Duty Equipment and Commercial Vehicles, which “[developed] female-targeted promotional materials and [made] training facilities more female friendly by providing separate sanitary facilities and changing rooms;” and the Community Oriented Policing Activity, which “focused on [providing spaces for women to collaborate] with police on security issues” (United States Agency for International Development 2020, Closing the Gender Gap). All of these programs were formulated to take gender inequalities into account, and have, among many goals, that of uplifting Moroccan women and giving them a proverbial seat at the table.

In addition to USAID, the Middle East Partnership Initiative (MEPI) is another federal program that seeks to “advance stability and prosperity” within the region (Middle East Partnership Initiative n.d.). One of the initiative’s main foci is helping individuals and on-the-ground organizations to take advantage of available economic opportunities. In pursuit of this goal, MEPI has provided and infused targeted economic support into a variety of sectors, ranging from construction and engineering to young start-ups. With the help of the Near East Foundation (NEF),

which is primarily charged with implementing the American investments on the ground, MEPI financed what is known as the Al-Rawabet project.

This project “strengthens entrepreneurs by linking business development services and incubators together and increasing their capacity to meet the needs of businesses” (Middle East Partnership Initiative 2020). One of MEPI’s most well-known successes is Hygiène Pro, a pest control company located in the Marrakech-Safi region of Morocco. MEPI’s foreign direct investment helped Hygiène Pro and its founders, Rayna Laouane and Jaouad Lakhouaja, “present the business’s services to 60 representatives from local restaurants, hotels, and other businesses to attract new clients” (Middle East Partnership Initiative 2020). The MEPI-based aid could not have come at a better time, as was the case with the rest of the world, Morocco found itself in the midst of the COVID-19 pandemic. Capitalizing on the resources and relationships offered by MEPI’s investment, Hygiène Pro was able to “[expand] its services to respond to current needs;” in addition to its standard pest control services, Hygiène Pro has undertaken the challenge of providing Moroccans with government-sanctioned disinfecting services (Middle East Partnership Initiative 2020). MEPI’s investment, and NEF’s implementation of such investment, has helped businesses like Hygiène Pro weather the storm of COVID-19 and actually experience “business growth and the addition of many new clients” during these unprecedented times (Middle East Partnership Initiative 2020).

Besides USAID and the MEPI-NEF partnership, in 2004, the U.S. Congress provided funding for the creation of an independent agency it calls the Millennium Challenge Corporation (MCC). The stated goal of the MCC is to “lead the fight against global poverty” (Millennium Challenge Corporation n.d.). To this end, the MCC “provides time-limited grants promoting economic growth, reducing poverty, and strengthening institutions” that “not only support

stability and prosperity in partner countries but also enhance American interests” (Millennium Challenge Corporation n.d.). The MCC operates all over the world, including of course, in the Kingdom of Morocco.

The MCC currently has one ongoing project in Morocco, but the organization is also well known for one other project that came to an end in 2007. The projects, called the Morocco Employability and Land Compact, and the Morocco Compact, respectively, totaled almost \$1.2 trillion in direct investment into Moroccan industries and the overall economy. Beginning with the latter, the Morocco Compact sought specifically to modernize “industrial sectors such as textiles, agribusiness, fishing, and handicrafts” (Millennium Challenge Corporation 2007).

This Compact, which began its five-year long implementation in September of 2008, encompassed a variety of sub-projects. Some examples of these include the Artisan and Fez Medina, the Enterprise Support, the Fruit Tree Productivity, and the Small Scale Fisheries projects (Millennium Challenge Corporation 2007). Regardless of which sector of the economy each project was aimed at buttressing, each operated under a common mission: expand productivity, develop employment, and support the Moroccan people (Millennium Challenge Corporation 2007). The MCC’s ongoing project, the Morocco Employability and Land Compact, has been fully operational inside the country since June of 2017. To date, this particular Compact has expended almost \$100 million of its total \$450 million budget in an effort to “improve the quality of secondary education” and “increas[ing] the quality and relevance technical and vocational education and training” (Millennium Challenge Corporation 2015).

