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Mohamed El Aoufi

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Mohamed El Aoufi

Abstract

This study examines national security and social development in both Morocco and Algeria through the lens of public expenditure. It relies on both quantitative and qualitative measures of military spending and spending on three social policies (social protection, health, and education), approaching the issue from a political economy perspective of militarisation and a holistic analysis of security, and applying a methodology of political analysis supported by quantitative statistical reasoning. The study concludes that military spending in the two countries is rapidly increasing despite its adverse impact on social policies, due to the Moroccan-Algerian arms race as well as the military elite's tangible grasp on power in Algeria and the pressure it exerts in Morocco. Nevertheless, the study finds that the real problem with the trajectory of spending in the two countries is related to their national security priorities: the security of the political regime—a task entrusted to the military establishment—takes precedence over the security of society provided by social spending.

Keywords: Military Expenditure; Social Expenditure; Morocco; Algeria; Social Development

Introduction

There are clear differences between the political systems of Morocco and Algeria. Morocco is a monarchy whose historical roots stretch back to the state founded by Idris Ibn Abdullah in 788 CE. Algeria is a republic that arose out of two historic shifts: first, the revolution led by the National Liberation Front (FLN) against the French colonists, which culminated in the declaration of independence on 5 July 1962, and second, the struggle for political power among parties to the war of liberation following the declaration of independence, which initially ended in a military-civilian alliance (Boumediene/Ben Bella) in September of the same year, and was later resolved in favour of the military in 1965 following Boumediene's coup against President Ben Bella.

Yet despite their apparent dissimilarity, the two countries' political systems share some common features; most critically a developmental deficit arising from growing poverty and precarity and shrinking health and education services. The two countries have experienced multiple social upheavals that are fundamentally attributable to poor social development, yet at the same time both states continue to increase military spending. With the goal of understanding the dialectical relationship between military and social spending in both Morocco and Algeria and drawing conclusions about the prioritisation of regime security over social security, this study answers a pivotal research question: to what extent does excessive military spending affect social spending (on social protection, education, and health) in both countries, especially since the goal of the latter is to protect the security of society? In other words, what are the benchmarks for high military spending in the two countries and what impact does it have on social spending? What are the political motivations and objectives behind such high spending? While military spending in both countries has some relation to protecting their national security, the core thesis of this study is that there may be other impetuses for its sustained increase, including for instance, the quest to strengthen the hard power of the political regime in the face of social unrest.

Methodologically, although the study adopts an overlapping set of approaches to political analysis, it relies heavily on a comparative, quantitative analysis that tracks indicators of military and social spending in the two countries. It is also reliant on measures of social development such as poverty, unemployment, and high prices, which are simultaneously sources of insecurity in both states and the main momenta behind demands for reduced military spending.

At the theoretical level, the study explores the concept of national security and its evolution, starting from its traditional definition as security against external attacks and threats and continuing with the concept's modernisation by pioneers of the theory of realism in the field of international relations, who linked national security to military force and its deterrent capabilities and tasked armies and intelligence services with achieving it. Seeking to transcend this narrow definition of national security, the liberal school expanded the concept to encompass five main dimensions: military, political, social, economic, and environmental.¹ Robert McNamara once defined national security as synonymous with development, asserting that there can be no security without it; countries that do not develop cannot be secure.² According to liberal theorists, military spending comes at the expense of economic growth and spending on human needs.

This study adopts what is known as the holistic security approach in international relations,³ which conventionally defines the elements of national security as a triad of state security, societal security, and political regime security. The security of society entails securing its ability 'to freely develop - socially, politically and culturally - in a peaceful domestic environment, which is concerned with preserving social cohesion against all manner of divisions, whether religious, ethnic, sectarian, regional, or other. In the narrow sense, state security involves maintaining the integrity of 'the political and natural geography of the state by preventing others

from controlling its natural resources or flagrantly interfering in its internal affairs'. The security of the political regime means securing the survival of the ruling cohort, regardless of whether this survival is achieved by force or voluntary means.⁴

