

## THE POLITICS OF MOROCCO'S "FIGHT AGAINST CORRUPTION"

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In the donor community as well as in academic circles, the second half of the 1990s witnessed a surge of interest in corruption, which is defined here as the abuse of public office for private gain. Pervasive, systemic corruption has now been identified as a major impediment to sustainable development. It is increasingly recognized, in particular, that countries engaged in a transition to democracy and market economics will be unable to consolidate and build on the gains they have already made unless they also show themselves capable of containing the corruption that undermines public trust and confidence in the new institutions, deters foreign investors, and thwarts private-sector expansion.

That the twin processes of democratization and economic liberalization have heightened the salience of corruption as a public-policy issue should come as no surprise. By broadening the political space available for advocacy groups and representative bodies such as legislatures, democratization enhances these institutions' ability to press for greater govern-

mental accountability. Increased press freedom also frequently focuses the public's attention on corruption scandals that previously might not have been exposed. Meanwhile, economic liberalization often creates new opportunities for corruption – as, for instance, when privatization of state assets is marked by lack of transparency and collusion between public officials and private interests.

The Asian economic crisis of 1997-98 also underscored the extent to which corrupt practices and crony capitalism can undermine even significant economic achievements. It is revealing, as Thomas Friedman has noted, that of all Asian countries fully integrated into the global economy, the one that was hurt the most, Suharto's Indonesia, was also ruled by one of the most corrupt regimes in the world. Meanwhile, countries with democratic but corrupt systems – South Korea and Thailand – were hurt the second worst, while those with more transparent and accountable financial systems – Hong Kong, Singapore and Taiwan – fared best in relative terms.<sup>1</sup> While a host of other

factors undoubtedly contributed to the divergent paths followed by these countries, many observers have seen recent events in Asia as a manifestation of the increasingly close relationship that now exists between a country's level of transparency and accountability on the one hand, and its ability to withstand shocks emanating from the global market on the other.

It is not surprising, in this context, that donors have elevated the fight against corruption into a new priority of foreign assistance. Many of them are currently engaged in a broad variety of anticorruption initiatives, and some have even made aid packages conditional upon a host government's willingness to control corruption.<sup>2</sup> Workshops, seminars and conferences devoted to anticorruption efforts have become a cottage industry. Since 1996, the World Bank, through its Economic Development Institute (EDI) in particular, has been in the forefront of this new global campaign against corruption. Spurred in part by the emphasis that its president, James Wolfensohn, has put on that issue, the Bank now takes corruption explicitly into account when designing country-assistance strategies and lending programs. It has developed a framework to help its staff meet requests for technical advice in the fight against corruption. It also has devoted significant resources to increasing its own understanding of the mechanisms that sustain corruption, the forms that it takes, and how some countries have been able to reduce it.<sup>3</sup>

Meanwhile, every year since 1991, an International Conference Against Corruption (ICAC) has brought together senior government officials, decision makers at the World Bank and the United Nations,

representatives of the media, and heads of regional organizations such as the African Bank for Development and the Organization of American States. The latest session of the ICAC, held October 10-15, 1999, in Durban, South Africa, was attended by some 1,300 delegates and experts, including James Wolfensohn, his predecessor Robert McNamara, Al Gore and Nelson Mandela. Also present at the closing ceremony was Nigeria's president, Olusegun Obasanjo, who in his first year in office has pursued an aggressive anticorruption drive.

The summer and fall of 1999 also saw the issue of corruption at the forefront of world events. In Russia, a highly publicized investigation of money-laundering allegations pointed to the possibility that millions of dollars in aid may have been diverted to overseas accounts by Russian politicians. The scandal placed the Clinton administration on the defensive, as critics complained that it had ignored mounting evidence of corruption at the highest levels of Moscow's government. In Indonesia, Bank Bali, one of the country's largest banks, was shown to have diverted nearly \$70 million to the then-ruling Golkar party. Coming on the heels of a surprisingly candid World Bank report in which the international organization acknowledged having ignored widespread governmental corruption during the 33-year rule of former President Suharto, "Baligate" severely tested Indonesia's fledgling democratization experiment. In Pakistan – long acknowledged as one of the world's most corrupt countries, and one which has been left nearly bankrupt by decades of plundering of public assets by democratically elected leaders – the government of Nawaz Sharif was overthrown in an

October 1999 military coup. The coup immediately prompted official investigations into allegations of corruption against Sharif and his predecessor, Benazir Bhutto. Within days of assuming office, Pakistan's new ruler, General Pervez Musharraf, made the fight against corruption his first official priority. That same month, in Argentina's presidential election, Buenos Aires Mayor Fernando de la Ruá defeated the Peronist candidate by campaigning on a platform centered on a promise to halt corruption.

And yet, for all this revival of interest in the ancient problem of corruption, there are very few case studies to date of specific anti-corruption efforts in transition countries, and of what these efforts – as well as the public discourse built around them – may reveal about the political and economic forces reshaping these countries.<sup>4</sup> This lack of empirical studies is especially true of the Arab world, even though corruption in that region is widely acknowledged to be pervasive and to be exacting a tremendous economic and political cost.<sup>5</sup>

Morocco, however, provides the analyst with an opportunity to remedy this gap in the literature, since the fight against corruption has recently emerged there as a prominent public-policy issue. On June 22, 1999, the government of Prime Minister Abderrahmane Youssoufi even went so far as to organize, in collaboration with the World Bank, a highly publicized seminar entitled "The Fight Against Corruption: For a Modern Approach – International Experiences and the Stakes for Morocco." Certainly, in a country in which the word corruption was deliberately avoided in public debates only five or six years ago, the significance of such a seminar can

hardly be exaggerated. But beyond this event, Morocco is an interesting case to examine because of what its public discourse on corruption reveals about the country's political dynamics; about the strengthening of new social and economic actors as a result of economic liberalization and democratization; about the increased salience assumed by certain issues – the rule of law, transparency and ethics in government and business – as a result of changes taking place in both the domestic and international arenas; about the capacity of advocacy groups to act as catalysts for change; about the innovative strategies adopted by these groups; and about the tentative search for new relationships between government, civil society and the private sector – usually under the aegis and with the encouragement of donors such as the World Bank.

Morocco's case is also interesting because of the manner in which its government has responded to the new prominence of corruption as a public-policy issue. It is frequently argued in the donor community that a host government's "political will" to confront the issue of corruption is critical to the success of anticorruption initiatives supported or initiated by bilateral or multilateral aid agencies.<sup>6</sup> There is both logic to this reasoning and much empirical evidence to support it. In practice, however, government commitment is often hard to determine. Moreover, it is a somewhat abstract notion that simplifies a more complex reality. For one, it may not capture the actual ambivalence with which even a reform-oriented cabinet may approach the fight against corruption. Genuine goodwill to tackle the problem may co-exist with no-less-real concerns that this endeavor might

spin out of control or benefit hostile forces. Similarly, the government's readiness to involve civil society in its anticorruption efforts may not preclude its determination to keep control over the agenda and the scope and pace of reforms. At times, that determination may well thwart real partnerships between government and NGOs. Finally, governmental rhetoric about the need to reduce corruption may reflect genuine political will at one level, but at another it may also be one or more of the following: a strategy to take ownership of an issue which in the past was used against the government; a way to ingratiate itself with the public, partly in an attempt to compensate for a failure to deliver more tangible benefits such as jobs and higher standards of living; and a way to trivialize the issue of corruption by turning it into yet one more topic to be added to the political debate.

What Morocco's case illustrates very well is precisely the ambivalence and complex mixture of motives that may underpin a government's anticorruption agenda. Before this point can be developed, however, one must first understand how and why the issue of corruption has become part of acceptable public discourse in the kingdom over the short span of the past five years and what this spectacular transformation indicates about some of the most important political and socioeconomic mutations currently under way in Morocco.