Finally, through its participation in COVAX, the United States Department of State has facilitated the distribution of over 2.6 million doses of COVID-19 vaccines throughout the Kingdom. These American donations, which can and should be thought of as foreign direct

health investments, account for nearly five percent of Morocco’s total vaccination campaign.⁶ The United States has directly invested in the health, wellbeing, and safety of 1.9 million Moroccan citizens (State Department). In addition to vaccine diplomacy, the Department of State was party to a group that oversaw the donation of several medical-grade freezers that will enable Morocco to store up to two million mRNA vaccines (Hamann 2022). Under Department guidance, the American military was able to offer their Moroccan partners a “\$1.5 million field hospital,” and expects to soon contribute “a \$1.7 million field intensive care unit system and a mobile emergency room annex” (Hamann 2022).

The State Department, USAID, MEPI-NEF, and the MCC have all been the primary mechanisms for American foreign direct investment to be implemented in Morocco. These programs have dedicated their funding and energy to uplifting some of the most crucial parts of Moroccan society, including women, the youth, and entrepreneurs. Here, some examples of specific foreign direct investment policies and procedures were reviewed; in the following section, a brief analysis of these programs’ results will be provided.

Real-World Results of American Investment in Morocco

The aforementioned USAID investments have had remarkable success in Morocco. One excellent example of an interdisciplinary investment that has made a significant impact in Morocco is the establishment of H2O Maghreb. In short, USAID was able to use “innovation and technology to establish state of the art and sustainable water management practices in Morocco” (United States Agency for International Development 2020, H2O Maghreb Partnership). Moreover, this partnership has resulted in the development of a half-year training course for “the next generation of Moroccan water professionals,” and 75 percent of the graduates from the first

⁶ In total, it is estimated that Morocco has vaccinated 73% of its population (Bhatia et al. 2022).

intake found employment within six months of completing their training” (United States Agency for International Development 2020, H20 Maghreb Partnership). USAID’s Small Scale farming project has resulted in up to almost 400 new, *sustainable* jobs in the agriculture sector in Northern Morocco (United States Agency for International Development 2020, Economic Growth). Overall, USAID’s involvement in Morocco has resulted in better outcomes for youth, agriculture and industry workers, individual businesses, and the national economy as a whole.

The results of investments made through the MEPI-NEF partnership are of a similarly significant nature. For example, MEPI’s funding was instrumental in helping Fatima Zahra El Zougari, the founder of Be Artisan, “modernize her brand and grow her market” (Middle East Partnership Initiative 2020). She has been able to develop her business into the world of e-commerce and has reaped the benefits of the expansion. With the help of MEPI, Fatima was able to secure “five new commercial contracts, with a value of 78,000 MAD (7,800 USD),” and grow her business’s profits by half, for a total of \$36,000 in 2019 (Middle East Partnership Initiative 2020). Fatima has used this MEPI-inspired success “to recruit one part-time and two full-time employees,” spreading the prosperity of foreign direct investment throughout her community (Middle East Partnership Initiative 2020). Fatima’s story of success is one of many, and the MEPI-NEF partnership plays a critical role in many similar breakthroughs throughout the Kingdom of Morocco.

Predictably, foreign direct investment in Morocco originating from the MCC has also had undeniable success in uplifting the Moroccan people. Some examples of the benefits gained by Moroccan society were the construction of “11 fish landing and port facilities,” “three marine protected areas,” and “the training...of 933 mobile fish vendors” (Millennium Challenge Corporation 2015, Small Scale Fishers Project). Moreover, MCC efforts to stimulate the

Moroccan economy, and the agriculture sector specifically, resulted in the training of over 40,000 farmers and the planting of “60,084 hectares of olive and almond trees” (Millennium Challenge Corporation 2015, Fruit Tree Productivity Project). Lastly, MCC-backing will provide operating loans to over “400,000 microenterprises” in the coming years” (Millennium Challenge Corporation 2015, Financial Services Project). Data concerning overall project expenditures for several MCC projects, and the number of Moroccans impacted, can be found in the Appendix. It is from this data that the following recommendations are made.

Investment Policy Recommendations

Retain

Following the common logic of not fixing something that isn't broken, there are noticeable successes in America's foreign direct investment strategy that have made lasting impacts on Morocco; these policies, I argue, are those worth retaining. One such example of a productive policy is ensuring that all investment efforts are intersectional in nature. Each project discussed in this paper, whether the investor was the United States Agency for International Development, the Middle East Partnership Initiative, or the Millennium Challenge Corporation, found great success in incorporating intersectional efforts that took a more holistic approach to solve the issues at hand by considering the ripple effects of root issues and methods of support.

