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RETHINKING HEDGING BEYOND ASIA: MOROCCO'S ASYMMETRIC STRATEGY IN FRAGMENTED GREAT POWER COMPETITION

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Abstract

This paper examines whether and how Morocco engages in hedging behavior in response to great power competition. Despite the expansion of hedging literature, cases outside Asian context remain underexplored, leaving a gap in understanding how secondary states behave when faced with intensifying great power rivalry. Drawing on qualitative analysis of trade flows, investment patterns, and security cooperation, as well as official documents and secondary scholarship, the article demonstrates that Morocco practices a constrained and asymmetric hedging strategy toward the U.S, the EU and China. This strategy is reflected in asymmetric security alignments alongside the diversification of economic partnerships. Furthermore, the Moroccan case highlights hedging in a fragmented, multipolar environment, showing that strategic behavior is contextually adaptive and not confined to bipolar competition (U.S-China). These findings refine hedging theory by demonstrating that secondary states can exercise strategic agency across multiple policy domains, even outside Asia.

Keywords

Morocco, Great Power Rivalry, Hedging Strategy, Foreign Policy, Fragmented Competition.

Resumo

Este artigo analisa se e de que forma Marrocos adota comportamentos de proteção em resposta à competição entre grandes potências. Apesar da expansão da literatura sobre estratégias de proteção, os casos fora do contexto asiático continuam a ser pouco explorados, deixando uma lacuna na compreensão de como os Estados secundários se comportam quando confrontados com a intensificação da rivalidade entre grandes potências. Com base numa análise qualitativa dos fluxos comerciais, dos padrões de investimento e da cooperação em matéria de segurança, bem como em documentos oficiais e estudos secundários, o artigo demonstra que Marrocos pratica uma estratégia de «hedging» restrita e assimétrica em relação aos EUA, à UE e à China. Esta estratégia reflete-se em alinhamentos de segurança assimétricos, a par da diversificação das parcerias económicas. Além disso, o caso marroquino destaca a estratégia de «hedging» num ambiente fragmentado e multipolar, mostrando que o comportamento estratégico se adapta ao contexto e não se limita à competição bipolar (EUA-China). Estas conclusões aperfeiçoam a teoria do «hedging», demonstrando que os Estados secundários podem exercer agência estratégica em múltiplos domínios políticos, mesmo fora da Ásia.

Palavras-Chave

Marrocos, Rivalidade entre Grandes Potências, Estratégia de «Hedging», Política Externa, Competição Fragmentada..

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Introduction

The intensification of strategic competition between major great powers has reshaped global alignments in the world. The rising competition between the U.S and China in a variety of fields including trade, investment and security has reintroduced intense global power rivalry not seen since the end of the Cold War. At the same time, other influential actors such as the European Union (EU) continue to shape regional balances of power, further complicating this environment. In this context, middle and smaller states are compelled to navigate theses spheres of influence while avoiding alignment and direct confrontation with any major power. This raises questions about how states preserve autonomy under such conditions.

Within the International Relations literature, such strategic response is often studied through the lens of hedging. Unlike the concepts of balancing and bandwagoning, that refers to efforts by states to either prevent any single actor from achieving hegemony or aligning with the stronger or rising power in the system to avoid vulnerability (Waltz, 1979, p. 126), hedging is "a behavior that sits in between these two stark alternatives" (Goh, 2005, p. 3). Its purpose is to develop strong relationships with competing great powers and cultivate maximum protection to offset multiple risks under uncertainty, and, ultimately, to keep all options available for as long as possible (Kuik, 2021, p. 301). So rather than committing to one great power, hedging allows states to diversify partnerships, avoid overdependence and postpones definitive alignment decisions. Research on hedging has been mainly focused on Southeast Asia and on U.S-China competition, and less attention was given to how states in different contexts, notably Africa, respond to rivalry involving established Western partners and a rising Chinese presence, particularly countries with a longstanding ties with the EU and the U.S.

In this context, Africa has become at the center of great power rivalry, where economic, strategic and security interests increasingly converge. Historically influenced by Western powers, the African continent has increasingly evolved into "a proxy stage" for great-power interaction (Erzsébet, 2021, p. 68). Within this shifting regional and systemic environment, Morocco emerges as a pivotal state navigating overlapping spheres of influence between the U.S, the EU and a rising China. Once perceived as a peripheral actor in global power dynamics, Morocco has repositioned itself through a strategic doctrine that includes economic development, geographic advantage and political

stability, establishing the Kingdom as an attractive target for these major powers. According to the book "*Great Power Competition and Conflict in Africa"*, Morocco belongs to the top 15 countries with the highest competition potential for the U.S, China and Russia, and ranks 8th in bilateral competition between the U.S and China (Kepe & al., 2023, p. 49)[1].