### **OVERCOMING A TABOO**

As recently as 1995, corruption was still a forbidden subject in Morocco. In December of that year, the association *Ribat al-Fath* – one of the so-called “regional associations” created from the mid-1980s onward by individuals close to

the Palace – organized a colloquium entitled “Ethics, Deontology and Growth.” For three consecutive days, participants used the word “ethics” hundreds of times, but not once mentioned “corruption.” The implicit prohibition on using that word in a public forum was still fully in force. The issue could be discussed only indirectly, for instance by talking about “unethical behavior” instead of “corruption” per se.

The situation had improved only slightly by July 1996, when Maroc 2020, one of Morocco's leading advocacy groups, organized the first seminar implicitly devoted to corruption. Throughout the planning for that event, the association's founder and leader, Ali Belhaj, was reminded by several friends and acquaintances that he was taking certain personal risks. Talking about corruption in public was still considered to be stretching the limits of what the prevailing balance between social and political forces could tolerate. Belhaj's concession was to entitle his seminar “The Ethical Imperative Within the Firm.” Once again, the use of the word “ethics” reflected primarily a desire not to use the word “corruption,” which was nevertheless at the core of the debates that took place. In fact, the subtitle of the workshop was indicative of the nature of those debates: “Being Aware of the Consequences of Non-ethical Behavior, and Organizing the Fight against Corruption.” Among the guests of Maroc 2020 were several French experts – including Pierre Antoine Lorenzi, the secretary general of France's Central Service for the Prevention of Corruption – who focused their presentations on the measures that a country can adopt to curb corruption.

The fact that Belhaj felt he could “get away” with using the word corruption in

the subtitle of the seminar, though not in its title, may be seen as symbolic that Morocco was then at the critical juncture when the implicit taboo against public discussion of corruption was in the process of being lifted. Another similar indication was the fate of Transparency Maroc, or Moroccan Association for the Fight Against Corruption, which had been established in January 1996, six months before Maroc 2020 held its seminar. That a group of lawyers, academics, journalists and business people dared create this Moroccan branch of the Berlin-based international NGO Transparency International showed that it was becoming possible to raise the issue of corruption in public.<sup>7</sup> No less significant, however, was the fact that the Moroccan authorities were still refusing to recognize Transparency Maroc as a legal association, and that the association and its leaders were subjected to much harassment and intimidation.

To understand how much easier it has become for Moroccans to engage in serious discussions of issues related to accountability, transparency and the rule of law, it is instructive to contrast the situation that has just been described with the fact that corruption is now routinely and explicitly discussed and denounced in the press and in numerous conferences and workshops. What a difference three years can make! The Morocco of July 1996 – when Maroc 2020 was still hiding the central focus of its seminar behind a somewhat misleading title and Transparency Maroc was still struggling to obtain official recognition – has little to do with the Morocco of the summer of 1999. By then, Transparency Maroc had won its legal battle (it was officially recognized in January 1998) and had just published (in April 1999) a small

book providing examples of corruption's pervasiveness in such sectors as education, health, public administration, tax collection, the media and construction.<sup>8</sup> Most dramatically, a highly publicized workshop on corruption had taken place in Casablanca on June 22, 1999, at the initiative of the government and with the participation of several of its key members.

Three factors played a critical role in the rather sudden transformation of corruption from a taboo topic to a legitimate subject for public-policy discussion and analysis: (1) the dynamism and political courage displayed by a handful of relatively new advocacy NGOs such as Maroc 2020 and Transparency Maroc; (2) the increased visibility and influence of a new group of modernist, forward-looking entrepreneurs who have come to dominate Morocco's business syndicate, the *Confédération Générale des Entreprises du Maroc* (CGEM); and (3) pressures, direct and indirect, by donors. Each of these factors will be explored below.

### **Civil Society's Contribution**

The single most important factor that has brought visibility to the issue of corruption and placed it on the political agenda has been civil society, and more specifically the activities of a few advocacy groups such as Transparency Maroc (TM) and Maroc 2020. These groups are relatively recent, formed in 1995 and 1996 respectively. For all the constraints under which they operate (including limited membership and audience, lack of resources and professional staff, and the arbitrary and discriminatory manner in which the already restrictive NGO law is frequently applied), these associations have been extremely successful. They have (a) focused the

attention of other actors in civil society on the phenomenon of corruption; (b) undermined the idea that corruption is acceptable or inevitable because it is an integral component of Moroccan culture; (c) enhanced public awareness of the extent to which corruption thwarts Morocco's economic and political development; and (d) initiated thoughtful reflection on corruption, deliberately avoiding polemics and concentrating instead on understanding the roots and mechanisms of the phenomenon, the forms it assumes and the steps through which it can be reduced. By relentlessly striving to place the issue of corruption on the public agenda and keeping it there, these associations have done more than any other entity to prompt the government to demonstrate the political will required to address this problem.

Those analysts who see in civil society one of the main catalysts for political and economic reform can certainly turn to this new wave of Moroccan advocacy groups for supporting evidence. Through the workshops and conferences they have organized, these associations have raised the visibility of such issues as transparency, the rule of law and citizenship. Furthermore, they have done so using modernist and realist language that has put pressure on more traditional actors – from political parties to the government – to update their discourse and program. Their pragmatic approach has emphasized the lobbying of decision makers and a readiness to cooperate with them in the sharing of expertise and

knowledge, as well as in the launching of pilot programs and experiences designed to contain corruption. This non-confrontational, problem-solving attitude explains, in part, the greater tolerance shown by the state toward public discussions of corruption.

Particularly significant has been the role played by Transparency Maroc, headed by Sion Assidon. Attending the constituent assembly of this association, on January 6, 1996, were some 60 members of the professions, including such personali-

ties as journalists Khalid Jamaï and Hinde Taarji, lawyer Abderrahim Berrada, and several leaders of human-rights organizations.

For all the courage

that had been required to make it possible, that meeting soon proved to be the easiest step in the protracted battle that was to ensue between TM and the authorities. In Morocco, an association cannot legally operate as long as it has not submitted a "*Déclaration Préalable*" (DP) to the proper government agency (typically, each *wilaya* [district] has a special office in charge of registering and overseeing associations). A DP consists of a written statement laying out the purpose of the association and the identity of its founders and leaders. To be allowed to function, however, the association must also obtain from the authorities a document by which the latter acknowledge receipt of the DP. In theory, the authorities should issue that document automatically upon receipt of the DP. In practice, however, nothing compels this or specifies a time span. Thus, merely

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by refusing to deliver the document acknowledging submission of the DP, the state can deny an association the formal approval that it needs in order to operate.

That is exactly what happened for two years to TM. When pressed to justify its decision, the wilaya of Greater Casablanca provided a series of poor excuses. One stated that the officials of TM had not filed all the required paperwork. Another noted that the meeting at which TM was created had not been approved beforehand by the authorities. That was true, but it was due to the repeated refusals of the wilaya to provide the necessary authorization, despite numerous requests by the founders of TM. As a result, the constituent assembly of TM had been held in a private setting, the headquarters of Sion Assidon's firm on Boulevard Khouribga in Casablanca. Such a procedure is allowed by the *Code des Libertés Publiques* (adopted in 1958 and amended in 1973), which regulates the creation and operation of associations. Finally, the Ministry of Interior had also referred to the "unclear" nature of the ties between TM and the international NGO with which it is affiliated, Transparency International. To account for the delay in granting official status to TM, the ministry had described these ties as a source of concern that was being investigated. When these arguments were repeatedly rebutted in the press, the wilaya official in charge of dealing with NGO applications for legal status was forced to hide himself behind the claim that he was "acting on the directives of his superiors," who were not named. Only in January 1998 did the charade finally come to an end. The state apparently had grown weary of the controversy and decided to legalize TM. The persistence of Assidon and his associates had paid off.