The study is informed theoretically by three basic approaches: a political economy approach to disarmament, an opportunity cost approach that examines the relationship between scarcity and choice, and a political responsibility approach to military spending. Concerning the first of these, its pioneer Jacques Fontanel stressed that although public military spending is a basic source of national security, it is at the same time an unproductive form of public expenditure. The acquisition of arms in developing countries affects civilian economic production, which is the source of economic growth and social development,⁵ because weapons are either warehoused (and therefore do not work) or are destroyed in war. Generally speaking, military expenditure in developing countries, in Fontanel's view, consumes financial resources that should have been allocated to finance economic activity for social development. He argued that state spending on national security is unproductive consumption, which would be better invested in social enterprises. For him, a single tank is equivalent to some number of schools, and investment in weapons development detracts from efforts directed to health research.⁶ As Ruth Carlitz explained in a recent study, in general military spending reduces the fiscal space allocated to social spending, specifically in response to the needs of women and girls, who were the subject of her research.⁷

The premise that there is a causal relationship between military spending and social spending or development, depending on the extent to which military spending impacts social spending, is inspired by the research of David Dabelko and James McCormick on the opportunity costs of national defence. Starting from a discussion of the relationship between scarcity and choice, articulated in government budgets as 'guns vs. butter', the two scholars established a direct inverse correlation between military spending and spending on social welfare.⁸ Abd al-Razzaq al-Faris found the same inverse correlation in his research on military spending in the Arab world between 1970 and 1990, concluding that increased military expenditures in a country harm social welfare; a choice between guns and butter can only be made by reducing military spending.⁹ As for political responsibility and military spending, Fordham and Walker, and later Bove and Nistico, have found that where democratic political institutions exist, fewer financial resources are allocated to the military.¹⁰

Following from this precise definition of the components of national security and considering the security of the state to be a constant element in various social, security, and military policies in Morocco and Algeria, I attempt here to tease out the two other components of national security—social security and political regime security—embedded in these policies by looking at indicators of social and military spending, assuming that the former is aimed at achieving the security of society and the second at achieving the security of the political regime.

Social and Military Spending: Conceptual Confusion

Social spending is generally linked to the socioeconomic activity of the state directed towards society, its primary aim being to secure society against the risks of poverty, need, disease, and illiteracy. In contrast, military spending is linked to the state's core security policies, ostensibly aimed at safeguarding the country's external borders against foreign aggression and threats, in order to protect its geographical and political integrity, its society, and its political system. This is what we aim to examine in the Maghreb region, taking the cases of Morocco and Algeria, by comparing trends in spending to infer the security priorities of the two countries. This requires us to scrutinise the nature of each type of expenditure, in order to dissect its objectives and components.

In democratic countries, social spending is the most important arena of domestic political engagement between political parties and economic stakeholders (whether in the ruling majority or the opposition), trade unions, civil society organisations, and the media. It lies at the heart of the political contract between society and the state's political institutions.¹¹ In a context governed by representative legitimacy, society endows its political institutions with the legitimacy to exercise political power¹² so that they can meet society's socioeconomic, service, educational, and health needs and improve them where possible.¹³ To achieve this, the state spends on a set of policies, known in development studies as social policies, which are a set of mechanisms aimed at establishing a social system based on cohesion that imbues social interactions with the values of affinity, solidarity, and harmony, within an entity that some call the welfare state,¹⁴ the social state,¹⁵ or the social justice state.¹⁶ In short, the state's interest in spending on social policies, whatever the name, ultimately seeks to strengthen the political union between state and society to ensure the state's survival and future development. However, between the inclusion of social policies in government programmes and the allocation of the financial resources they require, the components of social spending vary.

The Organisation for Economic Cooperation and Development (OECD) considers social spending to be the sum total of financial expenses of a social nature incurred by the state, one of its public institutions, or its territories, which are disbursed in cash, in kind as goods or services, or in the form of tax exemptions for the benefit of low-income people, the elderly, people with special needs, and the unemployed, in line with a social program aimed at redistributing state resources between people who contribute to the creation of national wealth and those who do not.¹⁷ The OECD definition directly identifies the social groups targeted for spending but does not provide a detailed tabulation of the areas counted as social spending. For this, we must go back to the theoretical and institutional fields of social policy. On the theoretical side, Richard Titmuss was the first to identify three areas of social spending: health, education, and social protection.¹⁸ His classification was adopted in most subsequent research, whether concerned with social development, public spending, or civil and social rights.¹⁹ On the institutional side, the OECD limits social expenditure to spending on social protection and

health,²⁰ to the exclusion of education, which it considers to be non-social government spending. Most international organisations, however, rely on three components to calculate social spending: first, spending on social protection, including social insurance and social assistance; second, public spending on health; and third, spending on education.²¹ These are the indicators used by the United Nations Development Programme (UNDP) in its 1990 Human Development Index, which evaluates health expenditure using life expectancy at birth as an indicator of population health and longevity; expenditure on education using knowledge and education indicators, measured by the adult literacy rate; and expenditure on social protection using standard-of-living indicators as measured by GDP per capita at purchasing power parity.²²

