

The dynamics of the establishment of Multinational Firms in Morocco: new geopolitical and geoeconomic factors

Les dynamiques d'implantation des firmes multinationales au Maroc : nouveaux facteurs géopolitiques et géoéconomiques

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Disclosure Statement :	Authors are not aware of any findings that might be perceived as affecting the objectivity of this study and they are responsible for any plagiarism in this paper.
Conflict of Interest :	The authors report no conflicts of interest.
Cite this article :	EL-KHANCHOUFI, M., AMMI, A., & OUHEJJOU, O. (2024). The dynamics of the establishment of Multinational Firms in Morocco: new geopolitical and geoeconomic factors. International Journal of Accounting, Finance, Auditing, Management and Economics, 5(2), 86-104. https://doi.org/10.5281/zenodo.10636973
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Received: January 05, 2023

Accepted: January 07, 2024

International Journal of Accounting, Finance, Auditing, Management and Economics - IJAFAME

ISSN: 2658-8455

Volume 5, Issue 2 (2024)

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Abstract:

Today we see that geopolitical and geoeconomic factors play an important role in the location choices of multinational firms in Morocco in a globalized context. Political stability, strategic alliances, and strategic positioning play a fundamental role in determining the establishment strategies of these firms in Morocco.

Over the past decades, Morocco has emerged as a preferred destination for foreign investments, attracting many multinational corporations across various economic sectors. This trend is part of a global context of reconfiguring economic and political relationships, where geopolitical and geo-economic factors increasingly influence the strategic choices of companies.

In this perspective, our article aims to explore the complex mechanisms that underlie the decisions of multinational corporations to establish a presence in Morocco, with a particular emphasis on geopolitical and geo-economic influences. We will seek to understand how regional and global dynamics, diplomatic relations, trade agreements, and local economic characteristics interact to shape the strategic choices of companies seeking new markets and profitable partnerships.

This study aims to explain the role of geopolitical and geoeconomic factors in the choice of multinational firms in Morocco as a destination for their establishment. In this sense, how do geopolitical and geoeconomic factors determine the implementation strategies of multinational firms in Morocco?

To answer this question, we carried out a qualitative study with semi-directive interviews with 10 experts in geopolitics and geoeconomics and 12 business leaders operating in Morocco. Through a content analysis, our result shows the importance of geopolitical and geoeconomic factors in the location choices of multinational firms in Morocco. These firms seem to be attracted by the country's strategic geopolitical position, political stability, international alliances and economic advantages

Keywords: Multinational Firms; geopolitics; geoeconomics; Morocco, globalization.

Classification JEL: F23

Paper type: Empirical Research

1. Introduction

Morocco, as a geographical and economic crossroads between Europe, Africa, and the Middle East, provides an exceptional terrain for studying these complex interactions (Stewart, 2012). Its strategic geographical location makes it a hub where diverse economic and political interests converge. Multinational firms operating in Morocco must navigate through a multitude of geopolitical factors, such as the relations between the European Union and Africa, political stability in the region, and the business opportunities presented by the rapidly growing African market.

Furthermore, Morocco possesses several attractive geo-economic characteristics, including a skilled workforce, developing infrastructure, and access to multiple key markets. These geo-economic assets make Morocco a strategic choice for numerous multinational corporations seeking expansion in the region (Abodohoui & Su, 2020).

Foreign direct investment has emerged as a major catalyst for global economic development, boosting the growth of host countries and promoting the integration of national economies into the global economy (Lall & Narula, 2004). In this context, multinationals, as key players in Foreign Direct Investment, are subject to crucial strategic choices when it comes to selecting destinations for their establishments (Moran, 1998). Morocco, with its strategic location, evolving business environment, and incentive policies, has become an attractive destination for many multinational firms.

This study aims to explore in depth the geopolitical factors that significantly influence the decision to establish multinational firms in Morocco. While many previous studies have looked at the economic, technological, and institutional determinants of location choices, this research focuses specifically on the impact of geopolitical and geoeconomic factors, an under-explored area in the Moroccan context.

Geopolitical factors, encompassing elements such as international relations, political stability, regional alliances, and geostrategic risks, play a vital role in the decision-making of multinational firms (Bussy & Zheng, 2023). Understanding how these factors interact with economic and institutional considerations can offer valuable perspectives for policymakers, researchers, and economic actors wishing to better understand the complex dynamics that shape the location choices of multinational firms in Morocco.

To achieve this objective, we pose the following question: What are the key factors influencing the location decisions of multinational firms in Morocco, and how do these factors interact to shape their strategies? This central question will serve as a guiding thread throughout our work.

This research problem can be divided into several research questions:

- What are the various geopolitical factors that determine the location strategies of multinational firms in Morocco?
- What geo-economic factors determine location strategies in Morocco?
- What are the main location strategies that multinational firms adopt in Morocco to succeed in expanding within this specific market?
- What are the primary challenges that companies face during the implementation phase in Morocco?

This study adopts a qualitative approach to explore in depth the experiences and perspectives of multinational companies operating in Morocco. By analyzing the narratives of key actors, we aim to identify the motivations underlying location decisions, with a particular focus on geopolitical and geoeconomic aspects.

