

The Concept of Industrial Sovereignty in Morocco: An Old-New Paradigm

Le concept de souveraineté industrielle au Maroc : Un paradigme ancien-nouveau

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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 :	BAKHTAOUI, Y., & ELJAI, F. (2025). <i>The Concept of Industrial Sovereignty in Morocco: An Old-New Paradigm</i> . <i>International Journal of Accounting, Finance, Auditing, Management and Economics</i> , 6(6), 367–385.
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Received: 12/04/2025

Accepted: 08/06/2025

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

ISSN: 2658-8455

Volume 6, Issue 06 (2025)

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Abstract

In recent years, the world has undergone profound transformations that have necessitated the re-evaluation and reformulation of economic concepts to align with the demands of evolving circumstances. In response to these changes, the scientific community must prioritize studying such concepts particularly, the notion of industrial sovereignty within a multidimensional and cognitive framework.

This study is grounded in a scoping review conducted through a flexible and iterative approach, aiming to map the various dimensions of industrial sovereignty. It also incorporates a conceptual analysis to clarify key terms and frameworks. The research adopts a narrative and critical perspective, tracing the evolution of Moroccan industrial strategies within their historical and geopolitical context.

Building on this theoretical analysis, the paper seeks to identify tools and criteria for measuring industrial sovereignty in Morocco. This is achieved through a comprehensive vision that not only enriches the conceptual understanding of the concept but also offers practical insights for its application in comparable economic contexts. By bridging theoretical exploration and historical analysis, the study aspires to advance the discourse on industrial sovereignty and its implications for economic resilience and strategic autonomy.

Keywords: Sovereignty, industry, evolution, old-new, paradigm.

JEL Classification : L52, F52, B22, P16

Paper type : Theoretical research.

Résumé

Durant ces dernières années, le monde a connu de profondes transformations nécessitant la réévaluation et la reformulation des concepts économiques afin de les adapter aux exigences d'un contexte en perpétuelle mutation. Face à ces évolutions, la communauté scientifique se doit de privilégier l'étude de ces concepts, en particulier de la souveraineté industrielle selon une perspective multidimensionnelle et cognitive.

La présente recherche s'appuie sur une revue exploratoire (*scoping review*) menée selon une approche flexible et itérative, visant à cartographier les différentes dimensions de la notion de souveraineté industrielle. Elle mobilise également une analyse conceptuelle destinée à clarifier les concepts clés et les cadres d'analyse associés. Cette recherche mobilise également une démarche narrative et critique, en retraçant l'évolution des stratégies industrielles marocaines dans leur contexte historique et géopolitique.

En se basant sur cette analyse théorique, ce travail de recherche vise à identifier les outils et critères permettant d'évaluer la souveraineté industrielle au Maroc. Cette démarche s'inscrit dans une vision globale, qui vise non seulement à enrichir la compréhension théorique du concept, mais aussi à fournir des pistes empiriques pour son application dans des contextes économiques similaires. En articulant l'exploration théorique et l'analyse historique, cette étude ambitionne de faire progresser la réflexion sur la souveraineté industrielle, tout en soulignant ses implications sur la résilience économique et l'autonomie stratégique.

Mots clés: Souveraineté, industrie, évolution, ancien-nouveau, paradigme.

Classification JEL : L52, F52, B22, P16

Type de l'article : Recherche théorique.

1. Introduction

In recent years, the concept of industrial sovereignty has sparked intense debate among academics, decision-makers, and practitioners, largely due to rapid contextual changes that have transformed sectorial strategies, particularly in industry. This renewed interest mainly stems from significant global transformations that have affected key sectors, particularly in the industrial sector. These changes began to emerge following the 2008 global financial crisis and were further intensified by the COVID-19 pandemic, which underscored the need for enhanced strategic planning, multidimensional sovereignty, and greater strategic autonomy.

Moreover, the current geopolitical context, marked by rising tensions among global powers, has intensified the questioning of global value chains and encouraged a return to national industrial policies (OECD, 2022). These developments have reinforced the strategic importance of industrial sovereignty, now viewed as a key factor for economic resilience and strategic independence (European Economic and Social Committee, 2023).

Within this framework, the present study aims to explore the notion of industrial sovereignty with a specific focus on the Moroccan case. This research pursues a dual objective: firstly, to understand the historical evolution of Morocco's industrial strategies; secondly, to propose a methodological approach for measuring industrial sovereignty.

In light of contemporary economic and geopolitical transformations, as well as Morocco's specific strategic choices and circumstances, the central question guiding this research is:

How can industrial sovereignty be measured in Morocco, considering the historical evolution of industrial strategies alongside current contextual challenges and changes?

This overarching question breaks down into several essential sub-questions:

- What theoretical framework underpins the concept of industrial sovereignty?
- How have Moroccan industrial strategies evolved?
- What dimensions constitute industrial sovereignty, and how can they be assessed through relevant indicators?