In this tense landscape, Morocco seeks to diversify its partnerships, to sustain autonomy and avoid vulnerability, as hedging suggests. This strategic response enables the kingdom to navigate great power rivalry between the U.S and China without compromising its ties with the EU, that still stand as a traditional and historical partner. It is worth noting that Morocco also maintains significant economic and security partnerships with other states, including Gulf countries, mainly United Arab Emirates and Saudi Arabia, as well as African partners such as Senegal and Ivory Coast, and rising partnership with Russia. However, this article focuses specifically on the competition among great powers over Morocco and how the Kingdom navigates these rivalries. The analysis prioritizes the U.S, the EU and China as the primary drivers of hedging dynamics.[2] In this context, the main research question is to understand how does Morocco operationalize hedging across economic and security domains under shifting multipolar dynamics?

Existing hedging literature focuses primarily on Southeast Asia and bipolar power rivalry (U.S-China), offering limited insight into how states in Africa, notably North Africa, deal with multi-actor competition including both traditional Western partners and rising powers. Existing research that address MENA region (Rózsa, 2021, pp. 68-73) or Africa (Oluyemi & Elhudairi, 2025), generally focus on hedging dynamics at the regional level, rather than examining a single state behavior. In parallel, scholarship on Morocco has mainly studied its bilateral relations with individual great powers, for instance the U.S (El Mokri, 2015), (Mouline, 2016) or China (Ezzehouany, 2025) without situating these ties within broader framework of intensifying great power competition. Within this context, this article examines Morocco as a case study to assess the applicability of hedging theory to the North African region, within the context of U.S-China-EU competition to provide a new lens for this concept beyond its traditional Asian focus.

This article contributes to the hedging literature. First, it claims that Morocco's foreign policy reflects a constrained form of hedging, shaped by structural interdependence with Western partners and growing engagement with emerging China. Second, it conceptualizes that hedging operates differently across domains, combining economic diversification with multiple partners and asymmetric security alignments in favor of Western partners. Third, the Moroccan case extends hedging theory beyond its predominantly Asian focus, demonstrating that this concept is contextually adaptive and operates in North Africa under a fragmented great power influence. By examining Morocco, this article contributes to a broader understanding of how secondary states exercise strategic agency in evolving global competition.

[1] The authors provide additional and more specific information on this overall competition's parameters, including: diplomatic, informational, military and economic competition.
[2] Russia is also considered as a potential competitor on Morocco, however this study is limited to China, the EU and the US.

To further develop these ideas, this study is organised as follows. The first part provides an overview of the subject, presents the research question, and outlines the main objective of the study. The second part sets out the theoretical framework of this research, exploring the relevant literature on the concept of hedging and clarifying the indicators applied in this study. The third part describes the methodology followed in this research. The fourth part, analyses Morocco's hedging strategy across economic and security domains. Finally, the fifth part assesses the applicability of hedging theory to the Moroccan case and discusses how extending the framework beyond Asia refines existing conceptualizations of hedging.

Hedging is one of the more commonly used but least studied concepts in international relations.

Theoretical Framework

This study relies on the literature on hedging strategies to analyze how Morocco navigates great power competition between the U.S, China and the EU, emphasizing the ways states maximize autonomy and diversify partnerships under structural constraints. In International Relations (IR), hedging is considered a relatively recent concept. Gaining prominence in scholarly debates from the late 1990s (Lake, 1996), (Manning & Przystup, 1998), it was originally borrowed from the field of finance. The term refers to "a form of investment insurance" through which an investor attempts to reduce exposure to uncertainty by diversifying assets and keeping a balanced position (He & Feng, 2023, p. 6). When applied to IR, hedging depicts a similar reasoning: states seek to minimize strategic risk and preserve autonomy through diversifying partnerships and avoiding exclusive alignment notably in context of geopolitical uncertainty and great power rivalry. The importation of this concept provided a different theoretical frame to study this behavior adopted by many small and medium-sized states. Hedging was introduced first through studies of how states in China's neighborhood reacted to its rise as an economic and military power, describing strategies in which regional states avoided full balancing or bandwagoning, and instead pursued a flexible approach (Haacke, 2019, p. 2).