The results of this study provide important information to practitioners, researchers, and policy makers, allowing them to understand the complex interplay between geopolitical factors and the implementation decisions of multinational firms in the Moroccan context. This article builds on the current state of the literature by highlighting the importance of geopolitical and

geoeconomic factors in the context of direct investments in Morocco and emphasizing the need to integrate these considerations into national investment attraction strategies. We want to fill this gap. An in-depth qualitative study on this specific subject, this study sheds light on the scientific debate and informs public policies, thus providing value to the scientific community and the actors involved in the economic development of Morocco.

2. Literature review on the geopolitical and geoeconomic factors determining the choice of location of multinational firms

2.1. From geopolitics to the geoeconomics of multinational firms

Geopolitics and geo-economics of multinational corporations are two closely related fields. Geopolitics focuses on power relations between nation-states, while geo-economics concentrates on economic relationships among businesses, sectors, and regions (Wigell, 2018). However, globalization and the rise of multinational corporations have blurred the boundary between these two domains, so geopolitics and geo-economics have become increasingly intertwined.

Geopolitics and the geo-economy of multinational corporations are linked because multinational corporations can influence relations between nation-states due to their economic power and global presence. Business location decisions, strategic alliances, investment policies, technology transfers, and trade practices can all have significant geopolitical consequences (Echkoundi et al., 2021). For example, a multinational corporation's decision to relocate a factory to a developing country can have a geopolitical impact by reducing production costs and increasing the competitiveness of the company, but it can also have social and political repercussions in the home country where jobs may be lost. Similarly, a multinational corporation's decision to engage in a strategic partnership with a company from another country can strengthen economic and political relations between the two nations.

The geo-economy of multinational corporations is also influenced by geopolitical factors, such as relations between nation-states, trade wars, economic sanctions, and international regulations. Multinational corporations must take these geopolitical factors into account in their decision-making and the development of their business and investment strategies.

Geopolitics and the geo-economy of multinational corporations are closely linked because multinational corporations can influence power relations between nation-states through their economic power and global presence (Saidi, 2021). The decisions of location, strategic partnerships, and investment policies of multinational corporations can have significant geopolitical consequences, highlighting the need to understand the links between these two domains for a thorough understanding of global economic and political dynamics.

However, it wasn't until the end of the 19th century that the first industrial companies adopted a strategy not only for foreign sales but also for relocating production to circumvent customs barriers during the era of the first international division of labor.

With the end of the Cold War, the military capabilities of developed countries are far from their main strength on the international stage. The exercise of power is now more measured, moving closer to what Joseph S. Nye called soft power (Nye, 1990).

At a more global level, the opening of borders and the liberalization of trade foster the emergence of a multinational corporation with a truly global strategy. To serve the ambitions of the country, today's diplomats must wear both the diplomatic and economic hats. The economic health of a country is the standard by which we now judge its power. In this globalized world, the political interests of countries are subordinate to their economic interests. This change marks the beginning of a new era, that of geo-economics.

This argument was particularly championed by Edward Luttwak and announced in the early 1990s the emergence of a new international order in which economic weapons replaced military weapons as a means of government service to gain strength and assertion on the world stage.

"While international trade has diminished, military threats and alliances have lost their importance," he noted in his major book, "The American Dream on the Brink"; "As a result, economic priorities are no longer overshadowed and come to the forefront. In the future," he added, "perhaps the fear of economic consequences will regulate trade disputes, and there will certainly be more political interventions for strong strategic reasons. And an external threat is always necessary. To ensure solidarity and internal cohesion within the nation and the nation, the threat will now be economic, or more precisely, geo-economic.

If we now try to define it more precisely, we would say that geo-economics is the analysis of economic strategies—especially trade strategies—determined by countries as part of a clearly defined policy aimed at protecting their national economies, controlling key technologies, and/or conquering certain parts of the global market related to the production or marketing of sensitive products because their ownership or control gives their holders—the state or the "national" company—an element of international power and influence and contributes to enhancing its economic and social potential. Geo-economics questions the relationship between power and space, but it is a "virtual" or fluid space because its boundaries are constantly evolving, and therefore, it is a space without territorial and physically delimited geopolitical characteristics.

The first difference between geopolitics and geo-economics concerns the actors. While companies and even some organized non-governmental interest groups (consumer associations, environmental groups, various lobby groups, etc.) can implement their economic warfare policies in the national or global market, the pursuit of geo-economic practices is initiated by the state alone; these activities are initiated by them or closely linked to companies they deem strategic (Scholvin & Wigell, 2018).

Another difference lies in the tools used by these actors. According to us, geo-economics removes any Clausewitzian belligerent rationality based on the concept of economic warfare. Geo-economic strategies can indeed use some of the tools of the latter (classic anti-competitive practices, discriminatory use of physical quotas, tariff or non-tariff barriers, reserving public procurement markets for state-owned companies and certain activities for monopolies rather than evoking industrial espionage), but it generally does not rely on its most offensive weapons, such as resorting to unilateral embargoes (i.e., without the approval of the international community) or organized boycotts.

Geopolitics and geo-economics are two closely linked fields that concern multinational corporations in the context of globalization (Shahzad, 2022). Geopolitics focuses on international relations, conflicts, alliances, policies, and geographical issues between states and non-state actors, while geo-economics focuses on the economic and commercial aspects of international relations.