Morocco, like any other nation in the 21st century, is facing several problems, each of which maintains a sort of existential proportion in its own right. When compounded together, however, they multiply the disastrous effects of each. Therefore, it is not practical for the United States to solely invest in individual entities or niches. In the case of Hygiène Pro, U.S. investment helped an entrepreneur respond to the ever-evolving COVID-19 crisis and adapt her business' capabilities to suit the needs of the moment. This specific investment also generated

jobs for women, a demographic that has, until this point, been largely left out of public life in Morocco.

Moreover, U.S. efforts in Morocco have seen significant returns on investments when focused on the youth. More specifically, efforts to combat female youth unemployment and undereducation have had remarkable effects on the nation. Ensuring that *all* Moroccans are able to have a stable and secure life to look forward to, and to contribute throughout, is essential for the United States to help Morocco address the crises it is currently facing. With such a focus on intersectionality, U.S. investments have guaranteed results across several domains. American foreign direct investment policies are not without their flaws, however.

Start

Although investment in people and specific industries is necessary, American efforts should begin to include investments in the Moroccan state and social infrastructure as well. Categories of political and economic freedoms, such as the freedom of information, political rights, and civil liberties, remain relatively limited in scope (Millennium Challenge Corporation n.d., Morocco FY21). Moreover, the nation's access to credit is low, at only 39% (Millennium Challenge Corporation n.d., Morocco FY21). The statistics provided here, in addition to the outstanding social issues facing the country, indicate that there are systemic and structural challenges facing Moroccans whose lasting solutions cannot be brought about through piecemeal foreign direct investment. Therefore, particular attention must be focused on supporting the broad swaths of the nation's sustainable economic and social development.

Instead, solving these challenges will require a concerted American effort to provide the Moroccan monarchy and government with the tools and foreign backing needed to transform the country into one more liberal than it is today. Guided classic liberalism promises to feed the

nation with all the buttressed institutions necessary to ensure the statistics mentioned above, in addition to many others, are properly addressed and improved upon. By providing the resources and training needed to operate a fully functioning democracy (while retaining a ceremonial monarchical role), the United States can place itself in a position of favor among both the Moroccan people and royalty. Through the establishment of more free and competitive markets, private broadcasting agencies, participatory political institutions at all levels, and judicial systems, the potential for the U.S.-Morocco partnership to progressively develop the nation into one that is more prepared to take on the challenges of the 21st century is great. There will certainly be challenges in completing this grandiose policy, however, the component parts of a truly prosperous society are present, waiting to be capitalized upon.

Of course, the most relevant social structure worthy of American investment is the Moroccan healthcare system. Given the issues discussed in this paper, opportunities exist to supplement existing donations related to the COVID-19 pandemic, including increased contributions of vaccinations and life-saving medical equipment. These sorts of investments will become more necessary over time, as the world begins to better understand the inevitability of living with the virus – and what it will take to do so as successfully as possible. Tangentially, however, occasions exist for the United States to alleviate more indigenous problems plaguing the Moroccan medical industry. Increasing the budget allocated to health investments in Morocco on behalf of the United States from \$11 million per year to more closely resemble the peace and security budget of \$27 million would provide necessary funding for education centers, better public salaries, state-of-the-art equipment and facilities, and the development and deployment of now-absent proactive monitoring systems (FA.gov 2022). In effect, such budgetary ameliorations would secure the country in a different, more holistic fashion; more

children would be nourished and cared for, more adolescents would be able to adequately grow and develop both mentally and physically, and more adults would be able to evade premature death without as much financial hardship. Instead of bombs and bullets, American investments in Morocco should consist of bandages and...

Stop

Given the nature of the American-Moroccan relationship, this paper is unable to provide any conclusions as to which foreign direct investment policies should be *ended*. As demonstrated, the existing policies and investment strategies of the United States have, in large part, contributed greatly to the increased prosperity, dignity, and security enjoyed by the Moroccan people. If anything, the United States would benefit from stopping the dangerous underfunding of diplomatic and development institutions that are capable of, at the most basic level, providing the hope international communities need that their future will be brighter.