Hedging can be defined as a form of "state behavior" that maintains relative equidistance in relations with competing powers, combining engagement and containment to avoid taking one side at the expense of another. It represents an alternative to traditional strategies such as balancing and bandwagoning (Korolev, 2019, p. 420). Hedging has been studied in the IR literature with prominent contributions of many authors such as Cheng-Chwee Kuik (Kuik, 2008) and Evelyn Goh (Goh, 2005). Despite its extensive usage by scholars, the concept of hedging remains theoretically contested due to its relatively recent introduction into International Relations and to the lack of a fully developed theoretical framework. It is still underdeveloped and scholars employ this "umbrella term to serve different purposes, leading to confusion (Doung, Kang, & Kim, 2022, p. 59). As a consequence, its defining features, its applications as well as the states more prone to adopt it among others, are still debatable. Therefore, hedging appears as a "fuzzy concept whose key underpinnings are yet to be rigorously and unequivocally framed from a theoretical standpoint" (Figiaconi, 2025, p. 2).

This conceptual ambiguity is partly due to its overlap with related concepts, particularly foreign policy diversification, neutrality, and strategic autonomy, which are sometimes used to describe similar patterns of state behavior. For instance, Vigevani and Cepaluni, as cited in Htet (2026, p. 4), define Foreign policy diversification as an autonomy-seeking strategy through which small and middle states broaden their external partnerships to lessen asymmetries and dependencies in their international relations. It covers various forms of engagement, including relations with great powers, regional actors, international organizations, and South-South partners across multiple political, economic, and strategic domains (Htet, 2026, p. 4). In this sense, diversification appears as a broader concept in scope than hedging, as it comprises the expansion and distribution of a state's external partnerships across different actors and areas of cooperation. By contrast, hedging is associated with how states manage uncertainty and risks arising from great-power competition, military and security considerations constituting particularly important indicators of hedging behavior (Htet, 2026, p. 4).

Strategic autonomy is another concept that shares important similarities with hedging. It is a floating concept whose meaning depends on the context and timeframe in question (Aydın-Düzgit, Kutlay and Keyman, 2026, p. 187). In contemporary foreign policy debates, it generally refers to the pursuit of greater freedom of action by reducing excessive external dependencies and strengthening a state's capacity for independent policy choices, without implying disengagement from international cooperation or major powers. By contrast, strategic autonomy may be pursued through selective partnerships and multilateral cooperation, depending on the specific context (Aydın-Düzgit, Kutlay and Keyman, 2026, p. 187). The relationship between strategic autonomy and hedging is particularly relevant in this regard. While strategic autonomy refers broadly to the pursuit of greater freedom of action beyond security and defense to cover domains such as energy, food, health, digital policies, etc. (Aydın-Düzgit, Kutlay and Keyman, 2026, p. 187), hedging constitutes one possible strategy through which states may seek to preserve or enhance such autonomy, particularly when navigating competing great-power interests.

A further concept closely related to hedging is neutrality. It can be understood as a strategic behavior through which a state chooses not to align itself with any of the competing powers (Figiaconi, 2025, p. 5). Some scholars appear to consider hedging as an intermediate position suggesting that this strategy shares some similarities with neutrality and stands between balancing and bandwagoning, as states avoid choosing a clear side between competitors (Figiaconi, 2025, pp. 2-3).

Figiaconi's article (2025) on Southeast Asian secondary states hedging strategy amid growing Sino-American great power competition, further enlightens this debate and provides insight of its defining features. Building on a review of the existing hedging literature, Figiaconi highlights that the concept of neutrality presents itself under different categories, each one with its own specific features (Figiaconi, 2025, p 6), and concludes that hedging can be considered a category of neutrality. It is voluntarily adopted by secondary states in response to systemic stimuli, such as shifting power ratios between great powers. Rather than being grounded in legal provisions, moral considerations, or idealistic principles, hedging is based on strategic calculation and is typically adopted when a state perceives increasing great-power tensions or a potential transition of power.

Hedging is not publicly declared and states deliberately maintain an ambiguous stance in order to avoid attracting suspicion from competing powers, while amplifying strategic gains. This primarily allows states to navigate great power competition effectively, maintain autonomy and maximize their "chance of survival". (Figiaconi, 2025, pp. 14-17).

Collectively, these insights provide a strong analytical foundation for understanding how states like Morocco manage external competition through hedging. Building on this literature, this study identifies hedging through three observable settings: trade relations, Foreign Direct Investment (FDI) patterns and security cooperation. These meters are applied throughout the analysis to assess whether the kingdom's position reflects hedging rather than bandwagoning or balancing.