Multinational corporations are deeply influenced by the realms of geopolitics and geo-economics. In a complex and changing geopolitical environment, tensions, conflicts, economic sanctions, and trade disputes between countries represent major risks for multinational corporations, disrupting their supply chains, affecting their business operations, and creating uncertainties in the global market. National and international policies, such as trade laws, tax policies, environmental regulations, and protectionist measures, directly impact the activities of multinational corporations, determining their access to global markets. Government relations are also crucial, as multinational corporations must manage complex relationships with the governments of the countries where they operate, sometimes using lobbying and public relations to promote their interests. Geopolitical aspects are also considered in the investment strategies of multinational corporations, which may choose to establish themselves in countries

offering geopolitical advantages. Additionally, social and environmental responsibility is a significant issue, with the business practices of multinational corporations scrutinized by governments, media, and international organizations. Cybersecurity risks related to geopolitical tensions are also present, with companies vulnerable to cyberattacks and economic espionage (Teichmann et al., 2023). Strategic alliances between multinational corporations and other economic actors are formed to strengthen their geo-economic position in the face of geopolitical challenges. Thus, the ability of these corporations to navigate these two domains, and adapt their strategies to geopolitical and economic challenges, is essential for success in a complex and evolving global environment where geopolitics and geo-economics are closely linked (Iqbal & Haider, 2021).

2.2. The economic challenges of multinational firms in the context of globalization

The geo-economy of multinational corporations can have both positive and negative implications for local and global economies. The advantages include job creation, increased productivity, inflow of foreign capital, improvement of production standards and technologies, and the opening of new markets for local businesses. However, drawbacks may encompass unfair competition, exploitation of natural resources, tax evasion, corruption, negative environmental externalities, and job losses in competing sectors.

The geo-economy of multinational corporations is a crucial area of analysis to understand economic and geopolitical dynamics on an international scale. It can have significant implications for local and global economies, underscoring the need to regulate and control these economic actors to mitigate negative effects (Dicken, 1998).

In a constantly changing context marked by significant transformations observed in the environment of multinational corporations, some are capable of adopting relevant strategies and expanding aggressively. However, they do not all react in the same way or adopt the same strategies in the dynamics of international competition within the framework of globalization. In the face of global competition, each entity strives to maintain or achieve economic efficiency by expanding the market and trying to remain at a critical scale, leading to different geographic growth strategies.

Economic globalization, a key aspect of which is the extension of the capitalist system on a global scale, relies on the internationalization of firms (Whitley, 1998). This process has gradually become "multinationalization" (multinational corporations) or even, according to some authors, "transnationalization" (transnational corporations). When referring to large companies, we primarily mean transnational corporations, defined by the United Nations Conference on Trade and Development in 1973 as companies established in at least six countries, with at least 25% of their revenue generated abroad, and with at least \$500 million beyond a certain degree of expansion of the firm's activities worldwide. Economist El Mouhoub Mouhoud highlights five major types of flows generated by firms at the heart of our globalization: relocation flows, financial and commercial exchange flows (inter- and intra-firm), technology transfers, and labor migrations.

Various geopolitical schools of thought often overlook the role of companies, emphasizing the primacy of the state (realism) or, conversely, individuals and their networks (Phillips & Sharman, 2020). The main reason is that exercising power is not their primary function; they do not seek to compete with the state in this regard, as they are profit-driven. Moreover, even multinational corporations do not have the means to organize and ensure global order. However, this does not mean they do not wield power; it is an aspect that cannot be excluded from geopolitical analysis.

"What is good for General Motors is good for the United States (and vice versa) (Redish & Wasserman, 1997)." This can be explained as a common interest between the firm and the state; the assertion and development of one entity can serve the interests of the other.

Multinational corporations play a central role in the context of globalization and have significant geo-economic stakes (TRIVAN, 2018). Here are some of the main geoeconomic challenges related to multinational corporations in this context:

Access to global markets: Multinational corporations seek to expand their presence globally to access new markets, exploit business opportunities, increase sales, and benefit from different economic and regulatory conditions in host countries (Mesquita & Lazzarini, 2008).

International competition: Multinational corporations face intense global competition. They must adapt their strategies to compete with other global players, including local competitors in the countries where they operate (Yip, 1989).

Offshoring and foreign direct investments: Multinational corporations may choose to offshore their activities to countries offering economic advantages, such as lower labor costs, tax incentives, or more favorable regulations. These foreign direct investments can influence the economic and social dynamics of host countries (Gersbach & Schmutzler, 2006).

Allocation of resources and technology transfers: Multinational corporations may concentrate their research and development activities in certain countries while deploying their production activities in other regions. This can impact the distribution of resources and the transfer of technologies between countries (Baranson, 1970).

Tax optimization strategies: Multinational corporations may implement tax optimization strategies to minimize their overall tax burden by taking advantage of differences in the tax regimes of the countries where they operate (Rego, 2003).

Economic power and political influence: Due to their size and global reach, large multinational corporations can exert significant influence on the economic policies of host countries. They can shape regulations, trade standards, and international agreements (Salamon & Siegfried, 1977).

Social and environmental responsibility: Multinational corporations are increasingly subject to expectations from consumers, investors, and governments regarding social and environmental responsibility. Their sustainability practices can impact their reputation and profitability (Hartman et al., 2007).