There are two main problems in defining military spending. The first is terminological, represented by the United Nations' aspiration for arms control as a prelude to disarmament. The second is an economic-accounting question, which continues to be a point of contention among various international organisations and specialised research centres. Concerning terminology, the UN defines military spending as the sum total of state expenditures allocated to all military activities which aim to develop, form, assemble, maintain, and deploy military forces against foreign forces now or in the future.²³

On the economic level, there has been much debate about what qualifies as military spending, especially given the tremendous evolution of military activity, which now covers an array of services and frameworks of a civilian nature, and intersects with the functions of the military and the internal security services in many cases. All these considerations have made it difficult to agree on a single figure that accurately encapsulates military spending in a state's national accounts.²⁴ International organisations and specialised research centres calculate the components of military expenditure in varied ways. The UN, in a report of the secretary-general, identified five basic expenditures which together comprise total state military spending: the wages of military personnel, including soldiers, officers, and civilians affiliated with the military establishment; the purchase and production of military equipment; military operations and equipment maintenance; the construction of military facilities and infrastructure, and military research and development.²⁵

In parallel with ongoing shifts in military policy at the level of expenditure, the UN General Assembly in Resolution A/68/131 of 2013, after rewriting the formal template for reports submitted by member states to the UN Office for Disarmament Affairs, defined four main components of military spending:

1. Spending on military personnel, including wages and pensions of military personnel and civilians affiliated with the armed forces, including reserve forces;
2. Operations and maintenance spending, including for the purchase and repair of routinely used military equipment and services provided to the military establishment for the completion of its operations;
3. Investment spending on military procurement and construction, comprising two main elements. The first covers procurement expenditure, including the procurement of aircraft, engines,

missiles (including conventional warheads), nuclear warheads and missiles, ships and boats, armoured vehicles, artillery, and all equipment and weapons for ground forces, as well as the procurement of ammunition, electronics, communications, and non-armoured vehicles. The second covers construction expenditures, including air bases, airports, naval bases and facilities, electronics facilities, personnel facilities, and training facilities; and

4. Military research and development, consisting of spending on basic and applied military research, development, testing, and evaluation in the military field.²⁶ Note that the resolution counted the state's contribution to pension funds for military personnel and civilians directly or indirectly affiliated with the military as military spending, demonstrating how closely the UN scrutinises military expenditure.

NATO limits state military expenditure to four areas: operating expenses; the purchase of military equipment and construction; military research and development, and other military expenditures.²⁷ In contrast, the Stockholm International Peace Research Institute (SIPRI), which focuses primarily on research on armaments, identifies seven key areas of military spending: spending on individuals; military operations and maintenance; military equipment; military construction; military research and development; spending on paramilitary forces; and military assistance.²⁸

As is clear from this comparison of the various classifications of military spending, the differences are limited to a few indicators, most importantly, pension funds for military personnel. Whereas NATO includes this as part of state military expenditure, the UN includes only state contributions to pension funds, since some pension contributions are paid by funds independent of the state budget. Meanwhile SIPRI counts all state expenditures on military or paramilitary forces as part of state military spending since it comes from the state's general budget. The SIPRI classification system thus offers a more accurate estimate of state military spending than other systems. This view is supported by French economist Jacques Fontanel, who studies the political economy of military spending. Fontanel deems any state funds allocated to the military field from the general budget to be part of state military expenditure, regardless of whether these funds are counted as operating or investment expenses, or are included in a separate subsidiary budget in the state budget.²⁹

Estimating Military and Social Spending in Morocco and Algeria

Economics and the social sciences, as well as disciplines concerned with civil-military relations, have yet to define a quantitative benchmark for military spending as a percentage of GDP. They have, however, formulated general recommendations that should frame such expenditure. Economists recommend that military spending be proportional to the financial and economic capacities of the state.³⁰ Specialists in the study of civil-military relations identify two criteria to assess the cost of military spending: first, total spending should be proportional to the magnitude of actual or potential threats or attacks against the state³¹; and second, military spending, from preparation to implementation, should be subject to oversight by elected civilian executive and

legislative authorities to ensure that the military spends allocations as planned³² and does not squander public funds and property earmarked to confront external security threats that could have been better invested in the improvement and development of human and social development services. Accordingly, this study assesses military spending in both Morocco and Algeria by comparing their spending levels to average global military spending.

