

The Transnational Kingdom

Migration, Economic Development and Social Change in Morocco

Abstract

One out of ten Moroccans live beyond the Kingdom's borders, and the money they send home to their families each year represents over 10 percent of the nation's GDP, Morocco's largest source of income by far. The government of Morocco has elaborated a series of policies to tie Moroccan emigrants into the national economy and political culture, some of which are strikingly innovative. These policies are the focus of my paper, with special attention directed to policies that build a link between migration and local economic development. In my paper, I engage in a kind of institutional archeology : I reconstruct the largely undocumented history of these policies over the last forty years in an effort to bring to the fore the processes – both institutional and political – through which they were elaborated. I argue that while the Moroccan government has always been mindful the economic importance of remittances, the primary function of its policies toward emigrants was to deal with the Kingdom's domestic political challenges, namely the establishment of a new state after independence and the destruction of threats to the crown's legitimacy. The Moroccan state extended to emigrant communities the logic and style of governance it adopted internally, and the policies that emerged were the product of the government's attempt to acquire – and often wrest – the consent of emigrants to this form of transnational government, despite their often serious resistance. These policies ultimately shaped both the economic impact of migrant remittances and the political ramifications of emigrant mobilization, however it did so in ways that were unanticipated by the crown and often contrary to its interests. To illustrate my thesis, I will discuss Morocco's three main policy instruments in this area : the Ministry for Moroccan Living Abroad, the Hassan 2 Foundation for Moroccans Living Abroad, and La Banque Populaire.

Résumé

Un Marocain sur dix vit au-delà des frontières du royaume, et l'argent qu'il envoie, avec ses compatriotes vivant à l'étranger, à sa famille au Maroc représente, désormais, plus que dix pour cent du PIB du pays, soit sa plus grande source de revenu, et de loin. Le gouvernement marocain a élaboré

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une série de politiques dans le but de garder les liens des émigrés marocains avec l'économie nationale, et avec les valeurs, la culture et les institutions politiques du pays. Certaines d'entre elles ont même été très novatrices. Ces politiques sont le sujet de ce papier, dans ce sens, nous faisons la proposition suivante : tandis que le gouvernement marocain a toujours été attentif aux transferts financiers des émigrés au royaume et a développé un cadre institutionnel pour les faciliter, la fonction primaire des politiques que le Maroc a dirigées vers ses émigrés était de gérer les défis politiques qu'affrontait la monarchie, notamment l'établissement et le renforcement d'un Etat encore fragile après l'indépendance. L'Etat marocain a appliqué aux communautés émigrées la logique et le style politique déployé à l'intérieur du royaume pour consolider le pouvoir central. Les politiques qui ont surgi alors exprimaient les efforts du gouvernement d'acquiescer, parfois même d'arracher, le consentement des émigrés à la portée "transnationale" du royaume. En fin de compte, ces politiques ont, d'une certaine façon, formé l'impact économique des transferts des Marocains résidant à l'étranger aussi bien que leur influence politique. Cependant, pas toujours selon les termes prévus et souvent d'une façon contraire aux intérêts d'une monarchie autoritaire.

Pour démontrer cette proposition, cet essai traite trois instruments de la politique marocaine envers les Marocains résident à l'étranger (MRE), traçant leur histoire et discutant leur impact : le ministère des Marocains Résidant à l'Etranger, la Fondation Hassan II pour les Marocains résidant à l'étranger et la Banque populaire.

Perhaps nothing conveys as poignantly how wedded is the trajectory of the Kingdom to those who have left it as the nation's soccer team : the overwhelming majority were born and raised on European soil. The cheers at the team's victories during the 2004 Africa Cup competition – as well as the moans at defeat – rose up on both shores of the Mediterranean in a bellowing chorus of national pride.

The effect of Moroccan emigration has been equally as profound in virtually every other aspect of Morocco's social and economic life. In many important respects, the impacts that emigration has had on Moroccan society and its future are uniquely Moroccan. This is due, at least in part, to the fact that the Moroccan government has actively shaped the types of ramifications that migration would have for the Kingdom. Developed over the past forty years, those policies are wide-ranging, addressing everything from cultural identity to financial and administrative concerns. Only a handful of countries world-wide have policies as comprehensive as Morocco's, and even among that select group, Morocco stands out because the innovativeness of its strategies.

