Fat Cats and Self-Made Men

Globalization and the Paradoxes of Collective Action

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Prevailing economic wisdom promotes private sector-led development and presumes that firms will take the political initiative to push for shared policy interests. Collective action, however, is never assured. When do businesspeople mobilize collectively? Is it possible for small firms to exert real political pressure? Morocco and Tunisia shed light on these questions. In response to nearly identical incentives and challenges from global markets, a numerically large, emerging class of small exporters in Morocco overcame Olson's presumed "logic of collective action" by constructing an effective lobbying machine, while their Tunisian counterparts remained politically dormant. New economic conditions created business cleavages in both countries, but these divisions were politicized only to the extent that producer groups mobilized. The ability to generate a cohesive class identity, which arose in response to perceived threats from other producer factions, was critical for successful business collective action.

Studies of neither globalization and domestic politics nor business politics adequately explore collective action in explaining how globalization reshapes producer politics. Theories of globalization often deduce political behavior from imputed preferences, while studies of producer collective action largely ignore the varied organizational capacities of different categories of business. Few studies acknowledge crucial differences among subsets of business.

Two main variables, the timing of global economic integration and class structure before trade reform, set the context for postreform class formation and class self-perceptions. They shaped the prospects for business collective action in Morocco and Tunisia in the 1990s. Incorporation in global manufacturing circuits, which occurred over a decade apart in the two countries, and an influx of production opportunities on world markets created a new group of apparel exporters with similar policy preferences in both Morocco and Tunisia. But distinct capital structures constructed after independence fueled varied patterns of collective action among Moroccan and Tunisian industrialists. In Morocco, delayed economic opening cemented a well-connected, protectionist elite, spurring a cohesive class identity among emerging small exporters. This group identity galvanized vigorous lobbying, enabling apparel manufacturers to gain increasing influence over policymaking. In Tunisia,
where large capital did not occupy a preponderant role in the state’s traditional social base and comparatively early economic opening undercut the base of the small import substitution industrialization elite, a cleavage between business factions did not emerge, and business groups did not mobilize. Existing approaches to globalization and business politics can not fully account for these distinct outcomes.

Collective Action and Business Politics

Collective action is at the heart of political economy theorizing. Yet studies of how globalization alters domestic politics have paid scant attention to collective action processes. Dominant approaches, founded on methodological individualism, neglect how interest groups form (or do not form), instead deducing coalitions from presumed economic interests. Approaches that contextualize interests also do not adequately depict how integration in global production systems can transform business politics. By viewing institutions as static, they can not grasp how new patterns of collective action arise.

Theories of business collective action also miss key dynamics that arise with integration in global production systems. By focusing largely on the differential capacities for mobilization of business versus labor organizations, with comparatively little attention to differences within classes, they do not recognize that business groups may mobilize in response to others. Incorporation in global manufacturing chains creates entirely new classes of industrialists with distinct interests from established capital holders.

Olson’s argument, which holds that group size is a key determinant of the ability to mobilize, is the starting point for much research on business collective action. Numerically smaller groups, such industrial lobbies, are more likely to act collectively than larger groups because individual members will achieve greater payoffs for participation and face lower organizational costs. Offe and Wiesenthal use a different logic to arrive at a similar conclusion. Instead, business class characteristics enhance its ability to act collectively. With “shared, uncontested and easily measured” interests, multiple channels to defend these interests, and concentrated material power, business allegedly has an automatic advantage. But aggregating “business” distorts reality and minimizes the obstacles to collective action. Intense interfirm competition over fundamental issues such as price demonstrate that conflict within business often exceeds larger class struggles.

The fact that not all business owners or subsets of business have equal access to decision makers introduces additional obstacles to effective group mobilization. Small business is often underrepresented, even in democratic contexts. For this reason, Shadlen proposes a “third logic of collective action” distinct from both labor and big business that dictates that small business relies more heavily on formal associations to press its claims.

Extended to its logical conclusion, Olson’s analysis might address differences between small and big business by suggesting that large producers are better equipped to overcome obstacles to collective action by virtue of their more limited numbers than dispersed hordes of small business owners. Indeed, Shafer argues that sectors with low barriers to entry, in which ownership is spread out among many small operators, face more formidable barriers to collective action than activities dominated by a few big players. Still, the fact that analogous manufacturers in different countries behave differently, as in Morocco and Tunisia, exposes gaps in Shafer’s logic. Clearly, barriers to entry and sectoral characteristics do not explain the whole story. Morocco supports arguments about the organizational imperatives of small business. Lacking connections to key decision makers in the palace as well as the material and social resources to exert pressure individually, small exporters found no other choice but to work through a formal organization.

However, because Moroccan small garment exporters, relative outsiders in an elite-centered system, successfully fashioned themselves into a visible and even effective lobbying bloc, the “third logic” can not explain when and how small business overcomes obstacles to collective action. Varied patterns of collective action among analogous Moroccan and Tunisian manufacturers beg the question why some small business groups organize themselves into pressures groups while others do not. Apart from firm structure, studies of business politics do not sufficiently address how business groups are constituted.

