**Conflict Factsheet**

**Food Price Shocks in Morocco**

<table>
<thead>
<tr>
<th>Type of conflict</th>
<th>Intensity</th>
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<td>Main</td>
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<table>
<thead>
<tr>
<th>Conflict Locality</th>
<th>Time</th>
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<td>Northern Africa</td>
<td>1984 – ongoing</td>
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<tr>
<th>Countries</th>
<th>Resources</th>
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<tr>
<td>Morocco</td>
<td>Agricultural / Pastoral Land, Water</td>
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**Conflict Summary**

In 2007-2008 and 2011-2012, Morocco experienced protests, which a number of the media reported as "bread riots". However, even though Morocco is highly dependent on imports for its food consumption, the drivers of the protests go beyond the issue of rising food prices and the protesters' grievances are also rooted in the perceived incapacity of the government to fulfill its basic functions vis-à-vis the population.
Conceptual Model

Climate Change
- Gradual Change in Temperature and/or Precipitation
- More Frequent / Intense Extreme Weather Events

Environmental Change
- Extreme Weather Event
- Increased Water Scarcity

Intermediary Mechanisms
- Livelihood Insecurity
- Change in Access / Availability of Natural Resources
- Increased Land Scarcity

Fragility and Conflict Risks
- Anti-State Grievances
- Reduced State Capacity and/or Legitimacy
- Volatile Food Prices

Social and Economic Drivers
- Demographic Change
- Land Use Change
- Economic Development

Context Factors
- Agricultural / Pastoral Land, Water
- Food Import Dependency
- Food Insecurity
- High Food Expenditure
Conflict History

Morocco faces a serious risk of food insecurity (World Bank, 2011) and has been strongly affected by recent food price shocks. The following case study examines these dynamics and explores how partially environmentally-induced food price spikes interacts with and produces situations of fragility.

Dependency on imports and vulnerability to global food price spikes

Although Morocco used to be a major supplier of grain for Europe (Horizons et Débats, 2008), the country has become highly dependent on food imports for local consumption, which currently represent a third of all national imports (UNECA, 2012). Today, the country imports all basic commodity products, such as milk, sugar, cereals and meat (Horizons et Débats, 2008).

This change is the result of the agricultural policies, which the government implemented in the 1980s (Zotian, 2012). Similarly to the reforms passed in Egypt since the 1970s (see: Egypt food price shocks), these measures were encouraged by the International Monetary Fund, which suggested Morocco to focus on its comparative advantages in agricultural production, such as fruits and vegetables, and to import cheap staples (Ibid.). Until today, Moroccan farmers have therefore been focusing on the production of fruits and vegetables for exports and have been importing staples for local consumption (Ibid.). Nevertheless, even though exports of fruits and vegetables from Morocco have been increasing and despite booming phosphate exports, it has not been enough to balance the large proportion of imports into the country (Zotian, 2012; UN, YEAR). Whilst in 1985-1987, food imports were 1.2 times higher that agricultural exports, the ratio rose to 1.34 in 1990-1991 and to 1.7 in 1995 (FAO, 2015). The deficit of the country’s agricultural trade balance has kept increasing since the 1980s (CIHEAM, 2006) (see graph). This prevented the country from generating foreign exchange to finance imports (see graph) (Zotian, 2012). Therefore, Morocco’s dependency on imports as well as the country’s agricultural trade deficit have been exacerbating the vulnerability of Morocco to global food price spikes.

The deficit in the agricultural trade balance has also been contributing to the decline in productivity in the sector. The lack of foreign exchange has made it difficult for Moroccan farmers to import fertilizers and machines for local production (Horizons et Débats, 2008).

Environmental drivers

In 2007-2008 and 2011-2012, adverse weather events in major grain exports contributed to the global food price spikes (see: global food price shocks). Moreover, environmental changes also contribute to the decline in the agricultural productivity in the country, making Morocco even more dependent on food imports.

The decreasing freshwater availability in the arid regions has serious consequences for irrigation and thus negatively impact food production (Houdret, 2008). Nevertheless, Houdret reports that water scarcity is largely the result of the over-exploitation of land (Ibid.). Human-induced practices therefore exacerbate the decline in agricultural production.

