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Research paper

# Perception of Social Entrepreneurship in Morocco: A Building Site That Is Just to Be Constructed

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#### **Abstract**

Social entrepreneurship is a relatively new phenomenon that generates significant potential for economic and social transformation, minimizes inequality and promotes social bonds. Although Morocco is at the beginning of developing this type of activity and the necessary infrastructure associated with it, many initiatives have emerged thanks to social entrepreneurs acting in this direction. These entrepreneurs have demonstrated their ability to provide effective solutions to a wide range of economic, social and environmental issues. It is not just about creating for profitable businesses with social goals, but about building an entrepreneurial spirit and inspiring young people, especially women, to find innovative solutions to the daily problems they face.

In order to measure the satisfaction and expectations of social entrepreneurs in the dynamism of the social and solidarity economy, we conducted a survey, through various regional territorial indicators, of the potentialities and constraints experienced by the region of Casablanca- Settat (Morocco).

The objective of this study is to develop a barometer of social and territorial entrepreneurship, to build confidence in social entrepreneurs as to their ability to solve major societal problems. The survey revealed limited knowledge of social entrepreneurship among the general public. Recognition of their impact by the various stakeholders remains a major challenge to be addressed in order to better publicize the action of social entrepreneurs at a territorial and national level.

Keywords: Social entrepreneurship, lever of social innovation, Territorial development, Perception.

#### 1. Introduction

Building a society where social cohesion reigns, a society that minimizes inequalities and promotes social bonds can be seen as an aspiration and a political and societal goal. Social entrepreneurs are moving in this direction and have demonstrated their ability to provide effective and innovative solutions to a wide range of economic, social and environmental issues. This model of growth and social impact presents a lever and an ambition for the fight against poverty, the protection of the environment, the valorization of territorial development, the regulation of the spatial disparities and the preservation of social cohesion.

Engaged in a process of economic and social development, Morocco has mobilized all its resources to live this commitment with its new promises, its prospects, but also its tough challenges. To get involved in full strength, Morocco relies on a major resource that symbolizes an inexhaustible wealth: its women and men. In Morocco, a developing country, the concept of social entrepreneurship is a relatively new phenomenon which generates significant potential for economic and social transformation, minimizing inequalities and promoting social links.

It is not just about creating profitable companies with social goals, but about building an entrepreneurial spirit and inspiring young Moroccans, especially women, to find innovative solutions to the daily problems they face. This spirit is seen as a sustainable approach to stimulate the intelligent participation of young people in their own communities. Although we are only at the beginning of the development of these activities and the necessary infrastructure, many new initiatives have emerged to stimulate social entrepreneurship.

In order to measure the satisfaction and expectations of social entrepreneurs in the face of the dynamism of the social and solidarity economy, we have made a reading, through various regional territorial indicators, of the potentialities and constraints experienced by the region of Casablanca- Settat, the most populous region in western central Morocco which contributes to 32% of national GDP.

This region, marked by the diversification of its human and natural resources and its economic assets, occupies a privileged place as Morocco's economic metropolis, making it a major destination for important national and foreign investors. It covers an area of 19,448 km<sup>2</sup> and has 6,862 thousand inhabitants [1], constituting 20.3% of the total population of the country, with a density of 353 inhabitants



per  $km^2$  and an area of 2.7% of the national territory. Its average annual growth rate of 1.54%, over the period 2004-2014, is slightly higher than the national average (1.3%) [1].

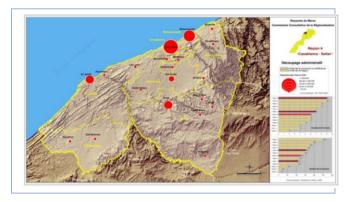


Fig. 1: Casablanca-Settat Region (Morocco) [2]

However, this rich territorial diversification hides important disparities between the provinces and communes of the region. Indeed, the population distribution is predominantly urban 73.61% (25% of the Moroccan urban population) and the active population is primarily of rural origin; it is also the most affected by the poverty and the precariousness [2].

The objective of this study is to develop a barometer of social and territorial entrepreneurship, to build confidence in social entrepreneurs as to their ability to solve major societal problems. The survey revealed limited knowledge of social entrepreneurship among the general public. The recognition of their impact by the various stakeholders remains a major challenge to be shared to better publicize the action of social entrepreneurs.

