**From influence to Impact: Moroccan companies and Corporate Political Responsibility**

**Abstract:**

At the confluence of Europe, Sub-Saharan Africa, and the Middle East, Morocco seeks to emerge as a regional climate champion. Yet, beyond its relatively low GHG emissions, majestic landscapes, and vibrant culture lies a profound vulnerability towards the ever-changing tides of climate change, intricately woven into its geographic placement and socio-economic fabric.

This paper explores the notion of responsible political influence by Moroccan companies, with a focus on promoting liberty, sustainability, and transparency. It examines key considerations for companies seeking to navigate the delicate balance between political engagement and ethical behavior. Furthermore, it highlights the potential of Moroccan companies to contribute to environmental preservation while advocating for democratic principles and civic engagement. The paper draws upon exemplary case studies and a small but growing evidence base to illustrate how Moroccan companies can leverage their political influence responsibly in support of a thriving economy and a sustainable future.

**Introduction**

Most people find the idea of business as a force for good at combating today’s challenges to be counter-intuitive, if not heretical. After all, do corporations not contribute to wealth disparity and environmental degradation? This common belief rests upon the hypothesis that profits can only be maximized through a process of harvesting value from the earth and from people.

However, much evidence, including many examples, shows that companies who prioritize sustainability and environmental stewardship often find that they can generate higher and more enduring profits.

Businesses today possess unique qualities that differentiate them from other types of organizations (governments, NGOs, universities, etc.), making them highly efficient at tackling pressing global issues. Armed with substantial resources, a relentless drive for innovation, and the ability to forge collaborative partnerships. If they are visionary enough to share commitment to sustainability and social responsibility, they can tap into their collective strength, harnessing it to shape a world that's better for all.

Building upon these notions, the realm of Corporate Political Responsibility (CPR) can make Moroccan enterprises emerge as key players with the power to unlock the potential of a thriving and fair society. By embracing the principles of liberty, sustainability, and transparency, these companies can be catalysts for positive transformation, paving the way for a prosperous and environmentally conscious Morocco. Each one from his own respective industry can lead the charge towards a future where economic growth and social equity intertwine, leaving a lasting impact on both present and future generations.

However, the missing puzzle piece in this success recipe is the fact that businesses usually don't consider their political actions and influence as part of their sustainability strategy. Despite significant progress in corporate sustainability practices, the role of political influence is often underestimated or disregarded upon. Businesses tend to focus primarily on Corporate Social Responsibility (CSR), targeting the improvement of internal operations, supply chains, and stakeholder engagement, neglecting the significant impact that political decisions and policy frameworks can have on their sustainability efforts.

**What is Corporate Political Responsibility (CPR)?**

In Israel, a powerful demonstration of corporate activism unfolded as numerous big companies voiced their opposition to the “Power grab” – a term used by *Eynat Guez*, the CEO and co-founder of Papaya Global, a payroll software business worth more than $1 billion – in response to the legislature's proposed radical weakening of the powers of the Supreme Court.[[[1]](#footnote-1)](https://www.theguardian.com/world/2023/mar/09/israel-tech-sector-rebels-against-netanyahu-power-grab)

This case is a prime demonstration of Corporate Political Responsibility (CPR) in action.

Thus, we can say that Corporate Political Responsibility (CPR) refers to the ethical obligation and responsibility of companies to engage in politics responsibly. It entails actively participating in public policy advocacy while aligning with democratic principles and societal interests. Responsible engagement may involve supporting policies that promote liberty, sustainability, and transparency while avoiding practices that can lead to conflicts of interest or harm to the public good. In some cases, CPR may also necessitate abstaining from certain political activities to uphold the principles of responsible corporate citizenship. By acknowledging their broader impact on society and embracing ethical behavior, companies can contribute positively to public policymaking, fostering a more inclusive, equitable, and sustainable future for all.[[[2]](#footnote-2)](https://sloanreview.mit.edu/article/the-importance-of-corporate-political-responsibility/)

**Why should Moroccan Businesses be involved in CPR?**

Situated in North Africa, Morocco acts as a geographical buffer between the expansive Sahara desert and Europe, bordering the Mediterranean Sea and the Atlantic Ocean. Its proximity to these bodies of water exposes the country to the risks of rising sea levels, coastal erosion, and intensified storm events. These risks threaten not only coastal communities, but also the country's vital tourism industry, which heavily relies on its stunning beaches and coastal attractions.