Conclusion

This paper investigated how American-led foreign direct investment efforts can be applied in pursuit of the national well-being of Morocco. The four industries of agriculture, transportation, manufacturing, and healthcare are best suited for influxes of such investment, as they provide more than half of Morocco's total gross domestic product. After a brief discussion of the contemporary threats facing the North African nation, I included an overview of the three major American public agencies with the largest presence in Morocco and provided examples of both their past and existing projects. Finally, I offered policy recommendations that would encourage America's historic economic cooperation with Morocco to continue, so as to see the continuation of social developments that will, in time, thrust Moroccans into a positive feedback loop of freedom and fortune.

It is worth noting, however, that this paper is incomplete in its nature and its completion was subject to several limitations. One such limitation was that the publicly available data regarding America's overarching foreign direct investment strategies, as well as particular investment outcomes, is quite limited. When considering what I hypothesize to be the existing and significant investments made in the nation by private corporations, this paper's findings become less expansive. Additionally, much of the data used in this paper's analysis was gathered prior to the COVID-19 pandemic; it will take time before the effects of the past two years on the Moroccan people will be fully realized. Regardless of these limitations, this paper maintains its validity and offers policy directions that any entity – government, private corporations, or even well-to-do individuals – is capable of following in pursuit of the outlined results.

There are two primary avenues that future researchers could follow in order to advance our collective knowledge of this important topic. First, gaining access to, and analyzing, proprietary and privately-owned data regarding corporations' foreign investments is a crucial next step for this research. By synthesizing both public and private investment data, a more complete picture of America's involvement could be derived. Additionally, the field would be well suited if future researchers gathering primary sources of data in the form of interviews with typical, everyday Moroccans. The purpose of these interviews would be to gain a unique insight into whether the abstract concept of foreign direct investment is *actually* making a difference in the lives of these people; it is not completely irrational to believe that both public and private organizations would highlight their best efforts while simultaneously hiding the people their influx of money doesn't help. These interviews would serve as either a confirmation of the practice's merits or a wake-up call to policymakers.

This thesis' findings and relevant recommendations were rooted in the analysis of more complicated data sets which are available in the appendix. The implementation of these recommendations is critical to maximizing the United States' return on investment and minimizing the threats facing Morocco. The Kingdom's relationship with the United States is of great importance for both nations. For the United States, the relationship provides a relatively stable partner for peace and prosperity in a relatively unstable region of the world; for Morocco, it provides the nation with a relationship rooted in history with the world's superpower.

In an era filled with global challenges, it is necessary that the United States refrain from turning inwards. COVID-19, security crises, environmental disasters, and their resulting human costs will not subside if America's pocketbook closes as its focus drifts towards domestic issues. While it is admittedly difficult to remain engaged both at home and abroad, there has never been a more transformative moment in global affairs. The United States has the opportunity to take two distinct paths – one of isolation, and one of overseas commitment. The first will lead to untold and unpredictable compounding crises, while the latter will lead the world down a path of peace, prosperity, and promise.

At its best, foreign direct investment is a tool of the world's most advanced country to uplift allied nations and peoples towards better futures. At its worst, it is a tool of political power manipulation. America's soft power that stems from having the checkbook and being able to write expansive checks are of unmatched proportions. In the case of Morocco, this paper concludes that existing American investment strategies have been executed out of a humanitarian concern of a centuries-old ally. If suggestions are applied, however incomplete their synthesis may have been, the future promises to be bright.