## 2. Study context

For the past ten years, social entrepreneurship has attracted increasing interest and enthusiasm from actors from all domains: scientific, economic, political and media [3].

Recognized as an ancient reality, since its development was carried out in parallel with that of the social and solidarity economy whose roots go back to the middle of the 19th century, social entrepreneurship is experiencing a revival of the economic crisis and the rise of unemployment [4].

Social entrepreneurship finds its perfect place in developing countries, where it is wise to put in place a realistic strategy for economic and social development. It could embody a dimension of innovation, mainly social innovation.

In Morocco, innovative social initiatives, led by actors known as "social entrepreneurs", have multiplied in recent years, driven in particular by the National Initiative for Human Development (INDH) since 2005 [5]. This initiative was seen as a new decision-making concept and a strategic choice expressing the political will of the state to open up to new legitimacy and new local actors, with the aim of reforming and rationalizing local social actions. It announced the launch of a program to eradicate poverty in Morocco, with the aim of consolidating political achievements by promoting the economic, social and cultural rights of citizens, and by fighting against social and territorial disparities.

In the same vein, the Moroccan government has mobilized to help social entrepreneurship to structure itself and to scale up with the new law  $n \circ 114-13$  of 19 February 2015 on the status of self-employed [6]. The political authorities are therefore banking on this sector of the future that participates in the common good while having a strong economic potential.

In this buoyant context, a major challenge remains to be tackled: that of strengthening the ecosystem of social entrepreneurship, which would make it possible to multiply its impact. In fact, social entrepreneurs need to find support to finance themselves, to structure themselves, to make themselves known and to strengthen their partnerships. This need echoes the desire of citizens to give a more "ethical" resonance and more solidarity to their work, their consumption and their savings.

## 3. Methodology

As part of this study, we conducted a survey of two samples: a sample of 20 social entrepreneurs and another of about 300 representatives of the population of Casablanca-Settat region (Morocco) aged 18 and over.

The sample of social entrepreneurs was interviewed online via a questionnaire sent by email, and the work was done between July and September 2017.

The sample with the general public was constituted according to the criteria of sex, age, socio-occupational category and urban agglomeration category (urban or rural or peripheral).

The questionnaire aimed at the general public contained questions that would help gather a set of data oriented towards the identification and evaluation of the different processes of the development of social entrepreneurship in Morocco, and the region of Casablanca – Settat in particular.

## 4. Results of the study

We present the main results after analyzing and processing the information collected. It is worth mentioning that some reluctance from some of the interviewees was experienced at times.

#### 4.1 Investigation with the general public

#### 4.1.1. Notoriety of the terms Social Entrepreneurship and / or Social and Solidarity Economy

The proportion of respondents who know the definition of Social Entrepreneurship is very small, constituting barely 20% of the population. Similarly, the Social and Solidarity Economy is still unclear for the general public with only 36% of respondents knowing how to define it correctly or partially.

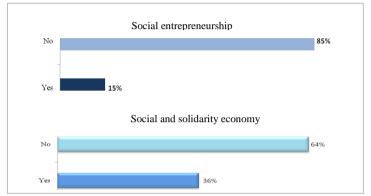


Fig. 2: Awareness of the terms Social Entrepreneurship and Social and Solidarity Economy

These results show a more prominent notoriety of the sector than of the actor, perhaps due to the purpose of its economic activity which is explicitly at the service of the community. Also, it is a consequence of the projects initiated and financed within the framework of the INDH which benefited from a large media attention, and the creation of a Ministry of Solidarity, the Woman, the Family and the Development social economy, without overlooking the increase in the number of dedicated courses at universities.

These data demonstrate the interest of Moroccans in this new economy that makes sense, even if they are still unfamiliar with its contours. It is also appropriate to mention that there is still a need to raise awareness and provide training to be conducted.

#### 4.1.2. Knowledge of the activity of social entrepreneurs

The percentage of respondents who can reasonably define the activity of a social entrepreneur remains above average and their understanding remains ambiguous. This shows that those consulted confuse a social entrepreneur with the social actions usually undertaken by associations or benefactors. On the other hand, we noticed that the majority refer mainly to projects affiliated to the INDH.

Table 1: knowledge of social entrepreneur activity

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Business leader close to his employees	12%
A business leader who works in sensitive neighborhoods	26%
An entrepreneur who puts his qualities of entrepreneur at the service of a project of general interest	46%

Although the general public does not seem to identify the concept of social entrepreneurship, it is, for the most part, in a position to define it.