Cultures of Production: Group Identity and Collective Action

Insights about the relationship between perceived group identity and collective action have received short shrift in discussions of business mobilization. Instead, analyses have stressed common material interests and have downplayed the process of group formation. This emphasis seems reasonable, since boosting profits is arguably the ultimate objective of business lobbying. However, it is problematic to assume that the individual profit motive automatically creates collegiality among producers and in turn facilitates collective action. Business owners often have conflicting interests, confounding collaborative strategies, and face strong incentives to free ride rather than actively join lobbying efforts. Moreover, even if it is assumed that mutual economic interest is the primary basis for group formation among manufacturers, a sense of cohesion must precede or at least accompany recognition of shared material concerns. Not all producers who share the same interests choose to work together towards common goals.

Insights from studies of social movements can help explain the internal mechanisms of business collaboration in the political arena. Scholars of social movements have concentrated on three distinct foci to explain mass collective action: political
opportunities, notably sufficient political openness to permit societal expression; organizational structures conducive to group mobilization; and ideological or cultural “frames” that forge or cement group identity. Studies of business politics have pointed to the role of political opportunities and organizational structures but have not emphasized group identity in spurring collective action among producers.

It is tempting to conclude that structural and institutional factors provide a complete explanation. Macropolitical conditions associated with specific regime types provide or foreclose opportunities for group mobilization. Accordingly, different Moroccan and Tunisian patterns of business collective action might be attributed to the relatively repressive political environment in Tunisia, where a single party state tolerates little opposition, and greater space for political parties and a vocal press to dissent in Morocco, although the monarchy is unquestionably the real seat of power. Relative political openness certainly permitted greater opportunity for producer collective action in Morocco than in Tunisia, yet collective action is never automatic. As a result, macropolitical explanations reveal little about how manufacturers mobilized. The use of regime characteristics to explain business political behavior assigns excessive explanatory power to the state. The class structure of business itself played an equally important role in sustaining distinct patterns of Moroccan and Tunisian business-government relations and, by establishing the context for the rise of oppositional group identities, shaped the collective political responses of producer factions to economic opening.

Can differences in organizational resources explain varied business political behavior in Morocco and Tunisia? Formal organizations such as business associations, as well as informal networks such as family ties and social relationships, are undoubtedly important vehicles for collective action. In Morocco, where emerging exporters lacked unifying social networks, formal organization greatly facilitated collective action among manufacturers with diverse social and geographic origins.

However, the association was more than a site for pursuing shared material concerns. It also helped socially and geographically disconnected entrepreneurs to establish a group identity. Before seizing the opportunity to engage in collective politics, otherwise disparate individuals must view themselves as a collectivity. They must do more than join an organization; they must construct a common identity, often forged in opposition to others through a reactive process of group differentiation.

In distinct ways, studies of class formation and social movements have emphasized the importance of “groupness.” As Thompson argues, classes do not automatically emerge from the structure of production. How members of a class perceive their class position is a critical intervening step. Nonmaterial factors shape how individuals formulate their understandings of class, whether their own or others’ class positions, influencing how classes emerge and behave politically. For class to take on social and political meaning, it must be more than a category defined by the means of production. Through the development of a shared cultural identity, individuals are able to overcome differences that might otherwise prevent them from collaborating towards shared goals. In his study of bourgeois development in late nineteenth century New York, Beckert stresses that a “common cultural vocabulary” permitted elites from distinct ethnic and religious backgrounds to form a class identity and act collectively.

Emphasis on the importance of common identity has important implications for the study of how globalization reshapes domestic politics. If individuals need a shared outlook to perceive themselves and behave as a class, then teleological assumptions about the relationship between material interest and political behavior are not valid. Responses to global economic integration can not be predicted by deducting preferences from position in production-based stratification.

Katznelson’s model of class formation captures the relationship between economic structure and culture. The model incorporates four layers of class that together present a picture of how classes behave in specific contexts. The shared “dispositions” of individuals within a class closely approximates “class identity.” By adding dispositions or “cognitive constructs” that “map the terrain of lived experience” to the abstract notion of class as a category in a structure of production, it is possible to explain how individuals will think or act in real circumstances. How individuals interpret their material conditions, a process shaped by class dispositions, determines whether and even how they will behave as a group.

Similarly, studies of social movements recognize the importance of group identity as a component of collective action. In addition to opportune political moments and organizational structures, “framing,” or the “collective properties of interpretation, attribution, and social construction that mediate between opportunity and action,” is critical to mass mobilization. Shared meanings and common interpretations compel individuals to view a given situation in common terms and to act as a group. Rejecting the homogenizing assumption of individual rationality, research on the influence of cognitive processes on participation in social movements also emphasizes the importance of framing. Individuals can choose from multiple identities as a basis for action, but individual and group identities must align for collective action to occur.