In this essay, I describe the main government policies that the crown deployed at various points over the last forty years to deal with Moroccan

emigration and its impacts. I hope, also, to expose the fundamental irony that underlay those policies : that even though directed toward emigrants and even though the Moroccan government was always been mindful the economic importance of remittances, the primary function of the government migration policies was not to address the concerns of emigrants or to foster positive economic impacts. The policies were designed to deal with the Kingdom's domestic political challenges. Their purpose was to consolidate the regime's hold on power in a newly independent and restive state, and to neutralize all credible opposition, brutally if necessary.

This essay is structured as follows : section 1 provides a very brief overview of Moroccan emigration, its magnitude, its basic features, and a few global indicators of its impacts. Section 2 describes the major policies that Morocco has developed in this area, and section 3 traces the history of each of them through the history of emigration in post-independence Morocco. Finally, section 4 highlights the impact that each major policy tool ultimately had on Moroccan economic and social development, irrespective of the motives behind them.

1. Migration : Basic Facts

This year, in 2004, it is estimated that one of ten Moroccans – approximately 2.5 million – live abroad, with 80 percent of those living in Europe (Fondation Hassan II, 2004). Even though this number, just on face value, is quite high, it is considered an underestimate that becomes even more conservative every year. This is because this number does not take into account the growing numbers of Moroccans that migrate illegally, mostly to Spain and Italy. Currently, the Moroccans that live abroad represent about 20% of the country's active workforce. Moroccan migration is still predominantly male, but just marginally so now : only 60 percent of Moroccan emigrants are men (Insea 2000). Moroccans living abroad are young, with half of them under 25 years old (Insea 2000). Despite the fact that since Europe closed its borders, an important proportion of migrants obtain visas through family reunification clauses, they still overwhelmingly migrate for economic reasons : 70 percent migrate in search of work and an additional 10 percent migration in search of educational opportunities (Insea 2000). Over two thirds – 1.9 million Moroccans – return home every year, with a whopping 1.5 million returning in the summer months for the infamous “vacances” (Ministère des MRE) This number of returns per year is striking. No other country has rates of return that come any where near Morocco's.

The data on migration's economic impacts are just as impressive as this demographic data. In 2003, Moroccan emigrants send home 35 billion dirhams, or 3.5 billion Euros check amount. This sum represented over 10% of Morocco's GDP. Moroccan emigrants hold an even larger proportion of deposits in Moroccan banks, at 13 percent. (Office des Changes, 2004;

Bank el Maghrib 2004). Furthermore, despite all of the gloomy predictions to the contrary that unnerved the Moroccan treasury and its major banking institutions in the 1980s and 90s, remittances have not only failed to drop but have even risen over the last decade. (Office des Changes, 2004.)

When one compares these numbers to those of other countries with large emigrant populations, the economic impact of Moroccan emigration becomes even more striking. Morocco ranks fourth among the world's top recipient of remittances, after India, Mexico and the Philippines but before Egypt (International Monetary Fund, 2002). For none of those countries do remittances represent as large a proportion of national income; indeed, remittances represent much less than of the gross national product for all three of these countries (World Bank, 2004). Even when compared with small nations with important emigrant flows, where one might expect the impact of money sent home to be proportionally more significant, the impact of Moroccan emigrant monies still looks very important. In fact, in only a few countries do remittances have a greater impact than in Morocco, and in those instances, the economies tend to be moribund or small, like in the case of Haiti, where remittances represent more than 25% of national income (World Bank, 2004).

Arguably, migrant remittances play an even more pivotal role in the Moroccan economy that these aggregate numbers suggest. Since the 1980s, they have vied with tourism and phosphates as the country's largest source of foreign currency, and have been an invaluable resource as Morocco has struggled to service its national debt. The impacts that migrant transfers have had on the household economies of the kingdom have been even more significant. Thanks to the money and gifts that migrants send home, 300,000 families have escaped poverty, and have been able not just to spend on basic necessities, but also to invest in health and education. (Direction de la Statistique du Maroc, 2001)

2. Morocco's Policies Toward Its Emigrants

Given the demographic, economic and social consequence of emigration for Morocco, it should come as no surprise that the government has developed myriad policies to address this phenomenon. Morocco's policy experiments in this area span over forty years. Over that period of time, the policies have evolved, changing institutional form and political orientation. However, they have been consistent in their design to incorporate Moroccan emigrants into the economic, social and, more recently, political life of their homeland.