[Figure 1]

Comparison of the volume of military expenditure between Morocco, Algeria, and the global average as % of GDP (2010-2021)



Source: Author's estimates based on data from SIPRI

As shown by Figure 1, military spending as a percentage of GDP in both Morocco and Algeria over the period of 2010–2021 is very high. Algeria spent more than twice the global average (2.14 per cent of GDP) in 2011 and 2012, with military spending accounting for 4.4 per cent of GDP. This figure reached nearly five per cent in 2013 and hit record levels from 2014 to 2018, when it exceeded six per cent of GDP. These figures make Algeria one of the world's leading countries in military expenditures. In 2018, SIPRI ranked it twenty-fifth at the global level and first in Africa, with an estimated military spending of \$9.6 billion.³³ In 2019, with military spending of more than \$10.33 billion, it rose to twenty-third place, strengthening its lead over African countries and coming in ahead of European countries such as Norway (thirtieth), Sweden (thirty-third), and Switzerland (thirty-seventh).³⁴ These three European countries spend only 3.5 per cent of total

government spending on the military, compared to 17.39 per cent in Algeria in 2020, one of the highest rates of government military expenditure in the world.³⁵

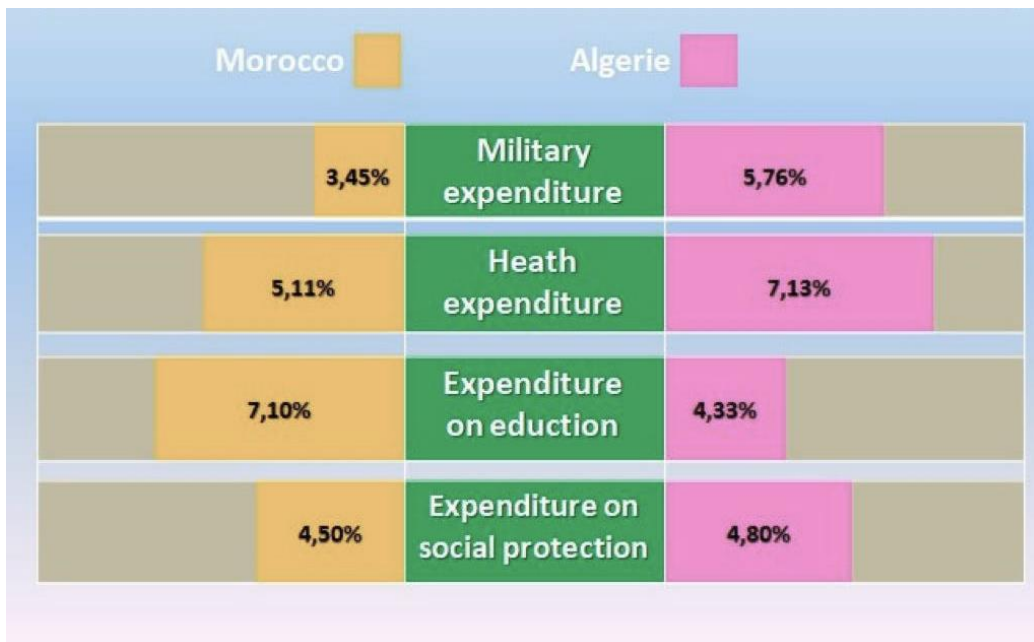
Military expenditure in Morocco increased from 2010 to 2018, exceeding the global average by about one point of GDP. It should be noted here, however, that the overall increase shows two separate trends: from 2010 to 2014 military spending steadily increased although it did not approach the levels of spending in Algeria; although the period from 2014 to 2018 saw a continuous decline, spending nevertheless remained about one point higher than the global average. Military spending in Morocco was estimated at \$3.3 billion in 2018 and \$3.7 billion in 2019, putting it sixty-first in the global ranking of countries by military spending.³⁶

Figure 1 illustrates an extremely important trend: a steady, continuous decline in global average military spending since 2010. This is attributable to the global economic crisis of 2008, which prompted most countries to pursue more rational spending policies and cut military expenditures. In contrast, Algeria raised its already high military spending levels, supported by revenues from petroleum sales. During the same period and amid the same difficult economic conditions, Morocco did not rationalise its military budget, despite the profound impact the crisis had on its economy.

