



Cooperative entrepreneurship in Morocco: How is it like and where is it heading?

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Abstract: The cooperative sector has developed remarkably over the last few decades and now plays a key role in society, combining economic efficiency with social benefits. Moreover, entrepreneurship is seen worldwide as the driving force behind development, creating value, jobs and other socio-economic benefits through market activities at both national and international level. Thus, cooperative entrepreneurship aims to respond to unmet societal needs through the creation of economic projects whose social purpose is, among other things, to combat poverty and unemployment, contribute to territorial development and promote the position of women and their independence. The aim of this article is to identify the challenges and impact of cooperative entrepreneurship in a purely Moroccan context.

We will begin our narrative documentary study with a review of the literature on entrepreneurship and its historical evolution, the social and solidarity economy and cooperative entrepreneurship in the Moroccan context, its characteristics and the challenges it faces.

Keywords: Entrepreneurship ; Social entrepreneurship ; Cooperatives ; Social economy, Solidarity economy, Local development.

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1. Introduction

Social entrepreneurship is a new economic model that aims to find innovative, sustainable solutions to various social problems (Bourjim & M'hamedi, 2022 ; Mgueraman, 2023), through market-based economic activities that focus on the good of the community, rather than on profit maximization as is the case with private enterprise. According to the scientific literature, there are many different forms of entrepreneurship (Drori & al., 2009 ; Phong & al., 2020 ; Drissi & Hniche, 2023) and two main

profiles of entrepreneurs (mainly based on their motivations). On the other hand, social entrepreneurship has its roots in the social and solidarity economy (SSE) and refers to private economic activities that focus on the general interest of the community rather than profit maximization, while meeting the diverse economic, social and cultural needs of their members (Mgueraman, 2023).

In the Moroccan context, the cooperative sector has undergone a remarkable evolution in recent years: the number of cooperatives is increasing each year, and they are attracting more and more members. The aim of our paper is to synthesize previous works done on the themes of entrepreneurship and the social and solidarity economy, while analyzing the cooperative movement in the Moroccan context, in an attempt to answer the question: "How is the cooperative sector in Morocco and what challenges could it be facing?"

2. Social entrepreneurship : Conceptual framework

2.1 Entrepreneurs : The art of thinking out of the box

One of the first definitions of entrepreneurship was put forward by J. Shumpeter (1912), who describes the entrepreneur as a person capable of creating value by managing and mobilizing the resources at his or her disposal in new and innovative ways. The innovation aspect is thus emphasized in order to create added value (Tripathy, 2019 ; Drissi & Hniche, 2023). In addition, and based on the factor of motivation (Phong & al., 2020), we can distinguish two profiles of entrepreneurs (Cornet and Constantinidis, 2004):

- The "pull" profiles: these are individuals who have embarked on entrepreneurship by choice, opportunity or passion. They feel a need for autonomy and fulfillment. These profiles are characterized by an intense desire to take on a challenge, develop a product and seize opportunities without hesitation.

- The "push" profiles: unlike the "pull" profiles, the "push" profiles describe individuals who embarked on entrepreneurship out of necessity, following unfavorable situations, such as being unemployed or away from the job market for a long time (especially true for women who leave their jobs and get the status of housewives, their reintegration is particularly difficult as employees after a long absence from the job market), situations of debt, etc. So, these individuals do not have a strong sense of accomplishment: They have not chosen entrepreneurship out of passion and love, but rather because they have no alternatives, and entrepreneurship represents the only way available to their professional reintegration.

However, these distinct entrepreneurs' profiles can be combined (Duchéneaut and Orhan, 2000). Entrepreneurs in the "pull" category place the desire for independence first (29%), followed by personal fulfillment (23%), and finally income (8%). In addition, according to Duchéneaut and Orhan, a large percentage of women fall into the "push" category, since women are constrained by their role as mothers, which eventually leads to discontinuous careers and job dissatisfaction, while men are always considered winners (Fontier, 2019).

