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# Morocco's Makhzen and the Challenge of National Development

Zakaria Fatih

## Abstract

This article explores the question of national development in Morocco considering the institution of the makhzen. It asserts that to adequately assess Morocco's national development as a post-colonial country, it is necessary to rely on an economic model based in politics rather than in theories exclusively informed by classical and neoclassical economics. Among the key economists called upon to investigate the validity of politics in discussions of national development and income inequality are the following: Simon Kuznets, Thomas Piketty, W. A. Lewis, and the duo Daron Acemoglu and James A. Robinson, all of whom continue a long tradition of economic sociology that had been established by George Simmel, Max Weber, Emile Durkheim, and Thorstein Veblen. Acemoglu and Robinson offer an especially useful theoretical model to discuss Morocco in light of its pervasive political institution: the makhzen. Overall, the paper demonstrates that inadequate national institutions, such as the makhzen in the case of Morocco, adversely impact national development and increase the level of income inequality.

## Introduction

Taking Morocco as a case study, I argue in this paper that national development depends on the nature of national institutions. The more democratic and inclusive national institutions are, the more likely the climate those institutions generate will spur economic growth and reduce income inequality and social disparities. Approaching national development from the vantage point of politics and history is not an unprecedented undertaking; German historicists and American institutionalists did just that when they advocated for an economics open to "other disciplines, such as law, political science and arts" (Sandelin, Trautwein, & Wundrak, 2014, p. 68). Added to those early historicists and institutionalists a new wave of economists, including but not limited to Acemoglu and Robinson (2013) and Piketty (2014) have argued for a politically-informed analysis to the question of economics and national development, considering this move an urgent undertaking in light of the looming threats of "arbitrary and unsustainable inequalities" that capitalism may "automatically generate" in the 21st century (Piketty, 2014, p. 1).

An analytical approach to the question of national development in Morocco, taking into account the state of national institutions and the role of politics in decision-making, has the potential to better assess Morocco's national development than a purely economic model that depends, according to Smith (2010), on the magic of the "the invisible hand" to fix the irregularities of the market economy and curb the rate of income inequality and social disparities. The pervasive nature of the institution of the *makhzen* proves that, far from being a question of economics alone, national development in Morocco is also a question of politics and political institutions. By relying on Acemoglu and Robinson (2013) and Piketty (2014), I will show why non-politically informed economic models of national development are inadequate for post-colonial economies such as Morocco's. Specifically, I will consider the "institution" of the *makhzen* in Morocco in light of Acemoglu and Robinson's (2013) model that focuses on the creative power of inclusive institutions.

### Literature Review

Thus, the literature review deliberately prioritizes a political economy inspired by the findings of social scientists and, moreover, lists a contemporary sample of noteworthy representatives of this brand of economics as well as their inevitable precursors. The allusion here is to George Simmel (2011), Émile Durkheim (2014), Max Weber (2019), Thorstein Veblen (Lerner, 1964), and Karl Polanyi (2001) who, in an attempt to refute the self-regulating nature of classical economics, espoused an economics open to findings from the social sciences, mainly from the fields of sociology, law, and politics. The affiliation to economics tasks the social scientist with the ethical responsibility to "inform democratic debate and focus attention on the right questions" as well as, argues Piketty (2014), "redefine the terms of debate, unmask certain preconceived or fraudulent notions, and subject all positions to constant critical scrutiny" (p. 3). The role of social scientific research appears in the case of Simmel (2011), as Lemert noted in the foreword in how he "tells the story of the greed of history's dominant classes" (p. xi). According to Lemert, Simmel (2011) understood the capitalist system's new power, money, and its impending influence on human relations, which entails not only the rise of a new nexus between freedom and money but also the birth of new forms of social bondage. Of interest here is how the social order, in the presence or absence of good institutions, has informed economic life throughout history, an assertion that Simmel (2011) illustrates with various examples from Roman law through modern times. Sociological input in economics is also palpable when Durkheim (2014) draws attention to the social origins of the division of labor that until his time had been viewed as an exclusively economic matter, if not even a phenomenon of the natural order: "There is no need to demonstrate the serious nature of this practical problem: whatever assessment we make of the division of labor, we all sense that it is, and increasingly so, one of the fundamentals of the social order" (p. 35). The affinities that the social order has with economics inform Weber's (2019) distinction between "social rank" and "social class," between the economic standing of individuals in traditional societies, in which the standing depends on social privilege, and their economic status in modern societies, which is not as much determined by social

rank or privilege; the conditions of possibility for good economics are antithetical to social rank:

Every society based on social rank is ordered conventionally, through the regulation of life conduct; this therefore creates irrational conditions for consumption. This obstructs the free formation of markets, through monopolistic appropriation, and by obstructing the free disposition of individuals' capacities to engage in gainful activity on their own account. (Weber, 2019, p. 457)

Weber's (2019) attitude reflects the risks to individual freedom he observed in societies of social rank as compromising social mobility and the dynamics of the market economy through monopolies based on privilege and the persistence of the natural order of things.

The inextricable nexus of economics and social sciences had as functionality for Simmel (2011), Durkheim (2014), Weber (2019) as well as for Veblen (Lerner, 1964) and Polanyi (2001) a corrective action to the fateful question of economics. Veblen (Lerner, 1964), for example, targets the classical economics' view of the division of labor as a phenomenon of the natural order and accuses Smith (2010) of a "teleological bias" (p. 245). In the same vein, sociologist Fred Block not only underscores Polanyi's (2001) predisposition to what may be called regulatory economics, he also believes in its capacity to avert the catastrophes, such as the great wars, brought about by classical economics:

Although he wrote *The Great Transformation* during World War II, Polanyi remained optimistic about the future; he thought the cycle of international conflict could be broken. The key step was to overturn the belief that social life should be subordinated to the market mechanism. Once free of this "obsolete market mentality," the path would be open to subordinate both national economies and the global economy to democratic politics. Polanyi saw Roosevelt's New Deal as a model of these future possibilities. (Polanyi, 2001, p. xxxv)

In the second decade of the 21st century, from where I draw the two main sources for this study, the nexus of economics and social sciences has gained even more ground even as it became gradually more focused on questions of poverty, income inequality, and national development respectively in Banerjee and Duflo (2011), Acemoglu and Robinson (2012), and Piketty (2014).

The ubiquity of the makhzen, as a political force in Morocco, calls for politically informed theories of national development, such as the ones propounded by Acemoglu and Robinson (2012) on the one hand and Banerjee and Duflo (2011) as well as Piketty (2014) on the other hand. The hypotheses of these economists in so far as they highlight the nexus of political institutions to national development is especially relevant for examining non-democratic economies where the struggle against income inequality, and access to education, employment opportunities, and

social justice logically call for greater political participation and voice in national development policy debates. A meaningful discussion of the Moroccan political economy ought to take seriously the specter of the makhzen due to its far-reaching powers. In the words of political scholar Boukhars that Hissouf (2016) quotes in his article, “Benkirane [former Moroccan prime minister] frequently lashes out at the subterfuge of what he calls the ‘ghosts’ and ‘crocodiles’ of the invisible but powerful ‘Makhzenian’ force” (p. 50). Moreno Almeida (2013) also tries to expose the subterfuge, or the hideout, that veils the makhzen’s direct intervention in social, economic, and cultural affairs: “In other words, through this method [withdrawing funding for social and cultural events], the Makhzen is not directly accused of controlling freedom of speech or censorship” (p. 322). In the relative absence of focused research on the role of the makhzen in national development, I rely mostly on the work of Mohamed Daadaoui (2011, 2012), as well as Fatima Harrak (2018) and Abdallah Laroui (1999). These scholars recognize the makhzen as both an economic and a political force. As an institution, it is a hierarchical composite of religious entities and administrative agents endowed with political power. Daadaoui (2011) defines the makhzen as “an administrative apparatus” with “particular social and cultural symbols,” and “practices and rituals that have always buttressed functions of the state” (p. 47). He lists the three main groups that formed the makhzen until the 19th century. The first group, in charge of internal and external policy, includes “the king,” “the *wazirs* (viziers or ministers),” and “the *hajibs* (major domo);” the second “the chancellery” composed of “*katibs* (secretaries)” in charge of communicating “state policies and measures” taken by the first group; the third “treasurers and intendants” tasked with fiscal issues (Daadaoui, 2011). Daadaoui (2011) writes, “the establishment of modern political institutions neither changed nor transformed makhzenite authority. The current modern state in Morocco features western style institutions of government and precolonial power traditions” (pp. 59-60). Daadaoui (2011) makes it clear that the traditional structure of the makhzen still runs the country:

Makhzen has maintained its traditional structures necessary for its legitimation. At the same time, it has reformed its institutions into a modern administration within a façade constitutional monarchy. ... Politically, makhzen is the only constant force, while all other political forces are transient and ephemeral. (p. 67)

In essence, Daadaoui (2011) suggests that institutions implemented during or after colonialism, such as the king, political parties, the parliament, which is now bicameral, the office of the prime minister, the judicial system, the appointed bureaucracy as well as property rights, cooperations, and organizations are all makhzenite in nature, i.e. they operate following the triad of functions mentioned above that governed Morocco prior to colonialism. In light of the ubiquity of the makhzen as a political and an economic force, it makes sense to apply an approach that takes into account the role of politics in national development.

## Discussion

Thomas Piketty (2014), one of the most prominent economists alive today, has critiqued Simon Kuznets' (1955) highly influential and long unquestioned theory that postulated industrialization leads first to greater income inequality only for the inequality to later subside sharply at a second stage, supposedly once the fundamentals of industrialization have been grasped. When the second stage of industrialization kicks in, those who were disadvantaged will start to harvest the fruits of their labor and become legitimate contributors to national development and economic growth. Kuznets seemed to have embraced an overly optimistic theory that traded the Marxist "apocalyptic prediction" of a permanent "inegalitarian spiral" for a political economy that believes in the aphorism: "Growth is a rising tide that lifts all boats" (Piketty, 2014, p. 14).<sup>1</sup> Piketty (2014) rebukes Kuznets' predictions that "should theoretically reproduce itself everywhere, including underdeveloped countries then mired in postcolonial poverty" (p. 18). That poverty, still ever-present decades after the wave of the liberation movements, discredits Kuznets' prognostic. His so much hoped for reproduction has never taken place in the post-colonial world, Morocco included, nor has Kuznets' hypothesis ever fully materialized in the United States of America.<sup>2</sup> Ben Nasr, et al. (2019) reproaches Kuznets' inverted U-curve for its unsubstantiated "empirical evidence" that prevents assessing "a long temporal change in income inequality," and for its inability to "explicitly" date "the stages" (p. 828).<sup>3</sup> In the case of most developing countries, "the less privileged" and the poor, the authors argue, have no credit value and capital remains beyond their reach, preventing their potential in economic investments and active involvement in wealth production leading to a permanent gap in social and economic equality and greater instability (Ben Nasr et al., 2019, p. 828).

The irreconcilability of non-politically informed economic theories with the realities of post-colonial economies indicates that national development relies more heavily on strong and credible political institutions than previously thought. The high rate of income inequality and social injustice in post-colonial industrialized economies is not due to being unindustrialized, or not industrialized enough, but for not being democratic enough. There are additional reasons that further discredit Kuznets' economic arguments in the developing world. Decolonization coincided with the moment when industries began to depend less and less on human labor and soon moved after that moment to automation and robotic industrialization.

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<sup>1</sup> First published in France in 2013.

<sup>2</sup> In Piketty's (2014) view, what led to the sharp decrease in inequality in the United States points more to the 1929 global depression and to the two world wars, catastrophic events that disrupted income returns on capital and wealth, and not to the "'advanced phase' of industrial development" (p. 18).

<sup>3</sup> As of 2018, Kuznets' specter still looms larger than life; he continues to be an influential figure in studies on income inequality, such as Ben Nasr et al. (2019). They open their article with the following sentence: "A study conducted by Kuznets (1955) is continuously referenced by most of the research evaluating the possible relationship between economic growth and income inequality and/vice versa" (Ben Nasr et al., 2019, p. 827).

Industrialization of agriculture, for example, has displaced vast segments of rural populations without governments making adequate investment in or provision of quality education needed to train people for jobs in a modern industrialized economy. This failure leads some observers to believe that withholding quality education represents a calculated political decision to stem the potential of the working class as a subversive popular force to political absolutism.<sup>4</sup> The issue of global inequality and underdevelopment does not stem from the growth rate of industrialization, or the performance of any other sector of the economy, be it tourism, agriculture, fisheries, or mining that have witnessed unprecedented growth in Morocco thanks to modernization, foreign direct investments, and reforms. Rather, the real problem of national development lies in the nature of the political institutions that regulate and profit from those sectors and the impact of the political decision-making process on availability and access to education, training, and job opportunities.