Academic work on industrial sovereignty has primarily emphasized its multidimensional nature, incorporating economic, political, technological, and geostrategic aspects (Jones & Johnson, 2016; Leonard et al., 2019; Mason, 2020). Several studies also stress the importance of value chains and national production capacities as key elements to ensure sovereignty (Baldwin & Evenett, 2020). However, few investigations have addressed how to quantitatively evaluate this concept in specific contexts such as Morocco, underscoring the relevance of the present study.

To address the research problem, this study adopts a mixed methodological approach based on two complementary strategies.

First, a **historical analysis** will trace the evolution of Moroccan industrial strategies, situating them within their national and international economic, social, and political contexts. (Marzak, Ghoufrane, Boubrahimi, & Diani, 2014). This step is crucial to understanding continuities and breaks in industrial policies and identifying the drivers of industrial sovereignty.

Second, an **in-depth conceptual analysis** of industrial sovereignty will be conducted through a critical review of international scientific literature, aiming to identify key dimensions and relevant indicators that can be transferred and adapted to the Moroccan context.

This theoretical foundation supports the formulation of the following hypotheses:

- **H0:** A comprehensive historical and contextual analysis will establish a solid foundation for conceptualizing and measuring industrial sovereignty in Morocco.
- **H1:** Measuring industrial sovereignty remains complex and influenced by multiple variables and external factors, requiring a rigorous, ideally quantitative, scientific framework.

- **H2:** Employing a comprehensive analytical framework combining general and specific indicators offers a clear perspective on the degree of industrial sovereignty and strategic autonomy achieved by Morocco.

To provide a clear understanding of the research problem, this article is structured into four main sections. The first outlines the general theoretical framework of sovereignty, tracing its evolution from classical origins to contemporary interpretations. The second explores the historical trajectory of Morocco's industrial strategies. The third introduces an analytical framework, proposing variables and indicators for assessing industrial sovereignty within the Moroccan context. Finally, the fourth section presents empirical insights related to industrial sovereignty and its macroeconomic implications.

2. Theoretical framework for the concept of industrial sovereignty

Before analyzing the concept of industrial sovereignty and considering the mechanisms for measuring and evaluating it based on strategic choices in sectorial strategies and the variables of the international context, it is evident that the concept of industrial sovereignty encompasses various dimensions related to other fields of knowledge. In this context, it is important to note that the concept of sovereignty intersects with multiple cognitive frameworks, each contributing to its meaning from a distinct perspective. Therefore, examining this concept within the framework of this research paper will necessitate addressing multiple cognitive approaches. This includes exploring the origin, emergence, and development of sovereignty within its original cognitive framework, primarily represented by political science, law, and international relations.

2.1 An Overview of the Concept of Sovereignty

The concept of sovereignty appeared in the French language in the late Middle Ages and gradually spread in all European countries, initially without a precise political and legal definition (Mortier, 2011). As countries in Europe emerged and developed, the concept evolved, representing the supreme authority exercised by the ruler over the citizens. This authority helped reassure the kingdom and liberate it from the influence of the Church (Mortier, 2011). In this context, Bodin (1993) argues that every society must have a sovereign authority that possesses absolute, perpetual, and indivisible power (*absolutisme de la souveraineté*). He conceptualizes sovereignty as the ultimate authority within a state, independent of external influence and not subject to division. Moreover, considering the evolution of societal events in France, the concept took on another dimension, transitioning from royal sovereignty to national or popular sovereignty (Mortier, 2011).

With the emergence of profound political and social transformations, the concept of sovereignty took on a new dimension with the foundations of modern states and the current international system, as marked by the Treaty of Westphalia signed in 1648, which ended the Thirty Years War in Europe. This agreement confirmed that a state enjoys absolute authority over its lands and internal affairs without interference from external powers. It also established equality between states regardless of their size or strength, defined state borders, and ended ecclesiastical rule. These changes helped establish the Westphalian model of sovereignty, which is considered the basis upon which modern states were built (Treaty of Westphalia 1648; Croxton 1999; Stirk 2012).

After the end of World War II and the establishment of new foundations and mechanisms for international cooperation, sovereignty became a source of stability and helped strengthen the global order by providing the basis for negotiating international treaties and forming international organizations. It also provided a stable framework within which market economies could emerge. At the beginning of the twenty-first century, sovereignty remained a fundamental pillar of peace, democracy, and prosperity (Jackson, 2003).

If we consider the history and contexts of the development of the concept of sovereignty, along with the various changes that have occurred, we can define sovereignty within a comprehensive framework that explains its meaning and interpretations across different dimensions. In this regard, Jackson (2003) argues that sovereignty is not merely the original concept of supreme, indivisible, and inalienable authority. Instead, it is a multidimensional concept that encompasses supreme political authority, the ability to control movement across state borders, the freedom to formulate policies independently, and the recognition of the state by other governments as an independent entity.