2.2 The main types of entrepreneurship

In the scientific literature, there are many types of entrepreneurship (Phong & al., 2020 ; Drissi & Hniche, 2023). Drori, Honig and Wright (2009) distinguish 4 main types of entrepreneurship:

- Ethnic entrepreneurship: this form of entrepreneurship focuses on activities resulting from immigration processes and the integration and assimilation of different ethnic communities into the economic fabric through entrepreneurial actions.
- International entrepreneurship: this type of entrepreneurship concerns the emergence of new international markets and the issues and challenges faced by entrepreneurs in their quest to acquire these new markets.
- Repatriate entrepreneurship: repatriate entrepreneurs are individuals who have spent part of their lives abroad to study and/or gain work experience, and once back in their home country, they embark on entrepreneurship, benefiting from the experience they acquired abroad.
- Transnational entrepreneurship: this form of entrepreneurship focuses on immigrants who develop economic links between the new country where they settle and their countries of origin. Studies on this form of entrepreneurship focus on the mechanism by which these international entrepreneurs develop economic activities by simultaneously mobilizing economic and social resources from more than one country.

Although research in this area has generated a substantial body of literature on entrepreneurship, there remains a lack of theoretical structuring (Rosenfeld, 2013) that prevents it from having a coherent field of study, notably the absence of a common and consistent definition of the concept of entrepreneur (Howorth, Tempest and Coupland, 2005).

2.3. Social entrepreneurship

There are many definitions of social or cooperative entrepreneurship (Bourjim & M'hamedi, 2022 ; Mgueraman, 2023). According to Kamdem (2010), cooperative entrepreneurship encompasses all economic activities undertaken individually or collectively with a commercial purpose, mobilizing resources and using cooperators' know-how, potential and skills to identify lucrative opportunities while taking calculated risks. Thus, these entrepreneurs create businesses by innovating in business and planning how resources will be mobilized through a well-thought-out business plan.

Furthermore, Faouzi (2013) states that social entrepreneurship refers to private economic activities that prioritize the general interest over profit maximization. Social entrepreneurship has its roots in the social economy and aims to satisfy economic and social needs through the production of goods and services.

For its part, the American foundation Ashoka defines social entrepreneurs as individuals who make it their mission to meet society's various unmet social and environmental needs through innovative solutions. Their perseverance and ambition enable them to ask pertinent social questions and propose new, innovative ideas, which in turn enable them to bring about major changes in the economic and social fabric. For the Collective for the Development of Social Entrepreneurship (CDOSE), social entrepreneurship is defined as all enterprises that seek to involve all their stakeholders in their

governance, and are characterized by a societal, social or environmental purpose and rather limited profitability. The Organisation for Economic Co-operation and Development (OECD) defines social entrepreneurship as "an entrepreneurial approach of a social nature which brings together private economic activities of general interest, and which puts forward new and innovative solutions to economic and social needs and to the problems of unemployment and exclusion".