As both Acemoglu and Robinson (2012) argue, “Traditionally economics has ignored politics, but understanding politics is crucial for explaining world inequality. As the economists Abba Lerner noted in the 1970s, ‘[e]conomics has gained the title Queen of the Social Sciences by choosing solved political problems as its domain’” (p. 68). The inclusion of politics in economics is gaining momentum, as we have already seen with Piketty (2014), who rails against economics’ “childish passion for mathematics” and its refusal, in the name of “scientificity,” to collaborate with social sciences, especially with politics, history, and sociology: “we must obviously take a pragmatic approach and avail ourselves of the methods of historians, sociologists, and political scientists as well as economists” (p. 42). In Acemoglu and Robinson (2012), the interest in politics indicates the desire to see a politically-informed economics, whereas, in Piketty (2014), the point in placing economic data at the disposition of policy makers, historians, and politicians nurtures the hope to see a socially-informed and culturally-conscious economics.<sup>5</sup>

Between Acemoglu and Robinson (2012) on the one hand, and Piketty (2014) on the other, but both proponents of politically-inspired economics, the agreement on the necessity of the integration of politics in economics is offset by the disagreement about the share allocated to culture, history, sociology, and other social sciences in national development. If Piketty calls for full collaboration with the social sciences, Acemoglu and Robinson (2012) restrict the collaboration to the

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<sup>4</sup> For more discussion on the nexus of national development and the fear of industrialization, see the section: “Fear of Industry” in Daron Acemoglu and James A. Robinson (2012), *Why Nations Fail: The Origins of Power, Prosperity, and Poverty*. New York, NY: Crown Business. pp. 222-231.

<sup>5</sup> Piketty’s (2014) dream job, he writes, “was to teach at the *École des Hautes Études en Sciences Sociales*,” because the school gives the best example of an institution of higher education in which historians, such as Lucien Febvre and Fernand Braudel, rub shoulders with an anthropologist, Claude Lévi-Strauss, and a sociologist, Pierre Bourdieu, among others. Besides enabling cross-disciplinary interaction, this intellectual environment enables its residents to constantly check each other’s work and hypotheses (p. 41).

institutional side of politics, rejecting geography and culture as well as “ignorance” for being unreliable criteria in discussions of world inequality (pp. 45-69). For Acemoglu and Robinson (2012), the deciding factor in the failure of poor nations fighting underdevelopment and the continued economic success of prosperous nations reside in politics, mainly in political institutions.

While the belated credit to politics does not vindicate Marxist ideology in its call to erect a proletarian-based system on the ashes of bourgeois capitalism, the growing interest in politics in theories about income inequality and economic growth re-centers the issue of national development by awarding to politics a large margin in the discussion. For Acemoglu and Robinson (2012) a nation’s prosperity and progress depend on inclusive institutions; the more inclusive institutions are the more prosperous a nation is and, by contrast, the more extractive or non-inclusive those institutions are, the less prosperity a nation generates. The symmetry of political and economic institutions becomes the sole criterion in determining the cause of affluence and, conversely, in the case of asymmetrical institutions the reason for a nation’s poverty.

Acemoglu’s own successful story in the West as a Turkish-Armenian immigrant in England first and then a prominent academic in one of the most prestigious institutions of higher education in the United States, Massachusetts Institute of Technology, best illustrates how inclusive political and economic systems can lift people out of poverty. This is what inclusive political and economic systems do; by embracing all members in society, they transform the individual into an ethical force in the service of knowledge and beneficial production, creating prosperity and wellbeing.