On both class formation and social movements, considerable conceptual confusion surrounds the meanings of culture, dispositions, and consciousness and the way they galvanize collective action. How does group identity arise and spur mobilization? Leadership and organization play a key role in fostering and disseminating class identity. Ideas do not spread spontaneously, and class conditions alone do not create class behavior or even consciousness. Rather, leaders can work through organizations, such as parties or interest group associations, to create class consciousness, facilitating class-based political action. Class requires a sustaining organizational infrastructure and can not in itself create politically relevant social and political cleavages.

Alternatively, political leaders may tap into extant social networks to create political cleavages. But what happens when there is no preexisting social network, as in
Morocco? Where emerging small exporters had few social ties before engaging in collective action, did leaders bear full responsibility for whipping up class consciousness, if not the very existence of a "class"? The process was more complex. To create the group consciousness needed for collective action, leaders with agendas couched in the language of identity promoted images and ideas that resonated with members of a potential class.

Shared self-perceptions often arise through a reactive process. Oppositional class identities can emerge as part of a process of differentiation from other general class categories (for example, capital and labor) or subsets of the same category. Events with implications for the material well-being of a set of individuals can highlight "rather vague self-images" grounded in differences from other groups, who experience changes in different ways. Consciousness of distinct relationships to material changes can generate a discourse of "self" versus "other" that fosters cohesion among the bearers of these identities.

Group identity is a prerequisite for collective action, particularly in the absence of preexisting social networks linking individuals together, but collective action can not be parsimoniously reduced to a single factor. After achieving the requisite "groupness," members of a collectivity need organizational tools, whether in the form of formal interest associations or informal social networks, as well as a permissive political environment to pursue goals in unison. Successful collective action in Morocco and absent group mobilization in Tunisia illuminate the linkage between class formation and collective action and situate it in a broader political context. Where collective action succeeded, the construction of a class identity went in tandem with the revitalization of a collective association, showing the importance of both symbolic and material resources in pursuing collaborative strategies.

Politics in Two Sectors and Two Countries

The textile and ready-to-wear garment sectors are valuable sites to examine the intra-business political struggles in Morocco and Tunisia after integration in global manufacturing networks. World competition in both sectors is intense. Although distinct, the two sectors are inextricably linked because textiles constitute the main input for apparel. With distinct barriers to entry, textiles and apparel attract different types of players. Larger manufacturers dominate the comparatively capital-intensive textile sector, which requires significant start-up costs and technical expertise. Ready-to-wear garment assembly, often conducted on a subcontracting basis in low wage countries, requires minimal know-how and investment, inviting small entrepreneurs to try their luck. Because it is highly accessible, the apparel industry engages almost every country in the world and therefore constitutes an important site for globalized competition. These two sectors in Morocco and Tunisia enable a controlled comparison of cross-national business responses to reform. Parallel relationships to the global economy, and particularly to European Union (EU) markets, as well as the adoption of virtually identical economic reform programs in the 1980s and 1990s also control for economic factors that might account for different patterns of business politics.

Textile manufacturing was important in Moroccan and Tunisian postindependence development strategies, but the balance between private and public capital differed in the two countries. In Morocco, local capital took over many French-owned factories and even launched new firms at independence. During the 1970s the textile sector expanded greatly thanks to a series of investment codes and economic policies promoting local private capital. In Tunisia the state was the primary impetus behind the development of textile manufacturing.

Apparel manufacturing and assembly took off later in both countries, largely in response to the overseas relocation of European clothing manufacturers and retailers in search of low cost producers for the labor-intensive segments of the manufacturing process. The timing of the creation of the export sector set the stage for intraclass struggles among manufacturers in the 1990s. In Tunisia, where the small domestic market called for export promotion, apparel manufacturing arose in the early 1970s. As a result, small exporters were firmly entrenched in the Tunisian domestic political economy. In Morocco, the economic opening of the local market was postponed until the mid-1980s; its sheltering until then reinforced the position of big, protectionist capital.

In the 1980s both Morocco and Tunisia undertook trade liberalization, spurring integration in global manufacturing circuits. In 1983 Morocco adopted a structural adjustment program founded on export promotion, including reduced trade barriers and currency devaluations. The government committed itself to sharp reductions in trade taxes and tariffs, which dropped from as high as 400 percent to less than 40 percent. Similarly, it abolished the import license requirement for most goods, eliminating a key source of government discretionary power and an elite perquisite, and introduced a new code to promote private investment. By the late 1980s the reforms had a tangible impact on the textile and ready-to-wear sectors, eliminating public investment in the sector.

To profit from concomitant global manufacturing opportunities, local ready-to-wear assembly subcontractors took advantage of a preexisting law that permitted exporters to obtain duty-free inputs from overseas suppliers provided they reexported finished goods made from these products within six months. Although this in-bound system for export-oriented firms, known as the Admissions Temporaires (AT) regime, had existed on paper since the early 1970s, regulatory reforms introduced in 1985 greatly streamlined its operation. These policy changes enabled the creation and subsequent explosion of a Moroccan ready-to-wear export industry.