Geopolitical risks: Multinational corporations operating in different regions of the world are exposed to geopolitical risks such as conflicts, civil unrest, international sanctions, and currency fluctuations. These factors can affect their operations and profitability (Caldara & Iacoviello, 2022).

Multinational corporations are key players in globalization, but they must confront various geo-economic challenges that can influence their success, sustainability, and impact on the global economy and societies (Baracuhy, 2014).

3. Research methodology

To address our research questions, we employed an exploratory qualitative study using inductive logic (Azungah, 2018). Qualitative research is valuable for exploring new phenomena as it is sensitive to the context and sequence of organizational events and actions (Stake, 2010). The choice of a qualitative approach is justified by the largely unexplored nature of the problem (Lewin et al., 2009). The lack of research on this topic, particularly in the Moroccan context, was also one of the reasons for our methodological choice. This is an exploratory study based on 12 cases.

3.1. Field and Study Data

The selection of the interviewees was done taking into account their roles within the companies and their expertise in the fields of geopolitics and geoeconomics. Based on criteria rooted in

our understanding of the interviewees, we selected executives, experts, and researchers in the field. The profiles of the interviewees are synthesized in the following table:

Table 1: List of interviewees

N°	Respondent	Position	Duration	Method	Nationality
1	Respondent 1	Research Associate at IRIS - Institute of International Relations and Strategic Studies	30min	Phone	French
2	Respondent 2	Analyst in International Strategy, Defense & Security, Instructor at the School of Economic Warfare, Certified Terrorism Investigator by the "US Office of Antiterrorism Assistance"	90 min	Face to face	Moroccan
3	Respondent 3	CRM and Customer Relations Manager at 4MURS	60	Google Meet	Moroccan
4	Respondent 4	Export manager at QISTA	40	Google Meet	Moroccan
5	Respondent 5	Business relationship manager at SCHNEIDER ELECTRIC	90 min	Google Meet	French
6	Respondent 6	Project manager at SCHNEIDER ELECTRIC	90 min	Google Meet	Moroccan
7	Respondent 7	Production manager at Delphi: Electrical and electronic cable production	50 min	Phone	
8	Respondent 8	CFO at Yazaki	45 min	Phone	
9	Respondent 9	Technical-commercial representative - agronomy engineer at Rijk Zwaan Morocco	90 min	Face to face	Moroccan
10	Respondent 10	PROJECT MANAGER at ALSTOM Fes	45 min	Phone	
11	Respondent 11	DEPUTY DIRECTOR at Web Help Call Center Fes	45 min	Phone	
12	Respondent 12	Professor and Geopolitics Expert	90 min	Face to face	Moroccan
13	Respondent 13	Finance Manager	30 min	Phone	Moroccan
14	Respondent 14	Professor and Economist	90 min	Face to face	Moroccan
15	Respondent 15	Security Analyst	30 min	Phone	Burkinabe
16	Respondent 16	Professor at ensias-um5-rabat and aggregate in economy and geopolitics	90 min	Face to face	Moroccan
17	Respondent 17	Economy and geopolitics professor	90 min	Face to face	Moroccan
18	Respondent 18	Aggregate professor in geopolitics	90 min	Face to face	Moroccan
19	Respondent 19	Aggregate professor in geopolitics	90 min	Face to face	Moroccan

20	Respondent 20	Total Energies	30 min	Phone	Moroccan
21	Respondent 21	Executive Director of InterGlobe Conseils - Analyst and Geopolitics and IR Instructor / Political Communication Expert	45 min	Google Meet	French
22	Respondent 22	Economist, Geopolitics Professor	90 min	Face to face	Moroccan

Source: authors

3.2. Data processing

Regarding the data collection method, we opted for semi-structured interviews. We chose this method as it is considered a valuable approach contributing to knowledge development. Our interview guide is designed to ensure the collection of general information through formal interviews with executives, geopolitical experts, and economists. We were guided by three pre-defined axes. The interview guide was structured into three main parts. The first part focuses on the geopolitical factors that influence the implantation strategies of multinational firms. The second part addresses the geo-economic factors determining implantation strategies in Morocco, and the third part aims to identify the implantation strategies of multinational firms in Morocco.

3.3. Study area and description

Qualitative exploratory research is characterized by small sample sizes, which do not aim for statistical representativeness but consider the specific research problem and maintain a close relationship with the structure of the studied population. The necessary and preliminary condition for conducting this study requires multinational firms to enter the Moroccan market. The choice of our sample is explained by two main reasons. Firstly, leaders represent the most powerful multinational firms in the Moroccan market. Secondly, they are experts and economists most interested in the field of geopolitics and geo-economics in Morocco.

To avoid taking notes, the interviews were recorded with a tape recorder with the subject's consent. The duration of the interviews varied between 30 minutes and 1 hour 30 minutes. The interviews will be fully transcribed to ensure the researcher's objectivity and to benefit from the richness of the collected information.

Transcription is carried out considering predetermined themes. We chose content analysis techniques to process the collected discourse. This method is based on the observation that the repetition of units of discourse analysis (words, expressions, or similar meanings, sentences, paragraphs) reveals the orientation of the author's interests and concerns.

This is the most appropriate approach to adequately exploit the richness of the collected data. The analyses were conducted using Nvivo software (*version 12*).