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Appendix

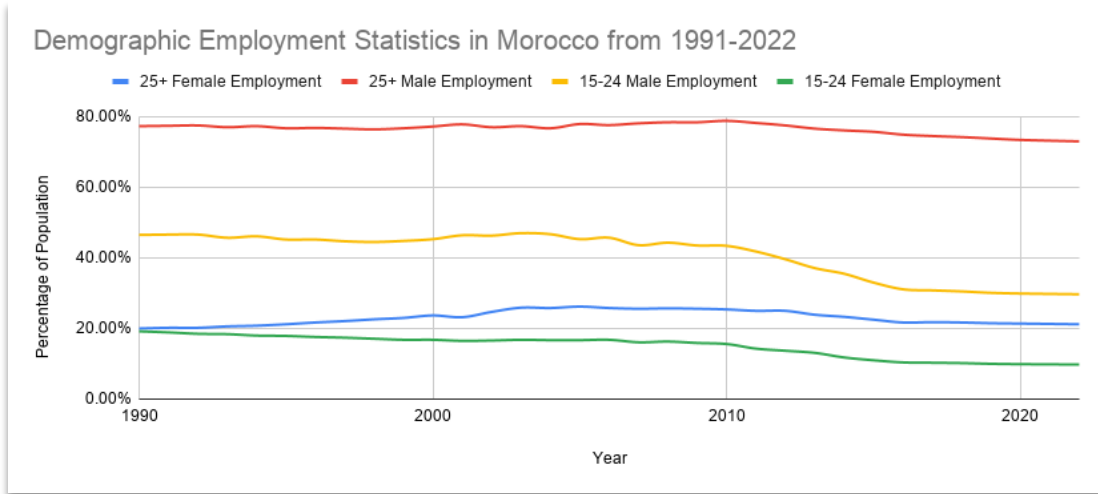


Figure 1 is a visualization of data gathered from the International Labor Organization. It shows that in Morocco, employment as a function of demographics is highly segregated by both sex and age. Males aged 25+ fare the best; females aged 15-24 fare the worst.

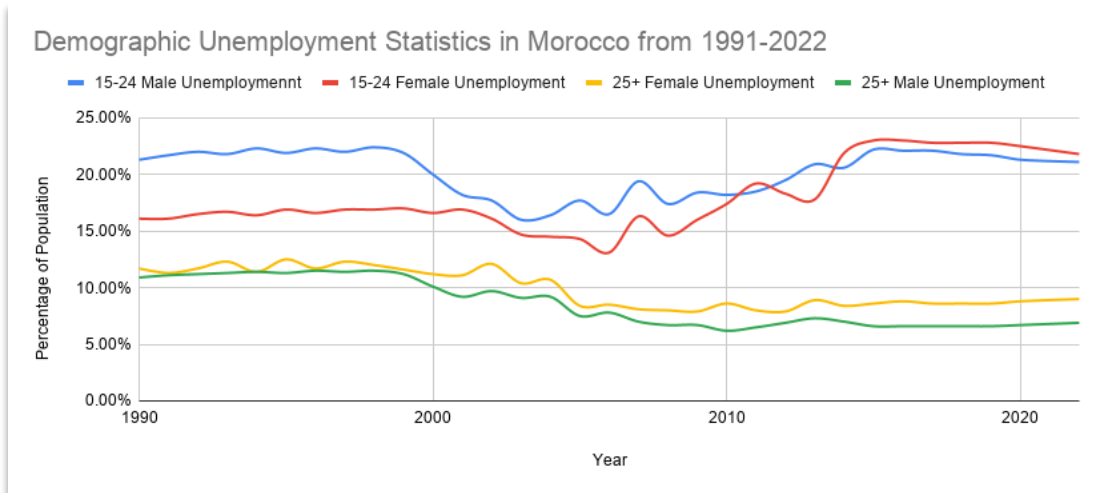


Figure 2 is also a visualization of data gathered from the International Labor Organization. It shows that unemployment is a function of demographics in Morocco. Similarly to employment, both sex and age are major factors in determining one's Moroccan livelihood.