### **The Makhzen and National Development**

No one contests the impressive strides Morocco has made in the economic sector nor does anyone disagree that those valuable gains have disproportionately enriched and increased the economic and political power of the makhzen. This Machiavellian power structure balances state violence or hard power with privilege or soft power by relying on patrimonial practices rooted in the ancient cultures and traditions of Morocco. Some of those practices were institutionalized within the makhzen during the reign of Ahmad al-Mansour, AKA al-Mansour al-Dahbi of the Saadi Dynasty, who “initiated the elaboration of a centralized system of governance for Morocco, which came to be known as the Makhzen” (Harrak, 2018, p. 283). For Daadaoui (2011), the birth of the makhzen happened in stages; it designated first the “whole government,” which included “the army and the administration” when Morocco seceded from the Abbasid dynasty in Baghdad in the 12th century and, second, in the 16th century when it referred to an institution in charge of collecting and transferring taxes to the treasury: “Thus, throughout its development, makhzen has shifted from its literal meaning as the government’s treasury to a sociopolitical interpretation as a ‘reservoir of power’” (p. 42).<sup>6</sup>

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<sup>6</sup> Unlike Harrak (2018) and Daadaoui (2011), Laroui (1999) attaches the birth of the “new makhzen,” which the Europeans noticed ahead of the protectorate, to the reign of Moroccan

The universal reach of the makhzen is both a blessing and a curse. Morocco owes its stability to the power the makhzen wields in politics, in public affairs, in foreign policy, in diplomacy, in trade and economic matters as well as in the social and the cultural life of the citizen. The state is practically everywhere, a pervasive presence that also leads to political atrophy and institutional stagnation. As an imaginary and eternal state symbol, the makhzen also secures national cohesiveness, but the cohesion comes at the expense of cultural emancipation and social mobility. The makhzen, which has so far spared the country the turmoil observed in its regional neighborhood, can best be described using one of Weber's (2019) types of legitimate domination. Under the three "pure types of authority," Weber (2019) conditions the legitimacy of "traditional authority" to "the sanctity of age-old rules and powers. The masters are designated according to traditional rules and are obeyed because of their traditional status (*Eigenwürde*)" (p. 226). "Obedience" in such a system, adds Weber (2019), is paid to "the *person* who occupies a position of authority by tradition or who has been chosen for it by the traditional master" (p. 227). In Morocco today, the citizen, as a subject of the monarch, owes obedience not only to the governor, one of the king's administrative appointees, but also to caids, sheikhs, and moqaddems who, by comparison to the position of governor, find their origin not in French colonialism but in the makhzenite power hierarchy.

The political structure of the makhzen in the aftermath of colonialism blends positions of power that French colonialism institutionalized, such as "civil officials of the modern state" (Daadaoui, 2012, p. 56) and traditional administrative positions and practices that the Moroccan state revived, such as "the office of grievances," or "*majlis* (court)," as well as the "*bay'a*," or allegiance, an annual ceremony that "reinforces the linkage between the king and his subjects" (Daadaoui, 2012, pp. 60-61). Daadaoui (2012) argues that the makhzen commands a composite of powerful political structures that, to borrow an old adage, is nothing more than old wine in new bottles:

The institutional reorganization of makhzen after independence was an attempt to renew local institutions and local community traditions under the aegis of a new modern state. In fact, the state structure appears modern, but its nucleus is comprised of renewed traditional modes of government. Institutional mechanisms for political manipulation are facilitated by the existence of a primordial system that sets the monarch above the political system. (Daadaoui, 2011, p.67)

Daadaoui implies that the survival of the makhzen depends on outdated political practices that are antagonistic to democratic governance. His arguments explain in part the impossible cohabitation of the old institutions of the makhzen and the modern institutions of a democratic state.

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Sultan Mohammed III who is credited with modernizing it decades after the death of his grandfather, Sultan Ismail (p. 90).

The ubiquity of the makhzen's power and influence is reason to call for a strategy of national development that factors the impact of national institutions in economic and social indicators and, not as it is usually the case, especially in NGOs' reports, of national development as isolated findings about a particular social criterion or economic scale. In other words, inasmuch as it is necessary to look at the makhzen as the political body in charge of the success or failure of the national economy and social policy, it is equally indispensable to assess national development, especially in the post-colonial world, on the basis of the transparency, representativeness, and accountability of such national institutions. Furthermore, the means of production, in this case, are not detached from the political structure or, to use Fanon's (2004) words about the colonial world: "[i]n the colonies the economic infrastructure is also a superstructure" (p. 5). The makhzen has the dual function of collecting taxes and doing politics; it is as much involved in economic production as it is in the stipulation of a political economy that serves the interests of the class(es) it represents.

