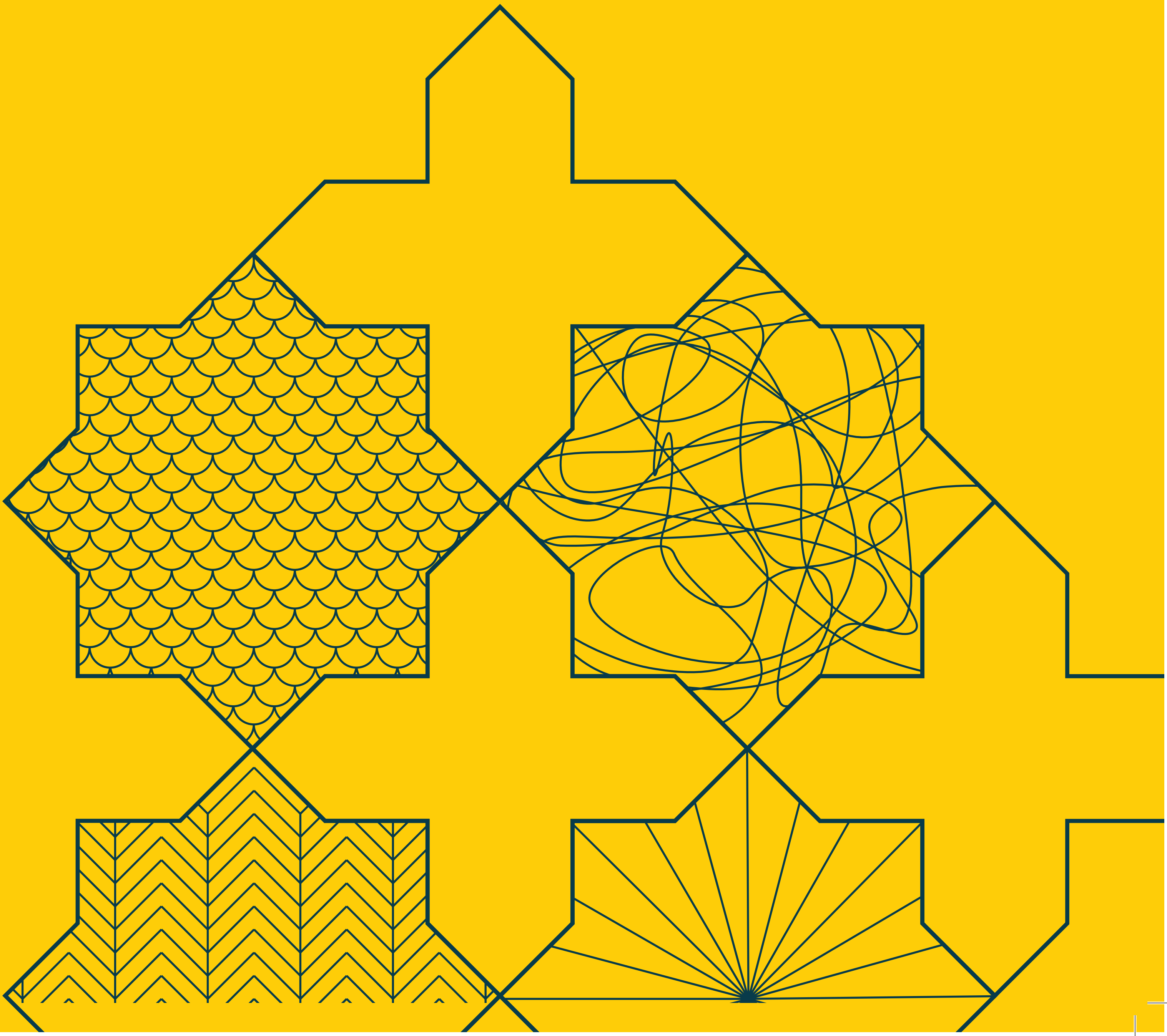
BRITISH COUNCIL

SOCIAL ENTERPRISE LANDSCAPE IN MOROCCO



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ACKNOWLEDGEMENTS

This report presents the findings of a study conducted for the British Council by Meryem Kabbaj, a researcher at the Entrepreneurship and Organisation Management Research Centre at the University of Hassan II, Casablanca. This report was written with the support of Lindsey Allen and Dan Gregory.

The research for this study was designed by Dan Gregory and Meryem Kabbaj, with the support of Salim Sharif from Social Enterprise UK. The study was conducted with the support of a team at the Entrepreneurship and Organisation Management Research Centre, comprising Pr. Khalid El Ouazzani, Miloud Laagoubi, Salma Harti and Sara Allaoui.

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ACRONYMS

FSJES Faculté des Sciences Juridiques, Economiques et Sociales

GEM Global Entrepreneurship Monitor

GDP Gross Domestic Product

INDH National Initiative for Human Development

MENA Middle East and North Africa

Moroccan CISE Moroccan Centre for Innovation and Social Entrepreneurship

NGO Non-governmental organisation

SARL Société à Responsabilité Limitée, legal form of a private company

SME Small and medium-sized enterprises

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EXECUTIVE SUMMARY

In Morocco, social entrepreneurship is on the rise. Social enterprise brings innovative and inclusive economic opportunities with broad potential to address the country's social and environmental challenges. In 2014, the British Council and Social Enterprise UK released one of the first research reports on the early stages of social enterprise development in the Moroccan context. Since then, the Moroccan social entrepreneurship eco-system has grown substantially through awareness-building and capacity-building programmes. This report looks at this growth and provides an in-depth outline of Morocco's burgeoning social enterprise sector.

To quantify and evaluate social entrepreneurship activity in Morocco, 150 social enterprises were surveyed over a period of two months. The 36-question survey, administered in both French and English, identified and explored patterns across geographic locations, sectors, leadership and more. Interviews and focus groups were also conducted with social entrepreneurs and stakeholders to gain a qualitative understanding of how social entrepreneurship operates in Morocco.

The study established that the Moroccan social entrepreneurship eco-system is predominantly led by young, highly educated entrepreneurs from urban areas who are primarily seeking to create employment opportunities and improve local communities. The survey findings revealed some of the unique challenges that social entrepreneurs often face, such as access to finance and lack of expert business support, which mainstream businesses may not face to the same degree.

This report first outlines the scope of the existing social entrepreneurship landscape in Morocco, providing context on current policies and research concerning social enterprise and the key actors supporting social enterprise activity. The survey responses are then presented through a series of tables and graphs that shed light on the composition, activities and experiences of social enterprises across Morocco. Case studies of four specific social enterprises — Doumeign, SeaSkin, Shem's for Lighting and Hydrobarley — offer a glimpse into how social entrepreneurship operates in the Moroccan context.

The report concludes with recommendations for entrepreneurs and stakeholders within the social enterprise movement and external actors, such as funders and policymakers. Based on the findings, the following actions are proposed:

- Tackling misconceptions of social entrepreneurship
- Increasing the provision of technical, financial and policy support to social entrepreneurs
- Devising strategies to help social entrepreneurs gain access to wider markets.

By evaluating the state of social entrepreneurship in Morocco, this report aims to showcase the potential of this movement, while also recognising the challenges and opportunities for further growth.

INTRODUCTION

Across the world, social entrepreneurs are tackling social and environmental problems with innovative business solutions. Social entrepreneurship provides a means to create inclusive economic opportunities for long-term social change.

Creating an enabling environment for social entrepreneurship is best achieved on the basis of sound evidence. The British Council has worked across Europe, Africa and South Asia to build an evidence base and facilitate knowledge sharing to promote the growth of social entrepreneurship. In Morocco, social entrepreneurship is a newly emerging movement. Through awareness-building campaigns, education forums and capacity-building programmes, the Moroccan social enterprise sector is inspiring people to develop entrepreneurial solutions to local challenges.

However, while this approach is leading to growth in the Moroccan social entrepreneurship sector, there is still a lack of research and evidence of impact from the field and little evaluation of the landscape of social enterprise activity, which is necessary to create a baseline from which to work. This research seeks to address that gap by presenting the state of social entrepreneurship in Morocco.

STUDY METHODOLOGY

STUDY AIMS

The main aim of this study is to better understand the profile of social enterprises in Morocco and to provide an estimate of the current size and scale of the social enterprise sector. In addition, this research aims to support the British Council's Global Social Enterprise Initiative in evaluating the impact of its social enterprise programme and tracking how the sector develops in the coming years.

In support of British Council activities, the study also briefly assesses whether there are existing policies to support social enterprise in Morocco, helping to create a baseline of potentially relevant policies. Similarly, the study explores the extent to which Morocco's higher education institutions currently provide social-enterprise-specific educational opportunities, as a baseline to observe how this changes over time and to identify the potential pipeline of young people looking to move into this field as a career option.

Although there are certain limitations to study, it is hoped that it will enable other actors to judge progress and identify possible intervention points for the further development of social enterprise in Morocco. As such, the authors welcome feedback on the results presented and information about similar studies taking place in Morocco or northern Africa.

OVERVIEW

The survey of social enterprises developed for this study was designed to gather the following information:

- Year of registration and legal registration form
- Turnover and profit generation and use
- Job creation
- Number of beneficiaries reached, type of beneficiary
- Gender and age of leadership
- Social enterprise sector and focus/core objectives
- Location and sphere of operation (regional, national, international)
- Profit/impact focus
- Growth expectations and barriers faced
- Sources of finance and funding, including proportion of income from grants/donations
- Top three constraints to financing
- Whether or not respondents described their organisation as a social enterprise.

The study also sought to generate an estimate of the total number of social enterprises operating in Morocco, and to establish existing policy activity that is relevant to social enterprise. To help collect this data, the primary component of the study was a survey of social enterprises. Parallel to this, a brief sampling process was conducted to support the estimate of the total number of social enterprises operating in Morocco. A brief review of policy and higher education activity relevant to social enterprise was also conducted.

The research comprised five main phases:

- Methodology design, validation and development
- Social enterprise database and survey sample
- Social enterprise survey data collection and analysis
- Desk-based research and interviews with social enterprise stakeholders
- Data collection to inform the total number of social enterprises.

SOCIAL ENTERPRISE CLASSIFICATION

A crucial part of the survey design was establishing how to define social enterprises to be targeted for the survey. While there is a relatively consistent and well-established definition of what constitutes a social enterprise in some parts of the world, such as the UK, agreeing on a globally accepted definition is still a contentious issue. Given the lack of a globally agreed definition, the research team sought not to impose a strict definition of social enterprise, but to identify a clear process for identifying social enterprises, which can be replicated or revised in different countries and contexts, as appropriate.

Survey respondents were asked questions that could be used as inclusion or exclusion criteria without informing them of a specific definition of social enterprise, allowing for a definition to be applied later, based on a combination of these criteria (see Table 1).

For the purposes of this report, survey respondents had to meet an agreed combination of criteria to be considered as a social enterprise. It is not intended that these criteria should form a universal definition of social enterprise that others should feel obliged to adopt. Instead, they are the combination of criteria that the research team found most appropriate for the purposes of this study, based on lessons from a wide range of contexts, other international research and feedback from key national stakeholders in Morocco.

TABLE 1: SOCIAL ENTERPRISE INCLUSION CRITERIA

CRITERIA	QUESTION DETAIL	APPROACH TO SOCIAL ENTERPRISE CLASSIFICATION
PRIMARY CRITERIA: Impact – core mission of the organisation	Does your organisation place emphasis on profit first, social/ environmental mission first or both jointly? Profit first Social/environmental mission first Both jointly (One answer)	Organisations stating that their core mission is 'Profit first' were eliminated
PRIMARY CRITERIA: Income source	What proportion of your income comes from grants? 0-25% 25-50% 50-75% 75-100% (One answer)	Organisations stating that more than 50% of their income comes from grants were eliminated

SOCIAL ENTERPRISE DATABASE AND SAMPLING

DATABASE

A social enterprise database was created using online research and existing information held by the research partners, and with the support of stakeholders (who provided access to their databases, networks and portfolios). Once compiled, the database was continually added to throughout the project, using information from focus groups, interviews and stakeholder consultations.