Not to mention the fact that Morocco’s economy relies heavily on agriculture, where it contributes to [14%](https://en.wikipedia.org/wiki/Economy_of_Morocco) of the GDP, combined with the forestry and fishing sectors employs around [40%](https://en.wikipedia.org/wiki/Economy_of_Morocco) of the population. The sector is highly vulnerable to climate change impacts such as shifting rainfall patterns, increased temperatures, and extreme weather events. These factors can disrupt crop production, reduce yields, and jeopardize the livelihoods of a significant portion of the population.

When we analyze the intricate web of economic interdependencies, it becomes clear that disruptions in one sector can trigger a domino effect on a much larger scale. Climate change-induced impacts on agriculture, forestry, and fishing sectors not only endanger food security but also affect related industries such as transportation, manufacturing, and tourism. The socio-economic consequences can be far-reaching, impacting livelihoods, income disparities, and overall economic stability.[[[3]](#footnote-3)](https://www.worldbank.org/en/country/morocco/overview)

Amidst these challenges, businesses in Morocco must recognize the imperative to embrace corporate political responsibility. By prioritizing sustainability practices, companies can contribute to the resilience of vulnerable sectors, reduce greenhouse gas emissions, and invest in climate adaptation policies.

**What does corporate political responsibility look like in Morocco?**

In the Moroccan political and economic context, the concept of lobbying, as understood in some Western countries, is relatively foreign. Likewise, Corporate Political Responsibility (CPR) in Morocco takes on a multi-faceted approach, which makes it hard to detect at first glance. Beneath the surface of seemingly routine business activities, Moroccan companies are strategically engaging in political processes.[[[4]](#footnote-4)](https://read.oecd-ilibrary.org/governance/diagnostic-d-integrite-au-maroc_9789264302693-fr#page142)

The influence on public decisions often evolves around forming coalitions, building alliances, and participating in formal and informal networks. The focus is on gaining access to decision-makers and engaging in constructive dialogue, which allows them to get access to law bills and then convey concerns, propose policy changes, and present evidence-based recommendations.

Notably, lobbying activities are most commonly observed during the time of the budget announcement, when businesses and interest groups seek to influence the government's spending priorities.

One aspect of CPR involves fostering a platform for constructive dialogue and collaboration between the private sector and the government. The General Confederation of Moroccan Enterprises (CGEM) plays this role as the country's largest private sector lobbying group, having a crucial role in this regard. Representing more than 90,000 private companies, the CGEM facilitates discussions on policy advocacy, offering recommendations to shape regulations and laws that support entrepreneurship, investment, and sustainable development.[[[5]](#footnote-5)](https://www.state.gov/reports/2022-investment-climate-statements/morocco/)

However, it is crucial to acknowledge that, despite the active promotion of CPR in Morocco, significant challenges persist. The absence of a clear regulatory framework can foster an environment where certain practices may remain in the shadows, leaving room for potentially questionable activities.

**Inequality of Access and the Need for Transparency:**

One of the major challenges of corporate political responsibility in Morocco is the inequality of access to decision-making processes. The absence of a clear regulatory framework leaves room for disparities in lobbying opportunities, potentially favoring privileged or well-connected entities. Such disparities prevent a fair playing field and equitable representation of various economic interests. Transparency is critical in addressing this issue, as it guarantees that all stakeholders understand the lobbying activities, the interests at issue, and the motives behind political activity.

**Conflicts of Interest and Ethical Dilemmas:**

Conflicts of interest frequently emerge when talking about political influence in Morocco, causing ethical issues for businesses. In the history of Morocco, there have been many cases where Power and money were in the same hand and still are today. Therefore, it would be more beneficial for businesses to endorse and contribute to more independent institutions that uphold principles of transparency and accountability. Companies must balance promoting their own interests with assuring harmony with larger social well-being.