Tunisia in 1987 adopted a trade reform program that broadly resembled the plan adopted in Morocco four years earlier. The program included the gradual disman-
The Outcomes: Collective Action and Inertia

Two parallel sets of textile and ready-to-wear manufacturers with interests diverging cross-sectorally coexisted in both countries by the late 1980s. Figures 1 and 2 show striking cross-national similarities in articulated policy preferences.35 The political behavior of industrialists, however, differed radically. In Morocco, factions of textile and ready-to-wear producers organized themselves into vocal interest groups, lobbying the state and attempting to discredit each other. In the face of similar challenges, Tunisian manufacturers did not mobilize. Figures 3 and 4 demonstrate that Moroccan and Tunisian textile and especially apparel producers reacted differently to trade liberalization, despite articulating nearly identical policy preferences. Across the two sectors, Moroccan industrialists were far more politicized than their Tunisian counterparts.

Morocco: Intraclass Conflict In Morocco, elite families have dominated the national economy since independence, yet the vast majority of ready-to-wear exporters who emerged in the late 1980s and early 1990s came from comparatively modest origins. Prominent families often had large textile holdings but did not control ready-to-wear production. Big industrialists from well-known families such as the Lamranis, Kettanas, Settas, and Tazis focused on upgrading existing thread and cloth factories, which require substantial investment, while diversifying into other sectors such as finance and real estate.36 Domestically oriented textile producers and ready-to-wear exporters were thus divided not only by their articulated preferences on trade policies but also by their social origins.

These social realities formed the backdrop to the political awakening of a faction of garment exporters in the 1990s. An economic bust in the early 1990s and the signing of the EU free trade accord in 1996 highlighted mutual interests among new exporters and compelled some to organize within the existing textile producers' association, the Association Marocaine des Industries du Textile (AMIT). Beginning in 1991, garment exporters embarked upon a number of missions—individually, as
well as in organized groups—to seek new clients and convince existing clients and suppliers that business was running smoothly in Morocco. An AMIT committee, which was established in mid 1990 and charged with boosting local garment exports, decided to institutionalize these efforts by launching an official trade show, the biannual Salon du Vêtement Marocain, or VETMA. The decision to launch VETMA constituted a break from prior association activities—or, more accurately, association inactivity. In 1993 Abdelali Berrada, a garment manufacturer who later became a vocal representative of ready-to-wear export interests, was named the full-time director of the exposition as well as the executive director of AMIT.

At the same time, factory owners from all AMIT constituencies called for a more proactive role for the association, and, again, ready-to-wear exporters took the initiative. A meeting in fall 1991 of clothing producers prioritized AMIT restructuring, giving rise to a number of important changes that strengthened the association’s ability to represent its constituents. In 1991 AMIT moved from its small, informal office in the old Derb Omar quarter of Casablanca, the heart of the city’s textile commerce, to its new headquarters in the posh Anfa neighborhood. In 1993 AMIT officially added the word **habillement** (clothing) to its name, changing its acronym to AMITH. Henceforth the association headquarters had thirteen permanent employees, including a four person managerial staff. Four subcommittees represented the major branches of the sectors, including weaving and finishing, thread spinning, knitting, and ready-to-wear garment assembly. By the mid 1990s, AMITH had almost 700 members, collectively accounting for about 79 percent of all workers, 84 percent of production, and 97 percent of total exports in the textile and clothing sectors. Members were required to pay 3,000 Moroccan dirhams (DH) in annual membership dues, which provided the bulk of the association’s funding and subsidized participation in overseas trade shows.

An important modification to the AMITH charter reflected the power struggles emerging within the association. In 1995 the association adopted an amendment limiting the tenure of the association’s presidency to three years with a maximum of two terms. Previously, the official presidential term was two years, but Mohamed Lahouli, the manager of a major textile firm owned by the prominent Kettani family, had presided over the organization for more than twenty years. Until the early 1990s AMITH was an ineffective representative of its constituent sectors, and, members charged, its leaders largely served their own personal interests. Indeed, AMITH members from both the textile and ready-to-wear sectors claimed that Lahouli did little more than defend the interests of the Kettani family.

Until the mid 1990s garment exporters and local textile producers maintained a delicate balance within AMITH. When trade liberalization gained speed, the fragile equilibrium between the on- and offshore market was threatened. The adoption of two international free trade agreements, the GATT Accords and the EU Association Agreement (EÜAA), initiated a far-reaching liberalization process that aimed to fulfill and even surpass the goals of the structural adjustment program. The national debate over trade liberalization and a state campaign to prosecute black market activities, which especially targeted garment exporters, were the backdrop to the internal dynamics of apparel producer mobilization. By providing the material basis for the appeals of political entrepreneurs, these events set the stage for conflict between the two business factions.