SAMPLE SIZE AND SELECTION

As there was no existing database of social enterprises or non-governmental organisations (NGOs) in Morocco, the research team compiled a database with the support of key stakeholders, such as social incubators, financial institutions and NGOs (see Annex 1), who provided access to their networks and portfolios.

The survey sample was non-randomised. The intention was to reach as many organisations as possible that were likely to meet the social enterprise criteria used for the study. This included a diverse range of organisations, such as micro- and auto-entrepreneurs, cooperatives, associations and small businesses. As such, the surveys are an indication of social enterprise activity, not a representative sample of such activity.

Survey responses were secured through three main sources:

- Emails to organisations likely to be social enterprises — identified through online research for the compilation of the social enterprise database, through contacts established at events, and through contacts reached via stakeholders' networks and portfolios
- Telephone calls to potential respondents identified through desk-based research, event attendance and stakeholders
- Attendance at enterprise-relevant events where delegates were asked to complete the survey.

SURVEY TOOL AND ANALYSIS

The survey was made available in two languages: French and English. The survey questions are presented in Annex 1.

DATA ANALYSIS

The target number of responses was 150. Once the target number of responses was achieved, the data was downloaded from the online survey tool into Excel and analysed using descriptive statistical techniques. Primary data analysis was supplemented by secondary analysis to explore patterns across geographical areas, age of ventures, women-led social enterprises and social enterprises by size and by sector.

CONFIDENTIALITY AND SUBSEQUENT USE OF DATA

All survey data is treated as confidential, except in cases where explicit permission has been given to share information (basic demographic and contact details).

ESTIMATING THE TOTAL NUMBER OF SOCIAL ENTERPRISES

METHODOLOGY

One component of this study was to estimate the total number of social enterprises operating in Morocco. This calculation was challenging, and it is important to note that figures provided can only be viewed as rough estimates (see SEUK for information on estimates in the UK). To arrive at their estimates, the research team used two sources of information:

• A brief survey of a small sample of small and medium-sized enterprises (SMEs) to ascertain the proportion of these organisations that meet the study's social enterprise criteria; the total number of SMEs was also collected, and the percentage of the sample meeting the social enterprise criteria was used to estimate how many SMEs may be social enterprises.

• An identical process for NGOs, using the total number, a small sample survey of NGOs, and the ensuing percentage to estimate how many NGOs may be social enterprises.

[1] Auto-entrepreneur: Any natural person exercising, individually, an industrial, commercial or craft activity, or service provider, whose annual turnover does not exceed 200000MADfor service providers and 500000 MAD for other activities.

In addition to collecting this data, the methodology and results were validated with key stakeholders, and further qualitative information was sought from key informants and through online research to verify findings. Sources of such information proved extremely limited. This, combined with the sampling process being small and complicated by limited data and contacts, means that this report does not give great prominence to the research team's rough estimate of total social enterprise numbers.

COUNTRY CONTEXT AND EXISTING RESEARCH

This section briefly sets out the current social, political and economic landscape in Morocco, to provide an overview of the environment within which social enterprises are operating. It then presents existing research on the Moroccan social enterprise sector, before presenting existing organisations that support social enterprise explicitly, exclusively or as part of a wider mandate.

MOROCCO COUNTRY CONTEXT

Morocco has the fifth largest economy in Africa and has consistently remained a stable economic and political model for other countries in the Middle East and North Africa (MENA) region. By capitalising on its proximity to Europe and forming strong relationships with other African countries, Morocco has built a diverse and market-oriented economy. Since King Mohammed VI rose to the throne in 1999, his tenure has seen consistent economic growth and low inflation (CIA, 2017).

As a constitutional monarchy, legislative powers reside with the country's parliament. The current government has promised to reform social services and improve job creation, and over the past few years has also turned its focus towards renewable energy production as a driver of growth.

Despite consistent economic stability, Morocco still faces high unemployment, especially among young people. It is estimated that 17 million young people aged 15 to 24 were not engaged in education, employment or training in 2016 (World Bank, 2017).

Closing the wide gender gap has also been a challenge for the Moroccan economy. Substantial reforms were made to enhance gender equality and women's access to resources when the Constitution was revised in 2011 (World Bank, 2015). However, women's economic participation and opportunity remains among the lowest in the world at 38 per cent (World Economic Forum, 2016).

With agriculture comprising around 15 per cent of Gross Domestic Product (GDP) in Morocco and employing 40 to 45 per cent of the labour force, the economy was hit hard because of severe droughts in 2016. Vulnerability to climate uncertainty brought GDP growth down to 1.1 per cent and labour force participation significantly below 50 per cent (World Bank, 2017). Fluctuations in the agriculture sector and high urban migration have exacerbated the urban-rural divide, with illiteracy rates significantly higher in rural communities.

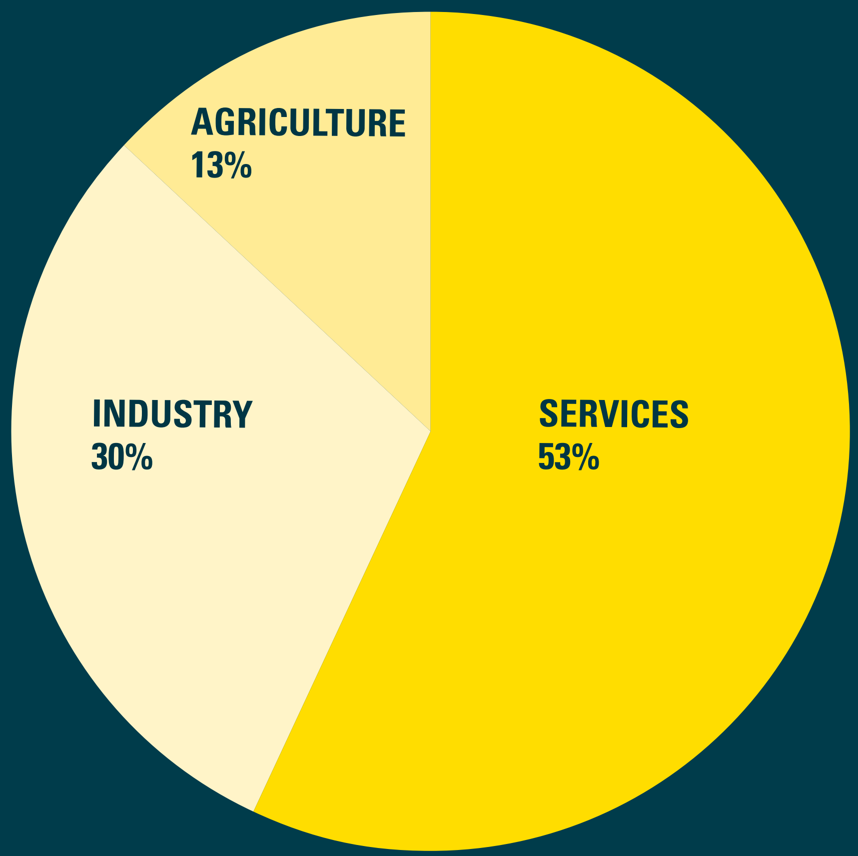
Morocco has a large informal economy comprised of street vendors, artisans, domestic workers and other independent entrepreneurs, who are often underemployed and underpaid. In the 2013 World Enterprise Survey, responders indicated the informal sector as the third largest obstacle to business behind corruption and poorly educated workers (World Bank, 2013) . It is estimated that the informal economy constitutes between 35 per cent and 40 per cent of GDP (Bourhaba and Hamimida, 2016). While the government has made efforts to formalise the informal sector through various initiatives, the continued existence and size of the informal economy is sustained by high rates of corruption and tax burden (Bourhaba and Hamimida, 2016).

[2] https://www.cia.gov/library/publications/the-world-factbook/geos/mo.html (CIA, 2017)
[3] http://www.worldbank.org/en/country/morocco (World Bank, 2017)
[4] http://documents.worldbank.org/curated/en/798491468000266024/pdf/103907-WP-P144621-PUBLIC-Non-BOARD-VERSION-Morocco-Gender-ENG-3-8-16-web.pdf
[5] http://reports.weforum.org/global-gender-gap-report-2016/results-and-analysis/ (World Economic Forum, 2016)
[6] http://www.enterprisesurveys.org/data/exploreeconomies/2013/morocco#workforce (World Bank, 2013)
[7] An Estimation of the Informal Economy in Morocco, International Journal of Economics and Finance, http://dx.doi.org/10.5539/ijef.v8n9p140 (Bourhaba and Hamimida, 2016)

QUICK FACTS ABOUT MOROCCO

PRESENTATION OF THE NORTHERN REGION

Source: World Development Indicators (2016)

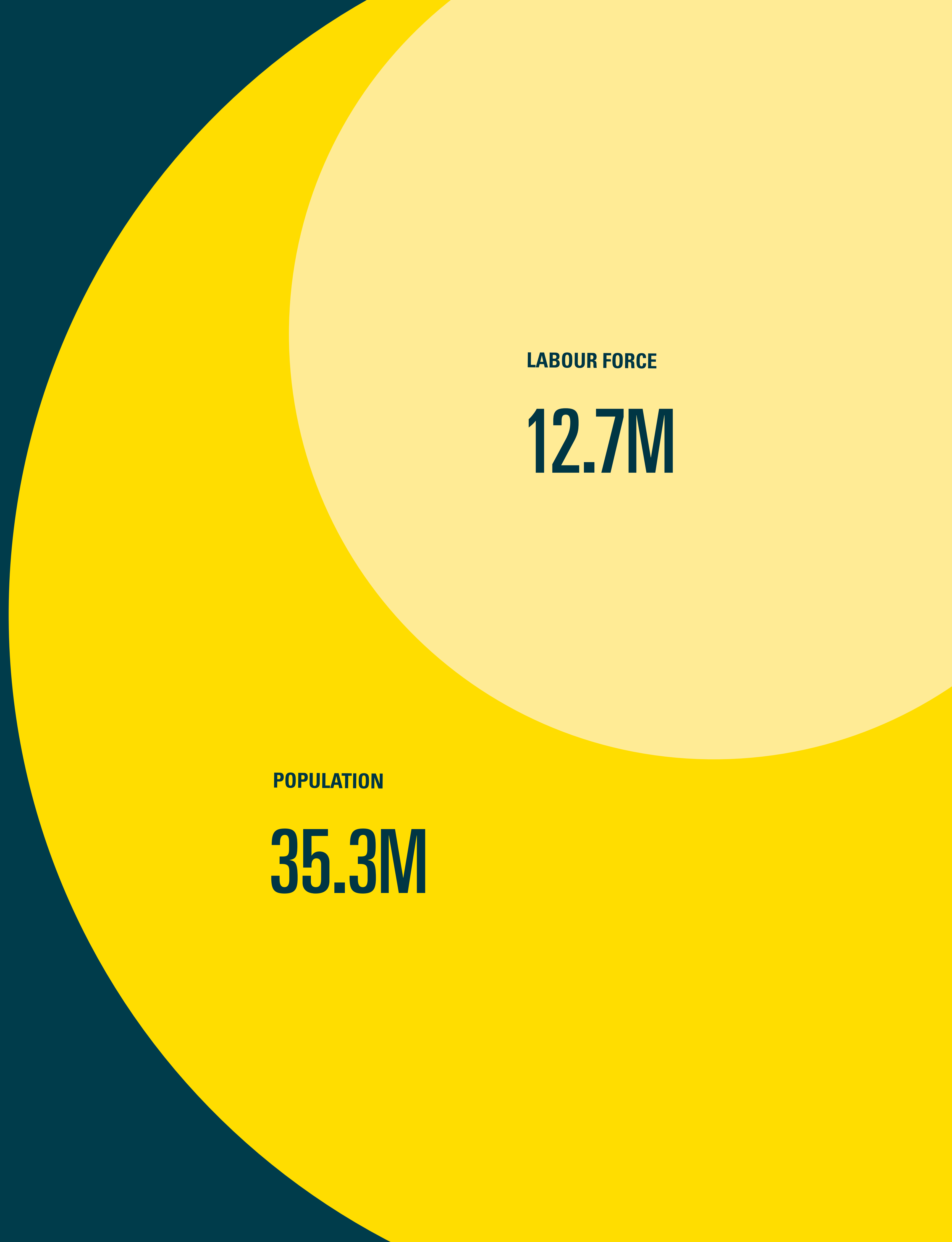


GDP ANNUAL GROWTH RATE

1.1%

GDPTOTAL

$101.45bn



SOCIAL ENTERPRISE IN THE REGION

POLICY FINDINGS

As the concept of 'social enterprise' is not yet officially recognised in Morocco, there are currently no policies explicitly aimed at social enterprise activities. Nevertheless, a few governmental initiatives effectively support social enterprises, including the National Initiative for Human Development (INDH). Launched in 2005, this aims to eradicate instability by promoting the creation of Income Generating Activities 'IGA' for vulnerable populations.