With the emergence of new societal and economic transformations, particularly the rise of financial information capitalism, the growing role of multinational corporations, and the increasing importance of international organizations, the academic debate surrounding the concept of sovereignty has evolved and acquired new dimensions (Volk, 2022). Consequently, this paradigm is likely to be further reinforced, especially during periods of crisis and uncertainty.

2.2 Industrial sovereignty: a crucial concept in times of uncertainty

Crises have consistently served as pivotal moments for reshaping strategic choices in plans and public policies. These shifts are often driven by the shocks that crises create, revealing new realities and prompting a reconsideration of previous positions and decisions to better adapt to emerging circumstances.

In this regard, the 2008 global financial crisis revealed the shortcomings of European Union (EU) institutions and policies. Today, the need for industrial policy is openly discussed at all levels, as the EU faces growing challenges related to innovation, climate change, and geopolitics (Zeitlin, Nicoli, and Laffan, 2019).

Furthermore, in the wider context of industrial policy development particularly in Europe, the Franco-German alliance since 2016-2017 has significantly contributed to the emergence of a European industrial policy within the Common Market. This trajectory has been further reinforced by the energy and economic shocks stemming from the COVID-19 pandemic and the war in Ukraine (Donato Dicarolo and Luuk Schmitz, 2023).

In this context, it has been observed that these strategic shifts stem from the long-term repercussions of the global financial crisis, Europe's ongoing transitions toward a green and digital economy, the evolving political landscape marked by the rise of China and the perception of the United States as an unreliable partner, as well as the shocks triggered by the COVID-19 pandemic and Russia's invasion of Ukraine (McNamara, 2023).

From another perspective, the move toward planning and formulating industrial strategies is not solely driven by the repercussions of crises, but also by the broader outcomes of industrial performance, particularly the decline in manufacturing (deindustrialization) and the fragmentation of production chains.

Under these circumstances, the decline in manufacturing in countries like France has resulted in reduced employment, lower productive investments, shrinking shares in international trade, and decreased productivity gains (Cohen, 2022). For example, France has lost around 2 million industrial jobs, and its share of exports has dropped by 40%, making it the biggest loser in European industry since 1990 (Cohen, 2022).

All these factors have brought concepts such as strategic, food, and industrial sovereignty to the forefront of discussions, while also prompting the implementation of their requirements in practice. This has been realized through the manufacturing of micro-precise lenses for semiconductors in the forests of Bavaria, electric vehicle battery manufacturing in Croatia, a hydrogen lab sited in Sicily, and the billions of euros are now being spent on EU-directed supply chain projects, upending the traditional aversion to public subsidies and joint industrial activities (McNamara, 2023).

Similarly, these projects were also realized through the role of the European Commission as a key player in shaping the collective future of the European Union in the following areas: raw materials, batteries, active pharmaceutical ingredients, hydrogen, semiconductors, and cloud and edge technologies (European Commission, 2021).

Indeed, all of the above concretely confirms that public strategies and policies during crises and periods of uncertainty must be aimed at enabling countries to overcome challenges by providing them with the flexibility to maintain independence and reduce reliance on international markets. We have discussed the importance of reverting to sovereign industrial policies during times of crisis and uncertainty, citing relevant studies in the European context. To further explore this topic, we will examine the determinants and indicators of industrial sovereignty, focusing on Morocco. First, however, we will analyze the historical development of industrial policies in the country.

3. Evolution of Industrial Strategies in Morocco: An Overview of Historical Strategic Choices and Outcomes

Public strategy can be defined as a set of choices that reflect the political will and strategic vision of public decision-makers. These choices are typically influenced by international circumstances, ideological backgrounds, and the country's domestic context.

In this section, we will examine the outcomes of industrial strategy in Morocco from independence to the present. Furthermore, our paper will aim to measure the concept of industrial sovereignty in Morocco to prepare the groundwork for future research.

3.1 The Import-Substitution Model

Following independence, Morocco adopted an industrial strategy focused on basic needs and directing productive forces to meet local demand. This approach, based on the principle of “import substitution”, sought to establish a domestic productive system capable of reducing reliance on imports and increasing the country's self-sufficiency. This vision was implemented through the adoption of the five-year plan [1968-1972], which prioritized import substitution by promoting downstream industries aimed at meeting local demand, such as agro-food, and manufacturing sectors, and it was supported by customs protection measures and tax incentives (Marzak, Ghoufrane, Boubrahimi, & Diani, 2014).

Furthermore, the import-substitution strategy was renewed under the five-year plan [1973-1977], with a focus on promoting exports to the valorization of natural resources such as agriculture, fisheries, and mining and fostering the *Moroccanization* of companies (Dahir of March 2, 1973).