The makhzen and its extractive institutions have a direct impact on regional development and social disparities, which could be accounted for by the use of the "dual economy" paradigm, or Lewis' (1954) model. Lewis (1954) ties underdevelopment to structural variations between the modern sector of the economy, which Lewis calls "the capitalist sector," and the traditional sector of the economy, which he calls "the sector of subsistence" (p. 6). The contrast leads to an economy moving at two speeds and evolving inadequately to be able to resolve social disparities and bring about sustained human flow from the sector of subsistence toward the capitalist sector. Even though Lewis' (1954) model was formulated decades ago, it offers a description of the social and economic discrepancies observed in Morocco. Although there has been a modest movement from the sector of subsistence to the capitalist sector in Morocco, the deplorable state of public education and the scarcity of capital allocated to poor individuals and small businesses willing to embrace the spirit of the new economy are major obstacles to real improvement. The makhzen may also perceive a gathering threat to its interest in the expansion of the capitalist sector for reasons Lewis (1954) lists below:

The fact that the wage level in the capitalist sector depends upon earnings in the subsistence sector is sometimes of immense political importance, since its effect is that capitalists have a direct interest in holding down the productivity of the subsistence workers. Thus, the owners of plantations have no interest in seeing knowledge of new techniques or new seeds conveyed to the peasants, and if they are influential in the government, they will not be found using their influence to expand the facilities for agricultural extension. (p. 6)

Take the example of public education in today's Morocco, an area with the potential to spur successful migration from "the sector of subsistence" to "the capitalist sector." Public schools at all levels have been marred in a myriad of problems

concerning the quality of instruction to the degree that a rising number of Moroccan families prefer to send their children to private schools.<sup>7</sup> In 2017, the percentage of children in private schools stood at 14%, or 1 million students, still a low percentage because only the wealthy could afford to pay tuition, transportation, and school supplies.<sup>8</sup> Moreover, the state continues to welcome the move from public to private schools because the relocation relieves some of the financial burden on its treasury by dumping on private institutions some of the costs of building new schools, hiring new personnel, and making available other logistics. The catastrophic results of lowering the standards of public education explain the persistence of structural disequilibria and the rising rate of inequality, since the majority of those able to afford private education for their children are the very same people already in the capitalist sector, those who understand the value of offering their children an adequate education and can already afford to do so. The Legatum Prosperity Index (2018) on education shows Morocco with a ranking at 117 among 149 countries, 134 on social capital, and 130 on personal freedom. The fact that 14% of Moroccan students are able to attend private schools means that only a tiny fraction can dream of social upward mobility and that education is one of the strongest cards in the hands of the *makhzen*, as an extractive institution, to control the flow from the subsistence sector to the capitalist sector.<sup>9</sup>

The binary oppositions between “extractive and inclusive economic institutions” on the one hand and “extractive and inclusive political institutions” on the other hand hold the most plausible explanation to what is taking place in Morocco. Acemoglu and Robinson (2012) define “inclusive political institutions” as “sufficiently centralized and pluralistic” and “extractive political institutions” as a power monopoly “in the hands of a narrow elite” (p. 81). They maintain that “economic inclusive institutions” establish the foundations for an equal distribution of wealth and resources. In addition, they emphasize that “inclusive political institutions” lead to “inclusive economic institutions” in that the state becomes the “enforcer of law and order” to protect “public services and regulate economic activity” (Acemoglu & Robinson, 2012, p. 80). It intervenes to fight fraud and illegal and dubious economic dealings so as to guarantee, among other things, an equal playing field for everyone. By contrast, “extractive political institutions” usher in “extractive economic institutions.” In such cases, political institutions are designed in a way to serve the interest of the powerful. While one could argue in favor of “inclusive economic institutions” in Morocco, the inclusion does not touch

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<sup>7</sup> In a press conference, the spokesman for the Moroccan government blames the current educational system for creating a “jobless generation.” He stated that school dropouts stand at 270,000 a year. See the following link from *Morocco World News*, accessed on May 7, 2019: <https://www.morocoworldnews.com/2019/05/272521/official-morocco-education-system-produces-jobless-generation/>

<sup>8</sup> These statistics appear in this article: “Année scolaire 2017-2018: 1 élève sur 7 est scolarisé dans le privé,” accessed on May 14, 2019: <https://www.medias24.com/MAROC/Quoi-de-neuf/184572-Education-nationale-les-principaux-chiffres-de-l-annee-scolaire-2017-2018.html>

<sup>9</sup> See previous note on the percentage of students attending private institutions.

all the geographic regions nor are economic opportunities available to all the citizens.