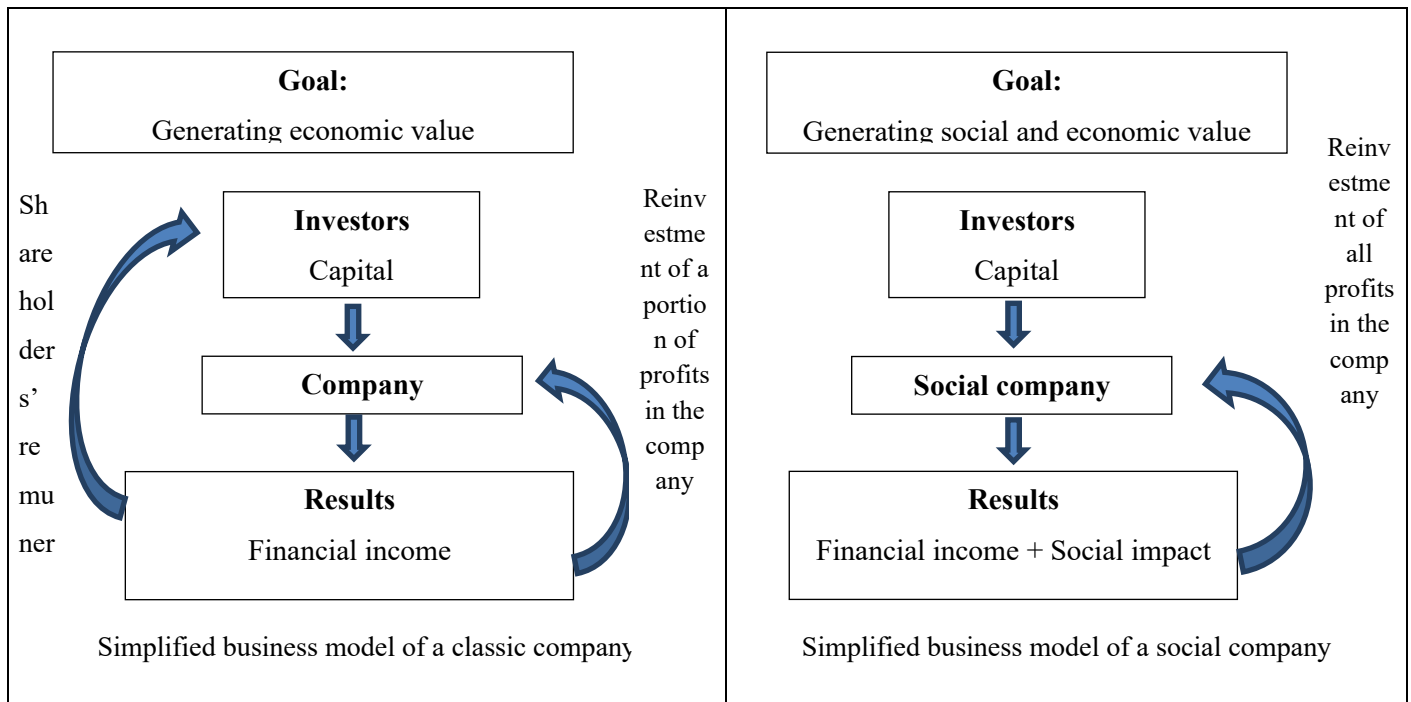


Figure 1: The business model of a classic company and a social company (simplified)

Source: "Social entrepreneurship, a new business model", Guide produced by Injaz Al-Maghrib, 2016

From the figure above, we can clearly notice that the business model of the classic company and that of the social enterprise converge in terms of economic value creation, but diverge in terms of their logic and main goal (Layadi, Rouggani and Amine, 2019). Thus, social entrepreneurship is characterized by its social objectives and not by profit maximization. Profit in the case of social enterprises is a means to an end, not an end in itself.

3. The social economy and entrepreneurship in the moroccan context

3.1 The social and solidarity economy

The Social Solidarity Economy (SSE) refers to activities and actions whose ultimate aim is to meet the unmet social and societal needs of individuals in a given community, who are generally in vulnerable or disadvantaged situations (Vercamer, 2010 ; Bourjim & M'hamedi, 2022 ; Mgueraman, 2023). The term "third sector" is often used to refer to the social/solidarity-based economy, which is distinct from private for-profit companies and public authorities. The social and solidarity economy is multifaceted, historically encompassing foundations, cooperatives, associations, mutual insurance companies and the recently emerging social entrepreneurship (Asli and El Idrissi, 2013).

The social/solidarity-based economy is therefore a social mobilization based on collective action with three motives: necessity, identity and the social project (Baddoos and Awukuk, 2012). Necessity refers to the economic and social needs of the population. The latter aspire to have their own collective identity within an equitable and democratic framework for all (the social project) (Layadi, Rouggani and Amine, 2019)

3.2. Cooperatives: definition and values

The International Labour Organization defines cooperatives as autonomous and voluntary groupings of people in a social companies whose mission is to meet the socio-economic and cultural needs of its members, with collective and/or democratic governance. Cooperatives are therefore social companies owned, managed and controlled by their members to achieve their socio-economic and cultural objectives.