Methodology

This study adopts a qualitative case study approach to analyze Morocco's strategic response in the context of great power competition. This paper relies on scholarly works on hedging, which provide indicators such as diversification of partnerships, sectoral alignment and strategic ambiguity, to identify and further analyze Morocco's foreign policy choices vis-à-vis these competing powers. Beyond a purely descriptive approach, by situating the kingdoms behavior within this framework, the paper seeks to offer an analytical assessment of how this country balances competing interests of major powers, and maximize autonomy and strategic gains.

While literature identifies multiple dimensions of hedging, this articles relies on three major elements: investments, trade relations and military cooperation, as they clearly conceptualize great power interest in Africa (Mahmoud & El Baz, 2024, p. 465). In other words, this article focuses on economic diversification and selective security engagement as empirically observable indicators of hedging behavior.

The analysis relies on a combination of secondary sources and(secondary) quantitative data. The sources include conceptual literature on hedging, including major works on this concept, as well as empirical and contextual secondary sources focused on Morocco and Africa as a whole. This offers insight into the kingdom's economic, political and security engagement. Meanwhile, the quantitative data that consist of: trade, investment flows, security cooperation statistics and global indices (for instance, Foreign Direct Investment Confidence Index), are mobilized to concretely translate hedging indicators and provide measurable evidence of the kingdom's strategic behavior. The data are primarily drawn from official reports, websites, and existing studies, as well as from information obtained through specific requests submitted via the Office des Changes of Morocco' platform.

Navigating rivalry: Morocco's hedging strategy under great power competition

This axis examines Morocco's ties with the three competing powers through the economic approach (trade and investment) and security approach, in order to assess whether the kingdom's behavior reflects a hedging strategy.

Morocco's Economic Diversification Strategy

Empirically, the kingdom's trade pattern suggests both structural dependence and gradual diversification. Morocco's trade has historically been dominated by European markets, with EU being its primary economic partner. Between 2012 and 2014, approximately 50% of Morocco's imports originated from the European Union, while around 60% of its exports were directed toward EU markets (Morocco's Office des Changes database). France stands as the leading trade partner of Morocco in this period with an average of 8 billion Euros per year. Soon after, Spain turned into the primary trading partner of Morocco with a value of 20 billion Euros in 2024 (Morocco's Office des Changes database).

Despite its longstanding ties with Europe, and the EU's centrality in its trade structure, Morocco has progressively sought to diversify its international partnerships by expanding its economic outreach to other trade partners in order to reduce its dependence on EU countries, notably France and Spain. A key driver of this diversification has been the strengthening of trade and investment ties with the United States, particularly following the adoption of a free trade agreement between the two nations in 2004 (entered into force in 2006) (Office of the United States Trade Representative, n.d.). The agreement boosted bilateral trade significantly. In fact, the trade value increased from approximately 3 billion Euros in 2012 to a value averaging 8. 4 billion Euros in 2024. Moroccan imports from the U.S rose from 2.34 billion Euros in 2012 to 6.71 billion Euros in 2024, illustrating a broader trend of diversification beyond Europe (Morocco's Office des Changes database). It is worth noting that Morocco has more free trade agreements than any other African country and stands as the only country on the continent to have a free trade agreement with the United States.[3]

Trade relations with China represents an additional pole in Morocco's diversification strategy. The total trade between Morocco and China amounts to 9.4 billion Euros in 2024, which significantly increased compared to the past years (3 billion Euros in 2015), averaging a value closer to the total of importations and exportations between Morocco and the U.S (Morocco's Office des Changes database). China's partnership was elevated when Morocco signed the Memorandum of understanding on the Belt and Road Initiative (BRI) in 2017,[4] followed by the implementation agreement in 2022, becoming the first North African country to formally join the initiative Ezzehouany (2025, p. 45) argues that, for China "this partnership represents a geo-economic strategy rather than a geopolitical one, positioning Morocco as a key partner". In fact, Morocco recognized structural economic asymmetries in its trade relations with the EU, and considers the BRI a timely opportunity to balance its external dependencies (Feuer & Ayadi, 2019).

[3] Free Trade Agreement with the European Union (FTA); Free Trade Agreement with the United States ; Free Trade Agreement with Turkey ; Free Trade Agreement with the Mediterranean Arab countries (Agadir Agreement), which includes Tunisia, Jordan, and Egypt; Free Trade Agreement with the United Arab Emirates ; Free Trade Agreement with the Greater Arab Free Trade Area, which includes : Morocco, Tunisia, Libya, Egypt, Lebanon, Syria, Palestine, Jordan, Iraq, Kuwait, Saudi Arabia, United Arab Emirates, Oman, Qatar, Bahrain, and Yemen and Finally the African Continental Free Trade Area (AfCFTA).