Significantly, these policies were never designed primarily to address the needs and concerns of Moroccan emigrants. Their main function was to deal with the Kingdom's domestic political and economic challenges, namely the establishment of a new state after independence and the destruction of threats to the crown's legitimacy. The policies were devised

to mobilize potential resources from Moroccans living abroad for the economic growth of the Kingdom, and to squash any potential political threats that the emigrant communities were perceived to represent. To this end, the Moroccan government elaborated policies along three axes : economic, social and political.

The main policy instruments in each of these three areas – economic, social, and political – are products of the paradox that has shaped Moroccan policy toward its emigrants. A review of their history illustrates why. Before offering a report of each policy instrument's evolution, their identification and an explanation of why I consider them to be the key policy tool along each of the three axes, as well as brief description of their function, are necessary.

In the panoply of Moroccan policies toward its emigrants, those that have stressed the economic import of worker remittances to the Kingdom's growth have taken center stage. The crown jewel of the policies that sought to draw in the economic resources of migrants was, and continues to be, the *Groupe Banques Populaires* (BP). The BP is a state-owned bank and network of credit unions that has served as the main vehicle to incorporate emigrants into the Moroccan financial system. Since 1969, it has been provided specialized transfer and deposit services for Moroccans living in Europe and while its market share has eroded somewhat by recent competition, it still manages over half of all transfers and an estimated 80 percent of deposits.

Out of a keen awareness of the relationship between migrants' economic contributions and their sense of social and cultural belonging emerged a set of policies to fortify the social ties of Moroccan emigrants to their homeland and to strengthen their cultural identity as Moroccans and as subjects of the King. The *Fondation Hassan II for Moroccans Living Abroad* is chief amongst the policy efforts in this area. The Foundation is a semi-autonomous institution established by royal decree in 1990 to incorporate Moroccan emigrants in the social and cultural life of their country of origin – the social and cultural life vetted by crown. The foundation provides a number of services, both in Morocco and abroad, to fulfill that mandate : these range from instruction in Arabic and Islam, to the organization of cultural events, to research and publications on Moroccan communities abroad.

While the Moroccan emigrants received the economic and social policies the crown extended toward them with a mixture of ambivalence and approval, the policies did not address their persistent demands for political voice in Morocco. The Moroccan government has experimented with a number of institutions over the years to provide emigrants with a political voice whose volume the crown could nevertheless control. The most recent manifestation of these experiments is the *Ministry for Moroccans Living Abroad*, set up in late 2002 to incorporate Moroccan emigrants into the

formal political system. Its stated mission is two-fold : to survey the needs (or grievances) that Moroccan communities have with respect to the various departments of the Moroccan government, and to lobby the appropriate ministries to address those needs.

3. Transnational Governance and Domestic Political Challenges

Although Moroccans have been emigrating to work in Europe since the turn of the century, Moroccan emigration began in earnest in the early 1960s when Morocco signed a series of conventions with European countries to provide them with the workers they needed for their post-war reconstruction. The conventions authorized the recruitment of workers from the regions of the Kingdom that not only had some of the highest rates of unemployment but were also some of the most politically restive. Since that time, Moroccan emigration has gone through many changes – demographic, educational, cultural, and so on. However, the post-war history of Moroccan emigration can be roughly divided into three phases. The first phase begins with the signature of the labor contracts in the early sixties and runs until the mid-seventies when Europe terminated its policy of recruiting workers abroad, and the Moroccans who emigrated during that period were overwhelmingly unskilled workers. During the second phase, the Moroccan workers were joined by their wives and children, under Europe's new family re-unification policies. The last phase, beginning in the 1990s, sees a further diversification of Moroccan migration, with new categories of workers migrating, and migrating to new countries like Spain and Italy.

Morocco's policies toward its emigrants follow this same pattern, mirroring these three phases in the ways that they attempt to incorporate Moroccan migrants into the political, social and economic life of the kingdom. However, because they were designed with an eye to securing the political legitimacy and economic authority of the crown, they also reflect the style and logic of governance that the state exercised within the kingdom's borders during those historical periods.