Tensions erupted in full force within AMITH in the mid 1990s. The most visible disputes occurred between an extreme, pro-liberalization faction of garment exporters and large domestic textile manufacturers. In 1997 Badr Berrada, a high-profile garment exporter, and his supporters launched an offensive to accelerate the tariff dismantling process. With the backing of Abdelali Berrada, these exporters sought the abolition of reference prices, claiming that they increased production costs unnecessarily and discouraged investment in the sector. Some ready-to-wear exporters also prioritized the abolition of the AT system, which would accelerate the production and delivery process while eliminating problems with the customs authorities. If successful, their demands would have totally abolished protection for domestic thread and cloth production. Not surprisingly, textile manufacturers vehemently opposed them and launched their own lobbying campaign to block comprehensive liberalization.
A bitter war developed within AMITH between garment subcontractors and thread producers, nearly causing a split within the organization. The various industry subcommittees of the association held separate meetings, largely focusing on the debate over reference prices. Tensions reached an all-time high in mid 1997, when textile and ready-to-wear manufacturers lobbied the government separately—particularly the ministry of finance, which oversees the customs authority, and the ministry of industry—to ensure that their trade policy interests would be included in the 1998–1999 Finance Law establishing the national budget. Despite vigorous lobbying by apparel subcontractors, the administration did not adopt immediate reductions in customs duties and reference prices on textile products in the 1998 Finance Law. The textile lobby temporarily staved off the more extreme demands of clothing exporters, but exporters successfully ensured that tariff dismantling adhered to the schedule established in the EU Accord.41

Producer politicization through AMITH following the rise of exporters with new lobbying techniques marked an important shift in the political behavior of the Moroccan private sector and its relationship to the state. In the late 1990s interactions between the administration and manufacturers became increasingly formalized. The emergence of exporters, notably in the ready-to-wear garment sector, and their virtual takeover of a preexisting professional association brought a new style of interest transmission as well as new kinds of policy demands. Changes in business-government relations were manifested in multiple ways, including the rising salience of producer associations as lobbying sites, increased access to public officials for a broader cross-section of the private sector, growing reliance on public modes of interest transmission, and the adoption of more confrontational pressure tactics. The exporter lobby within AMITH had growing influence on policymaking. The most immediate and concrete result of its efforts was on customs processing procedures and regulations, which the administration streamlined substantially in the late 1990s. Most important, in a system characterized by opaque business-government relations, interactions between administration officials and industrialists increasingly played out in public, formal channels such as business associations.

**Tunisia: Business Complacency** The behavior of Tunisian manufacturers demonstrates that policy preferences, even when shared among a group of social actors, do not always lead to pressure for corresponding policy outcomes. Collective action and organized interest groups do not automatically arise out of common policy goals. Although textile and ready-to-wear industrialists conveyed remarkably similar policy preferences within their respective sectors, neither developed a set of coherent demands or organized politically in pursuit of their goals. Juxtaposed to Morocco, the behavior of Tunisian businesspeople is all the more puzzling. While Moroccan apparel exporters launched an all-out offensive in support of their demands, their counterparts in Tunisia adopted a business-as-usual attitude. Tunisian textiles were outwardly complacent in the face of looming disaster, and collective efforts in response to trade reform were virtually nonexistent. Lobbying took place individually and outside of the public sphere. Businesspeople consistently attested that the local business community never engaged in organized lobbying activities. Even in the face of economic threats, industrialists avoided collaborative initiatives.

To explain private sector docility, Tunisian manufacturers and government officials maintained that Tunisia could not stop the "inevitable march" of globalization. But this explanation does not reveal why local industrialists in Morocco organized to halt a nearly identical set of reforms, while their Tunisian counterparts felt unable to do so. In part, a sense of powerlessness vis-à-vis the administration accounts for business passivity. Lack of access to information on economic policies compounded the situation. Rumors, rather than published or publicly announced decisions, were a primary source of information on policies and business transactions.

In the absence of organized business lobbying, individual capital holders frequently opted for "exit" rather than "voice" strategies of participation in the political system. Manufacturers emphasized that their primary response to economic crisis was to shut down rather than push their policy demands. Nonetheless, the challenges of launching new business activities and the intricacies of bankruptcy laws limited the option to divest. When possible, industrialists closed their factories and took up commercial activities, such as the distribution of imported consumer goods. A handful of prominent businessmen conveyed their views privately to government officials, but business groups made no effort to pursue policy goals systematically.

**Class Formation and the Making of Collective Identity**

What explains such distinct responses to similar economic changes among analogous groups of manufacturers in Morocco and Tunisia? The politicization of new exporters in Morocco and the relative complacency of Tunisian manufacturers show that globalization does not automatically activate private sector cleavages. Trade liberalization and changes in global production trends reshaped class structure and offered new exporters a chance to develop their own interests but did not automatically bring about collective action. Instead, legacies of class structure and business-government relations interacted with new economic conditions in the 1980s and 1990s to produce collective action or inaction. In Morocco, where big capital had a preponderant place in the national political economy, the conditions were ripe for an emerging group of exporters to band together against protectionist "fat cats." Distinct configurations of state-society relations and class structure produced a different dynamic in Tunisia.

Despite the common economic and social effects of French colonial occupation, the Moroccan and Tunisian postindependence industrial classes developed in distinct
ways. The main reason for these differences lies in the diverging ways the state incorporated the business classes after independence. The distinct contexts of class structure and business-government relations within which industrialists maneuvered shaped their responses to economic opening in the 1990s.

