

The Moroccan Economy: In Search of a Development Path

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Since gaining political independence, Morocco has tried everything to find its way back to economic prosperity.

This is how the kingdom, and from the aftermath of the end of the French protectorate in 1956, embarked on the path of searching for a development track.

Within this framework, development plans setting out priority objectives to be achieved have been put in place. These are the:

- biennial plan 1958-1959
- Five-year plan 1960-1964
- Three-year plan 1965-1967
- Five-year plan 1968-1972
- Five-year plan 1973-1977
- Three-year plan 1978-1980
- Five-year plan 1981-1985
- Policy Plan 1988-1992

Within the framework of these various plans, the accent was put on the need for the development of the sectors considered strategic namely:

- Agriculture
- Light industry
- Tourism

It should be noted that the achievements of these different development plans have remained very timid compared to the expected results and the ultimate goal of the development of the country has not been achieved.

It should also be noted that the 1980s marked a turning point in the country's economic history insofar as, in order to restore the fundamental balances, the kingdom was obliged to submit to the recommendations of the IMF and the World Bank in this regard.

An austerity policy was adopted as part of a Structural Adjustment Program (SAP) during the period 1984-1988.

The consequences of this program were no other than those obtained in the aftermath of the adoption by a State of such a policy, namely: privatization, social inequalities, liberalization, etc.

This being said, it should be noted that despite the efforts made by Morocco in the direction of setting up the milestones of a solid economy, the results obtained remain timid and far from meeting expectations.

With the advent of the 2000s, a new turn was taken by Morocco to embark on a new generation of structural reforms affecting the vital sectors of the economy: industry, agriculture, tourism and energy.

1-From 2004: structural reform projects

During the period 2004-2008, economic growth in Morocco was on an upward trend, averaging 4.8% per year.

This period was characterized by the emergence of a new growth dynamic driven by a trend, initially considered to be heavy, of tertiarization of the Moroccan economy insofar as the share of tertiary activities in net value added increased remarkably between 1998 and 2008, rising from 52.1% to 56.4% (while the share of the secondary sector in real value added during the same period remained almost stagnant, rising from 27.7% to 27.5%). As for the primary sector, its share in GDP fell from 20.2% in 1998 to 16.1% in 2008).

That said, it should be noted that Morocco, whose economy showed relative resilience in the face of the 2008 international financial crisis, has been engaged since the early 2000s in a series of structural reforms affecting various sectors of activity.

● Agriculture: the Green Morocco Plan

Conceived in 2008, the Green Morocco Plan is a genuine agricultural strategy. It is a plan based on the intensification of production and agricultural investments through intervention methods guided by the types of sectors, territories and farms.

The ultimate objective sought through the implementation of this new agricultural strategy remains twofold: on the one hand, to achieve food security in the country and, on the other hand, to make agriculture a real lever for socio-economic development in Morocco.

To do this, intermediate objectives are defined. These are:

- The development of a modern agriculture, with a high added value, and respecting the qualitative standards in force at the international level;
- Support for small-scale farming in the perspective of fighting poverty by helping vulnerable populations involved in this activity and by helping them diversify their sources of income.

It must be noted that this is an ambitious development plan for the agricultural sector in Morocco aimed at making the agricultural growth circle virtuous.

In 2020, and according to professionals, the achievements of the sector have improved significantly with:

- GDP and agricultural exports more than doubled;
- The creation of 35 permanent jobs;
- Increasing the availability, diversity and accessibility of agricultural products.
- Industry: the Emergence plan

Implemented in 2005, the "Emergence" plan is an industrial strategy aimed at developing Morocco's World Crafts, namely

- Offshoring;
- The automobile;
- Aeronautics;
- electronics;
- textiles and
- The agri-food industry).

According to the stated objectives, these sectors should, by 2015, represent 70% of the country's industrial growth, create 400, 000 jobs and gain 1.6 points of growth.

In concrete terms, this industrial strategy initiated by the Kingdom has enabled:

- The 22% increase in the sector's exports;
- The clear improvement of the sector's reception infrastructure;
- The increase in Foreign Direct Investment (FDI) to an average annual rate of 23% since 2009.

That said, it should be noted that a new strategic vision for the industrial sector has been put in place. This is the Industrial Acceleration Plan (PAI) designed for the period 2014-2020-to capitalize on the achievements of the plan of Emergence and consolidate the achievements.