Workers and Subjects

By the end of the 1960's, several hundred thousand Moroccans labored in factories and mines of France, Belgium, Germany, and the Netherlands. In the cities of those same countries, several hundred Moroccan leftists, among them many students, took refuge from a state that was adopting increasingly ruthless methods to secure its hold on power. After the so-called hot autumn of 1968, migrant workers, and Moroccans among them, also began to mobilize for better working conditions. Moroccan workers began to approach the unions active in their industries, and when confronted with those unions' reluctance to mobilize on behalf of them, also began to join forces with Moroccan students in associations that represented their interests.

Uneasy with this leftist worker mobilization, the Moroccan government responded by creating a series of associations – called “amicales” – for Moroccan workers. Ostensibly social and cultural clubs, they were in effect extensions of the Moroccan security services, deployed to discourage migrants from participating in labor organizing, either through simple persuasion or direct intimidation. Thus, the amicales were in a sense a transnational expression of the methods that the Moroccan state within its borders to co-opt and suppress its opposition. These amicales would eventually serve as the base for the Hassan II Foundation.

On the financial front, Morocco also extended its system of popular banking beyond its borders. The Moroccan state, in need of cash to fund the young nation’s modernization, created la Banque Populaire and its network of credit unions to capture the savings of even middle and lower income Moroccans. In the 1970s, the state extended the reach of its popular banking system beyond its borders to the migrants it viewed as lucrative market. The bank developed an elaborate and personalized outreach program to help migrant workers transfer money to BP accounts in Morocco. The outreach included home visits, help reading correspondence and filling out factory forms, and the organization of cultural events, especially those like the “celebration of the throne” that collapsed Moroccan identity with allegiance to the King. So pervasive was it and so identified with an increasingly authoritarian crown that a number of Moroccan emigrant groups protested, with some even drawing on the law of the European countries where they had established themselves to challenge the bank’s reach.

From Workers to Families

After Europe closed its borders to worker migration but opened them to workers’ families in 1974, the communities of Moroccan emigrants abroad became more established, putting down roots in the countries where they lived, worked, and raised their children. From groups of single men, Moroccan emigrants became communities of families. This had at least two main consequences for the ways that Moroccan communities dealt with the government. First, their needs became more diverse, concerning issues that went beyond the workplace and into the classroom, the household, and the mosque and they approached their government for help with these issues. Second, migrant communities became progressively more politically sophisticated, with a much clearer consciousness of their rights in the Morocco and in Europe.

Simple co-optation, with undertones of intimidation, would no longer be sufficient to placate Moroccan emigrants. The Moroccan state had to respond to emigrants demands that their needs be addressed in a coherent and tangible way. Beginning in the early 80s, it created a series of institutions to give Moroccan emigrants formal political representation in the Moroccan political system. However, these measures were largely symbolic.

Whenever they displayed a degree of effectiveness and political independence, the government systematically dismantled them. In 1981, it allocated five parliamentary delegates to represent Moroccans living abroad, an initiative that was discontinued in 1989 when those representatives became a thorn in the Ministry of the Interior's side. In 1990, it created a Ministry for Moroccans Living Abroad, which was gradually weakened and then annulled by 1996.

When it came to the social incorporation of Moroccan emigrants, the Moroccan state adopted a more subtle continuation of its previous policy. With state-affiliated amicales sitting on the board of the newly established Hassan II Foundation, the Moroccan government attempted to influence the cultural and social identity of Moroccan emigrants through the persuasion and services rather than with the weight of a state security apparatus.

On the economic front, the state maintained its relationship with Moroccan emigrants by developing specialized products through the BP that responded to the needs that migrants expressed – everything from insurance for the repatriation of bodies after death to preferential loans for real estate.

Awkward Embrace

The last phase of Moroccan policy making in this field begins with the transitional government headed by Youssefi, and is still characterized by the lack of vision that the Moroccan socialist party first displayed with respect to Moroccan emigrants. It has displayed profound ambivalence at incorporating an increasingly diverse, savvy, and unpredictable group into the political and social life of the Kingdom.

The transitional government initially made no provisions to give Moroccan emigrants any form of formal political representation. It is only recently that the government set up a deputy Ministry for Moroccan Living Abroad, but this was largely a symbolic gesture since the Ministry has resources so limited, its impact is negligible. The Moroccan government has similarly allowed the Hassan II Foundation to languish.