#### 4.1.3. Utility and importance of social entrepreneurship

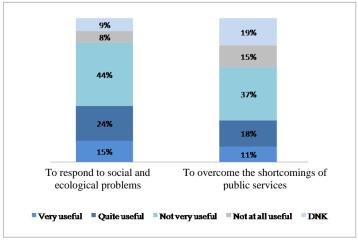


Fig. 3: Utility and importance of social entrepreneurship

A large majority of respondents recognize the usefulness of social entrepreneurship to address social and environmental problems, the shortcomings of public services, and to raise the level of ethics of the business world. Thus, the citizens are fully aware of the dual specificity of the sector: its social mission and its functioning which is distinct from that of the traditional enterprise and the public organizations.

#### 4.1.4. Levers and contribution of social entrepreneurs to social cohesion

Morocco has experienced a relatively steady pace of growth in recent decades. The fruits of this growth are unequally distributed between urban and rural areas, between regions and between different categories of the population. In recent years, inequalities have become politically worrying and raised the issue of including social fringes remaining on the sidelines of the development process in Morocco.

It is certain that such threats as religious radicalism and religious diversities do not conform to the prevailing religious doctrine nor to the socio-economic exclusion situations.

The former rather strongly influence the state of social cohesion. They are linked with historical and demographic factors, ethnic lines, horizontal and vertical inequalities, existence and openness of media and social networks, to mention but a few.

According to the results we have been able to decipher, the employment and the professional insertion of young people in the disadvantaged regions, in particular, seems to be the most solicited by the social entrepreneurs in order to fill the deficit recorded with the young people and the women.

Table 2: Contribution of social entrepreneurs to social cohesion

Access to vital needs care, education, drinking water, electricity, socio-cultural infrastructure	22%
Employment, training and professional integration	77%
Decent housing, economic environment-friendly and / or solidarity	33%
Inclusive education and stimulating citizen action	11%
Healthy, affordable and environmentally friendly food	18%

Unemployment is considered the most urgent social problem to be solved by social entrepreneurs. This figure is even stronger among the general public: 77% of those questioned place unemployment at the forefront of social problems, before access to housing (33%) and basic needs (22%) and education (11%). They are also very demanded fields of intervention for social entrepreneurs. The growing need for housing and the fight against unhealthy housing is still considerably important, despite the efforts made by the Moroccan government since 2003. Since then a wide range of reforms have taken place, including the financing component, the city without shantytowns program, strengthening resources allocated to the Habitat Solidarity Fund; and the encouragement of private property development to become more involved in the production of social housing through tax incentives and guarantee funds.

#### 4.1.6. Innovative actors in solving social and environmental problems

The majority of interviewees still believe in the state role as the main actor with the ability to solve social and environmental problems. In addition to public authorities, there are social enterprises and civil societies that can be considered two complementary pillars of innovation to solve social and environmental problems.

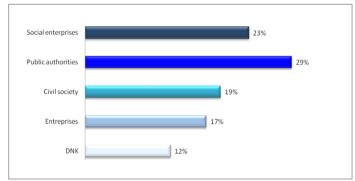


Fig. 4: Innovative actors in solving social problems

It also seems that the general public is beginning to trust and accept the intervention of non-governmental organizations in solving the social problems expressed in the territories. This attitude is certainly reinforced by their multiple participations to provide effective responses to local needs. Within the framework of the INDH programs, a new paradigm of the socio-economic organization has been implemented. Such a cooperative and sustainable paradigm is based on an alternative way to produce, consume, innovate and work.

The high value of people who do not know (DNK) certainly lies in the lack of understanding of the question asked and probably could not identify the issues and the purpose of the topic.

## 4.1.6. Investment of local authorities and territorial institutions in the development of social entrepreneurship

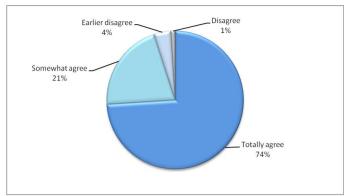


Fig. 5: Development of social entrepreneurship for the creation of local jobs

As for the investment of local authorities and territorial institutions in the development of social entrepreneurship as a creator of local jobs, we noted that 95% of the general public are confident about this matter (74% considering them "quite agreement "and 21%" earlier agree") and that virtually all respondents encourage and want the government to provide the necessary support for this promising sector to contribute to the economic dynamism of the country.