[4] The BRI focuses primarily on infrastructure development and the enhancement of connectivity through investments in roads, railways and ports. Its implementation involves Chinese capital and financing as well as technology and companies, and sometimes Chinese labor (Ezzehouany, 2025, p. 45).

It appears that despite the diversification of its trade partners, the EU still occupies a significant position in Morocco's trade with a value averaging 76 billion Euros in 2023, which exceeds by far the total value of trade with the U.S and China (Morocco's Office des Changes database). This suggests that Morocco's hedging strategy in terms of trade is real but remains constrained.

To complement the analysis of trade, it is necessary to examine investment flows as they reflect deeper economic interdependence. Unlike trade, investment flows reveal a slightly different pattern in Morocco's hedging strategy. Morocco's investment flows display more diversified and fluctuating patterns, which makes Foreign Direct Investment (FDI) a stronger indicator of hedging. The development of investment flows and trade between Morocco and the EU has been supported by a series of bilateral agreements, essentially the Association Agreement that came into force in 2000 and enabled the creation of a free trade area for industrial products in 2012, as well as the agricultural trade liberalization agreement in the same year. In this context, EU countries represented more than half of Morocco's FDI inflows during this period (El Mokri, 2015, p. 73). For instance, France was the top investor in Morocco, accounting for 36% of total inflows between 2012 and 2014. This share rose to an average of 52% when other countries such as Switzerland, Spain, the United Kingdom (before Brexit), and Germany are included. Thus, European countries traditionally represented the leading sources of FDI in Morocco.

However, this pattern began to change in 2022, when the United States became Morocco's main foreign investor, accounting for 34.1% of total FDI inflows, with an average value of €706.7 million. This value was ten times higher than in 2021. This increase was due mainly to the signing of a major agreement between Morocco's OCP Group and U.S.-based Koch Ag & Energy Solutions (Moroccan Agency for Investment and Export Development (AMDIE), 2023, p. 22). This partnership indicates an increased presence of American capital in Morocco's industrial and agricultural sectors and reflects the expansion of investment ties between the two nations. From this perspective, some EU countries that traditionally stood among the leading sources of FDI in Morocco have been overtaken by the United States.

China's case in terms of investment is slightly different. A decade ago, Morocco was a marginal actor in China's African strategy, and Chinese investment was minimal compared to other African economies. In fact, North Africa have been traditionally outside of China's interest. Many factors can explain this: geographical distance, social, cultural and linguistic differences, limited historical interactions, etc., (Rózsa, 2021, p. 68). Similarly, China was not accounted in Morocco's economic development strategy or its calculations to attract foreign investors (Ezzehouany, 2025, p. 45). However, investment flows have grown in importance, providing Morocco with an additional pole for diversification, consistent with hedging strategy. Chinese investments in Morocco went from 38 Million Euros in 2015 to 189.6 Million Euros in 2024 (Morocco's Office des Changes database). It is worth noting that Chinese investments are growing fast, recent announcements have been made by several Chinese investors, signaling projects to invest nearly 10 billion Euros in the production of electric batteries and components in Morocco (Aublanc, 2024). These claims highlight the increasing importance of China as a key investor in Morocco, especially through greenfield projects. In 2023, the British magazine, the *Economist*, ranked Morocco among the top five destinations for Chinese

greenfield investments (Aublanc, 2024). According to the World Bank report on Morocco's economic updates, investment in Morocco is going through a new era, with "a robust entry of Chinese investors". The greenfield FDI by international firms more than quadrupled, from 3.5 billion Euros in 2021 to18.9 Billion Euros in 2023, with China accounting for 29% of total capital expenditure over 2022-2023, compared to 53% for European countries and only 1% for the U.S (World Bank, 2026).

This notable volatility in FDI inflows, shows that European partners continue to occupy a structurally dominant position in Morocco's investment landscape. In 2025, France once again ranks as Morocco's top investor (586 Million Euros), confirming the persistence of long-standing EU-Morocco investment ties. In addition, when other EU countries, notably Germany, the Netherlands and Italy, are considered along-side France, the value of total Net FDI inflows averages 1 Billion Euros in 2025.[5] Also, a large share of Morocco's investment flow (about 133 Million Euros in 2022) continues to go to France, reinforcing the partnership with EU (Moroccan Agency for Investment and Export Development (AMDIE), 2023, p. 25). These values suggest that Morocco's investment diversification does not signal a rupture with EU countries, but rather illustrates Morocco's hedging approach, balancing traditional partners with emerging powers.