The Banque Populaire seems similarly to have stagnated. Competition from private banks that have adopted the BP's outreach and service model has eroded the BP's market share. These later entrants have drawn customers by offering a better quality of service, as well as services that are more carefully tailored to market niches, to clients that have now become accustomed to demanding it.

4. Impacts

For the past forty years, Morocco has designed policies to incorporate its emigrants into the political, social and economic life of the Kingdom. The fact that it did so with an eye to maintaining domestic political control

shaped the outcome of those policies in fundamental ways, and ultimately determined how Moroccan emigration would impact the Kingdom's economic development.

The state's intensive financial outreach program to migrants has arguably affected the rates of remittance transfers back to Morocco. The proportion of Moroccan migrants that send money home is strikingly high when compared to migrants from other countries, and their overwhelming reliance on formal channels to do so is even more remarkable. Through the BP, the Moroccan government built a relationship between migrants and formal financial institutions that is unique. The government invested in provided banking services to a population that was considered either "unbankable" – because of low levels of literacy and cultural suspicion of banking services, lack of formal documents, and geographical dispersal – or too expensive to bank because of the high cost associated with processing the many small financial transactions involved in remittance transfer. The BP created a market for its services, and it nurtured a banking culture amongst people who were banking for the first time. Both the market and the banking culture on which it rests have outlived the BP's monopoly of the management of migrant money, and they have undoubtedly kept remittance levels unexpectedly high despite the state bank's decline.

While the government's economic outreach to Moroccan emigrants has had lasting salubrious effects for the Moroccan economy, the government's initiatives to incorporate migrants politically and socially on the other hand have been largely counterproductive. The Moroccan state's interest in extending its control rather than maintaining a dialogue has undermined its legitimacy with Moroccan emigrants. As a result, neither the knowledge base nor the entrepreneurial investments are as available to Morocco as they otherwise might be at a time when these resources are desperately needed. Furthermore, because Moroccan policies have to a certain extent excluded emigrant voices from meaningful political discussion, they have, by same token, short-circuited Mohamed VI's attempts to redefine the Moroccan monarchy as an institution whose openness and modernity makes it suitable and robust enough for a globalized world.

An unanticipated and indirect effect of Morocco's policies can be observed in some of the small-scale development project that migrants have sponsored in their communities of origin. Because the Moroccan government tried to co-opt Moroccan emigrant associations, and only offered resources to those that supported the regime, Moroccan emigrant associations that chose to remain independent from the crown had to form networks with European governments, unions, and organizations in order to do so. The alliances these associations forged ultimately informed how they conceptualized development and implemented their projects. They influenced the kinds of relationships the associations came to view as integral and necessary to development : relationships that are technological, social and political. The

development projects that these sorts of associations have executed have proved extremely successful, when evaluated both for their sustainability and for their role as an economic catalyst. Ultimately, the success and scale of their projects has forced the state to take notice, and as a result, their participatory approaches to development are entering the public discourse on public works and development in a meaningful way.

5. Conclusion

The resources that international migration can and does vehicle to countries of origin are shaped, in profound ways, by the policies that those countries address their emigrants. The ways migration has informed and contributed to Morocco's economy, its political culture, and its emerging movements for change are all products of Morocco's policies toward Moroccans living abroad. Migration will continue to play a critical role in the Kingdom's political economy, but the way the Moroccan state engages with the phenomenon will determine the *kind* of role it plays. Morocco stands at a crossroads : the government can either commit to the Ministry it established for Moroccan living abroad, and to the political dialogue it embodies, or it can return to its historic strategy of silencing and control, even if coupled with the provision of financial services. As Moroccan communities become more transnational, establishing themselves permanently on both sides of the Gibraltar straits and maintaining enduring relationships across them, emigrants' financial contribution to their country of origin are becoming increasingly indivisible from their political participation in its current transformation. If the government choose to truncate the migrants' political involvement in the Kingdom, they may ultimate limit their economic involvement as well. If, on the other hand, the Moroccan government is able to embrace the new reality symbolized by a soccer team on which the players herald as much from European contexts as their Moroccan parentage, it may open the country to new possibilities of economic growth and political participation.

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