Ironically, by refusing to legalize it for two years, the authorities did more to publicize the association and its objectives than anything TM itself might have done. From January 1996 until January 1998, TM's battle for legal recognition played itself out in the columns of newspapers and magazines and in front of television cameras. Sion Assidon became a familiar face to that segment of the Moroccan public that follows national news. Throughout this episode, other associations mobilized to express their support for TM. On May 18, 1996, for instance, Morocco's two leading human-rights associations, the *Association Marocaine des Droits Humains* (AMDH) and the *Organisation Marocaine des Droits de l'Homme* (OMDH), organized a workshop devoted to "Civil Society's Role in the Fight Against Corruption" and held it under the banner of solidarity with TM.

Corruption's capacity to serve as a unifying theme for civil society was further demonstrated in 1997, when several NGOs came together to create the *Collectif Inter-Associatif contre la Corruption* (CIACC), or Network of Associations for the Fight against Corruption. Originally formed by six NGOs, this umbrella organization has now grown to encompass more than 40 associations, including the most prominent, active and successful advocacy groups in the country: TM, Maroc 2020, Alternatives, Afak, the AMDH, the OMDH, and Morocco's two most effective, best-known women's rights groups, the *Association Démocratique des Femmes du Maroc* (Democratic Association of Moroccan Women, or ADFM) and the *Union de l'Action Féminine* (Union for Women's Action, or UAF). Also affiliated with the CIACC is *Espace Associatif*, a structure of coordi-

nation and cooperation among NGOs that was formed in December 1996.

The objective of the CIACC is to coordinate and publicize the activities of all NGOs concerned with fighting corruption. Each year on January 6, the CIACC organizes the "National Day Against Corruption," which helps sustain the visibility of the issue. On December 10, 1998, the CIACC formally addressed a memorandum to Prime Minister Youssoufi in an attempt to open a debate with the government and prompt it to adopt concrete measures to combat corruption. That memorandum made several specific proposals in such areas as sensitization of the public, judicial and administrative reform, and increased access to information regarding several scandals that have long been discussed in the press but have never been publicly and fully addressed by the government.

### **A New Breed of Entrepreneurs**

For the purposes of analysis and to simplify a more complex reality, two main categories can be identified within Morocco's business elite. The first and most influential consists of prominent families that have long dominated the kingdom's economy: the Lamranis, Kettanis, Benjellouns, Filalis, Alamis, Berradas, Bennis, Massouds, Boufetas, Lotfis and others. Most of these families trace their roots to Fez, where their ancestors settled after being expelled from Spain in the late fifteenth and early sixteenth centuries. They are connected to the Palace and the highest levels of government through relationships and alliances that are often centuries-old. These ties, reflecting shared economic and political interests, have been constantly

reinforced by marriages that are designed in part to protect and expand these families' power and wealth. Consequently, the distinction between the economic and political elites is often blurred. After independence, many of these families were able to establish virtual monopolies over the import and export of certain goods, thanks to their access to the inner circles of power. They became the exclusive beneficiaries of public procurement contracts. They benefited from preferential loans (many of which were never repaid) and from high levels of protection of the internal market against foreign competition. They did not have to fear the harassment, delays, controls and arbitrary behavior that the bureaucracy often inflicted on their potential competitors. Consequently, they came to dominate key sectors of the economy such as textiles, agribusiness, sugar production, real estate and fishing. With the "*Marocanisation*" of the economy in 1973 (i.e., the series of measures that were adopted to put an end to the dominance of some economic sectors by non-nationals), the economic strength of these families developed even further. Today, this elite continues to dominate economic life. What must be emphasized here is that the key interests of many of its members are not consistent with greater transparency and the creation of a level playing field among economic actors.

Since the late 1980s, however, a new economic elite has asserted itself, largely as a consequence of the process of economic liberalization that began with the adoption of the Structural Adjustment Program (SAP) in 1983. It consists primarily of business executives in middle-sized firms. They are modernist in outlook and deliberately seek to differentiate

themselves from the first category described above by pushing for the elimination of special privileges and monopolies within the business world. Their goals are greater transparency in business practices and a complete overhaul of Morocco's economic structures in light of the new international realities created by globalization. The main organizational representative of, and spokesperson for, this new economic elite is the CGEM (*Confédération Générale des Entreprises du Maroc*).

Since the mid-1990s, the CGEM has acquired increased visibility, establishing itself as a key actor in Morocco's political and economic reform process. It has earned a reputation as a well-run, credible organization that has developed a strong track record for itself over a relatively short period of time. Significantly, the latest elections within the CGEM (in 1994) were hotly contested, which suggests that economic actors are well aware of the organization's rising influence. The CGEM is the source of numerous policy proposals and a driving force behind the modernization of the private sector. It has become a privileged interlocutor of both the Palace and the government. It is always consulted by the government on the key social and economic issues of the moment, and indeed is now engaged in an ongoing dialogue with policy makers on all questions related to economic reform and social benefits. The press provides detailed and consistent coverage of its main activities and policy recommendations.

The CGEM has become increasingly assertive in pressing its demands on the state. The crux of these demands is twofold: (a) administrative reform to reduce the structural flaws, from slow and

inadequate procedures to rampant corruption, that make the bureaucracy a major brake on economic activity; and (b) the adoption of measures that will create a more level playing field for economic actors. The CGEM calls in particular for greater transparency in all economic operations in which the state plays a leading role, from the awarding of public procurement contracts to the manner in which privatization and "delegated management" are conducted. ("Delegated management," or *gestion déléguée*, refers to the process by which a public entity – municipal authorities, for instance – can award a private-sector firm a contract through which that firm, in exchange for a fee, will assume responsibility for carrying out a specific public service, such as garbage collection.) One of the most constant complaints about the CGEM has been the state's practice of awarding public procurement contracts to certain companies without tenders or without giving all interested firms an opportunity to bid on them.

The CGEM's quest for a moral reform of economic life is not limited to making demands on the government. The organization has also endeavored to sensitize its own members to what it refers to as "the ethical imperative" and to the need for more modern and professional accounting practices. To push for greater transparency within the profession itself, the CGEM created in 1998 an Ethics Committee (*Comité d'éthique et de déontologie*). That committee, whose mission is to further respect for ethical rules within the business community, has adopted a formal "Déclaration pour une Ethique de l'Entreprise" (Charter for an Ethics of the Firm). This document affirms the CGEM's

commitment to work – in partnership with the government, civil society, trade unions, donors, the media and the general public – toward the adoption of specific measures aimed at strengthening the rule of law, eliminating all forms of corruption and fraud both within a firm and in its relation to its economic and political environment, and elaborating professional codes of ethics. In its charter, the Ethics Committee proclaims its commitment to play a leadership role in a sustained campaign against all forms of unfair competition and abuses of power, and urges its members to participate in the elaboration of a “code of good behavior that would banish corruption ... and pave the way for a genuine ethics of the firm.”

### **The Role of Donors**

Donors have helped place the issue of corruption on Morocco’s public agenda in several important respects. First, the adoption of a structural-adjustment program under the auspices of the World Bank and the International Monetary Fund in 1983 greatly contributed to the assertion of constituencies – in the business sector as well as in civil society – that have pressed for new, more transparent rules in both the economic and political arenas. The broader political space that these constituencies have enjoyed since the mid-1980s would not have materialized had the state not disengaged from key social and economic areas as a result of the process of economic liberalization begun in 1983. Second, donors have contributed to making corruption a legitimate, acceptable topic for public discussion in Morocco. By deliberately and consistently emphasizing that it is a global disease that afflicts numerous countries, aid professionals involved in the kingdom’s

political and economic development have made it seem less threatening and sensitive a subject than it was when it was discussed almost exclusively as a local issue. Why shouldn’t Moroccans debate corruption, when so many other societies now recognize that they, too, are being affected by this phenomenon? Third, at a time when international organizations such as the World Bank have made the fight against corruption one of their new priorities, it has become far more difficult for the Moroccan authorities to ignore this problem.