Morocco's strategy of selective security engagement

While trade relations between Morocco and the United States remain relatively limited compared to EU, their political ties especially the security aspect of them, have consistently been strong. The kingdom was the first country to recognize the independence of the United States in 1777, and the two nations signed the oldest treaty in U.S history (The Treaty of Peace and Friendship in 1787). However, despite the advanced economic presence of EU countries, the political and security cooperation between the U.S and Morocco, is usually perceived as more strategic, particularly when it comes to counterterrorism and regional stability.

The main objective of the United States is to develop close military and economic relations in the Maghreb region,[6] particularly in the field of security. In this context, Morocco occupies a strategic importance in North Africa, and its role has been steadily increasing particularly after the events of September 11. The country became a strategic partner in the U.S security policy to combat terrorism and extremism in the Maghreb and Sahel regions. For the U.S, Morocco represents a model country for the progress it has achieved in improving governance and democracy, suppressing terrorism and adopting religious tolerance, particularly in a region facing diverse and evolving security challenges (El Mokri, 2015, pp. 74-75).

The 2004 Free Trade Agreement with the U.S aims to boost trade and investment between the two countries, as it also implicitly carries significant political and security dimensions. Beyond economic interests, the U.S ambition behind the Agreement was to strengthen its political presence in North Africa, limiting European influence, and control all sources of instability and insecurity in the region (GRAIN, 2008, p. 60). This security

[5] The 2025 data provided by the "Office des Changes" is approximate (from January to September 2025).
[6] North African region composed of Mauritania, Morocco, Algeria, Tunisia and Libya.

approach of the Agreement was explicitly expressed during several official U.S communications, especially by U.S Trade Representative Robert Zoellick during the signing of the free trade agreement in Morocco, where he clearly stated that "Step by step, the Administration is working to build bridges of free trade with economic and social reformers in the Middle East. Our plan offers trade and openness as vital tools for leaders striving to build more open, optimistic, and tolerant Islamic societies" (El Mokri, 2015, p. 75).

In this context, the security cooperation aims to suppress the threat of terrorism, organized crime, arms trafficking and drug trafficking, affecting the stability of the region and decreasing the countries vulnerability (Mouline, 2016, p. 115). The U.S is also interested in preserving secure maritime routes along the North African Coast and the Strait of Gibraltar but also on the Atlantic coast of Morocco, which is vital for trade and military logistics.

For instance, Morocco participates in many programs and operations. "The African Maritime Law Enforcement Partnership program" is one great example. This program enables African partner nations to forge their maritime security capabilities and improve management of their maritime domains through joint real world maritime law enforcement operations (U.S. Africa Command, n.d.). Separately, another major U.S.-led initiative, the "African Lion 25" exercise, was conducted recently on Moroccan territory. Aimee Cutrona, "Chargée d'Affaires" for the U.S Embassy in Rabat said, "African Lion enhances the United States' interoperability with Morocco and other key partners to strengthen our collective ability to address regional security threats." She added "As a major non-NATO ally and historic security partner, Morocco plays a pivotal role in promoting regional stability and security." (Cutrona, as cited in U.S. Department of Defense, 2025).

Beyond its security partnership with the U.S, Morocco also maintains a dense and structured security relationship with the EU. Although Morocco-EU relations are traditionally strongest in the economic field, security cooperation has grown in importance over time. For the EU, Morocco represents a preferential security partner in the region, notably because of its political stability and geographic proximity, and plays a key role in regional security framework. In fact, the Mediterranean region is facing numerous and multifaceted threats. Conflicts and instability across neighboring regions, particularly in the Sahel, such as Mali, and the Horn of Africa, such as Somalia, as well as in Mediterranean countries for example Libya, generate a trans-regional domino effect, with insecurity spilling over into the Mediterranean region, fostering conditions favorable to the expansion of various threats including terrorism, migratory flows, arms and drug trafficking. In this context of persistent regional instability Morocco rises as a security partner with strategic significance. This security cooperation was further reinforced under the "Advanced Status" granted to Morocco in 2008, including possibilities for cooperation in various fields including, border, drugs and organized crime control mechanisms, in addition to immigration policies, CEPOL training and EUROPOL cooperation, etc. (Real, 2018, pp. 109-121).

In contrast with the U.S and the EU, it seems that North Africa remains a secondary theater within China's broader security strategy, as its focus in this field is directed primarily toward Asia. China is considered the second largest arms producer and the fifth

largest exporter globally, and the largest share of its arms export goes to Asia (82%), however it is still the second largest arms seller in Africa (Gouyez Ben Allal, 2025, p. 16). In fact, China's security engagement in North Africa, now and in the near future remains limited and holds that "development comes before security in promoting stability" (Rózsa, 2021, p. 70). China's security engagement is this region is largely driven by the protection of its economic interests, notably access to energy, mineral and strategic resources. China's presence in North Africa is increasingly analyzed through the lens of the U.S-China competition. Many observers anticipate a growing presence of China as a gradual challenge to the U.S's dominant role in the region, and expect a further expansion of Chinese security and military engagement to defend their investments as well as Chinese Labor (human capital) (Rózsa, 2021, p. 70).