That military spending in both Morocco and Algeria has risen continuously and at an accelerating pace since 2010 is alone not sufficient to conclude that it has had a negative impact on socioeconomic conditions. The interplay between military and social spending must first be disentangled, using a statistical model to clarify the implications of high military spending for all three types of social spending (health, education, and social protection).

[Figure 2]

Comparison of social and military expenditures between Morocco and Algeria (2017-2021)



Source: author's calculations³⁷

As Figure 2 shows, both countries have allocated a low percentage of their GDP to spending on social protection. As defined by the International Labour Organisation,³⁸ this includes expenditures on pensions, family allowances, unemployment support, assistance for persons with special needs, labour market support, social insurance, and cash assistance for persons in vulnerable situations. Between 2017 and 2021, this expenditure amounted to 4.5 per cent of GDP in Morocco and 4.8 per cent in Algeria. This level is insufficient to achieve the social cohesion that is the aim of social protection spending. By way of comparison, the average spending on social protection in OECD member states came to 18.3 per cent of GDP in 2019.³⁹ This stark disparity means that significantly more spending is directed to pensions, family allowances, and grants and assistance to people in need, the unemployed, people with special needs, students, and those in vulnerable situations in these countries than in Morocco and Algeria.

Figure 2 also shows that education spending is much lower in Algeria (4.33 per cent of GDP than in Morocco (7.10 per cent). Indeed, Morocco has the highest rate of education spending in North Africa, surpassing Tunisia (6.8 per cent) and many developed countries such as France (5.3 per cent) and the United States (6.09 per cent), as well as the global average of 4.6 per cent, according to World Bank estimates between 2016 and 2017.⁴⁰ As a general conclusion, the education sector in Algeria clearly needs more financial resources, especially public resources, in order to expand and improve its services, while public spending on education in Morocco needs better governance and rationalisation.

As shown by expenditure levels, the dysfunction in the Moroccan education system is less about low spending levels than poor governance and control over how the funds are disbursed. This can be inferred from the failure of the urgent plan for educational reform 2009–2012, to which the government allocated some \$4.3 billion on top of the regular education budget. The Court of Accounts in Morocco, after reviewing the financial aspects of the plan, attributed the plan's failure to meet its objectives to poor administrative capacities in the accounting and financial management of projects included in the plan, in addition to the failure of the Ministry of National Education to prepare a specific budget for the plan.⁴¹

Turning to health expenditure, Figure 2 shows low levels of public spending on health in Morocco, estimated at 5.11 per cent of GDP from 2017 to 2021. This can be attributed to the lack of public investment in public health, which has adverse consequences for the quantity and quality of health services provided. According to the World Health Organisation, there were 15,991 public sector doctors in Morocco in 2009 (five doctors per 100,000 inhabitants) and 24,328 nurses, including obstetric nurses (eight per 100,000 inhabitants).⁴² In contrast, public health spending in Algeria is relatively good at 7.13 per cent of GDP, which is about the same as in Tunisia (seven per cent) and approaches average health spending in OECD countries (nine per cent). There are an estimated 35,368 doctors in the public sector in Algeria (eleven per 100,000 people) and 69,749 nurses, including obstetric nurses (twenty-two nurses per 100,000 population).⁴³ Although Algeria has twice the health staff as Morocco, both doctors and nurses, the high level of public health spending has not reflected positively on the quality of services,

suggesting that, much like the education sector in Morocco, the problem is the lack of good governance and rationalisation in spending.

Looking at the structure of social spending in Morocco and Algeria, we find that total social spending—for health, education, and social protection—is similar in both countries, standing at 16.71 per cent of GDP in Morocco and 16.28 per cent in Algeria. This level of spending puts them among developing countries with poor social spending, about 3.5 points lower than Tunisia and 12.5 points lower than the average social spending in OECD countries (twenty-nine per cent).⁴⁴ The protest movements that have erupted in both countries in recent years—the Rif, Zagora, and Jerada protests of 2017 in Morocco and the Hirak in Algeria since 2019—can thus be interpreted in large part as stemming from the failure of both states to respond to the basic social needs of their citizens.