For their part, Moroccan advocacy groups concerned with corruption are fully aware that the international context is now far more conducive to the raising of a topic which was still considered far too sensitive a few years ago. A regime that seeks to convince international public opinion in general and donors in particular of its commitment to broadening freedom of expression and building the rule of law finds it difficult to prevent its citizens from engaging in debate over an issue which, in effect, is both a leading cause and a consequence of Morocco’s “deficits” in the rule-of-law area.

All of these considerations point to a process similar to that which, in the late 1980s and early 1990s, had prompted the Moroccan regime to finally begin to address its “human-rights problem.” Back then, the quest for greater “international respectability” – required for Morocco to secure access to international loans, foreign investment and coveted trade agreements (especially the association agreement with the European Union) – had forced the regime to confront its legacy of past human-rights abuses and show increased tolerance toward the discussion of human-rights issues. A decade later, the

growing prominence of corruption as a global concern is pushing it to act in a similar fashion, this time with respect to the corruption issue. One difference, however, is that, in the meantime, donors have become far more insistent on associating civil-society groups with their activities, including those in sensitive fields. It used to be that the NGOs involved in donor projects were almost exclusively concerned with service delivery and development issues. That is no longer the case. Donors now frequently establish direct contacts with advocacy groups or request that a government consult with these groups in the making of policies. In Morocco this new situation has helped increase the salience of public-policy issues such as corruption.

Most important, perhaps, since 1995 donors have relentlessly emphasized and documented the enormous economic and social costs of corruption in Morocco. In so doing, they have contributed to a heightened understanding among Moroccan policy makers of the need to bring this longstanding problem under control. This, in turn, has created the political will needed to begin to tackle corruption.

The first step in this process was the World Bank's release of a report on Morocco's economic health in 1995. This study, entitled "Assistance Strategy to Morocco," had been requested by King

Hassan himself in a letter he had sent in June 1995 to World Bank president James Wolfensohn. In September 1995, the report was turned over to the king. While it highlighted the accomplishments of the structural-adjustment program implemented between 1983 and 1993, it also underscored the existence of continued weaknesses and serious impediments to further progress. Among these, the lack of transparency in business practices and the prevalence of nepotism and administrative corruption were singled out.

Since then, several other surveys by donors have identified "administrative behavior" as a major constraint on private-sector development. (In the Moroccan context, "administrative behavior" is a euphemism that refers not only to costly, lengthy and cumbersome procedures, but also to the numerous opportunities for corruption that arise from the excessive interference of the state in economic transactions.) In several of these surveys, corruption is even singled out as a major

brake on economic development. Three such surveys – by the World Bank, the United States Agency for International Development (USAID) and the American Chamber of Commerce in

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Morocco – will be discussed below.

In August 1998, the World Bank issued its "Private Sector Assessment Update: Fulfilling the Promise of Private Sector-Led Growth." Conceived as an update of

the World Bank's 1994 analysis of the private sector in Morocco, this new study involved two broad-based field surveys of 370 firms, carried out in seven Moroccan cities during March and April 1998.<sup>9</sup> These surveys revealed that the "behavior of the administration," including corruption and the opaque nature of judicial procedures and decisions, was seen by entrepreneurs as the single most important constraint on private-sector development in the kingdom. This finding held regardless of firm size, though the larger the firm, the more constraining administrative behavior was perceived to be. The report also allowed for a comparison with similar surveys conducted in 1994. It showed that "administrative behavior" had become more of an obstacle to private-sector expansion than it had been back in 1994.

Among the other important concerns mentioned by entrepreneurs, illegal and unfair competition ranked prominently; 68 percent of all business executives sampled complained about it, the proportion rising to 89 percent in the construction and public-works sector. Similarly, 15 percent of the firms surveyed acknowledged having had to pay bribes to accelerate customs-related administrative procedures. Out of the 166 entrepreneurs who answered the question regarding whether they had ever paid bribes to civil servants, 43 (about one quarter) acknowledged they had – the actual proportion being probably much higher, especially among those who chose not to answer that question. The report also noted that, despite the important new laws and measures implemented in recent years to modernize the legal framework for commercial activities, "the administration of business regulations remains characterized by a lack of transparency ... and

excessive scope for discretion" (p. 8). The lack of transparency and length of judicial processes aimed at resolving commercial disputes, together with the excessive scope for discretion in the administration of business regulations, were also seen as major areas of concern.

Many of these findings were confirmed by a study commissioned by USAID in 1998 and prepared for Morocco's Ministry of General Governmental Affairs (*Ministère des Affaires Générales du Gouvernement*, or MAGG).<sup>10</sup> This study, the results of which made the front page of an October 1999 issue of the leading Casablanca-based daily *L'Economiste*, retraces the various steps required of an investor who wants to become legally established in Morocco. Field research for the report (completed in February 1999) was carried out during September and October 1998, and involved both focus-group meetings and detailed interviews with approximately 30 private entrepreneurs, large and small, domestic and foreign, some engaged in manufacturing and others in the service sector. Providing a harrowing picture of the enormous administrative barriers confronted by investors, the report identifies the "lack of procedural transparency," caused mostly by the absence or paucity of written guidelines, as "the most recurrent problem mentioned by investors in every stage of the investment start-up" (p. iii). The authors of the document go on to observe that this lack of procedural transparency generates broad scope for discretion by officials and frequently compels private entrepreneurs to resort to "facilitators" – i.e., individuals who, for a fee or bribe, will use their official position or influence to facilitate or speed up issuance

of required permits, licences and signatures on application forms.

An ongoing survey of private-sector firms by the American Chamber of Commerce in Casablanca points to similar results. As of June 1999, 33 such firms, with an average of 560 employees and 25 years of doing business in Morocco, had responded to the survey. To the question, "What are the key operating criteria or concerns affecting the the business environment in Morocco that are relevant to your company or organization?" the most frequent answers selected were "corruption" and "government officials." These were ranked far ahead of other choices such as "energy costs," "taxes," "skilled labor" and "social programs." Similarly, rule-of-law concerns ranked particularly high when entrepreneurs were asked, "Which issues do you think should be addressed by the American Chamber of Commerce through advocacy and research?"

Because Moroccan decision makers work in increasingly close cooperation with donors, and because they are acutely aware that Morocco needs to become far more successful than it has been thus far at attracting foreign investment, they are very sensitive to the results and recommendations of studies such as the ones just discussed. Consequently, by underscoring the extent to which corruption harms Morocco's global competitiveness, these studies have also led to a broader acceptance by these decision makers that the fight against corruption should be considered a legitimate objective of public policy.

### **New Global-Domestic Coalitions for Reform**

To facilitate the presentation of the evidence, the previous section discussed

separately the three main actors in the fight against corruption – civil society, modern entrepreneurs and donors. In reality, however, the effectiveness of these actors has stemmed largely from the networks they have formed with one another and the mutual support they have garnered from each other. It was only through joint efforts that the issue of corruption was placed squarely on the country's public agenda.

One may begin by noting the way in which selected advocacy groups as well as the new entrepreneurial elite described earlier have sought to harness the influence, direct and indirect, that donors exercise on the Moroccan government in order to achieve their own goal of strengthening the rule of law. Implicit in their strategy has been the assumption that the more Moroccan policy makers interact with donors and, to some extent, must account to them, and the more senior Moroccan officials are exposed to the standards of the global economy and forced to operate by its rules, the faster Morocco will experience improvements in governance. Underlying this approach lies a genuine skepticism regarding the Moroccan polity's ability to generate, on its own, the kinds of new governance and business practices that are required to succeed in the international arena and become a truly modern, democratic society. Consequently, leaders of advocacy NGOs as well as forward-looking entrepreneurs have embraced anticorruption initiatives by donors and have striven for representation in those arenas where donors discuss policy reforms with Moroccan officials. Securing such a presence has been greatly facilitated by the donors' recent policy of encouraging coalitions between govern-

ment, the private sector and civil society, and by their perception of such coalitions as critical to the success of their own anticorruption activities.