Additionally, in 2010, the Ministry of Handicrafts, Social Economy and Solidarity launched their National Strategy of the Social and Solidarity Economy 2010-2020 to promote the wider social economy, under which social enterprise falls. The ministry has recently confirmed that a framework law for social enterprises is currently under discussion.

Table 2 sets out key legislation relating to social enterprises, offering potential insight into where changes in legislation could support social enterprise development:

TABLE 2 : SOCIAL ENTERPRISE INCLUSION CRITERIA

POLICY TYPE	POLICY NAME	AGENCY RESPONSIBLE	RELEVANCE TO SOCIAL ENTERPRISE
Strategy	National Strategy of the Social and Solidarity Economy 2010-2020	Ministry of Handicrafts, Social Economy and Solidarity	Sets out several objectives to support the expansion and strengthening of the social economy by 2020, including increasing the labour force's participation in the social economy from 3.1% to 7.5%, increasing the number of cooperative workers from 50,000 to 175,000, and increasing the sector's share of the GDP from 1.6% to 3.9%.
Finance	INDH	Interior Ministry	A development programme dedicated to improving economic and social conditions for people living in vulnerable situations. Provides grants to projects addressing social problems.
Legislation	Cooperatives Law No. 112.12 promulgated by the Dahir 189.14.1 of 21 November 2014	Ministry of Handicrafts, Social Economy and Solidarity	Simplifies the procedure cooperative creation, establishes tax exemptions, and sets standards for good governance and the independence of cooperatives.
Strategy	Plan Maroc Vert (Green Morocco Plan)	Ministry of Agriculture	This strategy seeks to achieve agricultural development and food security by promoting small-scale farmers and increasing their yields and access to markets.
Strategy	Artisanat Vision 2015	Ministry of Handicrafts, Social Economy and Solidarity	Targeted at supporting small-scale producers (sole traders and micro-enterprises) with the aim of increasing and sustaining their incomes, improving their working conditions and enhancing the design of craft products.
Strategy	National Tourism Strategy	Ministry of Tourism	Promotes and supports the development of rural tourism programmes run by social economy organisations.
Legislation	Law No. 114-13 of 19 February 2015 on the status of the 'auto-entrepreneur'	Maroc PME	Establishes a self-employed or 'auto-entrepreneur' status, allowing any person to carry out a commercial activity or service. This status is intended to be a tool for the integration of the informal sector into the formal economy, allowing people to emerge from permanent administrative insecurity and to benefit from a formal status as legally recognised independent workers.

EXISTING RESEARCH ON SOCIAL ENTERPRISE IN MOROCCO

Research focusing specifically on social entrepreneurship in Morocco is very limited. Since the social entrepreneurship eco-system in Morocco is still nascent, most existing research focuses on evaluating early-stage infrastructure and awareness-raising activity.

In 2014, the British Council, in partnership with Social Enterprise UK and Moroccan CISE, commissioned a report that was one of the first efforts to explore the Moroccan social enterprise landscape. The gradual rise in awareness of social entrepreneurship, and the presence of some higher education programmes focusing on social enterprise, has led to more attempts to bridge the research gap in recent years. In 2016, research was published presenting a comprehensive study of the existing social entrepreneurship eco-system and stakeholder perspectives on its development (Kabbaj et al., 2016).

Morocco is occasionally featured in global reports such as the Global Entrepreneurship Monitor (GEM) or in regional reports on social entrepreneurship in the MENA region. The Brookings Institute, Dubai School of Government and Silatech also published a joint report on social entrepreneurship in the Middle East, in which Moroccan social enterprises were among the interview sample.

OVERVIEW OF KEY SOCIAL ENTERPRISE ACTORS IN MOROCCO

As the Moroccan social entrepreneurial eco-system is still in its early stages, current actors are concerned, unsurprisingly, with providing primarily early-stage support. This means organisations focus mainly on building awareness and education about social entrepreneurship (such as Enactus and Moroccan CISE), and incubation or mentorship programmes that provide early-stage capacity building support (such as Espace Bidaya and Dare Inc.).

As there is still limited access to resources for social entrepreneurs, co-working spaces, such as Dare Space and New Work Lab, have become an integral part of the eco-system and an option for entrepreneurs who need a location from which to operate. Key actors in the eco-system are mostly located in large, urban areas, such as Rabat, Casablanca, Tangier, Marrakech and Fes. Programmes are usually administered in French or English — or periodically in Moroccan Arabic.

[8] Social enterprise UK, Moroccan CISE, British Council (2014), Lighting the Way: the state of social enterprise in Morocco
[9] Kabbaj M, El Ouazzani K, El Amrani J, Lemtaoui M (2016), An exploratory study of the social entrepreneurship ecosystem: The case of Morocco. Journal of Developmental Entrepreneurship, Vol. 21, No. 4.
[10] Niels S. Bosma, Thomas Schott, Siri A.Terjesen, and Penny Kew (2016), Global Entrepreneurship Monitor 2015 to 2016: Special Report on Social Entrepreneurship. Global Entrepreneurship Research Association.
[11] Abdou E, Fahmy A, Greenwald D and Nelson J (2010), Social entrepreneurship in the Middle East. Towards sustainable development for the next generation.

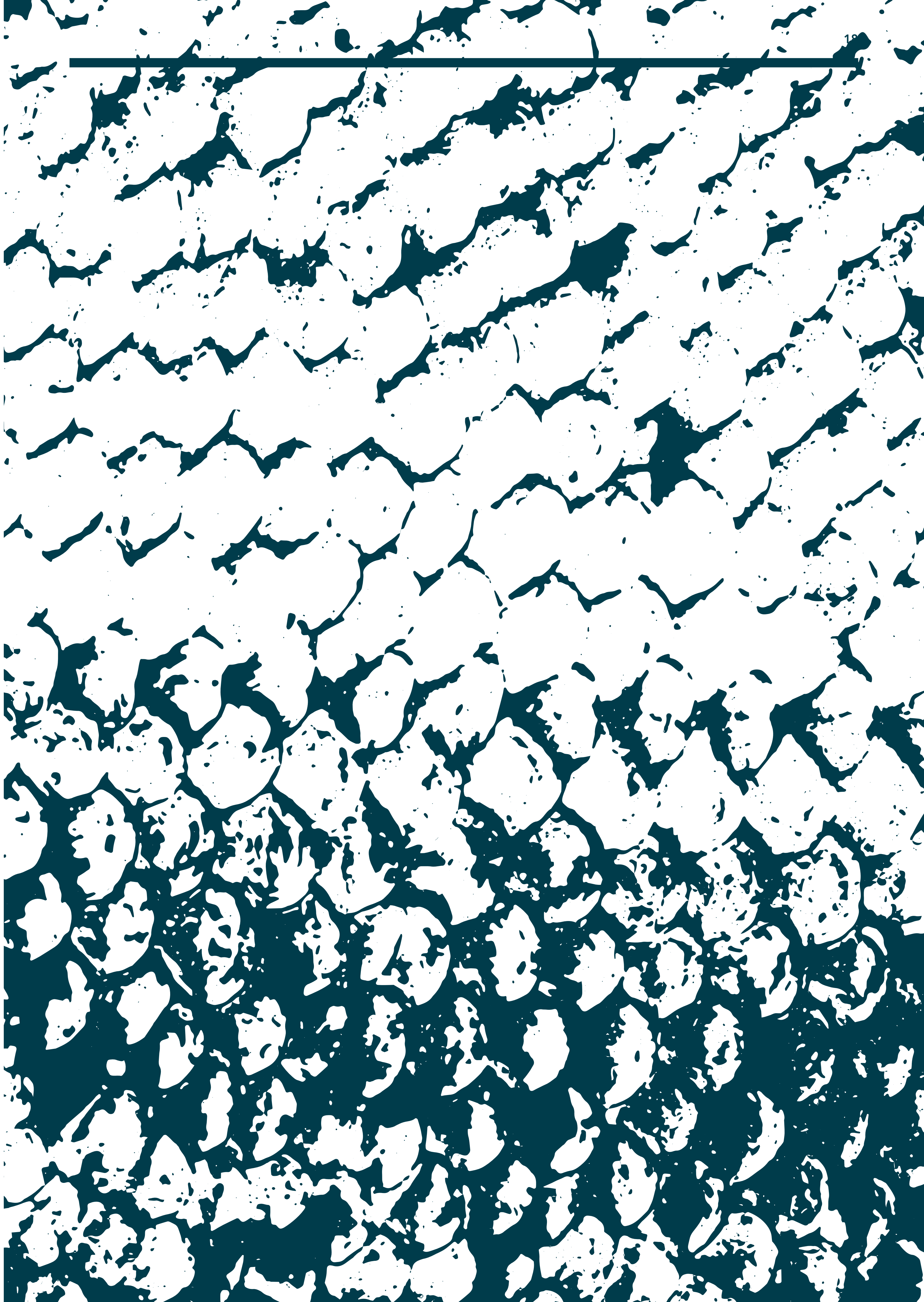


TABLE 3 : INCUBATORS, ACCELERATORS AND WORKSPACES

ORGANISATION NAME	ORGANISATION TYPE	LOCATION	DESCRIPTION
New Work Lab **(www.newworklab.com)**	Accelerator	Casablanca	Runs the 'New Work Class' programme, which helps to accelerate start-ups that are at 'ideation' stage, are prototyping or are market ready. The programme methodology focuses on the entrepreneur (or team) rather than the project.
Dare Inc **(www.dareinc.mcise.org)**	Incubator	Rabat	Runs a programme supporting young social start-ups through training, mentoring, co-working and financing.
Espace Bidaya **(www.espace-bidaya.co)**	Incubator	Casablanca	A social and green tech incubator giving participants access to finance, mentoring, networking and a co-working space. Also organises events and workshops to promote social entrepreneurship.
Empact **(www.enactus-morocco.org)**	Accelerator	Rabat	An accelerator programme that aims to finance and support 60 Enactus start-ups over three years, offering them the opportunity to grow their business.
NUMA **(www.numa.co/casablanca)**	Accelerator	Casablanca	Offers a five-month accelerator programme featuring training and personalised coaching, as well as access to a network of 200 international and national experts, mentors, clients and potential investors.
Centre des Très Petites Entreprises Solidaires **(www.centretpes.ma)**	Incubator	Casablanca	Supports the creation of small businesses with an emphasis on creating economic opportunity for the unemployed and facilitating their professional growth.
Tech Verse **(www.techverse.xyz)**	Co-working	Rabat	An office space with the goal of encouraging innovation in Morocco.
Jokkolabs **(www.jokkolabs.net/coworking/jokkolabs-casablanca/)**	Co-working	Casablanca	A co-working space that encourages collaborative work and solutions to local problems through innovation.