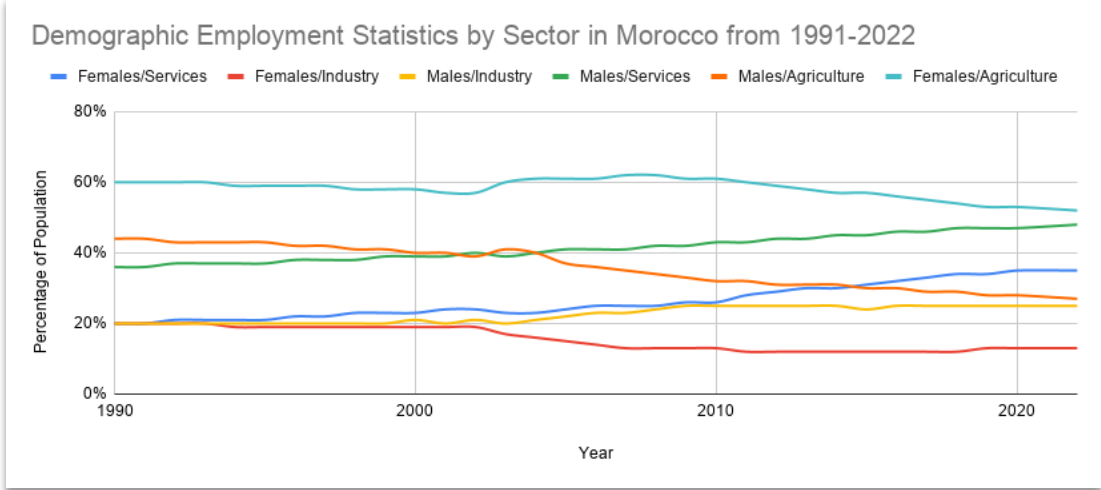


Figure 3 offers a visualization of International Labor Organization data concerning the demographic segregation of employment by sector within the Moroccan economy. Despite being on a downward trajectory, agriculture maintains its employment of over half of all eligible Moroccan females. This downward trajectory for females is similar to that of males, indicating that the Moroccan economy is shifting farther away from its agricultural roots for everyone. Unsurprisingly, the percentage of females in Moroccan industry remains low, and is actually ever-so slightly decreasing. The only area of economic growth seen by most females is in the services sector. For males, on the other hand, every industry besides agriculture is growing.

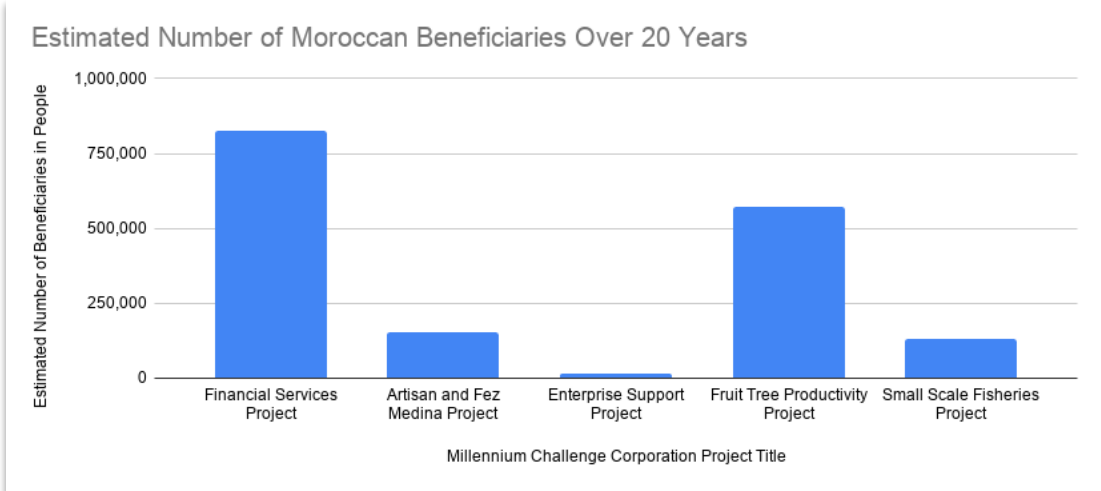


Figure 4 shows self-reported data from the MCC indicating its projects' expected successes in terms of the pure number of Moroccans whose lives were positively impacted.