However, the Moroccan state's efforts to meet local demand did not achieve industrial sovereignty. In this regard, by the end of the 1970s, Morocco managed to cover only 10% of its equipment needs and 47% of its needs for electrical and electronic equipment. (Marzak, Ghoufrane, Boubrahimi, & Diani, 2014).

The failure of the import-substitution model can be attributed primarily to the emergence of monopoly rents, which kept industrialists in a “comfort zone” and encouraged a management style reliant on a regulated and protected environment. Consequently, investing in competitiveness through quality enhancement and adoption of new technologies was not a priority for firm managers. Indeed, this lack of focus on improving competitiveness led to the abandonment of the five-year plan [1980-1985] within its first year (Marzak, Ghoufrane, Boubrahimi, & Diani, 2014).

3.2 Trade Openness and Export Promotion Model

After decades of protectionism and industrial strategies based on the import-substitution model, Morocco shifted its trade and financial policies to better integrate into the global economy and

enhance the production mechanisms of its national industries. In this regard, during the 1980s, particularly following the adoption of the Structural Adjustment Plan (SAP), Morocco embarked on a process of economic liberalization. This process involved several key reforms, including:

- **Accession to the General Agreement on Tariffs and Trade (GATT) in 1987:** Morocco's accession to GATT in 1987 was a crucial step toward integrating into the global trade system, demonstrating its commitment to trade liberalization by adopting international rules. This move aimed to lower trade barriers, improve market access, and boost competitiveness, while also paving the way for future trade reforms aligned with global standards;
- **Accession to the World Trade Organization (WTO) in 1994:** Following its GATT membership, Morocco became a founding member of the WTO in 1994, further consolidating its position in the international trade order. This accession involved compliance with more comprehensive trade rules covering goods, services, and intellectual property rights.
- **Conclusion of preferential trade agreements with various partners, including the European Union, United States, Arab League, Turkey, and African Union:** Morocco actively pursued preferential trade agreements with multiple partners to diversify and strengthen its international economic ties. Agreements with major actors such as the European Union and the United States allowed both parties to enhance market access. Similarly, trade deals with regional partners, including the Arab League, Turkey, and the African Union, sought to foster regional integration, encourage investment flows, and enhance economic cooperation across diverse markets;
- **Standardization and simplification of customs procedures:** To facilitate trade flows and reduce administrative burdens, Morocco undertook significant reforms aimed at standardizing and simplifying customs procedures. These reforms included streamlining documentation requirements, adopting electronic systems, and improving border management practices;
- **Reform of the tax and financial system:** Parallel to trade liberalization, Morocco implemented reforms in its tax and financial systems to better support economic openness. Tax reforms targeted the rationalization of fiscal policies, simplification of tax codes, and improvement of tax collection mechanisms. Financial system reforms focused on strengthening banking institutions and creating a more transparent, efficient framework for managing public and private finances;
- **Development of commercial legislation:** The reform of commercial legislation was a crucial component in Morocco's broader economic restructuring efforts. This development aimed to update outdated laws to reflect the new realities of an open market economy. Revisions included regulations related to business formation, contracts, competition, and consumer protection. By aligning legal frameworks with international norms, Morocco intended to provide legal certainty and protect the rights of economic actors, thereby fostering a stable investment climate;
- **Reform of foreign exchange regulations, including the transfer of nearly all powers from the Office of Change to the banking system:** Morocco's foreign exchange regulations were overhauled to support greater financial liberalization and integration with global markets. A key aspect was the transfer of control over currency transactions from the Office of Change, a government body, to commercial banks. This shift aimed to

increase the efficiency and flexibility of foreign exchange operations, encourage foreign investment, and facilitate international trade payments. The reform also helped align Morocco's financial regulations with international best practices.

These structural reforms aimed to create an incentivized environment for Moroccan companies to compete internationally, driven by export-oriented industrialization (See Table 1 about the objectives of new industrial strategies). The openness model continued to be effective until the disruptions in global value chains caused by the pandemic Covid-19. These disruptions have led to debates about the return to the previous paradigm.

Additionally, the liberalization strategy has fostered the development of various sectorial plans designed to strengthen Morocco's position in global value chains. These plans included measures such as financial support for businesses, development of industrial zones, alignment of professional training with market needs, enhancement of quality standards, simplification of investment procedures (Investment Charter, law 47.18 on the reform of Regional Investment Centers and the creation of Unified Regional Investment Commissions), improvement of logistics and port infrastructure, and greater flexibility in exchange rate regulations.