The definition of the nodes was done by ourselves, based on themes developed during data collection, thus, a node is a set of references on a theme, a place, a person, or any other particular subject in direct relation to our research themes allowing us to answer to our main problem, the following figure presents a screenshot of the nodes being processed in Nvivo 12 (*figure 1, Appendix*).

4. Results and discussion

"Experts represent individuals of significance within a company. Our interviewees are experts in geopolitics and geo-economics, economists, and business leaders. They possess a highly profound expertise. Therefore, leveraging their expertise and awareness is crucial. Each

question received a slightly different response. By analyzing the frequency of words in these responses, we were able to identify the concepts most commonly used by the respondents and gain a better understanding of their knowledge and perceptions of the research topic. Through content analysis, we could determine the interests of our respondents. Following the same logic as adopted in presenting the interview guide, we will present the results of our research axis by axis.

4.1. Geopolitical factors that determine the establishment strategies of multinational firms

According to experts, the strategic choices of multinational companies to establish themselves in Morocco are influenced by various geopolitical factors, the most decisive of which can be broken down as follows:

Firstly, Morocco's strategic geographical location as a key connection point to Africa and the Middle East, along with its geographical proximity facilitating access to key markets, provides significant logistical and commercial advantages.

Furthermore, cultural diversity and religious openness create a positive context for international interactions and collaboration between different cultures, fostering a flourishing linguistic blending.

Moreover, the prevailing political stability in Morocco undoubtedly constitutes a guarantee for foreign investors, reassuring them both in terms of security and the successful completion of fruitful financial transactions. National sovereignty is also cited as an important element to generate interest from investors. Similarly, alliances and cultural influence (soft power) contribute to establishing a favorable dynamic for the implantation of international firms. Experts emphasize that Morocco's international alliances and strategic collaborations with other countries are major assets for attracting multinational companies.

In the field of labor and training, some experts have mentioned the competitive cost of production forces in Morocco, as well as the country's efforts to train a specialized workforce, particularly in the field of green energy, thus enhancing attractiveness for businesses.

The appealing size of the Moroccan market is also mentioned as a factor attracting investors. Government policies favorable to investment, tax incentives, and robust legal protection are also cited as incentives for multinational companies considering establishing themselves in Morocco.

The quality of infrastructure and logistics in Morocco is mentioned lastly as a significant advantage for multinational companies, especially those seeking to facilitate straightforward exports.

The geopolitical factors that encourage multinational companies to invest in Morocco are diverse and varied, encompassing strategic geography, political stability, cultural diversity, international alliances, as well as the availability of skilled labor. These elements converge to create a conducive business environment in Morocco, making it an attractive destination for foreign investors.

The main geopolitical factors that have prompted investment in Morocco include the country's strategic geography as a gateway to Africa and the Middle East, the availability of vital space for commercial activities, cultural diversity, and religious openness conducive to international interactions, as well as Morocco's geographic proximity to key markets. Participant 1.

The results of our empirical study have shown that the strategic choices of multinational firms to establish themselves in Morocco are strongly influenced by geopolitical factors. Morocco benefits from a strategically located geographical position as a connecting point to Africa, Europe, and the Middle East, providing it with a logistical and commercial advantage. Additionally, its political stability, international alliances, and cultural influence are major assets. The competitive cost of labor, market size, favorable government policies, and

infrastructure quality were also cited as incentives for multinational firms. These findings corroborate geopolitical theories emphasizing the importance of a country's geographical position and political stability in attracting foreign investments.

4.1.1. Geopolitical Positioning of Morocco

The conclusions drawn from interviews with experts regarding the geopolitical positioning of Morocco reveal undeniable strategic points:

Welcoming Gateway: Morocco is perceived as a "gateway" to African, European, and Middle Eastern markets. Its proximity to the triad (Europe, North America, Asia) is also emphasized as a significant asset.

Geostrategic Crossroads: Experts agree that Morocco holds a strategic geopolitical position as a crossroads between Europe, Africa, and the Middle East. This position makes it a vital link for trade and investments between these regions.

Political Stability: Undoubtedly, Morocco's political stability plays a crucial role in its attractiveness to multinational firms. This reassuring atmosphere is appreciated by investors, with multiple operations concluding smoothly.

Commercial and Logistical Fluidity: The geopolitical positioning of Morocco facilitates and streamlines essential commercial and logistical transactions. Its location between the Atlantic and the Mediterranean, as well as its proximity to the Strait of Gibraltar, facilitates trade and the flow of goods.

Influence on Implantation Strategies: This ideal positioning positively influences the implantation strategies of multinational firms, facilitating commercial expansion and access to a vast regional and international market.

Regional Cooperation: Some experts mentioned that Morocco maintains strong diplomatic and economic relations with African and Middle Eastern countries, fostering exchanges and potentially being a key success factor for multinational firms.