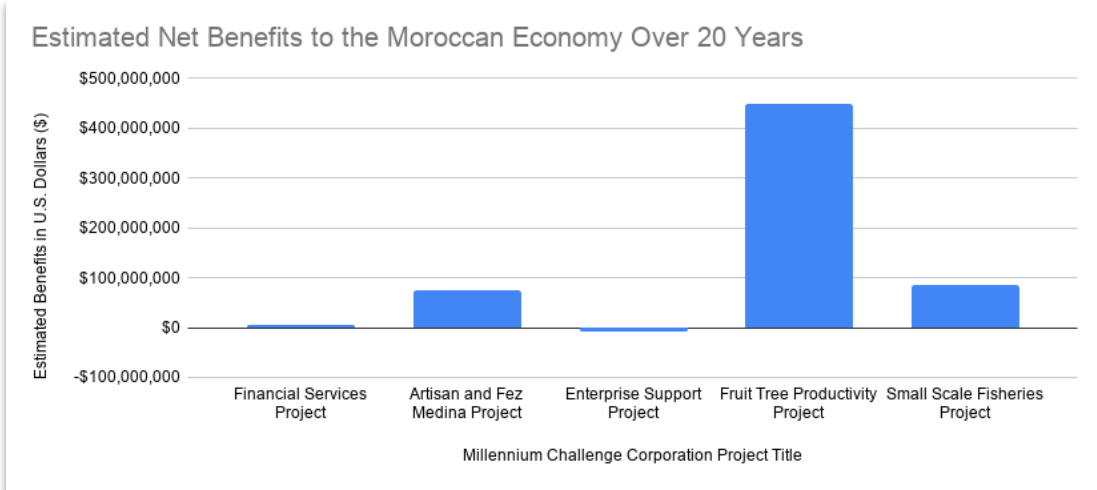


Figure 5, like Figure 4, shows self-reported data from the MCC. This figure demonstrates the estimated benefit to the Moroccan economy in American Dollars. It shows the superiority, at least when concerning Dollars, of the Fruit Tree Productivity Project. Every other project's estimated net benefit added together does not supersede that of the Fruit Tree Productivity Project individually.

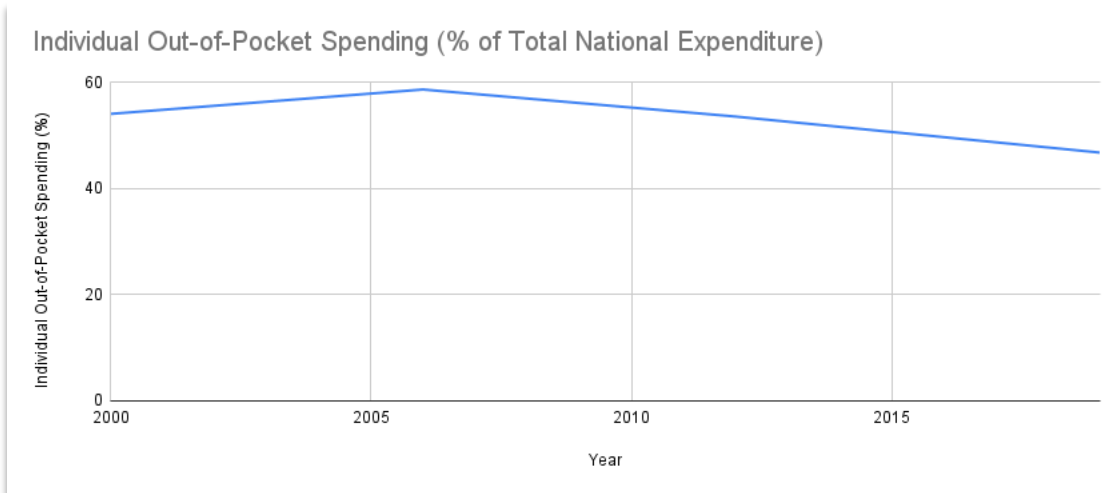


Figure 6 indicates the total percentage of annual healthcare-related costs that were incurred directly by Moroccan citizens for a period of 15 years.

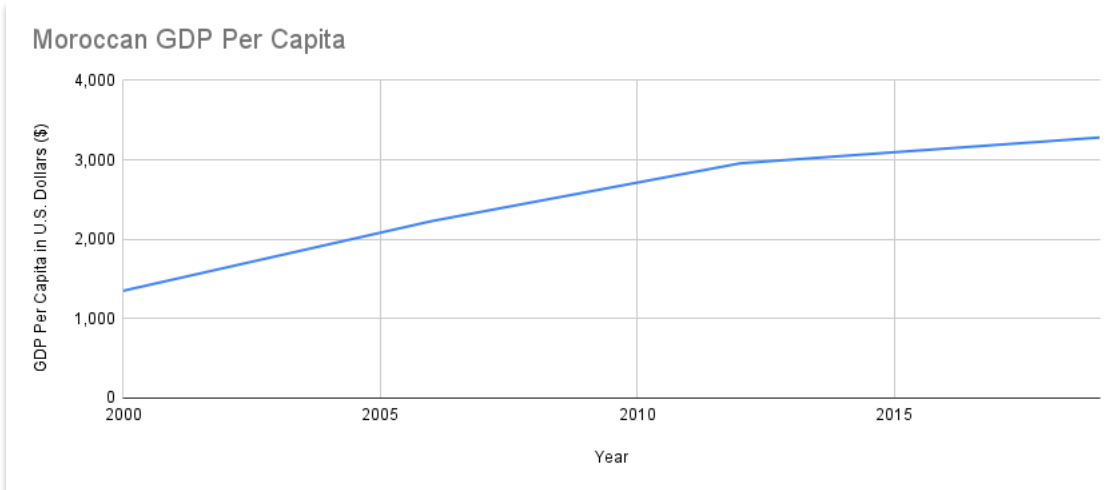


Figure 8 illustrates the overall increase of Morocco's national GDP, in dollars, for a period of 15 years, the same time period used to create Figure 6.

