

ISSUES

- Prior to the pandemic, Morocco's economy was improving with poverty reduction, job creation, and development of the world's largest solar plant and Africa's largest port. Last year, Morocco welcomed 13 million tourists, the most in Africa, and it now ranks second after the UAE in MENA on the World Bank's Doing Business Index.
- However, the government says the economy will shrink by 5% this year due to the "triple threat" of two years of drought and global and Moroccan economic contraction. Agricultural exports, overseas remittances, and tourism are in serious decline. Morocco had risen to 121st internationally in human development but remained in the bottom 40% of countries.
- Wise management will help Morocco fiscally weather the coronavirus storm, but cuts in social spending will spark social unrest. Economic inequality and youth unemployment remain high, especially among university graduates. Strong majorities of Moroccan youth believe in the ideals of the Arab Spring and would prefer to emigrate. Morocco typically has over 10,000 socioeconomic microprotests annually. In 2018, an unprecedented boycott targeted companies tied to the king, who controls 8% of the economy.
- King Mohammed VI's political reforms and decentralization program are stalled. Parliament and opposition parties remain relatively weak, with civil liberties seriously curtailed. Over 91,000 Moroccans were arrested for violating the pandemic state of emergency, one of the highest levels globally. Continued crackdowns on activists and journalists, including invasive "Pegasus" surveillance and detentions for "fake news," have grabbed international headlines. Morocco's human rights record in Western Sahara remains poor.
- Hundreds of Moroccan foreign fighters have returned from Syria and Iraq. Some have been reintegrated. Morocco is encouraging African migrants to stay and become lawful residents.

US INTERESTS

- Enhance the security and viability of America's second oldest ally by assisting with pandemic response, institutional reform, socioeconomic resilience, and overall human security.
- Continue to foster improvements to civil liberties, human rights, and justice, as well as educational training and entrepreneurial job creation for youth and university graduates.

- Since the U.S.-Morocco free trade deal benefits the U.S. twice as much as Morocco, supporting 12,000 American jobs, assist Morocco with scaling production to reap the rewards of bilateral trade and stimulate the economy.
- Assist Morocco in reducing flows of foreign fighters and African migrants from Morocco to Europe and ensure their (re)integration in Morocco.
- Support Morocco's exemplary religious education and counter-terrorism efforts in Africa, especially the training of female religious leaders known as *mourshidat*.

POLICY RECOMMENDATIONS

- Continue to support Morocco through USAID, the second Millennium Challenge Corporation compact, other assistance, and intelligence cooperation. Avoid cuts based on the misimpression that Morocco can "go it alone" in a rough neighborhood.
- Invest in Morocco's private sector through the creation of an investment fund, by assisting with entrepreneurship and by helping scale to U.S. demand exports of popular products like textiles, citrus, "Moroccan Oil" (for haircare) and essential oils, and telecommunications and internet-based services, given skyrocketing Moroccan command of American English.
- Support Western Saharan final status talks between Morocco and Polisario in a way that respects human rights and democratic self-determination.