ORGANISATION NAME	ORGANISATION TYPE	LOCATION	DESCRIPTION
Coopérative des Entrepreneurs Solidaires	Supporting structure	El Jadida	Provides support to entrepreneurs through the creation and development of collaborative projects.
Technopark **(www.technopark.ma)**	Co-working space	Casablanca, Rabat, Tangier	Offers low-cost workspaces for start-ups focused on new information and communication technologies, green tech and the cultural industry.
7ay Coworking **(www.7ay.ma)**	Co-working space	Rabat	A co-working space dedicated to entrepreneurship and individual creative expression.
Secteur 21 **(www.secteur21.com)**	Co-working space	Rabat	Aims to create synergy between entrepreneurs, mentors and investors by providing a space for the exchange of advice, ideas and skills.
Active Lab **(www.activelabs.ma)**	Co-working space	Tangier	A co-working space for start-ups and freelancers that aims to promote an entrepreneurial spirit among students by involving them in professional activities and events related to entrepreneurship.
Creative Lab **(www.creativelab.ma)**	Co-working space	Casablanca, Marrakech	Offers shared workspaces with a desire to encourage innovative collaboration.
Emerging Business Factory **(www.emergingbusinessfactory.com)**	IncubatorW	Marrakech	An information technology and media focused incubator that runs one of the largest co-working spaces in the region.
Green Business Incubator **(www.clustersolaire.ma)**	Incubator	Casablanca	An incubator for entrepreneurs with green enterprises and projects.
Maroc Pionnières **(www.afem.ma)**	Incubator	Casablanca, Tangier, El Jadida	An incubator launched by the Association of Women Entrepreneurs in Morocco and which offers 18 months of incubation, a workspace, mentoring and training on various business-centred topics and networking events.

TABLE 4: NON-PROFIT ORGANISATIONS

ORGANISATION NAME	TARGET AUDIENCE	MISSION	OFFERS AND SERVICES				
			RAISING AWARENESS	TRAINING	FINANCE	WORKSPACE	RESEARCH
Enactus	Students	Promotes social entrepreneurship among students.	X	X	X		
Injaz Al Maghrib	Students	Develops youth skills and an interest in entrepreneurship.	X	X			
Jeunes Leaders Marocains	Students	Promotes social entrepreneurship and civic engagement among students	X	X			
Moroccan CISE	Large public	Supports the growth of the social innovation sector in Morocco.	X	X	X	X	X
British Council	Large public	Supports the development of the social enterprise sector.	X	X	X		X
Jeune Chambre Internationale	Large public	Empowers young people to create positive change.	X	X			
Startup Maroc	Large public	Promotes an entrepreneurial culture and innovation among young people.	X	X			
Association des Femmes chefs d'Entreprises du Maroc	Women entrepreneurs entWoman	Offers services to women's cooperatives and businesses.	X	X	X	X	
Al Moukawila	Women entrepreneurs entWoman	Supports women entrepreneurs and cooperatives.	X	X			
REEM Moubadarat	Small enterprises	Supports small enterprises by creating partnerships between the private and public sectors.	X	X	X		
Soleterre	Social enterprises	Provides technical and financial support to social impact projects		X	X		

TABLE 5: FINANCIAL INSTITUTIONS

FINANCE TYPE	ORGANISATION NAME	OFFERS AND SERVICES
Finance or investment	Réseau Entreprendre Maroc	Offers financial assistance (soft loans from 50,000 to 100,000 MAD), a mentoring programme and networking events.
	Maroc Numeric Fund	Invests between one and four million DHS in start-up companies and between four and eight million DHS in companies in the growth phase.
Crowdfunding	Wuluj	A platform for social enterprise products launched by Moroccan CISE and Happy Smala.
	Afineety	A crowdfunding platform linking project founders directly with investors in Africa or abroad.
Loans and microfinance	Associations de Micro-Crédit	Offers financing of up to 50,000 DHS for micro-entrepreneurs and small businesses that are usually excluded from traditional financing channels.
	Caisse Centrale de Garantie	Acts as a liaison between small enterprises and finance institutions, helping enterprises gain access to loans via programmes such as 'Innov Invest' and 'Program Mouwakaba'.
Public initiatives	Centre Mohammed VI de soutien à la microfinance solidaire	Supports associations of micro-credit providers and their beneficiaries through training, capacity building programmes and exhibitions.
	Maison de l'économie sociale et solidaire	Supports the social economy in the Tangier-Tetouan-Al Hoceima region.[12]
	Office du Développement de la Coopération	Supports co-operatives by financing capacity building programmes and providing legal assistance.
	Agence de Développement social	Supports very small companies and collective initiatives such as cooperatives.
	Entraide Nationale	Supports social impact initiatives and participates in the creation of institutions that facilitate access to work and the social integration of orphans, people with disabilities and those in need of assistance.
	Agence de Développement du Nord	Finances income-generating activities and cooperatives in the northern regions of Morocco.
	INDH	Supports social development projects by providing grants and materials.
Funding to support structures	Fondation Drosos	Provides funding to initiatives and organisations that support social enterprises.
	OCP Entrepreneurship Network	Provides financing to support structures for entrepreneurship, such as New Work Lab and social enterprise education programmes like Enactus.
	World Bank Group	Sponsors the largest competition for social enterprises in Morocco, organised in collaboration with the British Council. Offers seed funding starting at 10,000 USD for ten social entrepreneurs.

TABLE 6: TERTIARY EDUCATION & RESEARCH CENTRES

ORGANISATION NAME	ORGANISATION TYPE	LOCATION	ACTIVITIES RELATED TO SOCIAL ENTERPRISE
FSJES – University of Hassan II	Tertiary education	Casablanca	Runs a master's degree in social entrepreneurship titled 'Social innovation and social economy management'.
FSJES – University of Hassan I	Tertiary education	Settat	Runs a master's degree titled 'Social and Solidarity Economy'
Centre Marocain d'Etudes et Recherches sur l'Entreprise Sociale	Research centre	Fes	Carries out studies and research on social enterprise and social entrepreneurship, with the aim of helping to raise awareness of the development role of social enterprise.
ESSEC Maroc	Tertiary education	Sale	Offers courses on social entrepreneurship and mentoring programmes for students.
Oléa Institute	Research centre		Aims to create a dynamic around social entrepreneurship as a major development tool by exploring issues relating to social entrepreneurship through its think tank Social Talk, through the development of tools to accompany and finance social enterprises, and through awareness raising activities.

TABLE 7: SOCIAL ENTERPRISE NETWORKS AND MENTORING PROGRAMMES

ORGANISATION NAME	ORGANISATION TYPE	LOCATION	DESCRIPTION
Centre des Jeunes Dirigeants	Network	National	Focuses on empowering young people to engage in entrepreneurship and in civic society.
Réseau Marocain de l'Economie Sociale et Solidaire	Network	Sale	A network comprising social economy actors such as cooperatives, associations, mutual societies, social enterprises, foundations, economic interest groups and trade unions.
Mowgli	Mentoring programme	National	Catalyses support for and the development of successful and sustainable entrepreneurship in the MENA region.
Endeavor	Mentoring programme	Casablanca	Supports high impact entrepreneurs to help them drive sustainable growth.
Startup Your Life	Network	National	A network comprising innovative entrepreneurs, start-up employees, developers and designers who embrace a common mission of advancing innovative entrepreneurship in Morocco.
CEED Morocco	Mentoring programme	Casablanca	Supports enterprises in the growth phase through training, networking and mentoring.
Enpact	Mentoring programme	Casablanca, Rabat	Empowers responsible entrepreneurs through mentoring, networking and training.

STUDY FINDINGS

SOCIAL ENTERPRISE SURVEY SAMPLE

Survey data was collected between May and July 2017. More than 400 people were contacted, and 176 organisations completed the survey. The outreach strategy to social entrepreneurs and social enterprises consisted of email, social media, social enterprise events and stakeholders (such as incubators who shared the survey with their participants). Using the study's social enterprise inclusion criteria (see Table 1), a total of 128 respondents were classified as social enterprises for the purposes of this research (73 per cent).

Unrelated to the exclusion criteria, respondents were also asked whether they consider themselves to be social enterprises, and 54 per cent of survey respondents stated that they consider their organisations to be social enterprises (self-identifying social enterprises), even if they did not meet the criteria used in the study. The respondents presenting their organizations as social enterprises and meeting our criteria represents 43 per cent. This perhaps reflects the relatively low acceptance of the term 'social enterprise' in the Moroccan context.

Of the 48 respondents not classified as social enterprises, 20 were excluded due to their emphasis on profit above a social/environmental mission, and 28 were excluded due to the fact that 50 per cent or more of their income comes from grants.

Figure 1: Number of survey respondents per social enterprise criteria

[13] El Ouazzani (2017), La dynamique entrepreneuriale au Maroc 2016, Global Entrepreneurship Monitor, Rapport du Maroc 2016.
[14] http://www.enterprisesurveys.org/data/exploreeconomies/2013/morocco#gender

SOCIAL ENTERPRISE LEADERSHIP

AGE

Morocco's social enterprise leaders (owners, CEOs and directors) are young. Almost 60 per cent of the social enterprises surveyed are led by someone between the ages of 25 and 44, and 80 per cent are led by someone under 45. This, however, is not dissimilar to 'mainstream' business, where the profile of an entrepreneur in Morocco is also typically young, at between 25 and 44 years old (GEM Morocco, 2016). Female social enterprise leaders are younger than male leaders on average, with 73 per cent of male leaders being under 45, compared to 84 per cent of female leaders.

LEVEL OF EDUCATION

Most of the social enterprises surveyed are led by highly educated entrepreneurs, with over 70 per cent reporting that their leaders are educated to graduate level or higher. This is potentially partly due to the prominence of education programmes such as Enactus and Injaz (see Table 4), which target young people enrolled in high school and university programmes and encourage them to devise social enterprise ideas and projects. This finding was also highlighted in the previous British Council report on social entrepreneurship in Morocco.