In short, Moroccan advocacy groups concerned with the issue of corruption have adopted an approach similar to that followed by Thomas Friedman's "globalutionaries," the new breed of peaceful and pragmatic revolutionaries whose rising influence has accompanied globalization. All over the developing world, these young professionals and private-sector leaders endeavor to bring about change in their respective countries not by seeking to overthrow their ruling elites, but by exposing them to the scrutiny of global institutions.<sup>11</sup> Instead of criticizing and publicizing the abuses of their respective governments, they prefer to work with these governments and with international organizations to achieve gradual progress toward greater accountability, transparency and respect for human rights and the rule of law. Their non-confrontational approach consists of nudging their governments toward reform, with the help of international organizations. This strategy relies primarily on persuasion, sensitization campaigns and coalition-building among NGOs as well as with donors and private-sector actors such as the CGEM. The CGEM, for its part, is very receptive to such overtures, since the philosophy that inspires its action is that of a German-type neo-corporatist model in which representatives of government, unions, business and other stakeholders engage in a process of consultation and dialogue that aims to achieve a consensus on policy reforms.

This emphasis on coalition building, which is a hallmark of Transparency

International, has certainly been adopted by its Moroccan chapter.<sup>12</sup> Transparency Maroc is headed by the dynamic and outspoken businessman, Sion Assidon, a former political prisoner who sits on the Ethics Committee of the CGEM. That committee, which consists of approximately a dozen members, also includes Ali Belhaj (Maroc 2020) and two members of Alternatives, another prominent advocacy group. In short, not only is the fight against corruption a unifying theme within civil society, it is also a topic around which a cross section of advocacy NGOs and modern entrepreneurs have begun to rally on their own initiative. This process has encouraged at least one instance of institutional cooperation between the business world and civil society: one of the country's leading conglomerates, the *Office Chérifien des Phosphates*, requested the assistance of Transparency Maroc to conduct a study of means through which corruption could be fought within the organization.

One should underscore the importance of the personal relationships that have developed over the years between civil-society activists and government officials. The relevance of these ties to policy making has taken on a new dimension since the formation in April 1998 of a government headed by socialist-party leader Abderrahmane Youssoufi. Many of those who now occupy critical decision-making positions within the Moroccan government joined prominent advocacy groups – including those that have placed the fight against corruption at the center of their preoccupations – long before they became senior government officials, and they remain close to these groups' founders and leaders. Consequently, they

are well-disposed toward these advocacy NGOs and toward cooperating with them in the design and implementation of reforms. This situation (which has not prevented civil-society activists from being quite critical of what they see as the Youssoufi government's internal disorganization and lack of resolve in pushing for reform) has led to instances of institutional cooperation between some NGOs and selected ministries. For instance, Transparency Maroc has been solicited by the Ministry of Public Works and the Ministry of Education to conduct studies, lead seminars and carry out activities designed to improve transparency within these institutions.

Meanwhile, some of Morocco's leading advocacy groups have begun to participate in regional networks of NGOs that provide them with arenas for the exchange of information, ideas and experiences. Because donors are involved in many of these forums, ties between Moroccan NGOs and donors can thereby be strengthened. For example, Maroc 2020 is one of four NGOs on the Executive Board of the Mediterranean Development Forum (MDF). MDF brings together Arab NGOs from Iraq to Morocco, as well as NGOs from two non-Arab countries (Iran and Turkey). The other members of its Executive Board are all donors, and they include the World Bank, the UNDP and the Swedish Fund. Clearly, Maroc 2020's participation in the MDF has helped solidify and expand its contacts with donors. Significantly, Maroc 2020 and the World Bank's Economic Development Institute (EDI) were the two co-organizers of the second MDF conference, held in Marrakech September 3-6, 1998. This gathering, which attracted considerable

attention from the Moroccan media at the time, brought together some 450 government officials, business leaders and representatives of civil society from forty different countries. Revealing of the rising influence of the donor-civil-society nexus was the participation in this event of such prominent personalities as then-Crown Prince Sidi Mohamed, Prime Minister Youssoufi and André Azoulay (King Hassan's closest adviser on economic matters and his main link to the Jewish community worldwide).

### **THE RESPONSE OF THE STATE**

The manner in which the state has responded to the increased pressures placed on it to address the problem of corruption is no less significant than the way in which this issue came to assume greater prominence in Morocco's public discourse. What will now be examined is the amalgam of genuine political will and ambivalence that characterized the government's rhetoric and action in this area throughout 1998 and 1999. The following analysis will also endeavor to explain why the government's strong, publicly stated commitment to fight corruption has thus far yielded only limited advances.

### **Indications of Political Will by the Government**

It is not surprising that, from the moment he presented his government's program to parliament in April 1998, socialist leader Abderrahmane Youssoufi should have made the "moralization of public life" (a euphemism for the rooting out of corrupt practices) one of his key stated objectives. After all, the need to fight corruption had long been one of the

main rallying cries of the parties of the *kutla* (the former opposition, which has been the backbone of the government in place since April 1998). Furthermore, by the time the late King Hassan II appointed Youssoufi as prime minister, a dynamic was already in motion to elevate the fight against “unethical behavior” into a central element of official public policy. Driving this process was the realization, repeatedly stated by King Hassan from 1995 onward, that a weeding out of long-tolerated illegal practices, combined with a complete overhaul of the country’s legal and judicial systems, had become a necessity in light of the demands of the new international economic environment.<sup>13</sup> The late monarch had become acutely aware that Morocco would not reap the full benefits of its free-market choices and fiscal discipline as long as it failed to enhance respect for the rule of law. The upgrading of Morocco’s legal and judicial framework had to be a central component of that endeavor.

To oversee the effort at judicial reform, the king appointed Omar Azziman as minister of justice in August 1997. The choice of this respected figure was a clear indication of the political will to confront the joint issues of modernization and moralization of the judiciary. Back in 1988, Azziman had been a founding member of the Moroccan Organization for Human Rights (OMDH) and had become its first president. In that position, he had acquired a national reputation for independence of mind, integrity and commitment to strengthening the rule of law. A soft-spoken law professor, he had never hesitated to discuss the ravages of corruption, even in the judiciary, and had repeatedly advocated greater judicial independence.

In November 1993, Azziman had also become Morocco’s first minister for human rights. In that assignment, he earned much public respect for carrying out a very difficult mission with professionalism and energy. He proved himself to be a man of dialogue, committed to genuine reform and willing to reach out to civil society. His personal style, marked by pragmatism and open-mindedness, enabled him to overcome the skepticism that the creation of a Ministry of Human Rights in Morocco had elicited at first. After stepping down from that position in March 1995, he remained active in civil-society circles. Both he and the person he subsequently chose as his right-hand man at the Ministry of Justice, Ahmed Ghazali, supported the creation of Transparency Maroc in January 1996 and joined that association even before it was recognized by the authorities.<sup>14</sup>

When the Youssoufi government was formed in April 1998, Azziman was retained at the head of the Ministry of Justice.<sup>15</sup> His all-out reform drive has included a difficult attempt to rein in corruption within the ministry and the legal profession. Aware of the strength of vested interests in this area, Azziman and Ghazali have treaded carefully, though without excessive timidity. In April 1998, Azziman launched a highly publicized investigation of some 60 magistrates accused of corruption and sent their cases for review to the *Conseil Supérieur de la Magistrature* (Higher Judicial Council, or HJC).<sup>16</sup> In early October 1999, those proven guilty of wrongdoing saw the HJC take significant disciplinary action against them: thirteen were suspended for periods ranging from one to six months, and nine were disbarred. While the punishments fell short of what many had hoped for, the

signal sent was powerful. Indeed, the resistance of some barons of the justice system to Mr. Azziman's measures was so strong that the judges who were disbarred, and whose cases were supposed to be referred to the courts for prosecution, succeeded in avoiding further actions against them.