Many media pundits have described Morocco as a country that runs on two speeds. The launching of Morocco's high-speed train created a polemic concerning the social and economic disparities between the haves and the have nots, or Morocco moving at two speeds (Rboub, 2017). The unbearable economic and social disparities between the haves and the have-nots are occasionally met with state violence to stem the tide of popular revolt, as in the recent Hirak movement in the Rif for which its leader, Nasser Zefzafi, is now serving a 20-year prison sentence. According to *The New York Times*, the court charged him and his acolytes with "undermining public order and threatening national unity" (*Reuters*, 2018). Zefzafi's case illustrates the unsustainability of the coexistence of "extractive economic institutions" that the makhzen symbolizes and its spurious "inclusive political institutions." The daily eight-month long protests he organized had social grievances and economic discontent as their dominant themes; although he denounced state surveillance, he never complained of the inability to organize protests and hold rallies. In fact, he offered the state the alibi to arrest him when he interrupted the Friday religious sermon, which was his biggest mistake. In a sense, Zefzafi did take advantage of the availability of "inclusive political institutions" to rally public support in the Rif and the rest of Morocco, but that effort failed to contest the "extractive economic institutions."

Zefzafi's example shows that spurious "inclusive political institutions" can coexist with "extractive economic institutions." The coexistence becomes possible when "extractive economic institutions" give the impression of "inclusive economic institutions," or alternatively, when "extractive political institutions" pass for "inclusive political institutions." However, the limitations of spurious inclusive institutions, whether economic or political, appear when the system is in crisis mode, i.e., when individuals or social groups challenge those institutions, either through a momentum of economic grievances or by protesting their social condition. In the name of "undermining public order and threatening national unity," which is a common allegation in Morocco to muzzle dissidents, as in Zefzafi's case, the makhzen intervenes in the process of "creative destruction" that the protesters may have unleashed.<sup>10</sup> Acemoglu and Robinson (2012) rightly point out that, "[f]ear of creative destruction is often at the root of the opposition to inclusive economic and political institutions" (p. 84). The Hirak movement exposed the paradox of the Moroccan state as promoter of democracy and the rule of law, i.e., as a state that appears to embrace and live by "political inclusive institutions" while also holding on to the extractive institutions of the makhzen.

The fear of "creative destruction" in the case of Morocco presents itself in terms of a class struggle. If the power of the makhzen is threatened, it is not only the

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<sup>10</sup> Acemoglu and Robinson (2012) explain Joseph Schumpeter's "creative destruction" as the replacement of "the old with the new. New sectors attract resources away from old ones. New firms take business away from established ones. New technologies make existing skills and machines obsolete" (p. 84).

economic interests of a social group that are at risk; it is the privilege of the class that this social group represents that will be at stake. There is no justice, let alone compassion, in dealing with dissidence when the stakes are understood in absolute terms of winners and losers, of haves and have-nots. In such cases, the fear may be worse than the reality. At the same time, the fear of “creative destruction” has not prevented the state from promoting progressive political policies and selling an image of the country as politically stable and culturally tolerant; it will continue to do so as long as it earns dividends from running a simulacrum of a system of inclusive institutions. Lacking substantive change, the problem will grow.

### Conclusion

To conclude, the present article relies on select theories of political economy, mainly those of Piketty (2014) and Acemoglu and Robinson (2013) to show that national development and income inequality depend on national institutions. The more inclusive institutions are, the more democratic and prosperous a nation is. If Morocco’s ultimate dream has been since independence in 1956 to make it to the club of democratic and prosperous nations, and if that dream has been elusive thus far, the answer to the failure of democracy along with the states’ structural programs to shore up chronic poverty, unemployment, and income inequality lies in politics. While the economic growth rate of industrialization per anum has enabled the country to be more competitive on a global scale, its political institutions are impeding any progress towards the country’s espoused economic and political aspirations. The secret to successful national development is not to succumb to the irrational fears of privileged elites but to invest in the dreams of hard-working everyday citizens, to provide the necessary educational support and legal protections that allow the citizenry to fully participate in both the economic and political life of the country.

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