Figure 2: Age of social enterprise leaders

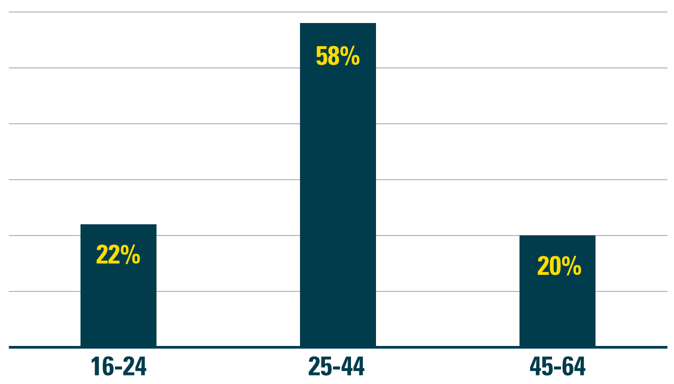
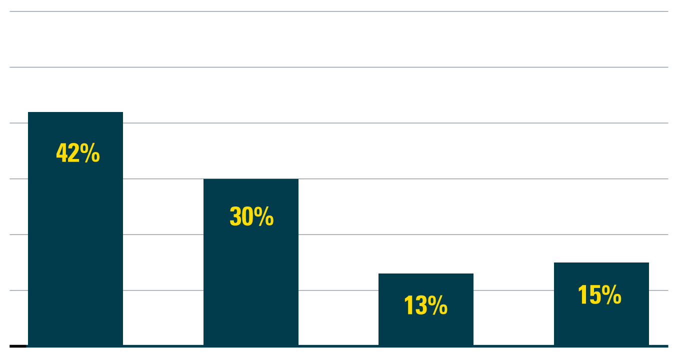


Figure 3: Education level of social enterprise leaders



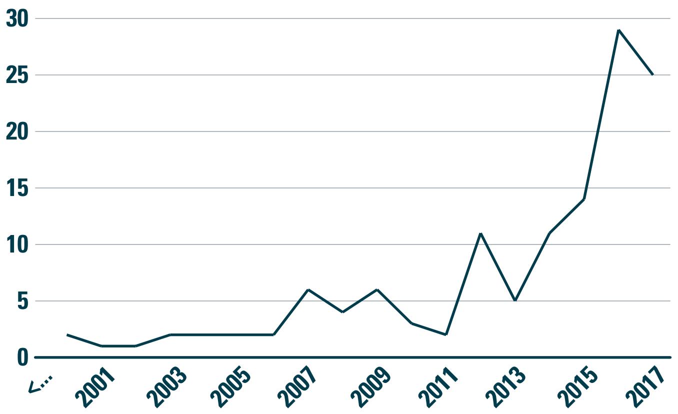
GENDER

Social enterprise leadership in Morocco is dominated by men, with 64 per cent of the social enterprises surveyed being led by men. One social incubator manager confirmed this, commenting that: '[in Morocco] "Social entrepreneurship is male-dominated, while the support for social enterprises is more common led by woman".

But compared to the wider business community, social enterprises are disproportionately led by women, albeit only slightly. At 34%, female leadership of social enterprises is slightly higher than that of traditional mainstream business firms in Morocco, which was measured at 31 per cent [14] by the World Bank Enterprise Survey (World Bank, 2013).

YEARS OF OPERATION

Figure 4: Cumulative percentage of social enterprises registered by year



As Figure 4 shows, there has been something of an explosion of social enterprise start-ups in the last few years. Many of the surveyed social enterprises that were founded in 2017 did not meet the inclusion criteria, which could explain the decrease in percentage of social enterprises registered in the last year. Moreover, our study was conducted during the first semester of 2017.

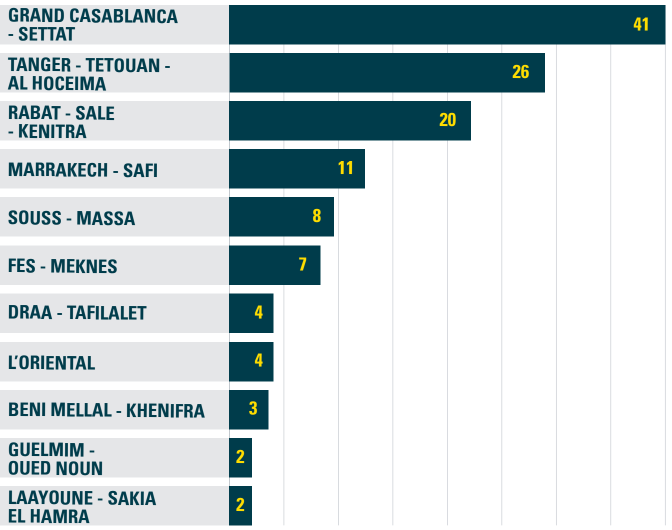
LOCATION

Morocco comprises twelve major regions. Outreach activity for the survey took place primarily in the northern regions of Tangier, Tetouan and Al Hoceima, which explains why the findings are somewhat biased toward this region and not necessarily representative of national social enterprise activity as a whole.

The highest proportion of respondents are located in Casablanca and Rabat, followed by Tangier, reflecting how the Moroccan social entrepreneurship eco-system is highly concentrated in these cities — a phenomenon confirmed by stakeholders during the focus groups and interviews. This finding is also unsurprising given Casablanca and Rabat represent Morocco's largest economies, contributing 48 per cent of national GDP[15].

Broken down by gender, Casablanca has the highest concentration of social enterprises led by both men and women. A higher proportion of women-led social enterprises are based in the Grand Casablanca and Rabat-Sale-Kenitra regions, with 50 per cent of female respondents located in the two regions combined. Women-led social enterprises generally represent around 25 to 40 per cent of respondents in most regions, with the exceptions of Rabat and Laayoune, where women represent 50 per cent, and Guelmim, where the only two respondent social enterprises are both led by women.

Figure 5: Distribution of social enterprises by region



[15] High Commissioner for Planning (2014)

GEOGRAPHICAL REACH

Over half of respondent social enterprises operate at the national level (55 per cent), while 12 per cent operate at the international level. During the focus groups, the majority of social entrepreneurs complained about the difficulties they face with gaining access to international markets. Broken down by legal status, the majority of respondents who are registered as cooperatives operate at the national level (71 per cent). Over half of the respondents that operate regionally (58 per cent) are registered as a Société à Responsabilité Limitée (SARL).

LEGAL STATUS

Social enterprises in Morocco do not have a single specific legal status. The legal forms under which social enterprise can choose to register are set out in Table 8.

TABLE 8: LEGAL FRAMEWORKS AVAILABLE TO SOCIAL ENTERPRISES

LEGAL FORM	DESCRIPTION
Association	A framework for non-profit organisations requiring two or more founders. Organisations registered as associations are forbidden from generating any revenue and are typically reliant upon donations. Social enterprises operating as associations work around this law by re-investing any profit back into operations.
Auto-entrepreneur	A new legal framework for enterprises that has been operational since October 2015. It is intended to benefit people trading independently and who have a turnover of less than 500,000 DHS for industrial, commercial or artisanal activities, and 200,000 DHS for the provision of services.
Cooperative	Jointly owned and democratically controlled enterprises created and managed by five or more members. Cooperatives are an important part of the social entrepreneurship landscape in that they can provide shared economic opportunity, especially for women.
Mutual	Owned and managed by both the organisation's owners and beneficiaries. This framework is dependent on membership fees and contributions that are in turn used to provide common services.
SA	Public limited companies. Large, commercial companies with shareholders typically use this framework. Few social entrepreneurs choose this form, but some opt for it with the goal of opening up access to capital.
SARL	Companies where investors or owners have limited liability. Social entrepreneurs wishing to operate their enterprise under a for-profit model may opt for the SARL legal form due to the ease of creation and the absence of minimum compulsory capital.

The majority of respondent social enterprises operate as cooperatives (38 per cent), for-profit SARLs (27 per cent), and associations (17 per cent). The least common legal form for registered respondents is self-employed auto-entrepreneur (nine per cent), possibly because this framework was only created in 2015. The remaining 11 respondents are either not registered or are categorised as 'other'.

The majority of social enterprise respondents who are registered as SARLs are led by entrepreneurs with a post-graduate level education (74 per cent). Additionally, a high proportion of social enterprises registered as SARLs are male led (67 per cent). Cooperatives account for a significant proportion of the women-led enterprises (41 per cent), potentially linked to how the cooperative framework has traditionally been promoted as a strategy for increasing women's access to economic opportunity.

TABLE 9: DISTRIBUTION OF SOCIAL ENTERPRISES BY LEGAL FRAMEWORK

LEGAL STATUS	NUMBER	PERCENTAGE OF RESPONDENTS
Cooperative	49	38%
SARL	34	27%
Association	22	17%
Auto-entrepreneur	12	9%
Not registered	10	8%
Other[16]	1	1%

[16] One entrepreneur described themselves as a 'personne physique'

AREAS OF FOCUS

OBJECTIVES

In terms of organisational objectives, the majority of respondents are seeking to create employment opportunities (70 per cent) or improve livelihoods in a particular community (62 per cent). Another common objective for respondents is protecting the environment (54 per cent), possibly influenced by the government's increasing promotion of and engagement with renewable energy technology. Nearly half of those surveyed aim to support vulnerable people and provide access to quality products or services (45 per cent). Over a third of social entrepreneurs are aiming to improve health and wellbeing (38 per cent) and/or support women and girls (37 per cent). Promoting education and literacy, as well as providing support to vulnerable youth, motivates over a quarter of the respondents (27 per cent).

In terms of gender, the top objectives for both men- and women-led respondent social enterprises are to create employment opportunities (66 per cent and 78 per cent respectively), improve a particular community (63 per cent and 58 per cent respectively), protect the environment (53 per cent and 47 per cent respectively), and provide access to quality products and services (48 per cent and 41 per cent respectively). Supporting people in vulnerable situations is a common priority for men-led enterprises (53 per cent), while a common objective for women-led enterprises is supporting women and girls and promoting gender equality (43 per cent).

Broken down by location, all seven respondent social enterprises based in the Fes-Meknes region state that improving a particular community is a key objective, and 85 per cent of those respondents also work towards protecting the environment. Creating employment opportunities is a common objective for social enterprises based in the Casablanca (68 per cent), Rabat (70 per cent), and Tangier (57 per cent) regions, potentially explained by the high percentage of the population at working age in these regions[17].

[17] High Commissioner for Planning (2014)

TABLE 10: SOCIAL ENTERPRISE OBJECTIVES

OBJECTIVE	PERCENTAGE OF RESPONDENTS
Creating employment opportunities (including for members)	70%
Improving a particular community	62%
Protecting the environment	54 %
Supporting vulnerable people	46%
Providing access to quality products/services	45%
Improving health and well-being	38%
Supporting women and girls/gender equality	37%
Promoting societal change	35%
Promoting education and literacy	27%
Supporting vulnerable children and young people	27%
Addressing financial exclusion	23%
Fighting inequalities	15%
Promoting another model for work	15%
Supporting other social and solidarity economy organisations	13%
Providing affordable housing	2%

SECTORS

The most common sectors pursued by the respondent social enterprises are artisanship and handicrafts, the environment, agriculture and education. Cross-referencing these sectors with the legal frameworks indicates that some social enterprise frameworks dominate certain sectors. For example, all of the respondent social enterprises working in the agriculture and fisheries sector are legally registered as cooperatives, and cooperatives also account for most of the respondent social enterprises operating in the artisan and handicrafts sector (72 per cent). Over 15 per cent of environment-focused social enterprises are registered as SARLs (52 per cent).

Through a gender lens, the artisanal and handicrafts sector comprises an almost even split between men- and women-led respondent social enterprises (52 per cent and 48 per cent respectively), while social enterprises operating in the educational and environmental sectors are more commonly led by men (82 per cent and 68 per cent respectively).