In this context, Morocco and China military relations remain limited compared to the U.S and France partnerships. However, Morocco has gradually pursued to diversify its defense partnerships by expanding military cooperation with China, and benefiting from its expertise in this field. This cooperation comes in various forms, such as the purchase of strategic weapons, training cycles, and exchanges of high level visits (Gouyez Ben Allal, 2025, p. 8). This limited security approach with China enables countries such as Morocco to deepen ties with new partners and maintain at the same time a balance with its traditional Western allies, notably the U.S and the EU, thereby promoting a hedging-oriented strategy.

Faced with increasing attention from great powers, Morocco has adopted a hedging strategy to strengthen its influence and secure its interests. This strategy relies mainly on the diversification of its international partnerships, enabling the kingdom to balance great power competition, while maintaining strong ties with its traditional partners. This multifaceted approach allows Morocco to pull economic, political and security opportunities.

Expanding hedging beyond Asia: The Moroccan case

The findings revealed that Morocco's foreign policy reflects a hedging-oriented strategy shaped around economic diversification, selective security engagement and strategic leverage reinforcement. While trade patterns suggest a persistence of a strong EU-Morocco partnership, investment flows reveal a more dynamic and competitive pattern, especially with the rise of China as a strong contributor in greenfield investments. In this context, FDI emerges as a stronger indicator of hedging strategies than trade, reflecting Morocco's attractiveness to great powers. Regarding its security ties, Morocco maintains strong strategic ties with the U.S and a sustained cooperation with the EU, particularly in matters such as regional stabilization. However, China's security interest is still limited, unfolding that Morocco's hedging logic towards China is stronger in the economic field than in the military sphere. These insights into Morocco's behavior suggest four main patterns that would be discussed as follows:

First, while Africa and Middle East have historically been shaped by strong Western influence, China's interest in this region has shifted the balance of power and the perception of great power competition by African states. This statement complies with Kuik's claim that states 'do not hedge against any specific power per se, but against the

general uncertainties embedded in big powers' (Kuik, 2016, p. 158). A state adopts hedging when perceiving a significant rise of great power tensions and a possible power transition. Hedging tends to emerge when secondary states perceive intensifying rivalry between established but relatively declining power and a rising one (Figiaconi, 2025, p. 15). The evolution of FDI in Morocco exhibits such context. While the EU has been an established power in Morocco, the rise of the U.S and China's investment interests introduced new competitive dynamics. This coexistence of a traditional Western influence and expanding Chinese capital creates uncertainty and indeterminateness, encouraging Morocco to hedge rather than align exclusively. However, Korolev's work suggests that this landscape might reduce Morocco's hedging possibility. He argues that hedging space shrinks as great power competition intensifies, leaving little room for ambiguity and pushing smaller states toward clearer realignment (Korolev, 2019, p. 420). While these insights are drawn on Southeast Asian cases, and might not necessarily apply to Morocco, with intensifying great power competition on the African territory, the kingdom would probably face an ultimatum from its Western partners to pick a side.

Second, existing literature on hedging assumes a bipolar context of strategic competition, with the U.S and China serving as the primary poles against which secondary states calibrate their foreign policy. However, the Moroccan case reflects a different structural pattern in which rivalry is multipolar and fragmented rather than strictly bipolar. Morocco navigates overlapping influence from the EU, the U.S, and China, which all shape its foreign policy choices. This suggests that hedging can operate outside the traditional bipolar framing with multiple competing centers of power. In the Moroccan case, hedging is not mainly a strategy evolving around two poles, but about managing relationships with diverse powers whose interests converge and diverge across different domains.

Third, the findings revealed that Morocco exhibits different behavior depending on the foreign policy field. It maintains strong security partnerships with the EU and the U.S, however, nourishes increasing investment ties with China. Following Gonzalez-Pujol, when hedging, a state can exhibit a different behavior, signaling contradictory interests across fields—economic, diplomatic and security—to manage several concurrent interests and maximize benefit (Gonzalez-Pujol, 2024, p. 205). In Morocco's case, this framework helps understand why its partnerships and alignments are not uniform. Economic engagements with one great power can coexist with security cooperation alignment with others, reflecting a deliberate, field-oriented hedging strategy adjusted to the priorities and constraints of each sector rather than through a single alignment choice.