Azziman and Ghazali have also streamlined and strengthened the central administration of the Ministry of Justice and endeavored to use it as the engine of a broad, ongoing restructuring effort that has involved a discreet but thorough reshuffling of personnel. A series of appointments, promotions, retirements and reassignments has aimed to place competent and honest individuals in key positions while eliminating as much of the dead wood and corrupt staff as politically possible. Meanwhile, the ministry's General Inspection has been upgraded so as to improve the effectiveness of monitoring and oversight mechanisms within the ministry. New human-resources management procedures and criteria have been instituted so as to create a more effective linkage between performance on the one hand, and salaries and responsibilities on the other. Underlying these various measures has been the recognition that corruption within the ministry can be traced back, in part, to the inadequacy and anachronistic nature of the institutional framework within which the personnel operate.

Side by side with this major re-engineering process, an across-the-broad updating of legal codes has taken place. This rewriting has eliminated many of the ambiguities and contradictions within the law that had created opportunities for corruption. Much was also accomplished between 1997 and 1999 to modernize the

rules and institutions that govern economic transactions. As of this writing, the legal framework for business activities is being thoroughly revamped in ways that provide economic actors with added guarantees regarding consistency and fairness in the application of the law. On July 1, 1999, for instance, a new decree (No. 2.98.482) was promulgated that improves significantly both the bidding process and the audit procedures that accompany the awarding of public-procurement contracts.

This legislation requires that all public-procurement contracts above 5 million dirhams (about \$500,000) be subjected to an internal audit (article 87). In addition, depending on the magnitude and complexity of the contract involved, a civil servant may be assigned to monitor its implementation (article 83). For all procurement contracts, a report must now be presented that describes the criteria used for selection, how the bids were assessed, and how and why the final decision was reached (article 84). Furthermore, upon completion of the work on any public-procurement contract above DH1 million (about \$100,000), a report is now mandated (article 85). This report must describe the nature of the work accomplished, the various parties involved (including sub-contractors), and their contributions to the final product. These new dispositions enhance transparency in a system which until now had been completely opaque and thus ripe for corruption. Although private-sector and civil-society actors have stated that this new legislation leaves much room for improvement, they acknowledge that it represents an important step forward.

Concurrent with judicial reform, a restructuring of the state bureaucracy aimed at improving its transparency and

accountability also emerged early as a priority of the Youssoufi government. Shortly after he became prime minister in March 1998, Abderrahmane Youssoufi announced that his government's commitment to administrative reform would materialize in a "*Pacte de Bonne Gestion*" (Good Management Pact or PBG). This was to serve as a reference guide for civil servants, providing them with a clear description of the principles and standards expected to guide their behavior, both within the administration and in their contacts with the populations they are supposed to

serve. Responsibility for the elaboration of the PBG was given to the Ministry of Civil Service and Administrative Reform

(*Ministère de la Fonction Publique et de la Réforme Administrative*), which collaborated with academics and other experts in designing this ethics code for public officials. A year later, in March 1999, the PBG was formally presented to the public.<sup>17</sup> To demonstrate that it does not intend for the PBG to remain an empty document, the government has also been working on the legal framework for administrative reform. As of December 1999, two projects of law were being studied by the Ministry of Civil Service and Administrative Reform. The first aims to put in place the mechanisms through which the bureaucracy may be forced to account for the motives and rationale behind its actions. The second project seeks to increase the extent to

which civil servants can be held personally responsible for decisions they make and actions they take within the confines of their professional duties. Consequently, for instance, in cases of grave personal misconduct toward citizens, a civil servant would no longer be automatically protected by his/her respective ministry.

The most dramatic manifestation of the Moroccan government's new willingness to discuss publicly issues related to corruption and ethics was its decision to organize in Casablanca, on June 22, 1999 (with the World Bank acting as a co-sponsor) a one-

day workshop entitled "The Fight Against Corruption." According to its organizers, the purposes of this event were (a) to enable a handful of senior government officials to

present their own views on the implications of corruption and on how the fight against it should be conducted; (b) to expose Moroccan audiences to techniques and instruments developed in other countries to combat corruption; and (c) to describe some of the measures adopted recently in the kingdom to curb corruption in sectors such as education, public-procurement contracts and customs regulations and procedures. The high caliber of the Moroccan officials who made time to participate in the workshop seemed intended to signal the government's genuine commitment to the issue. Particularly revealing was the presence of Ahmed Lahlimi, minister for general governmental affairs. Very close to Youssoufi, for whom

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he acts as a gatekeeper, Lahlimi is widely seen as the country's de facto deputy prime minister. Aziz Hussein (minister of civil service and administrative reform), Ismail Alaoui (minister of education), and two former ministers (Driss Benhima and Drissi Alami Machichi) were also in attendance, as was Abderrazak Mossadeq, the director general of customs and indirect taxes (*Directeur Général des Douanes et Impôts Indirects*). By organizing this highly publicized event, the government was clearly taking certain risks. It had to be aware in particular that, having made such a public commitment to combat corruption, its ability to deliver concrete results in this area would now be carefully monitored by public opinion and the media. A failure to put meat on the bones of their rhetoric about "the moralization of public life" would undoubtedly cost Youssoufi and his colleagues much political capital.

### **Persistent Gap Between Discourse and Action**

Though it has taken some steps toward limiting opportunities for corruption, thanks in particular to the efforts of Azziman and Ghazali at the Ministry of Justice, the Youssoufi government thus far has failed to come up with a concrete anticorruption strategy. In this area as in too many others, therefore, the government's ability to implement concrete reforms continues to lag behind its constant (and usually sincere) expression of good intentions. This characteristic largely accounts for the impatience, expressed throughout 1999 (and with increasing virulence as the year wore on), toward the Youssoufi government's perceived failure to articulate a clear agenda, establish priorities and communicate them effectively. Perhaps especially

among those who had welcomed *alternance* and wished it well, the last year of the century saw increasing frustration with the slow pace and limited scope of reform. In part, this situation reflected a lack of audacity and imagination on the part of former opposition-figures-turned-ministers who, notwithstanding the resistance of entrenched interests, could have pushed a far more ambitious agenda with the full support of the Palace.

In part also, this lackluster performance stemmed from the constraints imposed by a heterogeneous coalition of seven parties and a cabinet of some 40 ministers. The resulting governmental disorganization and lack of cohesion was evident in the way the Youssoufi government dealt with the corruption issue. For instance, there were from the outset very visible and pronounced rivalries within the cabinet over who should assume the leading role in the fight against corruption. Officially, the Ministry of Governmental Affairs (MAGG), headed by Ahmed Lahlimi, has been given primary responsibility for the "moralization of public life." Thus, any anticorruption effort was seen as falling under the purview of that ministry.

However, other ministers did not seem ready to abide by this division of labor. The June 22, 1999, Casablanca workshop on corruption illustrated the phenomenon. The first speaker, Ahmed Lahlimi, officially inaugurated the event at 9.15 a.m. He left about an hour later, after the conclusion of the panel in which he had participated. But by noon, it was the turn of Aziz Hussein, minister of civil service and administrative reform (*Ministre de la Fonction Publique et de la Réforme Administrative*), to chair a panel. Mr. Hussein began his speech by announcing that he had not

been informed of this seminar until the very last minute and that his ministry had intended to organize its own workshop on corruption (which, he told the audience, would be held in October). He then endeavored to turn against Lahlimi, his own colleague in the government, the criticisms of those in the audience who had just complained about the marginal role ascribed to civil society in the planning and unfolding of the seminar.