Figure 6: Percentage of social enterprises by sector and gender of leader

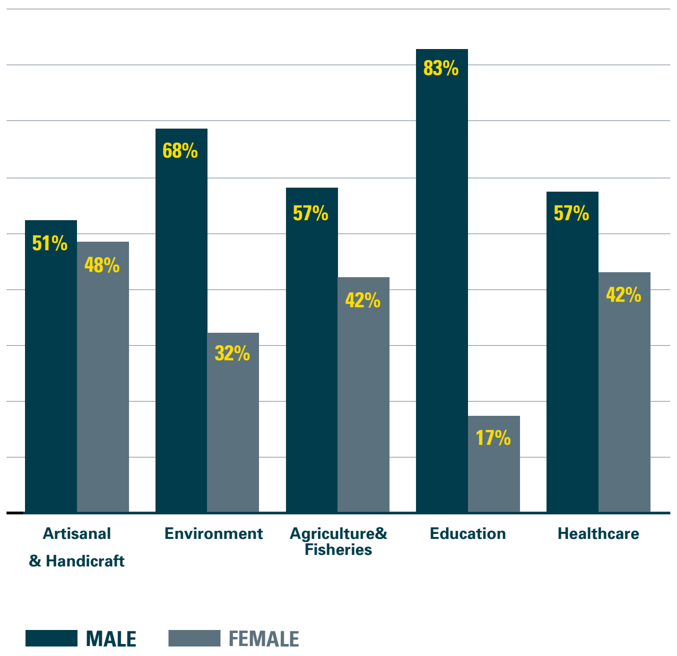


TABLE 11: SOCIAL ENTERPRISE SECTORS

SECTOR	PERCENTAGE OF RESPONDENTS
Artisanal and handicrafts	20%
Environmental – recycling, reuse, awareness	20%
Agriculture and fisheries	15%
Education	13%
Health and social care	11%
Retail	5%
Hospitality (cafes, restaurants)	4%
Employment and skills	3%
Business support/consultancy	2%
Workspace	2%
Culture and leisure	2%
Housing	2%
Childcare	1%

BETWEEN 2017 AND 2012, THE TURNOVER OF THE HANDICRAFTS SECTOR REACHED 19.1 BILLION MAD, REGISTERING AN AVERAGE ANNUAL GROWTH OF 13 PER CENT. THE TOTAL WORKER POPULATION REACHED OVER 386,700.

Source: Sectoral Dashboard, Directorate of Financial Studies and Forecasting at the Ministry of Economy and Finance, May 2015

CASE STUDY: SEASKIN

Established: 2015

Founder: female

Sector: artisanal

Geographical outreach: international

SeaSkin Morocco is a social enterprise providing economic opportunity to seasonally-employed women through the production of sustainable artisanal goods.

SeaSkin treats fish waste in order to produce exotic leather with different textures and colours. The women artisans are trained in recycling fish waste with a combination of different organic products.

To date, SeaSkin has offered twelve job opportunities for artisans and women living in vulnerable situations and has launched a collection of leather goods.

CASE STUDY: HYDROBARLEY

Established: 2015

Founder: female

Sector: agriculture and fishing

Geographical outreach: regional

Hydrobarley is a social enterprise focused on improving the livelihoods of smallholder farmers in Morocco by using hydroponics to produce and provide access to sustainable livestock feed. The green, fresh and nutritious feed produced by Hydrobarley is substantially more affordable for farmers, costing three times less than traditional dry fodder.

With Hydrobarley, farmers can devote saved resources to increasing productivity and other income-generating activities.

Hydrobarley is currently producing over 18 tons of feed per month, delivers to a dozen farmers and has generated seven jobs.

THE PRIMARY SECTOR PLAYS AN IMPORTANT ECONOMIC, SOCIAL AND ENVIRONMENTAL ROLE IN MOROCCO. IT ACCOUNTED FOR ALMOST 15.5 PER CENT OF THE TOTAL VALUE ADDED AT CURRENT PRICES BETWEEN 2008 AND 2013(14.4 PER CENT FROM AGRICULTURE AND 1.1 PER CENT FROM FISHING). IT EMPLOYS MORE THAN FOUR MILLION PEOPLE (39.3 PER CENT OF THE EMPLOYED LABOUR FORCE).

CASE STUDY: SHEM'S FOR LIGHTING

Established: 2016

Founder: male

Sector: environment and clean energy technology

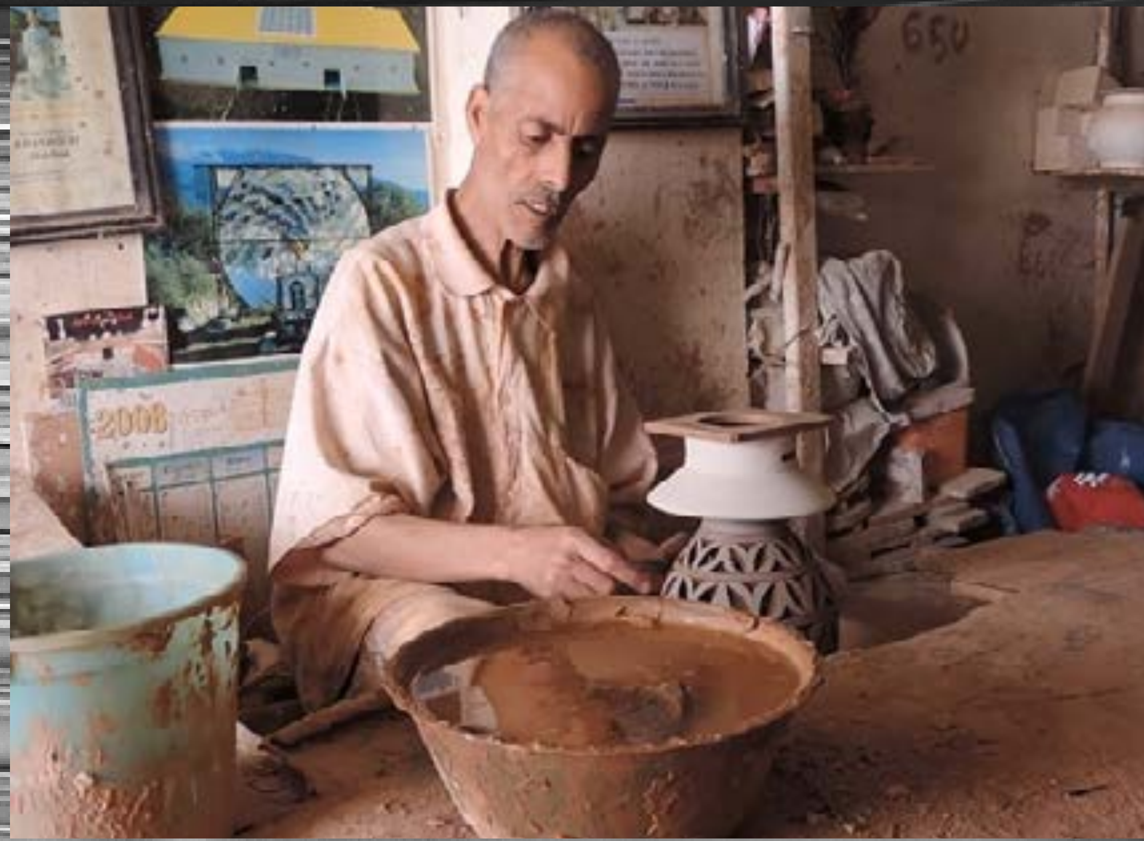
Geographical outreach: regional

Shem's for Lighting is a social enterprise that designs, produces and markets solar lamps for Moroccan communities living without access to electricity. 'Shem's', Arabic for 'sunlight', produces the Shem's Candle, which is affordable, mobile and can provide light for up to 12 hours on a single charge. Shem's for Lighting sources all its electronic production components from local Moroccan suppliers.

Shem's for Lighting has three target markets:

1. Helping traditional fishermen light 200 traditional boats, while providing training and courses related to entrepreneurship, technology and health to 40 of the fishermen's sons
2. Helping people living in energy poverty
3. Providing hotels and restaurants with decorative products.

Since its creation, Shem's for Lighting has turned over 12,540 USD and has partnered with local and international organisations.



THE ENERGY SECTOR CONTRIBUTES TO 2.7 PER CENT OF THE TOTAL VALUE ADDED AT CURRENT PRICES BETWEEN 2008 AND 2013. IT DIRECTLY EMPLOYS MORE THAN 37,000 PEOPLE, OR 0.4 PER CENT OF THE EMPLOYED LABOUR FORCE.

CASE STUDY: DOUMEIGN

Established: 2016

Founder: female

Sector: artisanal

Doumeign is a social design brand that reinvents traditional Moroccan handicrafts and aims to support basket-craft artisans, especially women in rural areas, through creating cooperatives that produce a range of furniture and decorative products.

Doumeign launched its first cooperative in the remote village of Tizi Nisli, in the Beni-Mellal region. This cooperative has transformed the lives of five female artisans, who have been able to move from the informal to the formal economy and can now meet in a designated location, giving them more visibility. The woman artisans have been trained on how to attract new customers with innovative, diversified goods and increased productivity.

BETWEEN 20017 AND 2012, THE TURNOVER OF THE HANDICRAFTS SECTOR REACHED 19.1 BILLION MAD, REGISTERING AN AVERAGE ANNUAL GROWTH OF 13 PER CENT. THE TOTAL WORKER POPULATION REACHED OVER 386,700.

Source: Sectoral Dashboard, Directorate of Financial Studies and Forecasting at the Ministry of Economy and Finance, May 2015

SOCIAL IMPACT

PRIMARY MISSION

A total of 74 per cent of the respondent social enterprises describe their primary mission as being either social or environmental, over profit. The remaining 26 per cent place equal importance on both a social and/or environmental mission and profit. Social enterprises pursuing both mission and profit account for the majority of respondent enterprises who have less than 100 beneficiaries (83 per cent). Fewer mission-first social enterprises realised a profit or surplus in the previous year in comparison to social enterprises pursuing both mission and profit (16 per cent and 83 per cent respectively). Most mission-first social enterprises are registered as associations (45 per cent), while the majority of social enterprises registered as SARLs and cooperatives place mission and profit equally (82 per cent and 84 per cent respectively).

BENEFICIARIES

Based on the survey responses, the average number of beneficiaries supported is 201 people per social enterprise. Over 70 per cent of social enterprises identified their beneficiaries as people who suffer from long-term unemployment. The long-term unemployed account for 69 per cent of the total number of beneficiaries supported by respondent organisations, equating to an average of 190 beneficiaries per respondent enterprise that targets this group of people. Male-led enterprises mainly account for those targeting people with a physical disability (73 per cent) and elderly people (62 per cent). Both male- and female-led enterprises are focused on the long-term unemployed, with a greater proportion of male-led enterprises, at 61 per cent and 38 per cent respectively.

Half of the six respondents who reported reaching more than 1,000 beneficiaries are located in Casablanca, with the other three being spread across Rabat, Fes and Tangier.

Figure 7: Beneficiaries

BENEFICIARIES	PERCENTAGE
Long-term unemployed	74%
Individuals with a physical disability	18%
Older people	21%
Young people with delinquency behaviour	13%
Individuals with a learning or mental disability	6%
Homeless/coming out of homelessness	5%
Refugees and asylum-seekers	5%
Domestic violence victims	5%
People coming out of offending	4%
Drug addicts	4%
Trafficking victims	4%

Based on the survey results alone, it could be said that social enterprises in Morocco have yet to have a significant impact on job creation. Despite 70 per cent of respondents identifying creating employment opportunities as an objective, the majority of the respondent social enterprises have created fewer than ten full-time jobs (80 per cent).

Respondents hire an average of 32 full-time employees (working 35 hours or more) and an average of seven part-time employees (working 34 hours or less). These averages are skewed by the presence of one respondent who reported that they employ 3,000 full-time staff members[18].

In fact, over 60 per cent of respondent social enterprises reported zero to five full-time employees, indicating that social enterprises are employing workers on a smaller scale compared to mainstream business (the wider businesses community hires an average of 56 full-time employees per enterprise). Cooperatives account for the majority of respondent social enterprise who employ 11 or more full-time staff (75 per cent). Very few SARLs and associations reported high volumes of full-time staff, respectively representing only 17 per cent and eight per cent of enterprises with 11 or more full-time employees.

TURNOVER AND PROFIT/SURPLUS USE

Respondents were asked whether they had made a profit over the previous year, and 38 per cent reported that they had made a profit or a surplus. Cooperatives are the most common profit-making legal form, accounting for 69 per cent of enterprises that had realised a profit or surplus in the previous year.