The purpose of the IAP was to:

- Increase the capacity to absorb new assets;
- Increase the share of industry in the GDP;
- Boosting the export capacity in terms of quantity and quality;
- Make the sector more attractive to investors;
- Improve productivity through targeted support to the industrial sector.
- Solar energy

Conceived in 2009, the Moroccan solar plan is part of the national energy strategy whose stated objective is the mobilization of national resources in renewable energy and the preservation of the environment.

Through this strategy, Morocco seeks to reduce its energy dependence on its various suppliers by 2020.

- Tourism

Aware of its assets in this field, Morocco has always sought to make the tourism industry a real lever for development.

Thus, in the early 2000s, an ambitious strategic plan for this sector was put in place. This is the "Vision 2010" in which the following objectives have been defined:

- To reach, by 2010, 10 million tourists, including 7 million foreigners;
- Creation of 160, 000 new beds;
- A level of investment in the sector to reach 80 to 90 billion DH;
- The tourist receipts must be at the level of 420 billion DH during the period from 2000 to 2010;
- The creation of 600, 000 jobs;
- The contribution of tourism to GDP is expected to increase by an annual average of 8.5%, which would bring it to nearly 20% by 2010.

This plan has been revisited with a broader horizon of achievements within the framework of the "Vision 2020". The new tourism strategy aims to:

- Double the size of the sector and the accommodation capacity through the creation of 200, 000 new beds and 470, 000 new direct jobs;
- Increase the sector's revenues to 140 billion DH in 2020

It is clear that, since the advent of the 2000s, Morocco has embarked on a path of multisectoral structural reforms.

As a result, and over the last two decades, considerable progress has been made in various sectors of activity, as evidenced by the evolution of the economic growth rate.

Evolution of economic growth in Morocco

Years	Growth rate
2010	3, 8%
2011	5, 2%
2012	3%
2013	4, 5%
2014	2, 6%
2015	4, 5%
2016	1%
2017	4%
2018	3, 1%
2019	2, 6%
2020	-6, 2%

Source: The World Bank

This growth dynamic that Morocco has sought to consolidate through the implementation of a New Development Model has been seriously affected by the current COVID 19 health crisis that started in China in 2019 and spread to the entire planet in 2020.

It is a singular and, exceptionally, exceptional crisis that has brought the world economic machine to a standstill.

Entire sectors of the economy have been devastated by this crisis, as evidenced by the very low or even negative economic growth rates recorded by all countries on the planet in 2020. Thus:

- China recorded a growth rate of 1% in 2020 (its lowest level of economic performance in 40 years);
- A sharp decline in growth was recorded for the advanced economies (-7%);
- The so-called Emerging and Developing Economies have also suffered the full impact of the health crisis with a negative growth rate (-2.3%).

Morocco, against the backdrop of a health crisis that shook the monial economy, decided to migrate to a new development model, capitalizing on the achievements of the old model and seeking to overcome its shortcomings.

The new development model adopted by Morocco is based on four fundamental pillars, namely

❖Diversification of the economy:

A diversified economy presupposes the existence of "innovative" and "resilient" companies and this, according to the makers of the report on the new development model, requires:

- Securing the entrepreneurial initiative;
- The orientation of economic actors towards promising sectors;
- Achieving a competitiveness shock;
- The establishment of a macroeconomic framework conducive to growth;
- The emergence of the social economy, which must be considered as an economic sector in its own right.
- Strengthening human capital:

To accomplish this, the following actions are recommended:

- Upgrading the education system
- The establishment of an efficient higher education and vocational training system based on autonomous and empowering management;
- Improving access to health services.
- Inclusion:

The new development project is meant to be inclusive, and this is supposed to be achieved through:

- More women's empowerment;
- Gender equality;
- Youth Development;
- The mobilization of cultural diversity as a lever for openness.
- The sustainability of territories These are:
 - The emergence of a "Morocco of regions
 - Integrated land use planning;
 - Improvement of the living environment;
 - Preservation of natural resources and water resources.

Morocco seeks, through this new development model to achieve a quantitative and qualitative leap, and ensure, in particular, its economic takeoff.

It is clear that the success of any development strategy requires the combination of a number of elements, namely Clarity of said strategy;

The pragmatism of the ideas to be concretized included in the development project in question;

The compatibility of the project with the material and human resources of the country in question; The adhesion of all the productive forces of the nation to the spirit of the project.

References

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