In what came across as an exercise in demagoguery and back-stabbing, Hussein told the audience that in the seminar he had intended to set up, representatives of civil society and the audience in general would have played a far more prominent part. *His* workshop, he added, would also have had a far more practical and participatory approach to the debate over corruption. One of its central objectives would have been to secure the feedback of the audience on the legislation and measures currently being studied by his ministry to moralize the administration. Through his words and behavior, Hussein was taking to task both the World Bank and MAGG, which had been responsible for the format chosen for the Casablanca seminar. Thus, the lack of coordination and the turf battles within the government for control of the anticorruption agenda were made public in front of an audience that included not only Moroccans but also representatives of the World Bank and foreign experts.<sup>18</sup>

The slow pace at which the government has been moving toward outlining an anticorruption strategy also reflects its awareness that this question is a political minefield. Grand corruption, in particular, remains an extremely sensitive subject.<sup>19</sup> By exposing it, one also opens oneself up to real dangers. Neither the strength of the

vested interests that would be hurt by an effective anticorruption campaign, nor their ability and determination to resist such a campaign, should be underestimated. Those who dare to pinpoint specific instances of high-level corruption are likely to pay a real price for their courage. For instance, *L'Economiste* was severely hurt by the loss of advertising revenues that followed its investigation into a case of corruption involving one of Morocco's leading banks, the *Banque Populaire*. For several months, the *Banque Populaire* simply withdrew its advertisements. Similarly, after documenting corruption in the customs bureaucracy, *L'Economiste* suffered from "mysterious" disruptions and delays in its paper supply. Despite *L'Economiste's* genuine commitment to drawing public attention to the ubiquitous nature and enormous costs of corruption (the paper's editor-in-chief is a member of Transparency Maroc), this newspaper is now more aware of its vulnerability and much more likely to think twice before printing corruption-related stories that might come back to haunt it.

Senior officials are also divided over whether a major anticorruption initiative is recommended at this particular juncture in Morocco's political and economic evolution. Some believe it is, and they are trying to pull the government into showing greater political courage in confronting this issue. Others are far more ambivalent. Privately, they observe that, in Morocco as elsewhere, Islamists have made corruption and the need for a "moralization" of public life one of their main political themes. Consequently, they note, to suddenly enhance the place and visibility of corruption as a public-policy issue may actually play into the hands of such forces. In

addition, these analysts fear that, if not carried out in an incremental and careful manner, an anticorruption strategy could spin out of control and destabilize an already fragile political and economic situation. Such a scenario would also provide powerful vested interests with an opportunity to suggest that, since the fight against corruption is getting out of hand, it should be stopped once and for all.

These concerns are legitimate. After all, Moroccans still have vivid memories of the ill-fated "sanitization campaign" that rocked their country from December 1995 to June 1996.<sup>20</sup> That campaign, which started as a government effort to put an end to smuggling and drug trafficking, suddenly developed into a full-blown crusade to "moralize public life." Within a few weeks, it had degenerated into a wave of illegal arrests and detentions and a sudden implementation of laws and codes that had been ignored until then. Numerous firms and factories were hastily shut down by the authorities after their managers were accused of improper activities. Meanwhile, a shocked public became witness to the frequently arbitrary dispensing of enormous fines against entrepreneurs and a highly selective implementation of outdated regulations by customs officials and policemen caught in a frenzied determination to find and punish corrupt businessmen. Speedy trials involving allegations of smuggling or contraband were characterized by a lack of due process and a blatant disregard for procedures.

The entire manner in which the campaign was conducted led many to argue that, under the guise of fighting illegal practices, the operation had been a pretext for the settling of accounts. In support of this interpretation, one could

invoke the way in which some individuals and firms were heavily punished for minor infractions (or infractions that had been tolerated until then), while more serious offenders were let off the hook.

But without denying the role of hidden motives and agendas, the campaign was caused primarily by a mixture of official incompetence and the inevitable excesses that accompany such policies in environments without rule-of-law-supporting institutions. The point to be emphasized here is that Moroccans – especially the business community, which was traumatized by Morocco's sanitization campaign – want to make sure that no attempt to moralize public life will ever again be used to justify the kinds of abuses that took place during the first six months of 1996. Such memories and experiences tend to create a receptive audience for those who advocate small and progressive steps in the fight against corruption.

Throughout 1999, the government also operated in a political and socioeconomic environment that undoubtedly decreased any enthusiasm it might have had for a major anticorruption initiative. Under attack for its apparent ineffectiveness and disorganization, and facing critics who suggested that the country was simply not being governed, the cabinet seemed understandably wary that moving decisively in such a sensitive area as corruption could unleash forces that might escape its control and thus provide further ammunition to those who already were complaining about the government's poor management skills.

Furthermore, as many senior officials saw it, there were far more pressing issues to be addressed than corruption. Due to a severe drought in 1998, economic growth

was expected to hover around 0.2 percent, down from over 6 percent in 1998. Unemployment was increasing and was believed to be about 22 percent in urban areas (up from about 19 percent). Investments were stagnating, and private entrepreneurs were publicly questioning whether the government even had a strategy to address the time bomb of inadequate job creation.

In addition, as the Casablanca seminar on corruption was taking place on June 22, the country had just experienced significant labor unrest in the public sector. Strikes by miners, truckers and dockers at the port of Casablanca had had a particularly disruptive impact on the economy. Public opinion was openly questioning the government's capacity to manage and resolve these conflicts, largely because the government itself has shown indecisiveness and timidity when faced with mounting labor disputes. It had been particularly slow to respond when strikers had gone from exercising their right to strike to preventing others from exercising their right to work. In short, already feeling besieged, the government was understandably apprehensive about placing much practical (as opposed to rhetorical) emphasis on the corruption issue.

Finally, one should note the discrepancy between the government's proclaimed readiness to associate civil society with its own efforts to fight corruption, and its actual ambivalence toward the role of NGOs. This phenomenon reflects an awareness on the part of senior officials that advocacy groups are pushing a far more ambitious agenda than the government feels comfortable with. Although the Youssoufi cabinet is clearly under pressure by donors (especially the World Bank) to develop its anticorruption strategy by working closely with civil-society groups, it

has tried to keep them at arm's length. For instance, civil society's involvement in the June 22, 1999, seminar on corruption was minimal, both in the planning for the event and in its unfolding. Most revealing perhaps was the absence of Transparency Maroc from the podium, even though this association played a pioneering role in placing the issue on the national agenda, has reflected actively on the subject for many years, has put forward a number of specific recommendations, and recently published the only book on corruption in Morocco.<sup>21</sup> Participants in the seminar did include two members of TM, Najib Bouderbala and Abdeslam Abouddrar, but neither was there as a representative of TM. Bouderbala spoke as a consultant for the UNDP and Abouddrar as director of the National Fund for Retirement Pensions and Insurance (*Caisse Nationale de Retraites et d'Assurances*).

Also indicative of the government's desire to minimize the visibility of civil society in the seminar was the absence among the speakers of a representative of the *Collectif Inter-Associatif Contre la Corruption* (CIACC). By the same token, the memorandum that the CIACC had addressed to the prime minister on December 10, 1998, was not included in the many background documents that were distributed to the audience, even though that memorandum contained several concrete, practical proposals that might have been discussed during the seminar's proceedings. At no point did any member of the government even mention the memorandum.<sup>22</sup> Significant as well was the "Follow-up Committee" (*Comité de suivi*), which was formed on June 23, 1999, at the instigation of the Ministry of General Governmental Affairs. That committee was given a

mandate to build on the previous day's seminar in order to sketch an anticorruption strategy for Morocco.

Those present had responded to an invitation by MAGG to participate in the committee's first meeting. They included about 20 officials from various ministries; Abderrahim Lahjouji, the president of the CGEM; a representative from the UNDP and another from USAID; four representatives of civil society (three of whom belonged to the same association, Alternatives); and the three experts (Robert Klitgaard, John Heilbrunn and Sahr Kpundeh) who had been sent by the World Bank to speak at the seminar a day earlier.

Both the composition of this committee and the outcome of its discussions on June 23 provide further illustration for the points made above. First, the presence of civil society was deliberately minimized by MAGG. While it is true that four NGO representatives were attending, invitations had been extended to only two civil-society organizations: Alternatives (which sent three of its members) and the CIACC. It is revealing, again, that Transparency Maroc was not formally invited.<sup>23</sup> Second, not a single specific recommendation emerged from the four-hour meeting. The participants left without having agreed on even the general outlines of an anticorruption strategy and without knowing which next step (if any) the government intended to take in its "fight against corruption." Perhaps because he felt frustrated by the nature of the discussion, Abderrahim Lahjouji left the meeting only a half-hour into it. World Bank representatives also reportedly felt frustrated by the lack of progress. As for civil society, it was resentful of what it felt had been MAGG's desire to marginalize its participation.