Of the three main legal forms of social enterprise (SARL, associations and cooperatives), a smaller percentage of associations made a profit, and just under a half of respondent associations reported that they were unaware of their turnover information. Among the organisations that reported turnover, more men-led enterprises made a profit compared to women-led enterprises

Respondent social enterprises were also asked to specify their turnover the previous year. In the previous fiscal year, 64 per cent of respondents had a turnover of less than 4,066 GBP (~50,000 MAD) and 80 per cent of respondents had a turnover of less than 8,129 GBP (~100,000 MAD). Low turnover amongst the respondent social enterprises is perhaps linked to the lack of access to finance in the Moroccan social entrepreneurship eco-system, but, above all, the young nature of the sector.

Figure 8: Job creation

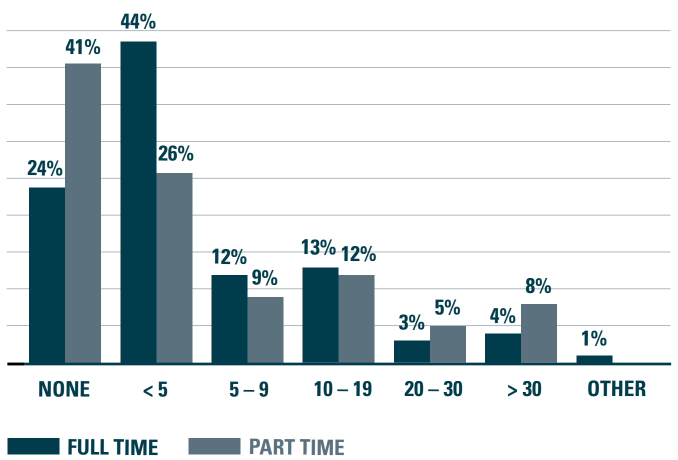
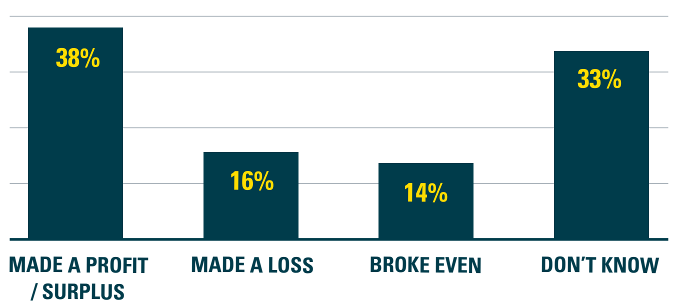


Figure 9: Income for the previous year



[18] The co-operative « Mtiwa Nabat » reported employing 3000 persons.

TURNOVER EXPECTATIONS

A total of 75 per cent of respondent social enterprises reported that they expect their turnover to increase in the next year. Only 14 per cent expect their turnover to stay the same, and 11 per cent expect it to drop. Women-led enterprises are slightly more optimistic about growth than those led by men. As expected, most of the social enterprises optimistic about growth are young ventures (established within the past two years).

USE OF PROFIT/SURPLUS

Respondent social enterprises were asked to identify how they use the majority of their profit or surplus. The highest proportion of respondents prioritised growth and development activities. Perhaps predictably, most of the enterprises that reported having no profit or surplus are newer ventures. Around 13 per cent of respondents did not specify how they use their profit.

TABLE 12: USE OF PROFIT/SURPLUS

USE OF PROFIT/SURPLUS	PERCENTAGE OF RESPONDENTS
Growth and development activities	46%
No profit/surplus	23%
Profit sharing with owners and shareholders	10%
Reserves	9%
Rewards to staff and beneficiaries	5%
Funding third party social/environmental activities	5%
Other[19]	1%

[19] 'Other' refers to Cross-subsidisation.

GROWTH PLANS & BARRIERS

GROWTH PLANS

Moroccan social entrepreneurs are optimistic about growth, with 86 per cent of respondents stating they expect to grow their business in the next year, and with only five per cent not expecting any growth. Attracting new customers and developing new products are common growth plans. Scaling to new locations and market diversification are also seen as important to growth. Interestingly, attracting investment or expansion capital is not prioritised as highly as other growth plans.

BARRIERS TO GROWTH

Moroccan social enterprises are especially concerned about access to finance, with respondents identifying obtaining grants and other forms of finance among the top three barriers to growth. Lack of business support and advice is also a common concern, perhaps surprising considering 73 per cent of respondents report receiving programmatic support in the past. Other frequent concerns include availability of an adequate workspace, lack of awareness about social entrepreneurship in Morocco and government regulations. Access to finance is somewhat less of a concern for traditional businesses (World Bank, 2013). According to the 2013 World Bank Enterprise Survey, corruption and poorly educated workers are two of the main obstacles to mainstream business growth.

Lack of business support and advice is the most common growth barrier for respondent social enterprises in the artisanal and handicrafts sector. For associations and cooperatives, the availability of a suitable workspace is a more common barrier, and SARLs and cooperatives are also most likely to find government regulation a barrier to growth.

Figure 10: Growth plans

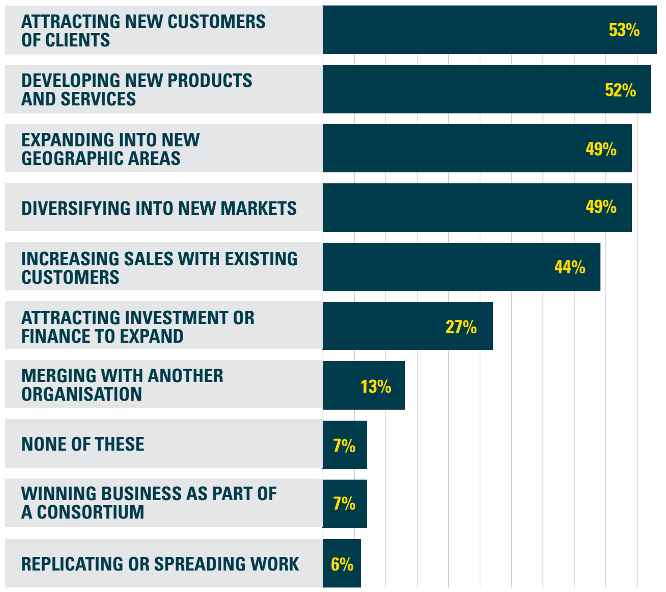
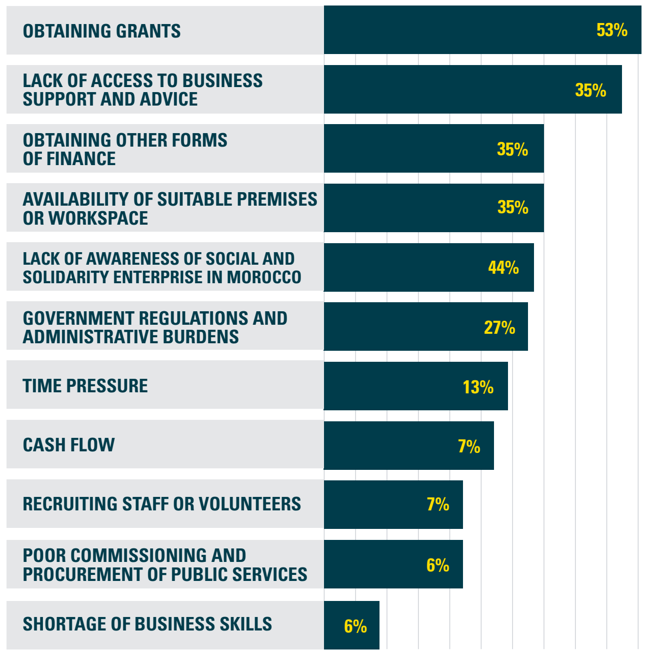


Figure 11: Barriers to growth



FINANCE SOURCES & CONSTRAINTS

SOURCES OF FUNDING AND FINANCE

The highest proportion of external funding for Moroccan social enterprises comes from non-returnable capital, so grants, donations and in-kind resources. However, the most common source of funding among the respondent social enterprises comes from personal resources. Only a small proportion of social enterprises have received returnable capital, possibly indicative of the lack of access to financial products and capital in the Moroccan social entrepreneurship eco-system.

Loans are significantly more common among Morocco's mainstream businesses, with 52 per cent of organisations reporting receiving a loan or line of credit (World Bank, 2013)[20]. A small percentage of respondents reported alternative sources of funding, such as sponsorship, seed funding from competitions and overdrafts.

FINANCING CONSTRAINTS

Broadly following trends in other countries, the top three financing constraints reported by Moroccan social enterprises are limited supply of capital, low access to investors due to a limited network, and a limited track record. Over 20 per cent of respondent social enterprises indicate revenue and profitability requirements for bank loans as a key constraint, potentially indicating difficulty for social ventures to access financial products.

Figure 12: Sources of finance[20]

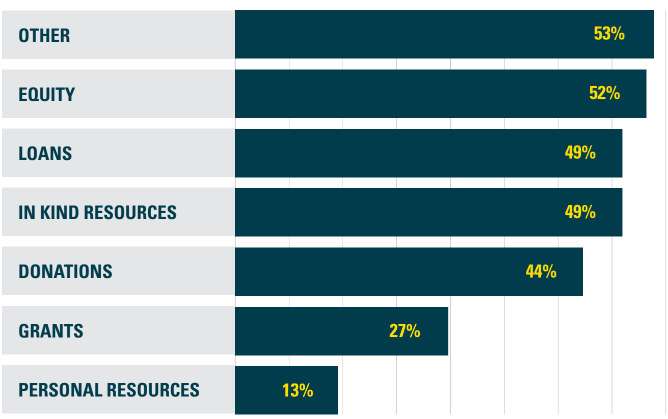
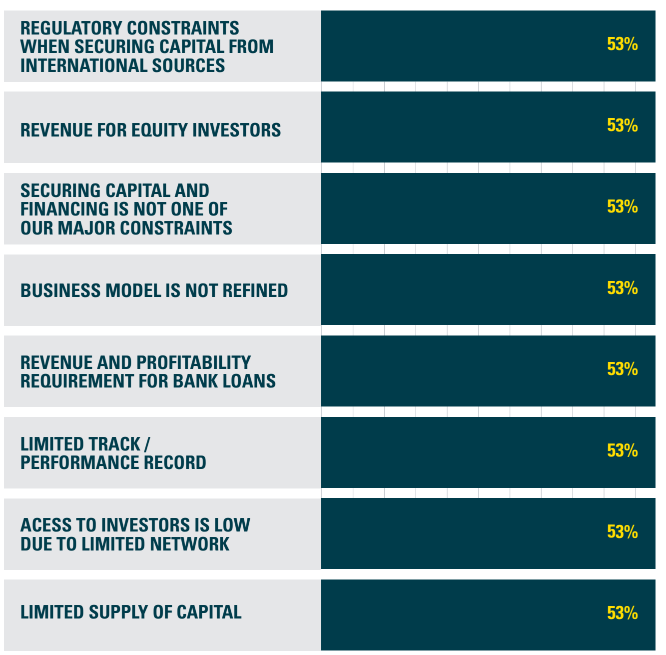


Figure 13: Top three financing constraints



[19] http://www.enterprisesurveys.org/data/exploreeconomies/2013

[20] The five organisations that selected 'other' specified sponsorship (1), seed funding and competitions (2) and overdraft (2) as sources of finance

ESTIMATE OF THE NUMBER OF SOCIAL ENTERPRISES IN MOROCCO

This section attempts to provide an estimate of the total number of social enterprises in Morocco. It is important to note that this estimate is based on a small number of not statistically robust survey samples and speculative extrapolation, and, therefore, it can only be considered as a rough estimate. Although it does provide some insight into the size and scale of the social enterprise sector in Morocco.