In 2018, while serving as Finance Minister, *Mohamed Boussaïd* made headlines by introducing a significant amendment to the 2018 Finance Act. The amendment, in the form of a new paragraph added to Article 129-IV of the General Tax Code, granted a noteworthy exemption from registration fees to the Saham Group, which was owned by none other than the Minister of Industry, *Moulay Hafid El Alamy*. Thanks to this exemption, the *Saham Group* was effectively relieved from paying a staggering 40 Million dollars in registration fees related to the sale of its shares to the South African group, Sanlam.[[[6]](#footnote-6)](https://www.maroc-hebdo.press.ma/archives/impunite-fiscale)

This case serves as a reminder of the importance of transparency when political influence and business overlap, potentially leading to conflicts of interest. The public's call for clarity highlights the need to audit fiscal measures for an equitable and just economic landscape.

**Case study: APC – Professional Association of Moroccan Cement Manufacturers**

On the other hand, Corporate Political Responsibility emerges in Morocco’s political backyard, even in such opaque legislative conditions. The Cement industry, as one of the industry's biggest GHG emitters, accounting for roughly 8% of carbon dioxide emissions, a significantly larger proportion compared to the carbon emissions from aviation worldwide. If the cement industry were considered a nation, it would rank as the third-highest emitter of carbon dioxide globally, following the emissions of the U.S. and China. With this being said, a significant contribution should be dedicated to environmental preservation.[[[7]](#footnote-7)](https://www.cbsnews.com/news/cement-industry-co2-emissions-climate-change-brimstone/)

A case study has been established, offering valuable insights into the innovative advancements within the Moroccan cement sector. The conversation took place with two experienced professionals: ***Hind BADDAG***, Geocycle Director at LAFARGEHOLCIM, and ***Brahim EZ-ZERROUQUI***, Former Industrial Director at LAFARGEHOLCIM. Through this dialogue, I gained firsthand perspective on the sector's processes and commitment to sustainability and environmental responsibility.

Founded in 1982, APC's (Professional Association of Moroccan Cement Manufacturers) main mission is to represent the cement sector in dealings with public authorities, institutional bodies, and trade associations. Assembling the very big businesses in the industry, the APC acts as a dialogue platform with all the stakeholders.

In recent years, APC members have invested 500 million MAD in the “Fuels and Substitute Materials” business in specific equipment and platforms for the treatment, preparation, and packaging of waste to be recycled in cement furnaces.[[[8]](#footnote-8)](https://apc.ma/responsabilite-sociale/environnement-energie/)

Ms. Hind BADDAG highlights that through such investment, the APC has successfully engaged both the government and territorial authorities to put into action the Protocol Agreement for the Valorization of Household Waste. Additionally, they are members of The Steering Committee to oversee the execution of this Protocol, which comprises several Ministries. Namely, the Ministry of the Interior, the Ministry of Economy and Finance, the Ministry of Industry and Trade, as well as the Ministry of Energy Transition & Sustainable Development.

From the first meeting on February 28, 2022, till now, there have been 14 dumps that turned into treatment stations. They have a capacity of processing 80,000 t/year of waste, generating 50,000 t/year of Refuse-derived fuel (RDF), a type of fuel produced from various types of solid waste that can be used as a fuel source in various industrial processes, including cement kilns, replacing a portion of conventional fossil fuels. Besides, its emissions are lower in comparison to those of fossil fuels since it has a significant quantity of biomass. In addition to the eco-circular process, it helps dispose of 30,000 t/year of leachate through evaporation.

Mr. Brahim EZ-ZERROUQUI emphasizes that, this whole approach not only provides a locally sourced alternative fuel but also tackles the challenge of leachate management through evaporation techniques. The transformation is doubly significant as it helps reduce the reliance on landfilling, but also mitigates environmental risks associated with leachate. And if employed in a sound manner, Corporate Political Responsibility ultimately serves the best interests of the people.

**The next steps that Morocco should take to unleash the power of Corporate Political Responsibility:**

Democratic process thrives when diverse perspectives are freely expressed, debated, and considered. At that point, when done appropriately and openly, lobbying allows individuals and organizations to bring their expertise and concerns to the attention of policymakers. In other words, it promotes conversation and collaboration among corporate businesses, civil society, and government institutions, resulting in a more fluid flow of ideas and, eventually, more informed and balanced decision-making.

Lobbying is a reality we encounter in democratic societies, and it has its up- and downsides. On one side, it lets more people, especially those not usually connected to decision-making, have their say on big issues through groups like civil societies and interest organizations, bringing in diverse perspectives and ideas. Yet, it's often seen as an opaque activity that gives unfair advantages to certain groups. This can end up putting the public's best interests at risk.