Morocco

Morocco has a long political tradition of the state centered around the _makhzen_, or the seat of central authority embodied in the sultanate. A solid urban bourgeoisie tradition sustained by the _fassi_, or elite Moroccan families from Fes and other major cities, coexisted with the palace. This urban elite developed extensive local, regional, and international commercial interests before independence and even prior to the French protectorate. Immediately after independence, rural notables gained at the expense of urban interests, but, thanks to their support for the monarchy during the nationalist struggle, the latter also benefitted.46

Nurtured over a long period through marriage ties and shared social experiences, a relatively cohesive class identity developed among the _fassi_ elite. When the French departed in 1956, these families, who enjoyed independent financial bases, constituted the embryo of an indigenous industrial bourgeoisie. The power of the urban bourgeoisie was institutionalized directly in the public sphere as members of prominent families obtained key positions in the administration, national banks, parastatal organizations, and producer organizations in independent Morocco.47

In the late 1950s the newly independent Moroccan state implemented a series of measures to promote local industry. The 1958 and 1960 investment codes encouraged the creation of local firms through fiscal incentives, while customs duties increased progressively until liberalization in the 1980s began to dismantle the protective trade regime. A local private industrial class gradually developed, with extensive overlapping relationships with the administration and, most importantly, the palace. Families with vast economic interests placed members in key administrative positions, and major industrialists and bankers often held high-ranking government posts. Capital concentration in the Moroccan private sector, characterized by a small number of holders controlling a diverse array of activities and overlapping ties cemented through marriage and business contracts, reinforced the tight matrix of public and private interests.48 Big private interests established horizontally integrated _groupes_, or holding companies, spanning the industrial, agricultural, and financial sectors. The largest, the Omnium Nord Africain (ONA), was controlled by the royal family and contained at least forty companies with activities ranging from mining to agro-industry, automobile assembly, transportation, real estate, and manufacturing. Many of the families at the head of the major holding companies originated in the textile sector or at least acquired shares in thread and cloth factories as they expanded their portfolios.

French investors remained heavily implicated in the Moroccan economy long after independence. In order to transfer majority ownership to local private interests, the government passed the Moroccanization law in 1973. In effect, the law enabled the economic elite to consolidate its holdings while encouraging the formation of a few new big groups. Moroccanization also shored up urban elite support for the monarchy, which had recently suffered several failed coup attempts. Moroccanization and the increasingly protectionist trade regime reinforced, if not created, a powerful, small group of interests with vast stakes in the local market.49 The predominance of this faction of the private sector, well-connected to the administration, shaped industrialists’ struggles over trade liberalization in the 1990s.

Manufacturers needed both a catalyst for action and a sense of cohesion or group identity to mobilize. Dense personal and professional connections gave textile manufacturers from prominent families an intangible political advantage. But garment exporters, who emerged more recently and came from diverse geographic and social backgrounds, did not have the benefit of preexisting social ties and thus needed to construct a group identity. The postindependence legacy of a concentrated protectionist elite that monopolized economic opportunities and cultivated close links to the state propelled a sense of unity among export entrepreneurs. A perceived sense of marginalization in the local political economy gave rise to discourses promoting a collective identity among new business elements.

A twofold rhetoric of the textile “fat cat” juxtaposed to the “self-made man,” articulated almost universally in interviews with garment subcontractors, enabled disparate exporters to construct a group identity. Garment manufacturers depicted thread and cloth producers as “rentier” industrialists who benefited from state protection for decades without investing in their businesses. Instead, textile producers purportedly kept their excessive profits for personal consumption without concern for the competitiveness of their own firms and, by extension, Moroccan industry writ large.50

This image of the “rentier” industrialist permeated descriptions of the origins of the Moroccan textile industry as told by new exporters. In describing the trade regime that gave birth to the local textile industry, a clothing subcontractor in Tangiers stressed: “In the past, reference prices reached as much as 200 percent, which led to a system of ‘hyper protection’ and encouraged an effective monopoly by local textile interests.”51 Similarly, a garment manufacturer in Salé recounted:

When the textile and clothing businesses first developed in Morocco, the cloth weavers and thread spinners got all the laws passed in their favor. They became complacent and dependent on the favorable policy regime. After independence, businessmen took over companies left by the French, became fat cats and obtained easy money. . . Thread and cloth producers benefited from years of protection but, in recent years, have complained about declining profits, which are due to the fact that they now pay taxes and social security charges whereas in the past they did not do so. Textile producers set up AMITH and the trade regime to serve their interests and, now that it is changing, they are complaining.52

Exporters repeatedly charged that “big families” dominated the textile industries and enjoyed special connections to policymakers. An amorphous lobby of protectionist text-
tile interests, spearheaded by Lahiou, allegedly perpetuated outdated trade policies, prevented the passage of liberalizing reforms, and maintained a secure hold over AMITH.