Conditions for Attractiveness: Enhancing attractiveness for foreign investments, Morocco's strategically advantageous geopolitical positioning is a key factor attracting multinational firms. *Morocco holds a strategic geopolitical position as a gateway to Africa and the Middle East. Its unique geographical location, providing access to both the Atlantic and the Mediterranean, establishes it as a crucial commercial hub. Participant 21.*

Our interviews have revealed that Morocco is perceived as a "gateway" to African, European, and Middle Eastern markets due to its strategic geopolitical position. Its political stability, and commercial and logistical fluidity, along with strategic alliances, enhance its attractiveness as a commercial crossroads. Furthermore, Morocco's political and economic partnerships significantly impact the location choices of multinational firms. These findings confirm the importance of a country's geopolitical positioning in the decision-making process of multinational firms.

4.1.2. Political and Economic Partnerships

The analysis of the impact of Morocco's political and economic partnerships highlights several significant advantages. Firstly, Morocco is widely perceived as a strategic partner, especially for countries such as the Netherlands, the European Union, and others, bolstered by its key position as a gateway to Africa and the Middle East.

Morocco's active role in combating terrorism and organized crime strengthens its geopolitical positioning, instilling increased confidence from multinational firms in the country's stability. Morocco's proactive economic diplomacy, characterized by diversifying geopolitical partners and signing free trade agreements, encourages multinational firms to view Morocco as an attractive investment destination.

Morocco's political and economic partnerships significantly influence the location decisions of multinational firms, with diplomatic ties, trade agreements, and bilateral relations shaping the perception of Morocco as an investment destination.

To enhance its attractiveness, Morocco actively engages in diversifying its geopolitical partners, exploring agreements with countries such as BRICS, while acknowledging challenges related to Maghreb regional integration.

Morocco emerges as a major player in African investments, strengthening its economic relations and influence on the continent. The political stability and security of Morocco attract multinational firms and international talent, constituting a crucial asset.

However, geopolitical tensions with partners can create uncertainty and complicate operations for foreign companies, whereas stable and constructive relations encourage foreign investments.

The active leadership role of Morocco in relations with its partners, particularly in the context of economic diplomacy, is emphasized. Finally, the diversification of geopolitical partners is considered essential for Morocco, not only to stimulate its economy but also to emancipate its economy from past influences.

Geopolitical alliances can lead to economic benefits, such as preferential trade agreements, encouraging foreign businesses to position themselves in Morocco to take advantage of these opportunities. Participant 12.

"Our analysis has shown that Morocco's political and economic partnerships, particularly with the European Union, enhance its geopolitical positioning. Free trade agreements and Morocco's active economic diplomacy encourage multinational firms to consider the country as an investment destination. However, it is important to note that geopolitical tensions can hurt establishment. These findings underscore the significance of international relations and trade agreements in the location choices of multinational firms."

4.1.3. Political Stability and Geopolitical Risks

Political stability is an undeniable cornerstone of successful business operations in Morocco, significantly reducing geopolitical risks. This stability maintained even during episodes of regional instability such as the Arab Spring, enhances the country's appeal to international businesses and is deemed crucial for gaining investor confidence. In comparison to other countries in the region, notably Algeria and Tunisia, Morocco emerges as a safe and reliable investment destination.

While Morocco has successfully maintained political stability, regional geopolitical developments, such as terrorist threats, demand strategic responses. Political stability is an absolute priority for the monarchic system in Morocco, seen as a factor for stability and political continuity.

Investors place great importance on political stability, as it ensures the security of their investments. Despite potential risks such as coups or civil unrest, Morocco is generally perceived as shielded from these threats.

However, despite internal stability, geopolitical risks persist due to the conflict with Algeria. These risks are considered manageable, underscoring the need for continuous vigilance.

Political stability is closely tied to the economic attractiveness of Morocco, creating a business-friendly environment that promotes long-term economic growth. In conclusion, Morocco's political stability plays a crucial role in attracting foreign investments by providing a stable and predictable political environment, while emphasizing the necessity to remain vigilant against regional geopolitical risks to ensure the sustained appeal of Morocco as an investment destination.

"The Kingdom provides an unprecedented regional stability framework compared to other countries in the region with a questionable reputation – a region often referred to as an 'arc of crises.' Participant 17.

The establishment of our subsidiary in Morocco began in 2012, against the backdrop of a global geopolitical context characterized by instability, primarily due to the Arab Spring. Morocco remained unaffected by the upheavals experienced in the MENA region, showcasing the role of political stability in the territorial attractiveness of the country and a geopolitical factor that influenced the decision to establish our company in Morocco. Participant 9."

"Political stability in Morocco has been identified as a major factor in attracting foreign investments. Multinational companies prefer to invest in a stable and predictable political environment, thereby reducing risks associated with political disruptions. However, regional geopolitical risks persist due to the conflict with Algeria, although these risks are deemed manageable. These findings underscore the close link between political stability and attractiveness for foreign investments."

4.2. The Geo-economic Factors that Determine Implementation Strategies in Morocco

Analysis of qualitative results on geo-economic factors influencing implementation strategies in Morocco highlights several key elements:

Incentive Government Policies: Government policies encouraging investments are seen as decisive, enhancing Morocco's attractiveness for foreign businesses.

Size of the Moroccan Market: The size of the Moroccan market is crucial, attracting companies due to its growing consumption potential.

Free Trade Agreements: Agreements made by Morocco with other countries simplify access to international markets for businesses established in Morocco.

Competitive Labor Costs: The competitive cost of labor reduces production costs for companies, enhancing their profitability.

Quality of Infrastructure and Logistics: Morocco's high-quality infrastructure and logistics are assets facilitating business operations.