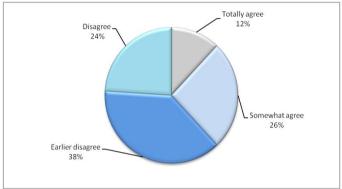


Fig. 6: Promoting Social Entrepreneurship for Public Procurement

Paradoxically, 62% of the people questioned do not agree that the local authorities and the territorial institutions favor the social enterprise for the public markets. Probably, they cannot give them all the confidence and think that these companies present a risk and have not yet acquired the experience and the knowledge necessary to ensure a public service or to participate in territorial development concerning it directly.

It should be noted that the Moroccan government has adopted for several years, and advocated by the new constitution of 2011, a strategy of decentralization, deconcentration and regionalization, imposing a proximity approach and a participative approach to development. The Moroccan government has equally approved of a 2009 municipal charter, which publishes, among other things, the role of local authorities in promoting investment and creating activities and involving civil society in local management [7].

#### 4.1.7. Public sector based on social entrepreneurship

Social entrepreneurs play the role of drivers of change in the social sector by adopting a mission to create social value (not just private value), identifying and tirelessly pursuing new opportunities to serve that mission, engaging in a continuous process of innovation, adaptation and learning, acting resolutely without being limited by the resources available in the immediate future and by displaying a high level of accountability to stakeholders for the results achieved [8].

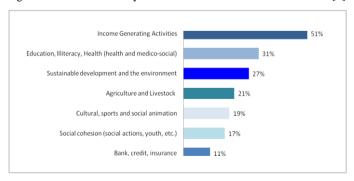


Fig. 7: Public sector based on social entrepreneurship

It seems clear that a very large number of interviewees consider that social entrepreneurship can be a key player in promoting entrepreneurship and creating jobs. Most of them believe in the contribution of social entrepreneurship to the integration of unemployed and vulnerable young people in the economic and social fabric of the country, apart from territorial targeting.

This conception is certainly anticipated as a result of the positive impact that the NHRI, which has generated a dynamic within the associative fabric through its training, increasing awareness and accountability actions, encouraging local development projects as well as income generating actions (AGR), thus enabling people in difficulty to participate in the active life and thereby supporting themselves.

The spread of basic education, literacy programs, and projects related to health, nutrition, hygiene, and birth control seem to be major components of other measures to increase literacy skills and well-being in addition to fostering the development of a broad public community.

Sustainable development and the protection of the environment, as well as the valorization of the synergies between agriculture and livestock are also sectors that stem from the major issues facing Morocco. The latter project a clear image of the concerns of the population seeking a greater interest on the part of social entrepreneurs in solving current societal problems.

Finally, to promote the social entrepreneurship sector and as shown in the graph above, respondents also welcome the launching of cultural, sports and social activities initiatives in addition to actions benefiting the youth and women.

#### 4.2 Investigation with social entrepreneurs

#### 4.2.1. Characteristic of social entrepreneurs

Our survey showed that social entrepreneurship in this region is characterized by feminization, the gender approach is predominant in favor of women entrepreneurs. More than 70% of the social entrepreneurs surveyed are women and most of them have higher scientific training.

Another key element is that the date of creation of these social entrepreneurship initiatives is relatively very recent. In most cases, it varies between 3 and 7 years. This may explain the lack of awareness of this type of socio-economic development among young people.

The analysis of the data collected by the survey of social entrepreneurs shows that the nature of their legal structures is mainly SARL (Limited Liability Company) and that the average annual turnover achieved by these companies is variable and very low; only 15% of companies manage to cross the  $40,000.00 \in \text{while}$  the others reach around  $15,000.00 \in \text{and}$  sometimes do not exceed  $10,000.00 \in \text{This}$  result proves that this sector still lacks performance and expects a lot of work to do to be able to generate an interest capable of sustaining the company, knowing that each of them employs between 2 to 5 people.

More than a third of the entrepreneurs surveyed benefited from a subsidy during the creation of their businesses, specifically under the local programs of the National Initiative for Human Development (INDH).