As for military spending, Figure 2 shows that military spending in Algeria is significantly higher than in Morocco—2.3 points higher—although spending over the past decade has gradually trended upwards in both countries. In contrast, on the global level, military spending has fallen under the impact of the enormous financial cost of the US war on ‘terror’, including American military interventions in Afghanistan in 2001 and Iraq in 2003. Combined, these two interventions cost the US some 3.3 per cent of its GDP from 2001 to 2005, or about \$456.7 billion, including \$286.2 billion for military operations in the two countries and \$170.5 billion in additional military allocations in federal budget laws from 2001 to 2005.⁴⁵ In addition, the 2008 global financial crisis compelled most Western countries to rationalise public spending to cope with the socioeconomic repercussions, the most important fiscal shift engendered by the crisis.⁴⁶ The downward trend became even more acute after the Covid-19 pandemic of 2020, when global average military spending fell by 0.1 points, from 2.3 per cent to 2.2 per cent of GDP.⁴⁷ This trend is expected to continue after the 2022 crisis in countries uninvolved in the Western-Russian conflict. Given that the Russian-Ukrainian war has been accompanied by an international food crisis, it has become imperative for countries to prioritise public spending that secures greater social protection and strengthens health and education services, while controlling military spending in line with the shift in the nature of national security risks. Today, internal threats to national security—linked to popular movements protesting poor living conditions, high prices, and high health and educational costs—have become more pronounced than the threat to national borders posed by external forces.

The Imbalance between Societal Security and Political Security

Certainly, national security risks and threats justify to some extent the high levels of military spending in Algeria and Morocco. These threats constitute two basic types: the first is linked to the two countries’ geostrategic location, with their extended land and sea borders, which makes them a hotspot for international migration and drug trafficking, in addition to armed groups and separatist movements. The second is related to the longstanding hostility between the two countries. Each considers the other to be a threat to its national security, which in their view

requires a strong, well-armed military to counter, despite the enormous cost. But these justifications alone still do not entirely explain the high levels of military spending in either country. A better understanding may be had by looking at the level of economic and social development squandered in the two countries and the role of the military establishment in contributing to this loss.

On the development side, the enduring state of conflict has resulted in the loss of a significant degree of economic and social development, which is a fundamental pillar of the security of society. The International Crisis Group estimated the loss in 2007 at about two per cent of both countries' GDP, equivalent to \$3 billion annually,⁴⁸ while the International Monetary Fund (IMF) put the number at one per cent of GDP in 2018.⁴⁹ Estimates of this lost growth diagnose only the economic dimension of potential cooperation between the two countries, which remains unexploited due to their ongoing bilateral conflict; nevertheless, these estimates are likely to increase as military expenditures continue to climb amid persistent conflict. Although this particular conflict has not yet been adequately studied by economic and development researchers, it has been shown that military spending rises between states in conflict and falls in the context of cooperation.⁵⁰ We must therefore extrapolate the anticipated gains if cooperation replaced conflict in Moroccan-Algerian relations. Economic cooperation would likely reduce the two countries' military spending to near the global average, bringing it down by two and three points of GDP in Morocco and Algeria respectively. To this we can add one per cent of growth lost to non-cooperation, giving the two countries another four per cent of GDP that could be directed to social spending. The development lost to military spending in the two countries is thus reflected in their unjustifiably high military budgets, which have come at the expense of human development and economic growth.⁵¹

An examination of public spending priorities in Morocco and Algeria confirms this assessment. Although the 2008 global financial crisis took a severe toll on Morocco's economy and the socioeconomic conditions of its citizens, the state did not put a brake on military spending, which reached some \$3.5 billion.⁵² The same is true of Algeria despite the collapse of oil prices in 2015 and 2016. Although the price of oil fell to below \$27 per barrel, Algeria continued to increase military spending, which exceeded \$10 billion for the first time; during the same period, some forty-six per cent of arms imports to the African continent flowed into Algeria.⁵³ Although it was believed that the severe economic and social repercussions of the Covid-19 pandemic and ensuing global economic crisis in 2020 would push both countries to cut military spending, a SIPRI report in 2020 showed that they continued to steadily arm themselves. Military spending reached record levels, estimated at 6.7 per cent of GDP, or \$10 billion, in Algeria and 4.3 per cent of GDP, or \$4.8 billion, in Morocco.⁵⁴ The same crisis revealed that old-age pensions covered only sixty per cent of the population over the age of sixty in Morocco, in addition to another five million workers in the informal sector who were not included in pension and health insurance systems.⁵⁵ One million workers left the labour market during the crisis, sending the unemployment rate to about 12.8 per cent. The socioeconomic repercussions of the crisis were similar in Algeria, where it revealed that 6.2