For its part, the International Cooperative Alliance emphasizes the democratic nature of cooperatives, regardless of their membership (employees, residents, customers or users), their slogan always being "One member, one vote". Members are completely equal in terms of voting rights, regardless of the amount of capital invested in the cooperative, and any profits generated are distributed among them, since they do not belong to shareholders.

Lambert (1964) emphasizes the moral aspect of cooperative concerns. Indeed, they are designed to go beyond profit-maximizing concerns, and set themselves the mission of finding innovative solutions capable of renovating the entire economic and social fabric. According to Lambert, cooperative entrepreneurship is built around selflessness and noble values.

Cooperatives are therefore social companies guided by internationally shared principles and values, and put social justice, democracy, cooperation, equality and equity at the heart of their concerns in order to meet the economic, social, environmental and cultural needs of the community, and help create jobs and combat unemployment (Jouiet, 2021).

Cooperative entrepreneurship is built around selflessness and noble values Lambert (1964). These values distinguish cooperative entrepreneurship from private entrepreneurship (Zenasni and Mokhtari, 2017) , and were set out in 1995 in the International Cooperative Alliance's Statement on Cooperative Identity.

Thus, cooperatives adhere to 7 principles (Zenasni and Mokhtari, 2017):

- Membership open and voluntary to all;
- Democratic power exercised by members;
- Economic participation of members ;
- independence and autonomy ;
- Information, training and education;
- Cooperation between cooperatives;
- Commitment to the community.

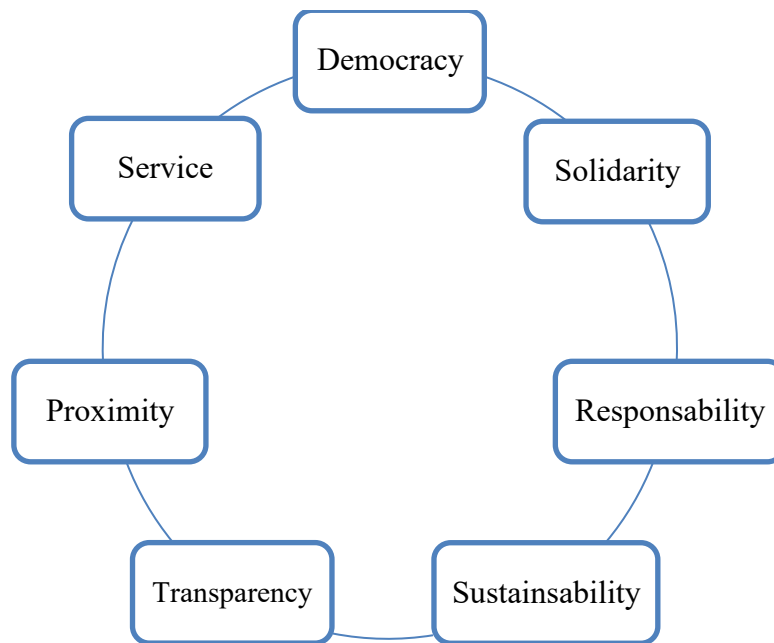


Figure 2: Cooperatives values

Source: Zenasni M., & Mokhtari A., (2017), Cooperative entrepreneurship and territorial competitiveness, Comparative analysis between Moroccan regions

3.3. The cooperative sector in Morocco

The cooperative sector has developed remarkably in Morocco in recent years. Since independence in 1956, the cooperative movement has been a strategic option for Morocco to mobilize resources at national level and develop traditional sectors, led by agriculture. Subsequently, mutual insurance companies were regulated by a 1963 text, and in 1975, the Office of Development and Cooperation was set up to provide a legal framework for cooperatives (Dahman-Saïdi, 2015). The associative field, historically known for its vocation to provide access to basic necessities and combat income inequalities (Baron and Hattab, 2005), developed in the 1990s, notably through the emergence of women's associations. In 1993, social entrepreneurship made its grand entrance, enabling the social integration of individuals in disadvantaged or vulnerable situations, through job creation and the implementation of strategies promoting human development (Brahimi, 1998).