## THE ROAD AHEAD

The Moroccan government's self-declared "fight against corruption" in 1999 exemplifies both the advances and the limitations of Morocco's reform process over the past few years. The overall trend is certainly positive, as shown most dramatically by the transformation of corruption from taboo to trendy topic in the short span of five years. One can only be encouraged by the unprecedented freedom of maneuver that civil society and the media now enjoy in discussing the issue, as well as by the widespread effort on the part of advocacy groups, business circles and senior officials to depoliticize it and seek pragmatic solutions. Still, the Youssoufi government has shown itself to be of two minds when confronted by the question of corruption. On the one hand, its discourse reflects a general recognition of its enormous political and economic costs and an understanding of the need to at least begin to address it. On the other hand, a mixture of apprehension, timidity and disorganization has prevented that government from delivering much concrete progress. But the economic and political pressures, both domestic and international, that enhanced the visibility of corruption as a public-policy issue during the second half of the 1990s will not subside in the coming years. In fact, the opposite is true. Consequently, the government will soon find that it can no longer temporize with declarations of good intentions or carefully scripted workshops and seminars. More concrete measures will have to be adopted. Progress, however, will continue to be slow in a country that cultivates a cautious, incremental approach to political change.<sup>24</sup>

<sup>1</sup> Thomas L. Friedman, *The Lexus and the Olive Tree* (New York: Farrar, Straus & Giroux, 1999), p. 158.

<sup>2</sup> In 1997, for instance, both the World Bank and the International Monetary Fund (IMF) suspended millions of dollars in loans and investment projects for Kenya because of that country's government's lack of commitment to reining in official corruption. Similarly, in the wake of Asia's economic meltdown, both organizations made the extension of new loans to the countries affected conditional upon these countries' willingness to adopt new practices and rules aimed at limiting opportunities for bribery and insider dealing.

<sup>3</sup> See "Helping Countries Combat Corruption: The Role of the World Bank" (Washington, DC: World Bank publications, September 1997).

<sup>4</sup> Two exceptions to this paucity of studies of national efforts to control corruption can be found in a recent edited volume. See John R. Heilbrunn, "Corruption, Democracy and Reform in Beinin" and Jon S.T. Quah, "Combating Corruption in South Korea and Thailand" in Andreas Schedler, Larry Diamond and Marc F. Plattner, eds., *The Self-Restraining State: Power and Accountability in New Democracies* (Boulder, Co: Lynne Rienner, 1999), pp. 227-243 and 245-256.

<sup>5</sup> The only comprehensive study of corruption in an Arab country is the recent book by Djillali Hadjadj, *Corruption et Démocratie en Algérie* (Paris: La Dispute, 1999).

<sup>6</sup> Quah concludes his comparison of Thailand and South Korea by arguing that corruption remains far more pervasive in Thailand than in South Korea primarily because the South Korean political leadership since 1993 has been much more committed to combating corruption than its Thai counterpart. See Quah, "Combating Corruption in South Korea and Thailand," in Schedler, Diamond and Plattner, eds., *op.cit.*, pp. 252-53.

<sup>7</sup> On Transparency International's history and methods, see Fredrik Galtung and Jeremy Pope, "The Global Coalition Against Corruption: Evaluating Transparency International," in Schedler, Diamond and Plattner, eds., *op. cit.*, pp. 257-282.

<sup>8</sup> Transparency Maroc, *La Corruption au Quotidien* (Casablanca: Editions Le Fennec, 1999).

<sup>9</sup> The sample presented the following characteristics:

<b>Size</b>	<b>Number of Firms</b>
1 to 5 employees	176
6 to 20 employees	65
20 to 100 employees	58
More than 100 employees	71
<b>Sector</b>	<b>Number of Firms</b>
Industrial Processing	130
Construction and Public Works	54
Services	111
Commerce	75
<b>Location</b>	<b>Number of Firms</b>
Large industrial Center (Casablanca and Fez)	135
Medium-sized Industrial Center (Rabat, Salé and Tangiers)	165
Small-sized Industrial Center (Kénitra, Oujda, Marrakech, Khemisset, Larache and Skhirat)	70

<sup>10</sup> See "The Investor Roadmap of Morocco," prepared by The Services Group for USAID and MAGG, Final Report, February 1999.

<sup>11</sup> Friedman, *op.cit.*, pp. 142-145.

<sup>12</sup> See Galtung and Pope, "The Global Coalition Against Corruption," *op.cit.*, p. 261.

<sup>13</sup> See for example King Hassan's speech to the members of the Higher Judicial Council (*Conseil Supérieur de la Magistrature*) on April 24, 1995, as well as his message to the participants in the colloquium organized by Morocco's Supreme Court on December 18-20, 1997.

<sup>14</sup> Azziman and Ghazali were long-time friends and colleagues in the law department at the Université Mohamed V in Rabat. Both were also founding members of the OMDH. In his position as secretary general of the ministry of justice, Ghazali has been overseeing the ministry's day-to-day operations since August 1997.

<sup>15</sup> King Hassan invoked his "right" (not specified in the constitution) to select the minister of justice as well

as those of the interior, foreign affairs and Islamic affairs. (Because of their special status, these ministries are known in Morocco as “ministries of sovereignty”). As prime minister, Youssef chose the other members of his cabinet. Though Azziman was therefore the late king’s personal choice, he was known to be close to the socialist party (USFP), and the parties of the *kutla* did not regard his appointment as problematic. This was a critical difference between Azziman and those heading the other “ministries of sovereignty,” especially Interior Minister Driss Basri (who was subsequently fired by Morocco’s new king, Mohamed VI, on November 9, 1999).

<sup>16</sup> The HJC, which is presided over by the king, is entrusted by the constitution with overseeing the careers of magistrates. Magistrates are appointed by the king upon recommendation of the HJC, which also decides on their promotions and possible disciplinary actions against them.

<sup>17</sup> The PBG is built around three main axes: “moralization of the bureaucracy,” the rationalization and modernization of public management procedures, and a greater opening of the public administration to its environment. Underlying these objectives is a desire to increase the efficiency of the bureaucracy, to facilitate access to it by citizens, and to improve the quality of their contacts with it.

<sup>18</sup> In light of Mr. Aziz Hussein’s posturing on June 22, one can only be struck by the shortcomings that surrounded the “National Conference on the Moralization of the Civil Service” which his ministry finally organized on October 29 and 30. This event came and went without receiving any significant public attention. It was not advertised in advance, and neither the press nor civil society were invited to take part in it.

<sup>19</sup> “Grand corruption” refers to corruption carried out by political and economic elites, usually over large sums of money. “Petty corruption,” by contrast, typically involves low-ranking civil servants exacting a bribe for the services they render, or for looking the other way in cases of infractions to the law.

<sup>20</sup> On that particular moment in Morocco’s recent political history, see in particular the recent novel by Rida Lamrini, *Les Puissants de Casablanca* (Rabat: Editions Marsam, 1999), as well as Guilain Denoeux, “Understanding Morocco’s ‘Sanitization Campaign,’” *The Journal of North African Studies*, Vol. 3, No. 1, Spring 1998, pp. 101-131.

<sup>21</sup> Transparency Maroc, *La Corruption au Quotidien* (Casablanca: Editions Le Fennec, 1999).

<sup>22</sup> To this very day – a year after it was given to the prime minister – the memorandum has generated no official response from the government.

<sup>23</sup> The CIACC, however, selected as its representative a member of TM.

<sup>24</sup> The steps most likely to be adopted in the year 2000 include campaigns designed to sensitize the public to the costs of corruption as well as legal and institutional measures intended to facilitate the implementation of the new legislation on public procurement contracts.