Now that we have a better understanding of lobbying and its potential impact on decision-making, it's crucial to address the challenges it presents and provide some recommendations for creating a more transparent and equitable system.

With these insights in mind, the following recommendations offer a promising path forward for addressing the complexities and fostering a more transparent, equitable, and effective corporate political engagement framework:

1. **Establishing Transparent Guidelines:**
* Respectfully urging Ministry of Justice and Legislation for developing precise and inclusive definitions of what “**Lobbying**” is and who is a “**Lobbyist**”, that encompasses various forms of engagement between corporations and policymakers.
* For The Ministry of Economy, Finance, and Administrative Reform to spearhead the establishment of a **Disclosure Requirements**, that mandate lobbying entities, including corporations, to disclose their activities, expenditures, and objectives related to influencing public policies.
* Proposing for The Ministry of Digital Transformation and Public Administration Modernization to oversee the creation of a digital and user-friendly online platform where lobbying activities and financial contributions are published regularly, providing accessible information for the public.
1. **Building an effective and equitable framework for openness and access:**
* Calling for the support of the Ministry of State for Human Rights and Relations with Parliament to establish a comprehensive **code of conduct** that governs the behavior of both lobbyists and public officials, emphasizing ethical behavior, integrity, and the avoidance of conflicts of interest.
* Requesting The prime minister’s office to uphold an appropriate level of **transparency**, and facilitate **the review** of lobbying activities, enabling civil society organizations, businesses, media, and the general public to access comprehensive information.
1. **Strengthening Enforcement and Oversight:**
* **Independent Oversight Body**, creating an independent agency responsible for overseeing lobbying activities, ensuring compliance with regulations, and addressing any violations promptly.
* The Ministry of Interior Implementing **penalties** and **sanctions** for breaching lobbying regulations acts as a deterrent against unethical practices, ensuring transparency and ethical engagement between interest groups and government entities.
1. **Capacity Building and Education:**
* The role of the Ministry of National Education, Vocational Training, Higher Education, and Scientific Research for developing **training programs** that educate lobbyists, public officials, and corporate executives on ethical lobbying practices and the importance of transparency.
* The involvement of the Ministry of Culture, Youth, and Sports in launching **campaigns** to raise **awareness** among citizens about lobbying practices, their impacts on policy decisions, and the significance of corporate responsibility.
1. **Continuous Evaluation and Improvement:**
* As a governmental body the High Commission for Planning (HCP) is encouraged to lead the charge in regularly **evaluating** the effectiveness of lobbying regulations, incorporating **feedback** from stakeholders and pushing for necessary **adjustments** to enhance transparency and fairness.
* Calling for the Moroccan Capital Market Authority (AMMC) for mandating that corporations involved in lobbying submit comprehensive **annual reports**,detailing their lobbying activities, financial contributions, and the outcomes they aimed to achieve.
1. <https://www.theguardian.com/world/2023/mar/09/israel-tech-sector-rebels-against-netanyahu-power-grab> [↑](#footnote-ref-1)
2. <https://sloanreview.mit.edu/article/the-importance-of-corporate-political-responsibility/> [↑](#footnote-ref-2)
3. <https://www.worldbank.org/en/country/morocco/overview> [↑](#footnote-ref-3)
4. [https://read.oecd-ilibrary.org/governance/diagnostic-d-integrite-au-maroc\_9789264302693-fr#page142](https://read.oecd-ilibrary.org/governance/diagnostic-d-integrite-au-maroc_9789264302693-fr%23page142) [↑](#footnote-ref-4)
5. <https://www.state.gov/reports/2022-investment-climate-statements/morocco/> [↑](#footnote-ref-5)
6. Maroc Hebdo, L'impunité fiscale. N° 1301, 13. <https://www.maroc-hebdo.press.ma/archives/impunite-fiscale> [↑](#footnote-ref-6)
7. <https://www.cbsnews.com/news/cement-industry-co2-emissions-climate-change-brimstone/> [↑](#footnote-ref-7)
8. <https://apc.ma/responsabilite-sociale/environnement-energie/> [↑](#footnote-ref-8)