Table 1. Objectives of Morocco's New Industrial Strategies

Industrial strategy	Emergence Plan I (2005-2009)	The national pact for industrial emergence (2009-2014)	The Industrial Acceleration Plan (PAI) 2014-2020	The Industrial Recovery Plan 2021-2023
Objectives	- Increase GDP by 1.6 points per year. - Reduce the trade deficit. - Create 440,000 jobs over six years.	- Creation of 220,000 new jobs. - Increase in GDP by an additional 50 billion dirhams. - Generation of an additional export volume of 95 billion dirhams. - Attraction of an additional 50 billion dirhams in private investment in industrial activities.	- Creation of 500,000 jobs. - Increase the share of industry in national GDP to 23% by 2020. - Reduce the trade balance deficit.	- Accelerate industrialization through import substitution. - Strengthen Morocco's industrial position and explore new markets. - Enhance the competitiveness of the Kingdom. - Establish Morocco as a decarbonized and circular industrial base.

Source: Ministry of Industry and Trade, the Kingdom of Morocco

3.3 Returning to the Sovereignty Paradigm

As previously discussed, the COVID-19 pandemic and ongoing political tensions have reignited the debate among academics, practitioners, and policymakers about the importance of economic planning and the role of industrial policies aimed at achieving a high degree of industrial sovereignty and strategic independence.

In this regard, the international context has caused significant disruptions in supply chains, leading to rising raw material prices in international markets. Thus, a wide range of materials has been affected, including, in particular:

- **Brent Crude Oil Prices in 2022.** During the first nine months of 2022, the average price of Brent crude oil reached \$104 per barrel, representing a significant 54% increase compared to the previous year. (The Ministry of Economy and Finance, 2023). This sharp rise in oil prices was influenced by a combination of factors including geopolitical tensions, supply chain disruptions;

- Increase in Butane Gas Prices Similarly, butane gas prices experienced a notable escalation, averaging \$818 per ton over the same period. This marked a 42% year-on-year increase. (The Ministry of Economy and Finance, 2023), reflecting pressures from rising energy demand, logistical challenges, and market volatility;
- Soft Wheat Price. Trends Soft wheat prices also saw considerable growth, averaging \$370 per tonne during the first nine months of 2022, which corresponds to a 37% increase from the previous year (The Ministry of Economy and Finance, 2023). This upward trend was driven by factors such as adverse weather conditions affecting harvests, export restrictions imposed by major producers, and heightened global demand;
- Raw Sugar Price Developments Global raw sugar prices, measured by the International Sugar Agreement (ISA), averaged \$409 per tonne in the first nine months of 2022, reflecting an 8% increase year-on-year (The Ministry of Economy and Finance, 2023). Although this increase was less pronounced than those observed for energy and grain commodities, it nonetheless contributed to higher production costs for food manufacturers and consumer price increases in sugar-based products.

Furthermore, regarding the global economic situation, the increase in geopolitical tensions observed in 2022 is likely to explain the -0.7 point decline in global trade in goods (in volume) and the -0.6 point drop in global industrial production Sampognaro (2022). Similarly, international flows of Foreign Direct Investment (FDI) in 2022 are expected to either decline or, at best, stagnate (UNCTAD, 2022).

These contextual changes have impacted Morocco's economy, as it profoundly relies on international markets to meet the growing needs of its local population. This dependence has affected several aspects of the national economy.

Firstly, the international context has had negative effects on Morocco's trade balance. In 2022, the country's trade deficit reached 311.6 billion dirhams, reflecting a 56.5% increase compared to the previous year. Imports rose by 39.6%, amounting to 737 billion dirhams, up from 528 billion dirhams a year earlier (Office des changes, 2023). The trade deficit is largely attributed to the increase in imports of essential goods. The energy bill, for instance, surged by 101%, reaching nearly 153 billion dirhams. Similarly, food imports increased by 44.9%, adding more than 26 billion dirhams (Office des changes, 2023).

Secondly, the international situation has affected the purchasing power of Moroccans. By the end of 2022, Morocco's average annual Consumer Price Index (CPI) had risen by 6.6%, while the core inflation indicator increased by 5.8 % (Haut Commissariat au Plan, 2023).

Thirdly, rising inflationary pressures prompted central banks (*Bank AL-Maghrib*) to tighten monetary and financial policies to curb the effects of inflation. In this context, *Bank Al-Maghrib* raised its key interest rate, which now stands at 2.75 %.

Thus, the implications of the international context have led the Moroccan government to shift back toward autonomy and industrial sovereignty through practical measures. In this perspective, a commission within the Ministry of Industry and Trade was established to identify projects that could substitute imports with local production. Since its launch in September 2020, the *Banque de Projets* has identified 1.179 investment projects across the 12 regions of the Kingdom, 87% of which are owned by Moroccan investors. These initiatives are projected to create 266.392 jobs, generate a local turnover of 68 billion dirhams, and contribute 73 billion dirhams to exports. (Ministry of industry and trade, 2022).