Impacts of global food price shocks on local prices in 2007-2008 and 2011-2012
During the global food crisis of 2007-2008, the entire Middle East and North Africa (MENA) region faced a significant food deficit problem, as prices increased, on average, between 21% to 115% (Drine, 2010). Food prices also went up in Morocco, where the price of basic staples such as bread and cooking oil increased significantly (Zaki, 2009). For instance, cooking oil prices increased by 65% (Ibid.; Horizons et Débats, 2008). Given that in 2007, the share of the average household expenditure for food was over 60% (Drine, 2010), rising food prices had serious consequences for food security in the country.

Government interventions to limit food prices
These increases happened in spite of attempts by the government to limit price rises through subsidies (Zaki, 2009). The government has been relying on subsidies since 1941 to shield the population from high food prices (Ibid.). In 2007-2008, to cope with rising global food prices, the government increased the budget dedicated to subsidies fivefold (Ibid.). Similarly, in 2011, when the second wave of global food price spikes threatened to make local prices skyrocket, the Moroccan government responded by increasing food subsidies and by imposing price controls during the first half of 2011 (World Bank, 2011). Indeed, it doubled these subsidies -- adding 1.7 billion USD to the planned budget of 2011 -- and started to administer roughly 44% of the national wheat productions with its price control system (Ibid.). In 2011, these subsequent increases in subsidies to bread, fuel, and electricity grew and ultimately reached 20% of Morocco’s national budget (Thakore, 2014).

In a nutshell, because of the agricultural policies conducted in Morocco since the 1980s, export crop cultivation was favoured at the expense of staples for local consumption, which increased the dependence of Morocco on foreign imports. For decades, the government has been shielding the population with subsidies, which have become unsustainable for the country’s economy. Although such policies are effective in protecting the population from sudden price shocks in the short-term, they are not sustainable in the long-term and could actually lead to situations of fragility if those subsidies were to be removed. This is especially the case as, in the second part, we will discuss how food price shocks at the domestic level may lead to situations of fragility.

Resolution Efforts

Food prices and situations of fragility – a simplistic link?
Because recurrent protests happened in the Kingdom of Morocco during the global food price spikes in 2007-2008 and 2011-2012, many newspapers have identified these situations of fragility as being so-called bread riots, i.e. that the population protested against high food prices (Drine, 2010; Libcom, 2007; The Economist, 2012). However, this causal link is too simplistic as it fails to understand the root causes of the protests. In this part, it will be argued that fragility (the inability of the state to fulfill basic functions expected by citizens) is a critical driver which led to situations of fragility in Morocco in the past.

Cuts in public spending and situations of fragility
The cuts in public spending since the 1980s and the large budget allocated to subsidies at the expense of social spending – notably education and health care – have deepened inequalities amongst the Moroccan population (UN, YEAR). Already in 1981-1984, the population had protested against measures advanced
by the International Monetary Fund which aimed at further reducing public spending, leading to violent clashes with the authorities and to hundreds of fatalities (Thakore, 2014). In 2007-2008, inequalities, unemployment, and perceived social injustice were at the core of the protests which sparked in the country (Horizons et Débats, 2008). Today, less than half of the youth population is employed (Breisinger, 2012). In general, even though the government took some measures against unemployment, the current measures are highly insufficient to remedy the situation (Zaki, 2009).

The government has been neglecting public investment to increase agricultural productivity since the 1980s. Those policies deepened poverty in rural areas, where a significant part of the population lives and where 40% of the working population works in agriculture (Zaki, 2009). In line with these policies, the government also cut spending in subsidies and reduced the size of the public sector (Zotian, 2012). This contributed to a worsening in income inequality amongst the population (World Bank, 2011). As for distributional inequalities, even though the government highly subsidises foodstuff for the population, a UN report notes that the compensation system in Morocco does not differentiate between income levels and thus tends to benefit primarily rich Moroccans rather than the poor (UNECA, 2012).

Subsidies to buy social peace
If the protests which sparked in Morocco in 2007-2008 and 2011-2012 did not lead to any major change in the political context – as it happened in Tunisia and Egypt (see: Tunisia food price shocks and Egypt food price shocks), it is because the government used subsidies to appease the population.

In 2008, as the government was planning on abolishing an existing 30% commodity price subsidy, the authorities renounced to their plans in the face of the growing public pressure (Political Economy, YEAR). Similarly, during the first half of 2011, governments responded to accruing discontent over economic and social problems by imposing food subsidies and price controls (World Bank, 2011). As Thakore puts it, the government has thus been “buying peace” by continuing subsidizing food stuffs to limit the discontent of the population (Thakore, 2014).