The counterpart to the idiom of the textile fat cat was the image of the self-made man, also prevalent among owners of garment assembly factories. Exporters contended that they earned their profits in “legitimate, respectable” ways. Hard work and self-initiative, rather than state beneficence or privileged family background, enabled them to amass fortunes, which were invariably depicted as far inferior to those of textile manufacturers. In reality, many new exporters did not fit the profile of the self-made man. Most did not come from the wealthiest families in Morocco, but few if any boasted a true rags-to-riches social trajectory. Because wealth concentration and income disparities were extreme in Morocco, almost anyone with sufficient capital to launch an export-oriented business undoubtedly enjoyed a modicum of social privilege. Nonetheless, the vast majority of garment exporters and subcontractors did not hail from the upper echelons of the Moroccan elite.

The explosion of Moroccan ready-to-wear garment exports and the subsequent burst in international markets compelled local exporters to join AMITH in increasing numbers throughout the 1990s. But neither the forces of globalization nor membership in an association by themselves created a coherent interest group out of disparate manufacturers. Construction of a shared identity, forged in opposition to the image of the textile “fat cat,” provided an ideational impetus for collective action.

How did a group identity arise? Two processes, one bottom-up and the other top-down, were at work. On the one hand, the notion of the self-made man was increasingly celebrated in Moroccan society, partly due to the spread of ideas emphasizing the importance of private sector initiative in propelling economic reform. The Moroccan media promoted the cult of the entrepreneur and economic risk-taker. 2M, the official television station, ran documentaries on Morocco’s new self-made men who excelled in businesses ranging from apparel subcontracting to national airlines. A surfeit of new business-oriented publications also promoted the young investor who embodied self-reliance and “modern” business practices. The new generation of businesspeople supposedly relied on business acumen rather than cronyism to succeed. In Moroccan society, particularly in elite, western-educated circles, the idiom of the self-made man was available for appropriation and conferred a sense of legitimacy on its bearers. At the same time, the pejorative fat cat motif resonated well among small business owners who had long felt cut off from local business opportunities to the benefit of a handful of elites.

The appropriation and dissemination of the self-made man also unfolded in more concrete, top-down ways among apparel exporters. The AMITH leadership, particularly association officials with export holdings and their supporters, played a key role in fostering the identity among its constituents. The head of the garment subcommittee and the former executive director of AMITH were instrumental in perpetuating the idioms of the fat cat and self-made man. Both men claimed to speak for a larger class of manufacturers with shared grievances, and they gradually assembled a core group of politicized, “self-made” supporters within who agitated for specific policy changes. AMITH subcommittee meetings as well as informal discussions among apparel exporters were important sites for the transmission and perpetuation of these juxtaposed identities.

The dissemination and increasing acceptance of the self-made identity among new ready-to-wear exporters was a dual process involving attempts by business association leaders to attract potential constituents who in turn found great resonance in an identity celebrated in the broader public sphere. The appeal of the idiom was rooted in historic patterns of class formation. The existence of a privileged, protectorist elite, nurtured by the state in the decades since independence, fostered a sense of marginality among capital holders outside of the superelite. The perception that well-connected elites wield pervasive political influence was critical in galvanizing a shared self-identity that propelled collective action among “self-made” producers.

Tunisia Distinct social relations led to relatively dormant business politics in Tunisia. During the colonial period many local officials cooperated with the French, fueling nationalist demands to end both colonial rule and the monopolistic regime of the bey. As a result, former ruling elites, notably the old beylical families and the tiny urban bourgeoisie, played a marginal role in the struggle for national liberation and therefore had little influence on the character and goals of the new state. Due to its limited size and economic restrictions during the French occupation, the local bourgeoisie was also a minor force. Of equal importance, the post-independence state did not actively coopt urban private interests in the state-building process. Only the petite bourgeoisie, whose power was institutionalized in the Neo-Destour, the national party that played a crucial role in the struggle for liberation, and the national labor union, the Union Générale des Travailleurs Tunisiens (UGTT), which was closely linked to the party, were able to take power at independence.

By the early 1960s a faction of dirigistes, led by Ahmed Ben Salah, successfully implemented a state-led development plan epitomized by the collectivist cooperative movement. During this period, the state played a leading role in creating basic industries and established institutions to coordinate consumer imports and distribution channels. The Office National des Textiles, for example, was charged with preparing production and import plans of textile products and created over eight state-owned textile firms. Many textile manufacturers launched their careers in the organization, acquiring the knowledge and experience that enabled them to found private firms during the 1970s and beyond. In effect, government policy during the 1960s created the foundations for a local industrial bourgeoisie.