Alongside these practical measures, Morocco has been actively engaged in a process aimed at making local production more competitive to reduce dependence, further strengthen resilience and competitiveness, and consolidate Morocco's position in promising sectors. (King Mohammed VI, 2023).

4. An Analysis of the Concept of Industrial Sovereignty: The Case of Morocco

Everything we have discussed previously was essential for framing the concept of industrial sovereignty and identifying tools and indicators for its accurate analysis, particularly in the Moroccan context. Before we explore finding measurement references, we will first explore the background and stakes of the concept in various contexts.

4.1 Industrial Sovereignty: A Concept Shaped by State-Specific Challenges

The concept of sovereignty varies based on the perspectives, objectives, and backgrounds of different States. For Morocco, sovereignty is perceived as the ability to develop a productive capacity that addresses the primary needs of the population, including food, health, industrial, energy, and other strategic goods and services.

In contrast, for Western countries, particularly the United States, sovereignty concerns primarily revolve around limiting the expansion of Chinese influence, especially in technology. China's advancement in this area is seen as a challenge due to its practice of duplicating Western technology without adhering to intellectual property laws, which has strengthened its global geopolitical position (Darnis, 2020).

For France, sovereignty issues are centered on mitigating the effects of deindustrialization by encouraging the relocation of industrial investments back to their countries of origin. Deindustrialization, as defined, generally corresponds to the decline of industry within the economy, which can be assessed through employment and value-added metrics (Bellit, Granier, & Mini, 2020).

Additionally, intellectual debates about industrial relocation in France have been influenced by the Covid-19 pandemic, which highlighted the risks associated with the concentration of production in a few companies and countries, rather than a problem of industrial sovereignty itself (Mejean, 2020).

In conclusion, the concept of sovereignty, particularly its industrial dimension, varies according to the strategies, issues, and economic and societal contexts of different States. Therefore, understanding this concept requires consideration of contextual specificities to enhance our comprehension of the topic.

4.2 A reflection on the criteria for measuring industrial sovereignty in Morocco

The criteria for measuring industrial sovereignty encompass various intertwined considerations: political, legal, institutional, economic, and contextual. Therefore, any reflection on this theme must account for the contribution of each dimension in the measurement and evaluation of this concept.

4.2.1 Education and Innovation

The foremost criterion is the role of education in fostering a culture of innovation and advancing industrial and technological development. In Morocco, there is a noticeable lack of achievements in terms of industry-oriented Research and Development. This issue is partly due to factors that hinder the generation of scientific and technological knowledge, such as the status of researchers and the budget allocated to industry-specific R&D (El Idrissi, 2022).

4.2.2 Political Stability

Political stability is crucial for measuring industrial sovereignty. A stable political environment facilitates effective strategic planning, clear vision, and the political will necessary for driving change.

In General, we can say that the Kingdom of Morocco enjoys a significant degree of political and institutional stability in the Middle East and North Africa (MENA) region. Consequently,

this favourable environment, therefore, serves as a key factor in attracting business and investment.

4.2.3 Defense and Security Industry

Industrial sovereignty should also be reflected in the capacity to develop industries related to military, security, and telecommunications equipment, as well as other security and defense infrastructure. Given the dependence of the military industry on international actors, a relevant metric might be the ratio of imports of military and paramilitary equipment to global imports or Gross Domestic Product, the critical value chains, the degree of industrialization...

4.2.4 Strategic and critical minerals

In Morocco, the mining sector accounts for 25% of export value, contributes 10% to the gross domestic product (GDP), and employs over 49,000 people (Economic, Social and Environmental Council, 2023). Despite its significant contribution to the national economy, the sector faces several structural weaknesses. According to a study conducted by the Economic, Social and Environmental Council (2023), these weaknesses can be summarized into two main categories:"

- **Specific weaknesses in the supply and recovery processes of strategic and/or critical minerals include:** (i) a model primarily focused on the export of concentrates and raw products (with exceptions like phosphates and cobalt), resulting in weak downstream linkages to industry, (ii) heavy reliance on imports for most critical minerals, (iii) significant geographic concentration of suppliers for many critical minerals, often located in politically unstable regions, and (iv) insufficient recycling and recovery of mining and industrial waste;
- **Cross-cutting weaknesses affecting the entire mining sector include:** (i) the limited size of mineral deposits, with the notable exception of phosphates, (ii) the lack of tax incentives specifically tailored to mining activities, (iii) the slow and complex procedures for managing mining assets, and (iv) challenges in accessing adequate financing, particularly for SMEs and junior companies.

Furthermore, we can present some figures from the aforementioned study that clearly demonstrate the fragility of the mining sector in Morocco:

- **Of the 24 strategic and critical minerals**, Morocco shows total dependence on imports for approximately 17 of them, representing 74% of the exploratory list 1.0 of strategic and critical minerals;
- **Of the 17 critical minerals on which Morocco is completely dependent** on foreign countries, more than 70 % (or 12 minerals) show a very high degree of geographical concentration among global producers. These minerals include rare earth, tungsten, graphite, lithium, aluminum, germanium, niobium, magnesite, chromium, silicon, borates, and molybdenum.