Fourth, Morocco's security cooperation suggests an interesting ground for discussion. In fact, compared to its volatile FDI flows and diversified trade partners, Morocco maintains a stable and Western-centered security cooperation. Morocco diversifies economically but maintains deep security ties with the EU and the U.S. The Moroccan case reflects important similarities with Kuik's work on hedging among Association of Southeast Asian Nations (ASEAN) states. Kuik argues that states seek to deepen their economic engagement with a rising power and sustain security cooperation with an established one (Kuik, 2016, pp. 12-13). The kingdom's expansion of economic relations with China, notably in greenfield investment projects, is similar to the pattern exhibited by several Southeast Asian states that seek to benefit from China's economic development. Simultaneously, the kingdom nurtures strong institutionalized security relations with the

U.S and the EU, reflecting the persistent centrality of Western partners in its defense policy. However, it is worth noting that hedging for Southeast Asian states is often driven by direct security threat from China, the case of Morocco is rooted in the management of structural uncertainty caused by intensifying great power competition and shared security concerns with Western partners. In this regard, Morocco represents a variation of classical hedging stating that this strategy in not uniform across economic and security domains.

In an attempt to re-characterize hedging behavior in East Asia, Lim and Cooper suggest that hedging is considered most appropriate for states free from binding alliances (for instance security treaties) or major disputes with great powers, as they can maintain strategic ambiguity, allowing security cooperation with both powers (in this case the U.S and China) and avoiding commitments that would clearly reflect alignment with one against the other (Lim & Cooper, 2015, pp. 20-21). This does not fully apply to the Moroccan case. Although the kingdom shares certain characteristics of what Lim and Cooper define as "hedging states", notably the absence of direct disputes with China, the U.S or the EU, as well as the absence of any security treaties (for instance Japan/ U.S), it does not exhibit full-spectrum alignment ambiguity. Security cooperation remains clearly anchored in Western partnership, suggesting that ambiguity is confined primarily in the economic domain. The existing hedging literature emphasizes that security and survival considerations are the core of a state's strategy, while economic motivations may act as complementary drivers for hedging (Figiaconi, 2025, p. 16). In this context, Morocco represents a good example of this theory. This suggests that economic hedging does not reflect a security realignment. Rather, Morocco appears to prioritize stability and security, employing economic diversification as a supplementary strategy to reinforce autonomy without compromising its foundational security partnerships.

Conclusion

This study argued that Morocco's foreign policy reflects an asymmetric hedging strategy employed through trade diversification, investment partnerships and selective security cooperation. By doing so, it demonstrates that hedging is about managing exposure distinctly across domains. The Moroccan case revealed that middle and smaller states can manage risk, maximize strategic autonomy and reduce vulnerability without committing to a single power. Deepening economic ties with one partner does not prevent security consolidation with another, instead, differentiation becomes a mechanism of strategic autonomy. This domain-based approach reveals that asymmetrical alignment is a calculated behavior insuring flexibility in an increasingly multipolar world.

The Moroccan case both validates and extends hedging theory. It confirms existing scholarship in explaining how middle and smaller states seek to navigate systemic uncertainty through diversified engagement rather that rigid alignment. It further extends theory. First, by showing that hedging is not a predominantly Asian phenomenon, but a flexible strategy available for secondary states operating under structural constraint in other regions such as North Africa. Second, the case illustrates that hedging can emerge in fragmented, multi-actor competition, where influence is distributed among several major powers rather than concentrated in bipolar rivalry,

notably U.S.–China competition. Morocco's management of relations with the European Union, the United States, and China therefore demonstrates how secondary states can navigate complex configurations of established and emerging external powers. This opens a broader comparative research agenda on how secondary states outside Asia manage strategic uncertainty and adapt their hedging strategies to different regional configurations of power. Third, unlike many Asian countries where security alignment is motivated by direct threat or binding alliances, Morocco's security hedging is shaped by shared security concerns with the EU and the U.S in the Mediterranean/African region, rather than coercive pressure, providing a new lens into hedging dynamics.

Building on this study's limitations and constraints, future research could expand our study on Morocco by incorporating diplomacy as an additional indicator to study hedging. For instance, examining patterns of voting alignment in international organizations, strategic ambiguity in official statements, summit diplomacy and official visits, would determine whether hedging manifests at the level of discourse and institutional positioning. Other works could focus on exploring why Morocco has emerged as an arena of intensifying great power rivalry. This research would shift the focus from state response to great power motivations, inspecting how geography, regime stability, infrastructures, etc. contribute to Morocco's attractiveness.

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