By 1968 increasing reliance on domestic and foreign borrowing and mounting tensions between the state bourgeoisie and local private holders revealed the limits of the collectivization program. In 1970 Hédi Nouira, known for his liberal economic views,
replaced Ben Salah as prime minister and introduced radically different policies. Fiscal and trade incentives to promote the nascent industrial bourgeoisie multiplied. The most significant measure was the 1972 law, which encouraged exports and foreign direct investment by creating a vast set of fiscal incentives for export-oriented companies, both foreign and local.66

Policies adopted in the 1970s had a crucial impact on Tunisian private sector development by attracting foreign investment while creating a local industrial bourgeoisie. The 1972 law gave rise to a class of exporters with extensive linkages to overseas markets and clients at a time when most developing countries were still pursuing import substitution industrialization, which tended to consolidate the position of protectionist elites. Still, production for the local market remained highly sheltered from foreign competition, setting up a dual market on Tunisian soil comprised of onshore and offshore activities.

The decision to pursue a preemptive export-oriented strategy and its attendant effects on local class formation shaped the ways in which local industrialists responded to trade liberalization in the 1990s. Although market reforms undercut the stable, dual market model, exporters and local manufacturers were not mutually antagonistic. Rather than assign blame to specific actors, such as the state or beneficiaries of import substitution industrialization, producers charged that the amorphous forces of globalization were responsible for their economic woes. Even local producers, who stood to lose the most, failed to pinpoint a tangible target for their frustrations. Identifying a faceless culprit deterred mobilization.64 This dynamic was in large part a result of postindependence patterns of business-government relations and capital structure. Tunisia had a marginal protectionist elite that did not enjoy especially privileged linkages to the state, and the early creation of an offshore zone created a substantial class of exporters who were largely unfazed by trade liberalization. Hence economic opening in the 1990s did not become politicized through internecine private sector battles.

Conclusion

Class structure and business-government relations condition producer political behavior, in particular by shaping the prospects for developing a sense of group identity. Moroccan exporters were able to mobilize effectively in the 1990s by subscribing to a common identity. Export subcontractors considered themselves representatives of a new breed of Moroccan self-made man. Critically, this identity emerged in reaction to a shared perception of older elites as fat cats or beneficiaries of a rentier system. For the new exporters, well-connected big business owners had disproportionately consumed the economic spoils for too long, effectively preventing newcomers from gaining access to lucrative opportunities. The alleged self-made men professed to rely on modern business practices rather than personal connections or protective trade regimes. New exporters drew on the local and global cultural stock of pro-private-sector discourse to develop their self-image.65 The absence of a comparable protectionist elite and the well-established export sector prevented a similar pattern of intraclass perceptions from emerging in Tunisia, where producer politics were remarkably quiescent.

The postreform behavior of Moroccan and Tunisian industrialists yields important insights for analyses of business collective action. First, capital is not homogeneous, as simplistic treatments of business would suggest. In fact, perceptions of the political influence of other business groups can drive collective action. Further, the experience of successful collective action in Morocco supports the argument that small producers organize most effectively through formal channels but adds that collective identity is a key ingredient for mobilization.66

Moroccan and Tunisian business politics thus raise the question when small producers organize collectively. Given the political opportunity to mobilize, developing a group identity is a critical step towards collective action, perhaps even preceding the need for organizational structure. Material conditions do not automatically create interest groups, and collective action is never assured. Legacies of class formation shape the prospects for generating the ideational cohesion needed for collaboration.

Even then, collective politicization is not a foregone conclusion. Individuals in leadership positions must actively promote a cohesive identity among otherwise disparate, small-scale producers. Key exporters in the leadership of the Moroccan textile and apparel producers' association claimed to represent a disenfranchised class of hard-working, self-made manufacturers. Increasingly, their would-be constituents, Moroccan apparel exporters, took up the call by subscribing to this group-based identity. Working through a formal business association cemented the shared identity, propelling exporters to pursue a set of common policy goals. By fueling the rise of oppositional identities, intraclass perceptions shape the collective action prospects of private sector factions as they adjust to economic change.

NOTES

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2. Both countries gained independence from France in 1956.
4. See Suzanne Berger and Ronald Dore, eds., National Diversity and Global Capitalism (Ithaca:
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5. Olson, pp. 48, 143.
13. McAdam, McCarthy, and Zald p. 3, refer to these as "mobilizing structures." On informal organizational resources, see Charles Tilly, *From Mobilization to Revolution* (Reading: Addison-Wesley, 1978).
20. McAdam, McCarthy, and Zald, p. 2.
50. Interview with former AMITH official and former apparel firm manager, Casablanca, September 20, 1999.
51. Interview with apparel firm director, Tangiers, Morocco, February 16, 2000.
52. Interview with apparel firm director, Salé, October 5, 1999 (emphasis added).
56. See the Moroccan weekly Success.
57. Personal communication with apparel firm director, May 1, 2000; interviews with apparel firm director, Salé, January 23, 2000; textile firm commercial director, Mohammadia, Morocco, January 24, 2000; apparel firm director, Salé, January 19, 2000.
62. Interview with former government official, Tunis Ariana, Tunisia, July 12, 2000; Dimassi, p. 296.
64. For a similar argument, see Debra Javeline, "The Role of Blame in Collective Action: Evidence from Russia," American Political Science Review, 97 (February 2003), 107-21.
65. Snow and McAdam, p. 56; Zald, pp. 256-67.
66. Shaliki.