4.2.5 Regulatory and Institutional Framework

The regulatory and institutional framework is vital for ensuring transparency and fairness in economic operations. Morocco has a range of laws addressing competition and consumer protection (e.g., Law 104-12 on freedom of prices and competition, law 20-13 relating to the Competition Council, law 31-08 on consumer rights, and law 24-09 on product and service safety). Despite the robust regulatory environment, the effectiveness of market regulatory bodies is crucial for combating anti-competitive practices, economic concentration, and collusion. Ineffectiveness in this area can hinder the development of productive capacities and, consequently, industrial sovereignty.

4.2.6 Economic Criteria

Measuring industrial sovereignty must also consider economic factors such as the trade balance, industrial and commercial strategy choices, tax and exchange rate regulations, and international trade commitments. These economic indicators should be supported by other factors to create an environment conducive to the development of scientific contributions with quantitative significance.

Identifying a basis for measuring the concept of industrial sovereignty requires us to explore factors and dimensions that can yield indicators, allowing us to concretely assess a country's ability to achieve a certain degree of industrial sovereignty and/or strategic independence.

In this context, and regarding the case of Morocco, we can observe that while the country enjoys political and institutional stability compared to other countries in the region, and its legislation that promotes entrepreneurship, the Moroccan industrial sector remains heavily reliant on foreign investment across various industries and ecosystems. These foreign investments benefit from preferential privileges, including favourable exchange laws, and tax incentives... Additionally, Morocco depends on international markets to secure essential supplies for its local market, such as cereals, vegetable oils, fuels... Regarding minerals, Moroccan industry is still largely dependent on imports of strategic and critical minerals, which further limits the country's industrial sovereignty. Compounding this issue are factors such as a highly open trade policy, weak scientific research output, and the lack of a solid foundation for technological sovereignty.

These structural vulnerabilities underscore the need to critically discuss the link between industrial sovereignty and macroeconomic performance. Empirical insights are essential to understanding how limited control over strategic industrial capacities may constrain a country's economic resilience, trade balance, and long-term development.

Table 2. The matrix of measurement of the concept of industrial sovereignty

Economic criteria	Sub-Criteria	Measurement indicators/Comments and explanations
The trade balance	▪ Imports of energy products for 2022 amounted to 153.5 billion dirhams, marking a 77.7% increase compared to the previous year. ▪ Imports of widely consumed food products (including wheat, barley, raw or refined sugar, and soybean oil) reached 95 billion dirhams in 2022, an increase of 42.75% compared to the previous year. ▪ Imports of piston engines, wires and cables, and car parts and pieces for 2022 totaled 13.2 billion dirhams, 11.16 billion dirhams, and 24.18 billion dirhams, respectively. This represents an average increase of 30.87% compared to the previous year. (Office des Changes 2022)	Measurement Indicators ▪ The share of imports of energy products in total imports represents nearly 21%. ▪ The share of imports of basic food products (wheat, barley, raw or refined sugar, soybean oil) in total imports represents nearly 13%. ▪ Imports related to the automotive ecosystem account for 6.6% of all national imports. Comment The primary challenge for the State should be to reduce the share of imports of "strategic" products in total imports.
Industrial strategy choices	Strong dependence on foreign investment.	Foreign investors have made a significant portion of industrial investments in the automotive and aeronautics sectors. The following indicators can be proposed to assess this involvement: ▪ The proportion of foreign investments within a specific industrial ecosystem. ▪ The number and nature of foreign-origin inputs in manufactured goods (such as components for vehicle engines, gearboxes, etc.). Comment: There is a lack of data to evaluate these indicators effectively.
Trade strategy choices	Incompatibilities and overlaps between the provisions of certain international trade agreements.	Certain provisions of the Morocco-US Free Trade Agreement require Morocco to extend the same tariff preferences to the United States that are granted to certain Arab countries for a list of highly sensitive agricultural products. Comment: These provisions directly impact efforts to unify integration initiatives among Arab countries within a regional or bilateral framework. Consequently, sovereignty in its regional dimension is likely to be affected.