A fragile status quo
Given the growing trade deficit of the country, the question seems to be whether Morocco will be able to continue sustaining this subsidy policy to preserve the status quo and to limit the discontent of the population. New price increases in global food crisis coupled with the growing demands from the rising population are likely to further increase the vulnerability of Morocco to global food price spikes. Furthermore, given the high proportion of unemployment amongst youth, Harrigan and El Said argue that further increases in youth unemployment rate is more likely to lead to social unrest (Harrigan and El Said, 2008). This follows the theory of Smith according to which the rate of youth amongst the population as being factor which might increase the likelihood of unrest (Smith, 2014) (see: global food price shocks).

Policy Recommendations
The recent food price shocks notably revealed the vulnerability of Morocco to global food price volatility. It is therefore crucial for the country to take some measures to limit its dependency on imports.

Current public Initiatives
Various initiatives and plans to enhance rural sustainable and agricultural developments have been launched, notably the Moroccan General Council for Agricultural Development (Conseil Général du Développement Agricole) explicitly to face food crises, water scarcity and climate challenges jointly with international actors (CEHADE 2008).

However, some expert estimate that Morocco disposes of a low capacity to handle the pressing challenges as there is a rather poor availability of and access to relevant information as well as a weak monitoring of food stocks. On the policy level, there is a low policy responsiveness with little or no regional coordination to alleviate food price challenges (Hwalla, 2014).

Agricultural Policy
Morocco has introduced quotas according to the regional poverty distribution for agricultural subsidies in 2011. Notably certain cereal grains for agriculture are being prioritized in the subsidies.

Another pillar of the Moroccan agricultural development strategy is enhancing investments via strategic partnerships with the national and international private sector. Such is done notably in the fields of hydro-agricultural improvements as well as debt-refunding of small scale farmers in order to increase investment capacities and climate risks insurances for cereal and legume production.

The so-called Green Plan for Morocco (Le Plan Maroc Vert - PMV) has been introduced by the Moroccan Agricultural Development Agency in 2008, aiming at reinforcing food security, increase agricultural incomes in particular of small scale farmers. In the long run, the programme is designed to diminish import dependence and to limit the budget imbalances by protections measures (UNECA, 2012).
### Intensities & Influences

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### Resolution Success

- **Reduction in Violence**
  - Violence has ceded completely.

- **Reduction in geographical scope**
  - The geographical scope of the conflict has decreased.

- **Increased capacity to address grievance in the future**
  - The capacity to address grievances in the future has increased.

- **Grievance Resolution**
  - Grievances have been partially addressed.

- **Causal Attribution of Decrease in Conflict Intensity**
  - Decrease in conflict intensity at least partially the result of conflict resolution strategies.
Entry Points for Resilience and Peace Building

Improving state capacity & legitimacy
The Moroccan General Council of Agricultural Development (CGDA) was established in 1993 and is tasked with facing food crises, water scarcity and climate challenges jointly with international actors. This initiative needs to be backed by efforts to increase access to relevant information and capacities to effectively monitor food stocks.

Reducing dependence on specific supplies
Morocco has proved to be particularly vulnerable to global food price volatility making it crucial for the country to take some measures to limit its dependency on imports. In an effort to address this issue, the Moroccan Agricultural Development Agency introduced the Green Plan for Morocco (Le Plan Maroc Vert - PMV) in 2008. In the long run, the programme aims to diminish import dependence and to limit the budget imbalances caused by protection measures.

Containing (effects of) price volatility
The Moroccan government has significantly subsidized food stuffs to limit the discontent of the population. However, this strategy is unsustainable in the long run since it burden the country’s budget. Furthermore, in 2011 the government introduced quotas for wheat and flour mill subsidies to target the most vulnerable households.

Coping with uncertainty
The Moroccan agricultural development strategy aims to enhance investments via strategic partnerships with the national and international private sector. Such is done notably in the fields of hydro-agricultural improvements, as well as debt-refunding of small scale farmers in order to increase investment capacities and climate risks insurances for cereal and legume production.

Resources and Materials

Conflict References
Global Food Price Shocks

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Further information
https://factbook.ecc-platform.org/conflicts/morocco-food-price-shocks