

Call for Papers:

Economic Growth in Morocco: Theories, Evidence and Lessons Learnt From Recent Experiences

April 2017

During the decade of 2000, the Moroccan economy recorded an average growth rate of around 5%, against nearly 3% during the previous decade. This recent transition to new levels of growth is accompanied by a relative decrease in the economy's dependence on the agricultural sector and climate conditions. However, the 2008/2009 global financial crisis (GFC) had negative impacts, even though lagged, on the economy and its supply capacity as given away by the decreasing tendencies in production trends therefore showing the limits of the country's growth strategies based on the expansion of domestic demand driven by high rates of public investment and sustained wage increases.

Questions and Areas of Research:

Public Investment Efficiency: Findings and Analysis

The overall rate of national investment has reached levels that are amongst the highest globally, mainly as a result of the public sector investment strategy and undertaking. Its impact remains significant in reducing the prevalence of social vulnerabilities and improving the accessibility of the Moroccan population to basic services and infrastructure. If the data available on investments does not allow for a clear distinction between public and private components, studies and international reports generally argue that public investment has faced the problem of inefficient, given the low rates of economic growth that result. In spite of these developments, the long-term growth remains largely dependent on the investment evolution, as long as it is in sync with the country's development level and the growing constraints resulting from the integration of the Morocco economy into the global market.

In view of this, it seems advisable to carry out a thorough assessment of the current public investment strategy that will extend the reflection on the reasons behind this phenomenon and create new research on different paths for optimal investment strategies. Reconfiguring sectoral and geographical distributions and investment strategies are among many others elements that deserve to be studied by researchers in order to find the reasons behind Morocco's low-efficiency public investment.

Labor Market, Competitiveness and Economic Growth: What Relationship?

In addition to public sector investment, domestic demand has also been fueled by the minimum wage adjustments, an action that has led to improvements in social welfare through increased real and disposable incomes for certain categories of households.

Despite these improvements in social welfare, many questions arise related to the economic cost of such policies, mainly: to what extent is the increase in labor cost accompanied by improvements in labor productivity? Is it essential in this case to confirm or refute the hypothesis that rising wages hampers growth, discouraging the inflow of foreign investments in labor-intensive activities and thus skews the growth model towards domestic demand.

This issue of wage increases is exacerbated by the regulation of the labor market, which does not seem to favor such flexibility. This rigidity, which aims to protect employment, may have opposite effects, accentuating the problem of unemployment while slowing long-term growth. Assessing the clear implications of the regulatory framework of labor market dynamics and long-term growth remains key.

Similar questions are raised in terms of exchange rate policies. The fixed exchange rate regime has indeed optimally served as a credible nominal anchor for economic agents, while its performance in terms of exports promotion, external viability, and Moroccan economic cycle management does not appear to be satisfactory. Therefore, the choice of which appropriate regime to adapt requires crucial attention and examination.

Morocco and Value Chains Globalization: Opportunities and Challenges

Trends towards fragmentation of global value chains has exhausted conventional economic take-off strategies based on the development of full production systems on national economic territories for purposes of import substitution industrialization and economic catch-up. Now, economies in search of growth opportunities can integrate the transnational production process by positioning themselves on added-value-creating niches. With this in mind, Morocco initiated a set of sectoral strategies that aimed to establish the foundations for a new growth model worn by high value-added sectors where the country benefits from comparative advantages. The automotive industry represents, indeed, a successful example of such sectoral and structural transformations. Within a few years, this sector became a champion of the export realm with a share of nearly 20% of total exports. This clearly positive dynamic remains subject to several questions concerning its impact on growth and employment, given the fiscal, financial and tariff incentives granted. Successfully isolating the added value on the national territory is essential in order to articulate the Morocco's positioning on low and high value-added segments.

Integration with Sub-Saharan Africa: New Sources of Growth

Morocco is more and more committed to the strengthening of its relations with Africa and wants to make it a new source of growth, building on a rich common political and historical legacy. This integration within the African economy should serve as a mutual impulse force, able to propel the Moroccan and sub-Saharan economy into a new growth path. If the choice to consolidate its presence on the African market is growing prosperity, its key to success does not seem to be well identified. Strategic cooperation with countries of the region is still struggling to grow, as reflected by free trade and partnership agreements not yet concluded. In addition, these cooperation agreements, when they are ratified, usually concern small economies with relatively narrow markets. In this case, it is important to clearly establish the scope of Morocco's trade and investment policy vis-à-vis Africa and propose a road map, which may ensure synergy between partners and successful targeting of high potential economies.

In view of all these considerations, the High Commission of Planning (HCP) and the OCP Policy Center (OCP) are calling for the submission of papers that explore and bring answers to questions rotating around the issue of growth, its models and its determinants.

Non-exhaustive list of topics subjects of communication

1. Economic growth and jobs: State of play.
2. Measure, evolution and determinants of growth potential.
3. Public investment, private investment, fiscal policy and growth.
4. FDI, growth and job creation.
5. Sectoral policies, growth and job creation.
6. Industrial policies and growth.
7. Public owned companies and growth promotion
8. Regulation, competition and growth.
9. Structural reforms and growth.

Papers submission

Proposals for communication must contain:

- Authors first and last Name, postal address, affiliation, authors e-mail address.
- A first quasi-finalized version of the communication for assessment.

All the documents must be sent to:

Tayeb.GHAZI@ocppc.ma & hcp@hcp.ma

Calendar

- 27 October 2016: opening of the call for papers
- 30 March 2017: deadline for sending the first quasi-finalized of the communication
- 15 April 2017: opinion of the Committee and authors notification
- 30 April 2017: organization of the conference
- 10 June 2017: deadline for the deposit of the finalized versions of communications.
- September 2017: publication of the conference proceedings.
- Selected papers will be also published in a special issue of the “cahiers de plans”.

Scientific Committee:

- Abdelhak Allalat
- Karim El Aynaoui
- Aomar Ibourk
- Ayache Khellaf