million Algerian workers, or some fifty-seven per cent of the total active labour force,⁵⁶ were not covered by the public pension and health insurance systems. Nearly 500,000 people lost their jobs as the unemployment rate soared to 14.2 per cent.⁵⁷ In the end, the crisis confirmed the validity of the warning issued to Morocco and Algeria, among other states, in the 1994 Human Development Report: that military spending was eroding human security, depleting precious financial resources that could be used to advance human development.

It is difficult to draw hard conclusions about the military establishment's role in continued high military spending in the two countries because of the secrecy surrounding relations between civilian and military elites in financial and strategic decision-making processes, such as budget laws and weapons projects. The issue can be approached using Samuel Finer's concept of the military establishment lobby. Finer asserted that the military establishment, like any other pressure group, seeks to lobby political decisionmakers to further its own goals, which here means raising the military budget.⁵⁸ Any attempt to explain military spending in Algeria and Morocco that ignores this central element will fall short, as a substantial part of high military expenditure in both countries is linked to the pressure the military brings to bear on the political regime.

Historically, Algeria is the only Arab country that saw military figures assume power before independence was gained. Military figures dominated the FLN from its inception and later the three interim governments that led political negotiations with colonial France from 1958 until the declaration of independence in 1962. This situation allowed the military to monopolise political power after independence and lead the process of state- and nation-building. They arrogated the power to determine and control the strategic affairs of the state, politically and economically, relying on their 'revolutionary legitimacy'. This imagined historical legitimacy was employed by the People's National Army—the Algerian military establishment—to assume political power, positioning itself as the heir to the National Liberation Army that led the revolution and achieved independence. This happened from the moment Boumediene turned against President Ben Bella on 19 June 1965, justifying his coup as a 'revolutionary correction'.⁵⁹ It is the same justification currently employed by the military establishment to maintain its monopoly on actual political power in the country. Perhaps this is what led William Zartman to assert that politics in Algeria is revolutionary in nature, organised only in accordance with the legitimacy of revolutionary programmes, groups, and symbols, which inhere solely in the military establishment.⁶⁰ Since independence, military leaders have become the 'trustees of patriotism' (*dépositaires du nationalisme*) and the state,⁶¹ laying down rules for themselves that put the issue of access to power and its administration beyond the purview of democracy. The most important of these rules was the recourse to military coups to reach political power. Algeria has witnessed all manner of military coups—successful, failed, bloodless—the first being Boumediene's coup against his ally Ben Bella in 1965 and the second the failed coup attempt against Boumediene in December 1967, led by Commander of the General Staff of the National Army Tahar Zbiri.⁶² The bloodless coup—the removal of the ruler without the need to introduce radical changes in the military elite holding power—is exemplified by the military elite's ouster of President Chadli

Bendjedid, coinciding with the decision to cancel the elections in 1991,⁶³ as well as the pressure exerted on President Zeroual to hold presidential elections before the end of his presidential term in September 1998, in response to his refusal to approve the agreement between the military security forces and the Islamic Salvation Army.⁶⁴ The army has since adopted a form of military rule known as ‘governance from behind a civilian veil’ after coming under domestic and foreign pressures that held it responsible for the Algerian civil war after the cancellation of elections in 1992, the attendant loss of lives, and the disintegration of the social fabric.⁶⁵ These factors forced military elites to set up a civilian facade of political authority while they exercised real power. The same elites chose Abdelaziz Bouteflika, a former foreign minister, as president in 1999 and kept him in power even after his illness, later replacing him with Abdelmadjid Tebboune in December 2019, to confront the Hirak protest movement that erupted in February the same year.