#### 4.2.2. Success factors of social entrepreneurship

We note that the problem and the mode of finance (public or private) remains the major element and the unifying tool to encourage and develop social entrepreneurship in Morocco. In fact, most social entrepreneurs consider that the three decisive factors for the development of this type of entrepreneurship are: financial support, partnerships with traditional businesses, local authorities or territorial institutions.

If social entrepreneurship is considered as a third alternative between the public sector and the traditional private sector to meet the social and environmental challenges of the region, it is with them and through them that it can develop.

We also note that the qualification and training of social entrepreneurs is not really a major obstacle, as virtually all interviewed entrepreneurs are usually graduates of engineering or management schools.

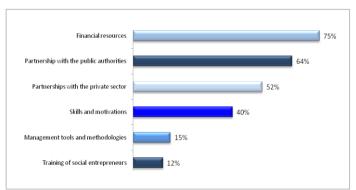


Fig. 8: Success factors of social entrepreneurship

#### 4.2.3. Perspectives of development of social entrepreneurship

The majority of social entrepreneurs interviewed in the Casablanca - Settat region consider that the development prospects of this model, in urban and rural areas, are fairly or very good (around 80%).

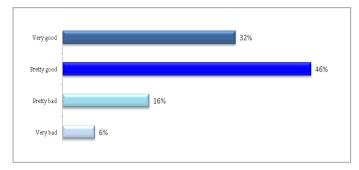


Fig. 9: Social Business Development Perspectives

These figures (32% very good and 46% quite good) indicate a strong confidence in the potentialities of social entrepreneurship, both in terms of attractiveness and viability of the model. We need to stimulate this movement at a regional level and make young people, especially women, think seriously about joining this niche, which will undoubtedly play an increasingly significant role in society and open avenues for developing this sector which has very promising spinoffs. Moreover, it is very important to use the INDH, a concept already in place, to federate and stimulate more social enterprises, especially when considering financial help to support novice social entrepreneurs.

#### 5. Conclusion and recommendations

Social entrepreneurship is becoming increasingly clear as a credible and innovative response to the major challenges of the 21st century. This model of growth and social impact presents a lever and an ambition for the fight against poverty and the protection of the environment.

In Morocco today, we are witnessing an extreme intensification of competition from multinational firms, globalization, and a degree of uncertainty with a rate of inevitable environmental change. Social entrepreneurship, a concept under construction in Morocco with its specificities, presents itself as another innovative way to act in the service of meaningful activities, making the economy more humanistic and creating social value in various fields (employment, education, health, hygiene, informal economy, etc).

This is why decision makers and the Moroccan government must place social entrepreneurship at the heart of their strategic agendas today, with the aim of building societies with a human face at all levels. Political initiatives must also be multiplied to encourage responsible and social investment, and to encourage social innovation and the new relations that are being forged between social entrepreneurs and the different actors of other communities (banks, companies, media, the academic world, public authorities, territorial institutions, etc).

In this respect, several actions to build a coherent and dynamic social entrepreneurship ecosystem can be undertaken, including:

- In the context of anchoring social enterprises in their territory, local actors can put in place measures in favor of social enterpreneurship and launch calls for tender allowing subsidies, or even the creation of public partner social partnerships with these companies and put their economic activity at the service of social and professional reintegration.
- In the field of education, it is necessary for universities to offer, besides training on entrepreneurship, other specialized training courses on social entrepreneurship, with the aim of preparing the leaders of tomorrow to build social economy.
- Moreover, in the support component, it is necessary to create, like nurseries and business incubators, other similar structures specifically dedicated to young social entrepreneurs.
- The public authorities must provide additional financing and funds to social enterprises, especially in the creation phase or the mature stage where actors anticipate a return on financial and social investment. Traditional businesses and banks of the classical economy are also a component of these networks of financing and support for social entrepreneurship and can also allow the financing and development of these various structures.
- Social entrepreneurship places economic efficiency at the service of the general interest, and in return, it can also count on the support of civil society and the general public through its encouragement and help in influencing public authorities through advocacy actions.

Although social entrepreneurship and its achievements remain little known in Morocco, its underutilized potential and the conditions of its momentum are still present. Its characteristics remain, however, dependent on the environment. In this context, Moroccan entrepreneurs, the main actors of the territorial dynamics, are not only encouraged to meet several challenges but they are also implored to seize the opportunities which emanate from this new environment by making use of their competencies to solve social and societal problems.

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