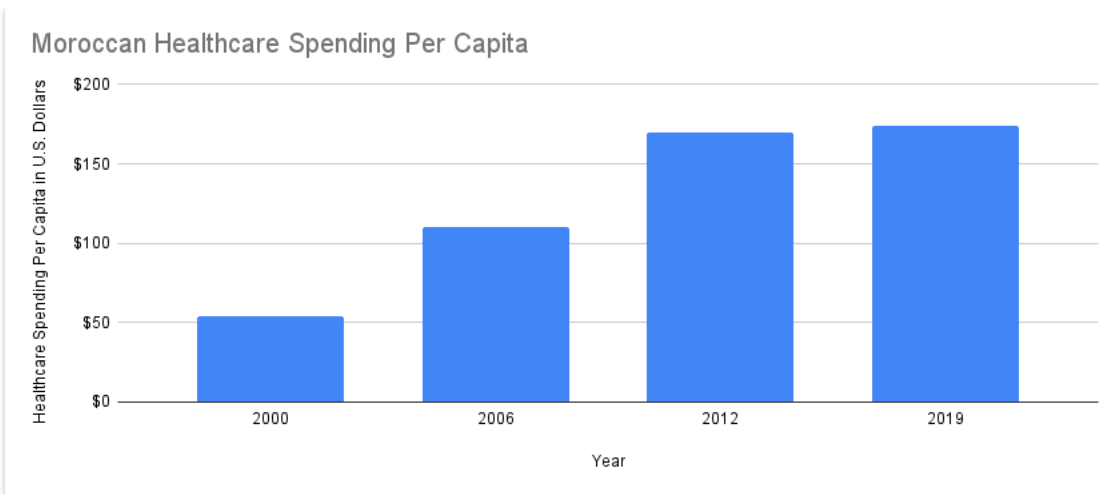


Figure 7 shows the per capita increase in healthcare-related spending throughout a period of 19 years. This spending is inclusive of both private and public expenditures.

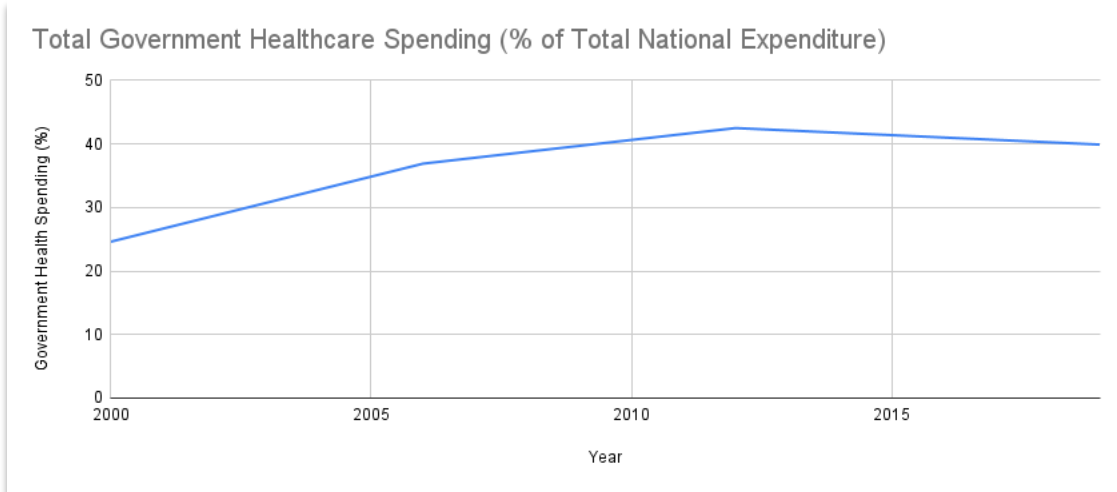


Figure 9 illustrates the plateauing of national healthcare expenditures in Morocco. This figure does not include increasing in public funding necessitated by the COVID-19 pandemic.