Intercontinental Gateway: Morocco's role as a gateway to Africa and the Middle East strengthens its appeal for businesses aiming to access these growing markets.

Stable Macroeconomic Environment: Morocco's consistent economic stability is a major asset, providing a conducive climate for the long-term planning of business activities.

Legal Investor Protection and Fiscal Benefits: The robust legal protection of investors and fiscal advantages are cited as positive elements.

Technology Transfer: Some emphasize the importance of technology transfer, indicating that Morocco can serve as a platform for technological development.

Positive Economic Climate: Private sector growth, investments in infrastructure, and Morocco's good reputation enhance its attractiveness to investors.

Political Risk: Some experts note that political risk must be considered, especially concerning political decisions likely to influence the country's economy.

"In the decision-making process to choose Morocco over other countries, crucial geo-economic factors were taken into account. This includes the cost of labor, competitiveness, production costs, technology transfer, fiscal benefits, as well as the infrastructure and logistics available in Morocco. Participant 11.

Our findings also revealed that favorable government policies, market size, free trade agreements, competitive labor costs, quality infrastructure, and intercontinental accessibility are geo-economic factors influencing the implementation strategies of multinational corporations (MNCs) in Morocco. These factors create a conducive environment for foreign investments and enhance Morocco's appeal as an investment destination."

4.3. Implementation Strategies of Multinational Corporations (MNCs) in Morocco

4.3.1. Determinants in the Choice of Location

Analysis of the determinants of multinational corporations' (MNCs) implementation strategies in Morocco reveals several essential factors. Strategic thinking focuses on geographic location, spatial control, strategic alliances, and a thorough analysis of the local environment. Rigorous selection of the target market, specific advantages of the company, resource location, tax exemptions, and Morocco's growing economic power are all considered criteria.

These determinants, ranging from geographical considerations to specific company advantages, contribute to the development of complex implementation strategies. Local environment analysis, precise target market selection, and consideration of tax incentives are also key elements. Morocco, with its favorable environment for foreign investments, thus becomes an attractive destination for MNCs seeking to expand their presence in the MENA region and beyond.

Key determinants of business implementation strategy in Morocco include a thorough analysis of the local environment, seeking specific market advantages, and effective management of the operational modalities of available resources. These factors are crucial for success in the Moroccan context. Participant 12.

Companies have often been attracted by tax incentives, industrial-free zones, and labor-related benefits. Policies aimed at encouraging foreign investments and streamlining administrative procedures have also had a positive impact on implementation decisions. Participant 22.

4.3.2. Implementation Modes

The analysis of the modes of implantation of multinational firms (MNCs) in Morocco reveals several important trends. MNCs opt for various modes such as outsourcing, establishing representative offices, creating subsidiaries, acquiring local businesses, franchising, concession, and merger and acquisition. The diversity of these choices reflects the complexity of the Moroccan market and the specific needs of each company. Some prioritize outsourcing for its flexibility, while others choose to establish subsidiaries to build a strong and lasting presence. The acquisition of local businesses is also used to quickly gain market share. Choices depend on the industry, company objectives, and specific advantages of each mode, highlighting the adaptability of MNCs to the characteristics and opportunities of the Moroccan market.

Multinational firms (MNCs) choose various modes of establishment in Morocco, including outsourcing, partnership, franchise, concession, establishing subsidiaries, creating branches, and acquiring local businesses. Participant 17.

I think the model is the same everywhere. Schneider has entities, for example in Casa, it's a Schneider entity. In terms of what we call production centers, there are Schneider factories established worldwide, and then they collaborate a lot, let's say, with distributors. That is, they establish partnerships with distributors to distribute their products and carry out installations. Participant 5.

The company adopts various modes of establishment to establish itself in Morocco, including outsourcing, establishing a representative office, and creating a subsidiary. Participant 9.

Interviews reveal that multinational firms employ various entry modes into Morocco, including joint ventures, mergers and acquisitions, and direct investments. The choice of entry mode depends on the company's size, market maturity, financial resources, and strategic objectives. Joint ventures are often preferred to mitigate risks and leverage local expertise. The specific situation in Morocco varies by industry, with a preference for proximity to ports and industrial zones to facilitate logistics and access to international markets. Adapting to local conditions, including cultural and linguistic factors, is often essential for success in the Moroccan market.

4.4. Challenges and Opportunities

4.4.1. Major Challenges

The impact of global crises, such as the COVID-19 pandemic and international tensions, combined with factors such as administrative complexity, the search for qualified workforce, frequent regulatory changes, anti-competitive practices, risk management, stability of international relations, as well as cultural and linguistic differences, constitutes a set of substantial challenges for multinational companies operating in Morocco. These challenges encompass obstacles related to bureaucracy, regulations, corruption, local competition, and economic instability, demanding adept navigation from multinational enterprises in a complex environment to ensure their success.

One of the main challenges companies have faced during their establishment in Morocco is related to sometimes sudden changes in Morocco's international relations with its partners. These fluctuations can impact the stability of business operations and create uncertainties for companies. Participant 1.

I believe that today the main challenge for our company is the inflation resulting from the effects of the COVID-19 crisis and the Ukrainian crisis. This influences the demand for our products and, consequently, the risk of a decrease in our turnover. Participant 9.