In Morocco, where the king has unilateral control over the military, the political elite exercises no oversight over the military, either executive or legislative, and the prime minister has no effective authority over the armed forces.⁶⁶ This state of affairs only came about after the monarchy foiled two successive coup attempts, in 1971 and 1972. Civilian bodies and opposition parties have more than once called for an expansion of the security competencies of the prime minister to include oversight of the military budget. The Equity and Reconciliation Commission, for example, formed in 2004 to deliver transitional justice, explicitly recommended broadening government authority over security institutions, including the military, and enshrining these competencies in the constitution.⁶⁷ The recommendation was ignored, however, by the majority of elites and civil political institutions that drafted the revised constitution in the wake of February 20 protest movement that erupted during the Arab uprisings of 2011. Security and military policies are assumed to fall naturally within the purview of the monarchy, as William Zartman noted when he described the Moroccan army as the king’s army.⁶⁸ Basma Koudmani also describes Moroccan military policy as underpinned by a monarchical understanding of security, seeing the *raison d’être* of the security/military sector as the protection of the monarchy.⁶⁹ In this formulation, the army owes the king personal and political loyalty,⁷⁰ which makes it part of the regime without being a party in the political system.⁷¹

In general, public spending in Morocco and Algeria is not guided by the necessary principles of good governance and rationality. It is driven more by overriding military concerns than social policy objectives, a product of the two states jockeying for regional leadership since the 1960s, illustrated most clearly in their frenzied arms race. This has led the two countries to squander a combined \$140 billion over the period of 2010–2020, of which Algeria alone spent \$100 billion and Morocco the remaining \$40 billion.⁷² This same period witnessed major economic crises, from the global financial crisis of 2008 to the Covid-19 pandemic in 2020, which had calamitous impacts on socioeconomic conditions in both countries, revealing worsening rates of poverty, vulnerability, and illiteracy. These crises required them to redouble their efforts to strengthen social protection, health, and education, yet even so the two countries obstinately continued to increase military spending as a strategic orientation transcending all social considerations and the reality of poor socioeconomic conditions. This strategic choice cannot be entirely explained

simply by their heated conflict and the security dictates of their geostrategic position. It is also attributable to the central position of the military establishment in both countries: in Algeria, as an institution above the state, and in Morocco, as the backbone of the monarchy.

Conclusion

This study examined the cost of security and economic and social development in both Morocco and Algeria, looking at military spending to assess the cost of national security and social spending as an indicator of the cost of social development. Several conclusions can be drawn from the analysis.

Firstly, social spending in both countries (on social protection, health, and education) is declining, largely due to the steady increase in military spending. The arms race between the two countries is a drain on their financial resources that comes at the expense of social policies, which are often subject to the dictates of austerity. Moreover, it yields significant profits for the countries that supply them with weapons: Russia and China in the case of Algeria, and the United States, France, and Great Britain for Morocco.

The squandered development in both countries is not simply equivalent to the direct cost of military spending. Significant economic growth is also indirectly lost to the arms race, which precludes exploiting the ample opportunities for economic cooperation offered by the two states' geostrategic environment. This economic potential remains untapped due to the conflict between the two countries, further fuelled by historical disputes dating back to the post-independence era that have been inherited by political decisionmakers in the two countries despite hindering economic growth and social and human development in both states.

An objective, realistic strategic assessment in both states—one that takes into account the uncertainty looming over the global economy and its negative implications for the two countries—dictates that they move beyond their hostile, wealth-squandering bilateral relationship and seek ways to strengthen economic cooperation. Only in this way can they reclaim the growth lost to non-cooperation, estimated at one per cent of their GDP by the International Monetary Fund, as well as the growth lost to high military spending, which is three times the global average in Algeria and double the global average in Morocco. The potential significant gains in growth rates are needed to support social policies in both countries and improve their responses to the needs of their citizens. The Covid-19 pandemic in 2020 exposed the limits of the social protection, health, and education sectors in both countries, and the fallout from rising global inflation since early 2022 highlights the worsening poverty and precarity in the two countries. Today these have become the greatest threat to political stability, graver than the external security threats cited by both countries to justify their high military spending.

The political conflict between the two countries directly serves to bolster and further entrench the military establishment in Algeria and, to a lesser extent, in Morocco. In both cases, high military spending is linked to the powerful influence the military establishment holds over

the political system. In both countries, the military establishment has an interest in perpetuating the conflict, which it uses as a justification (the pretext of the external security threat) for high military budgets. Rising military spending in both Algeria and Morocco can only be explained with reference to their conception of national security, which prioritises the security of the political regime (the target of military spending) over the security of society (the goal of social spending).

About the Author

Mohamed El Aoufi is a doctor of political sciences and international relations at Sidi Mohamed Ben Abdellah University, Fez, Morocco.

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