Thus, the 1990s witnessed the introduction of social priority programs covering fourteen out of sixty-five provinces, with access to healthcare and education at the heart of their priorities. Later in 2005, social enterprises were placed at the heart of the human development process by the National Initiative for Human Development (INDH in french) (Jouiet, 2021). In 2013, the Office of Development and Cooperation counted 11,492 cooperatives and 432,945 members, spread across 22 sectors and 117 branches of activity. Today, there are more than fifty mutual insurance companies, over half of which operate in the healthcare sector (Jouiet, 2021).

The table below represents the distribution of cooperatives in Morocco by business sector at the end of 2018:

Table 1: The breakdown of cooperatives by business sector at the end of 2018

Sector	Nombre de coopératives	Number of members
Agriculture	15220	383 399
Traditional industry	3812	43 474
Habitat/Housing	1216	50717
Argan	444	8318
Forest	329	10457
Food and nutrition	306	2726
Fishing and sea products	321	6570
Medicinal plants	230	4153
Credit trading	148	1829
Education and training	165	1405
Transportation	109	1978
Tourism	52	337
Consumption	45	6879
Sand quarries	45	1377
The workforce	46	424
Waste management	45	612
Consulting and management	20	157
Printing and papers	13	90
Art and culture	10	78
Mining	9	263
Telecommunications	9	63
E-commerce	3	20
Total	22 597	525 326

Source: Jouiet, I, 2021, « Cooperative entrepreneurship in Morocco: A driving force for socio-economic development », International Journal of Management Sciences, 4(1)

Following a study carried out in 2014 by Hamza Debbarh in partnership with Moroccan CISE and the British Council, several obstacles were identified and which prevent the successful development of cooperatives in Morocco, and are summarized as follows:

- Lack of promotion, awareness and communication;
- Lack of an evolving legal framework dedicated to social entrepreneurship;
- Lack of access to training and technical assistance - particularly management training;
- Lack of participation by other stakeholders.

According to this study, social entrepreneurship represents a solution to social problems, particularly unemployment, since it is a source of income and social and professional integration, but remains little known in Morocco. Although attempts are being made to spread the culture of social entrepreneurship, these initiatives remain isolated. The lack of management training and support infrastructure are major challenges to overcome. The study also points to the need for changes in the legal framework governing cooperatives, particularly in financial terms, to ensure that the legal system is open-ended and encourages social investment. Stakeholder participation is also an area for improvement in order to meet the various social, economic and cultural needs (Layadi, Rouggani and Amine, 2019).

4. Conclusion

Social entrepreneurship is a form of entrepreneurship that has its roots in the social and solidarity economy, and operates on a logic of reconciling the economic aspect with social utility. The social and solidarity economy (SSE) is a form of the economy that groups together all economic activities whose ultimate aim is to meet the unmet social and societal needs of individuals in a given community. These individuals are generally in disadvantaged or vulnerable situations. The social/solidarity-based economy then sets itself the task of contributing to their professional integration through job creation, thereby reducing the unemployment rate - a good alternative, particularly in times of crisis - while at the same time carrying out market activities based on products or services. The social/solidarity-based economy is multifaceted, and includes associations, mutual societies and cooperatives. Cooperatives, for example, are people-centred social enterprises formed around a set of values and principles, whose mission is to meet the socio-economic and cultural needs of their members. Governance within cooperatives is collective and democratic.

In addition, the cooperative sector has evolved remarkably in Morocco over the past few years, and represents a good alternative in times of crisis for individuals in disadvantaged or unemployed situations: the number of cooperatives is increasing every year, as is the number of members who find an income opportunity there. However, studies show that the cooperative fabric faces a number of challenges, notably in terms of infrastructure and adequate technical training for the good governance of these organizations. The legal framework also needs to be improved to encourage and support social investment, particularly among young entrepreneurs.

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