Fiscal Policy and Exchange Regulation	▪ Tax Regime for Free Zones: The fiscal policies and tax incentives applicable to businesses operating within designated free zones. ▪ Transfers of Proceeds: The allowance for transferring proceeds from the sale of foreign investments made in Morocco in foreign currency without requiring prior authorization from the Office des Changes (Article 152, 155 of General Instructions for Foreign Exchange Operations, 2024).	<u>Explanation of the indicator</u> The freedom to transfer proceeds of sale as well as the tax advantages granted to companies established in free zones are factors that reduce the budgetary margins of the State. Indeed, it is highly desirable to evaluate the volume of proceeds of sale transferred following investments made in foreign currency in Morocco. <u>Comment</u> Lack of data to calculate this indicator.
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Own elaboration

5. Industrial Sovereignty and Macroeconomic Performance: Empirical Insights

Recent empirical studies have increasingly explored the relationship between industrial sovereignty and key macroeconomic indicators such as GDP growth, employment, and trade performance. For example, Aiginger and Rodrik (2020) demonstrated that countries with diversified and resilient industrial structures experienced more robust post-crisis recoveries, with GDP growth rates up to 1.5 percentage points higher on average after global disruptions. In the European context, the European Commission (2022) reported that member states with strong industrial ecosystems contributed over 20% to the EU's GDP and provided 35 million direct jobs. Similarly, OECD data (2021) indicated that manufacturing-oriented economies displayed greater employment stability during the COVID-19 crisis, particularly those benefiting from localized supply chains and strong industrial autonomy.

In emerging economies, such as those in East Asia, empirical evidence reveals that strategic investments in domestic industrial capabilities result in long-term improvements in productivity and export sophistication (Hausmann et al., 2007). In the Moroccan context, the IRES report by (Marzak, Ghoufrane, Boubrahimi, & Diani, 2014) highlighted the positive impact of industrial strategies on job creation in sectors like automotive and aeronautics.

These empirical insights underline the substantive role of industrial sovereignty in enhancing macroeconomic performance, reinforcing the need for a clear conceptual and methodological framework.

This empirical approach clearly illustrates the role of industrial policies, structured by the principles of industrial sovereignty and strategic autonomy, contribute to macroeconomic stability. In particular, it highlights their contribution to sustaining employment levels, fostering economic growth, enhancing resilience to external shocks, and preserving the resilience of value chains.

Before presenting a comprehensive summary of this research paper, it is important to emphasize that the theoretical model we have deconstructed constitutes a fundamental foundation for measuring industrial sovereignty. This model enables the establishment of a quantitative framework that contextualizes the concept and imparts scientific rigor to its analysis. Within this framework, the model not only provides a conceptual basis and traces the historical evolution of industrial policies in Morocco but also offers a detailed exploration of the concept of industrial sovereignty. Its dimensions, when broken down into specific components, encompass indicators related to local value chains, foreign trade, and fiscal, financial, and mineral policies. From this perspective, such a detailed deconstruction, embedding key strategic dimensions, can serve as a robust starting point for empirically measuring industrial sovereignty.

6. Conclusion

This research paper has offered a comprehensive analysis of the concept of industrial sovereignty and its contextual dimensions, with particular attention to the trajectory of industrial strategies in Morocco. Adopting a historical approach, we have sought to elucidate the successive phases that have shaped Moroccan industrial strategy. The analysis reveals that this strategy has followed distinct models over time. The first paradigm prioritized self-sufficiency and the satisfaction of domestic demand, aiming to establish a form of industrial sovereignty and strategic autonomy. The second paradigm, which emerged in the early 1990s, shifted toward economic liberalization and integration into global value chains. In recent years, in response to recurring economic and geopolitical crises, the notion of "industrial sovereignty" has re-emerged as a topic of renewed interest and debate among scholars and policymakers.

By tracing the evolution of the concept of industrial sovereignty, this research has sought to deconstruct its various dimensions in order to develop measurable indicators tailored to the specific context of Morocco. These include the degree of economic autonomy (particularly in foreign trade, fiscal Policy, and exchange regulation), the level of investment in research and innovation, dependency on strategic imports (especially of critical goods), weaknesses in the mining sector, and the resilience of industrial supply chains.

With the key dimensions of industrial sovereignty analyzed, the results of this research suggest that Morocco's industrial sovereignty remains elusive and vulnerable, constrained by weak innovation capacity, limited technological self-sufficiency, high import dependence to secure the supply of the domestic market, a weak transformation in the mining sector, and critical engagements in certain preferential trade agreements.

Nevertheless, this study is not exhaustive. Important dimensions such as health and pharmaceutical sovereignty, technological and digital capabilities, and the lack of some important data to assess some industrial ecosystems and the ecological transition can be considered critical components of a comprehensive sovereignty framework have not been fully explored.

However, through our review of the various theoretical contributions to the topic, it became evident that this study contributes to addressing a gap in the theoretical literature, particularly by establishing a multidimensional preliminary framework for analyzing the concept of industrial sovereignty, which can serve as a foundation for future empirical research.

This research lays the groundwork for future investigations, particularly in developing a quantitative approach (mathematical model or composite index) that can systematically measure industrial sovereignty across countries and sectors. Such a framework would enable policymakers to benchmark performance, design targeted interventions, and enhance resilience in the face of an increasingly volatile and fragmented global economic order.

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