4.4.2. Opportunities

Economic Attractiveness of Morocco: Morocco is perceived as a growing market and an attractive opportunity for multinational companies (MNCs). **Relative Stability:** Despite challenges, Morocco is considered relatively stable politically and economically compared to other countries in the region. **Regional Expansion Strategy:** Morocco can serve as a strategic entry point for MNCs looking to expand their presence in North Africa and beyond. **Training and Education Opportunities:** The improvement of infrastructure and the education system is seen as an opportunity to develop a skilled workforce. **Economic Radiance of Morocco:** The increasing economic radiance of Morocco is viewed as an opportunity to attract more foreign investments. **Diversification of Establishments:** The opportunity to diversify establishments beyond major cities like Casablanca and Tangier is highlighted to reduce spatial disparities. In summary, the challenges and opportunities for MNCs establishing in Morocco are diverse and reflect the complexity of this evolving market. Companies must be mindful of potential challenges while leveraging opportunities presented by the growing Moroccan economy. Strategic management, the recruitment of local talent, and continuous adaptation to local conditions are crucial for success in this context.

Perhaps in the southern region of Morocco, as this region has the potential to become a significant economic hub in North Africa. Participant 13.

The long-term expansion prospects for our company in Morocco are favorable, providing confidence in the possibility of extending operations to other regions of the country. To enhance the investment climate and make Morocco more geoeconomically attractive, it is recommended to invest in improving infrastructure and revising foreign investment legislation. Participant 8.

Finally, our interviews also addressed the future outlook for foreign investments in Morocco. Participants expressed optimism about ongoing opportunities in the country, especially in the technology, renewable energy, and agri-food sectors. However, managing geopolitical risks and implementing economic reforms remain key factors for future success.

5. Conclusions

This article aimed to further specify our research problem, focusing on the geopolitical and geoeconomic factors that determine the implantation strategies of multinational firms in

Morocco. Additionally, it sought to concisely explain the transition from the theoretical framework to the operational model we developed, while presenting the results of our exploratory qualitative study. The discussion of the results from our exploratory study was preceded by an analysis of the main conclusions of previous studies on the geopolitics and geoeconomics of multinational firms in Morocco.

The exploratory study we conducted validated and refined our conceptual model, established through the literature review and theories used. It allowed us to identify geoeconomic and geopolitical factors perceived as having a strong impact on the decision of multinational firms to establish themselves in Morocco, as perceived by geopolitical experts and business leaders. Our in-depth study on the geopolitical and geoeconomic factors influencing the location choices of multinational firms (MNCs) in Morocco highlighted the crucial importance of these elements in the strategic decision-making of businesses. Results obtained through semi-structured interviews with geopolitical experts, business leaders operating in Morocco, and content analysis demonstrated that political stability, strategic alliances, and Morocco's geopolitical positioning are determining factors.

MNCs are drawn to Morocco's advantageous geostrategic position, political stability, and the economic opportunities offered by the country. These conclusions emphasize the need for policymakers and economic stakeholders in Morocco to continue strengthening these aspects to attract more foreign investments and promote the country's economic development.

Our contribution to understanding these dynamics sheds light on debates regarding country attractiveness policies in a globalized context. This study provides valuable insights for researchers, decision-makers, and economic stakeholders interested in understanding the foundations of MNC location choices in Morocco, contributing to a better understanding of geopolitical and geoeconomic issues in the global investment landscape.

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Appendix

Figure 1: Screenshot of the nodes from NVIVO 12

The screenshot displays the NVivo 12 interface with the 'Nœuds' (Nodes) tab selected. The main area shows a table of nodes, each with a search icon and a search bar. The table columns are: Nom, Fichiers, Références, Créé le, Créé par, Modifié le, and Modifié par. The nodes listed are:

Nom	Fichiers	Références	Créé le	Créé par	Modifié le	Modifié par
défis et opportunités		19	29/08/2023 19:41	Y	27/10/2023 12:34	Y
perspectives		7	28/08/2023 14:05	Y	29/08/2023 12:50	Y
les facteurs géoéconomiques qui déterminent les stratégies d'implantation au Maroc		20	26/08/2023 19:39	Y	29/08/2023 12:50	Y
les facteurs géopolitiques qui déterminent les stratégies d'implantations des FMN au Maroc		20	26/08/2023 19:38	Y	18/10/2023 12:49	Y
partenariats politiques et économique		11	28/08/2023 14:43	Y	29/08/2023 12:43	Y
positionnement géopolitique du Maroc		20	26/08/2023 19:44	Y	29/08/2023 12:50	Y
Stabilité politique et risques géopolitiques		20	26/08/2023 19:45	Y	29/08/2023 12:50	Y
les stratégies d'implantation des Fmn au Maroc		19	26/08/2023 19:41	Y	18/10/2023 13:28	Y
déterminants dans le choix d'implantation		18	26/08/2023 19:46	Y	29/08/2023 12:50	Y
les politiques gouvernementales, les incitations fiscales et les réglementations		16	28/08/2023 14:39	Y	29/08/2023 12:50	Y
modes d'implantation		17	26/08/2023 19:46	Y	29/08/2023 12:50	Y

The bottom status bar shows '11 éléments' (11 items).

Source: authors from Nvivo 12