Using a globally recognised methodology, the prevalence rate of organisations meeting social enterprise characteristics across the NGO, cooperative and SME communities was estimated, using the small survey samples as a base (see Table 13). Micro- and auto-entrepreneurs were not included in this process, as, while they may be entrepreneurial and have social missions, they are not necessarily constituted as organisations in the formal sense.

This methodology has provided a rough total estimate of 20,000 organisations in Morocco that could meet what are often understood to be the defining characteristics of a social enterprise. This estimate is offered as first attempt at gauging the size of Morocco's social enterprise sector and can provide a basis for more robust estimates in the future.

TABLE 13: ESTIMATION OF THE TOTAL NUMBER OF SOCIAL ENTERPRISES IN MOROCCO

SECTOR	TOTAL NUMBER OF ORGANISATIONS	SOCIAL ENTERPRISE PREVALENCE RATE	EXPECTED TOTAL NUMBER OF SOCIAL ENTERPRISES (= TOTAL*PREVALENCE RATE)
NGOs (The Ministry of Interior, 2011)	117,000	3.8%	4,446
Cooperatives (ODCO - National Office for Cooperative Development, 2016)	15,700	66.7%	10,472
SMEs (OMPIC - Moroccan Office of Industrial and Commercial Property, 2016)	500,000	1‰	5,000
Total		**c. 20,000**	

CONCLUSION & RECOMMENDATIONS

CONCLUSION

This study reveals that Moroccan social enterprises generally have young, educated leadership. Based in the major cities, these social enterprises operate nationally, usually as cooperatives, for-profit SARLs or associations, and tend to be newly established, within the last few years. The young nature of the Moroccan social entrepreneurship eco-system could, in part, explain why these enterprises struggle to gain access to funding and feel that their support networks are limited.

The study has also established that social entrepreneurship leadership appears to be male-dominated, and that there is a slightly higher percentage of female entrepreneurs leading social enterprises than there are women leading businesses in the mainstream sector. These women-led enterprises, commonly operating in the artisanal and handicrafts sector, tend to be more optimistic about growth and focusing their social mission on job creation.

Below is a series of recommendations to address the needs of social enterprises and to help promote growth within the eco-system. These are based on both the study findings and the wider research experienced in Morocco.

RECOMMENDATIONS

Raising awareness and tackling misconceptions of social entrepreneurship.

This study has validated the commonly-held perception that the social entrepreneurship eco-system in Morocco is still in its early stages. However, it is worth emphasising that the number of social start-ups has grown dramatically in the last five years. It is the young people of Morocco who are driving social enterprise activity and more can be done to continue raising awareness and increasing knowledge about social enterprise among the general public.

TECHNICAL SUPPORT

Capacity building programmes

The survey findings indicate that there is a shortage or lack of access to qualified and specialised training for social entrepreneurs. Language, marketing and public relations appear to be particular weak points among social entrepreneurs, especially within cooperatives. Further developing resources to support social entrepreneurs in areas such as social impact measurement or financial management could be useful to address capacity building needs. For early stage social start-ups, capacity building training programmes could help social enterprises develop a sustainable business model, and the private sector could play a significant role here.

Fostering the establishment of incubators and accelerators:

To date, there are only three initiatives dedicated to social incubation in Morocco, indicating a need to multiply these initiatives and avoid their concentration in the Casablanca and Rabat regions. One entrepreneur based in Tangier noted: 'to benefit from the services of an incubator, we would have to move to Casablanca or Rabat.' There is also a need for specialised training for those providing support to social entrepreneurs. Currently, there is no training focused on how to support entrepreneurs in university education, apart from a master's degree launched in 2016 by the University of Hassan II[22].

Creation of co-working spaces in the different regions of Morocco:

Like incubators, existing co-working spaces are concentrated in the Casablanca and Rabat regions, and some social entrepreneurs report that they are not affordable.

EDUCATION AND RESEARCH

Social entrepreneurship education mostly happens through informal education programmes or extra-curricular activities, such as Enactus, Injaz and Jeunes Leaders Marocains (see Table 4). Social entrepreneurship, therefore, could be more formally integrated into the education system.

Fostering an entrepreneurial culture:

During the study interviews, the majority of eco-system stakeholders highlighted the importance of fostering an entrepreneurial spirit among young people, especially at an early age. This could be pursued through bespoke courses or civic engagement projects. Investment could be made into teacher training, and policy dialogue could be undertaken to look at how best to include social entrepreneurship into the school curriculum. There is a need to create opportunities for young people to learn by doing, enabling them to hone their skills for the 21st century.

Creating bridges between social enterprises and research institutions, as well as promoting academic research in higher education institutions could help further build the evidence base on the importance and potential of social enterprise.

-Providing access to university facilities or laboratories, for example, could allow social entrepreneurs to benefit from technical support, , such as prototyping.

[21] The 'Accompagnement Entrepreneurial' master's degree was launched by the university's Faculty of Economics

FINANCIAL SUPPORT

Creation of seed funding:

The survey results show that over 70 per cent of respondents perceive access to finance and grants as a significant barrier to the growth of their social enterprises. This concern has also been raised in almost all interviews with social entrepreneurs and eco-system stakeholders conducted during the study.

Ensuring more transparency and flexibility in grant funding:

Although INDH-sponsored funding is intended to support all social projects that encourage sustainable development, the funding is exclusively reserved for cooperatives and associations — the frameworks traditionally considered to be working within the social economy. Eligibility for development project grants, like those offered by INDH, could be expanded to include social entrepreneurs registered under other legal frameworks, such as SARL.

Encouraging new financial mechanisms:

Conventional finance and venture capital is often not applicable and is inaccessible to social enterprises for reasons including high interest rates, short repayment periods and limited revenue streams. Increasing access to capital for Moroccan social enterprises requires appropriate, specialised finance mechanisms, such as new models of impact investment and crowdfunding.

POLICY SUPPORT

Legal framework:

The Ministry of Handicrafts, Social Economy and Solidarity reports that a new law is being drafted specifically aimed at social enterprise. This new law should recognise social entrepreneurship and develop a more appropriate legal framework for social enterprise, with appropriate tax treatment.

Access to public markets:

Policy makers can take steps to improve access to public markets for social enterprises, opening up public procurement and exploring the possibility of positively discriminating in favour of social enterprises.

Development of a global strategy for the growth of social entrepreneurship:

Strengthening support structures:

The government should provide support to reinforce current support programmes and structures within the eco-system, whether that's through technical or financial support. 'With the exception of the OCP Entrepreneurship Network, it is generally international foundations that support social entrepreneurship in Morocco [e.g. Drosos, British Council]. There is no state intervention at this level,' claimed a social incubator manager.

Democratising access to information:

There needs to be better communication within existing support programmes so social entrepreneurs from all regions can benefit from these resources.

OTHER MEASURES CAN BE TAKEN BY DIFFERENT ECO-SYSTEM STAKEHOLDERS, SUCH AS:

Creation of an African social entrepreneurship network:

There is currently no central meeting place for social entrepreneurs and policy makers to come together to co-design an eco-system. A network that allows for the exchange of good practices and increased visibility among African social entrepreneurs could help support the development of the movement across the continent.

Opening the international market:

According to the survey results, 12 per cent of Moroccan social enterprises operate in the international market. The social entrepreneurship eco-system could better promote the spread of social enterprise by supporting increasing participation and engagement in African, European and other international markets.

Transfer of expertise:

International NGOs could organise exchanges for Moroccan social entrepreneurs with their counterparts in countries with more developed eco-systems. A good example of this is the British Council's 2015 Social Enterprise Morocco competition.

Creating a platform for the social entrepreneurial eco-system:

Current initiatives promoting and supporting social enterprise could be better co-ordinated to help boost the development of the sector in Morocco.

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ANNEX 1

INTERVIEWEES AND CONSULTATION WORKSHOP PARTICIPANTS

The following individuals contributed their time and insights during the research, either during meetings in person or by phone:

Name	Organisation
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Issam Eddine Abail	Moroccan CISE
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Fathiya Saidi	Maison de l'économie sociale et solidaire
Marwane Fachane	
Ahmed Sebbata	Dare Inc
Rachid El Omari	Amicale Marocaine des Handicapés
Laila El Ouarrat	
Himes Salma	Al Moukawila
Abdeljalil Bakkar	Initiative Urbaine
Nawal Filali	World Bank
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Name	Organisation
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Ibrahim Bennouna	Twiyer
Mohamed Hafid	Granéco
Mohamed Echchafi	Hirafi.ma
Mouna El Mdari	Tadamoune
Roakaya El Boudrari	Wassila
Yassine Bakir	20/21

ANNEX 2

SURVEY QUESTIONS

What is the name of your organisation?

In what year did your organisation formally begin operating?

Where in Morocco does your organisation have its headquarters?

Is your organisation operating at a local/provincial, regional, national or international scale?

How would you describe your organisation?

Have you heard about the concept of 'social enterprise'?

What are the characteristics of your organisation?

In what legal form(s) is your organisation registered?

Is your organisation a subsidiary of another organisation?

What are your organisation's overall objectives?

What is the main sector you operate in? What is the principal trading activity of your organisation?

What was your organisation's annual turnover in the previous financial year?

In the last year, did you make a profit or surplus?

How is your profit/surplus used?

What do you expect to happen to your organisation's turnover next financial year?

What forms of finance and funding have you received (in the last year or since you started operating)?

What proportion of your total income came from grants last financial year?

How many paid fulltime employees (35+ hours per week) do you currently employ?

How many paid parttime employees (34 or fewer hours per week) do you currently employ?

Does your organisation place emphasis on: profit first, social/environmental mission first or both jointly?

Do you consider any of the following groups to benefit directly from your organisation's core business activities?

How many people do you estimate you have supported in total in the last 12 months?

Do you measure your social and environmental impact?

What level of education does the person most responsible for managing your organisation have?

What's the name of the person currently in charge of your organisation?

What is her/his gender?

What's her/his age range?

Is the person currently in charge of your organisation from a vulnerable group?

Do you have expectations for growth over the next year?

How does your organisation plan on achieving growth over the next year?

What are the major barriers your organisation faces?

What are your organisation's top three constraints to financing?

Has your organisation benefited from any supporting programme (mentoring, incubation, training, etc.)?

If yes, which kind of support was it?

Are you happy for this information to be shared publicly?

ANNEX 3

REPORTING AND CAVEATS

Data from the survey was subjected to second-level analysis by region, age of organisation, gender of leader, size (by turnover and employees) and sector. Findings have only been presented where there are significant or interesting distinctions to be drawn through disaggregation.

For the purposes of the study, the term 'funding' is used to mean grants, revenue and income. The term 'finance' is used to mean debt, equity, investment and capital.

Survey results have been rounded off to zero decimal places, meaning some totals may not add up to exactly 100 per cent. For survey questions where it was possible for respondents to select multiple answers, the response totals will add up to more than 100 per cent.

The survey responses are self-declared by social enterprises. Data was not systematically verified with respondents; however, outlying results and gaps were verified with respondents over the phone. Data on beneficiaries is self-reported and has not been verified. No further definition of 'beneficiary' was provided with the survey questions.

It is likely that the survey results contain biases due to the nature of outreach and sampling. It is expected that there are a higher proportion of responses from social enterprises located in metropolitan cities with access to networks and a stable internet connection than is nationally representative. It is also expected that there are more responses from areas where events and outreach activities were conducted, indicating that the regional spread is not representative.

The estimates of total social enterprise numbers were challenging to compile. Accessing SME and NGO databases did not yield comprehensive results, and the absence of a harmonised terminology to define SMEs was problematic. The samples were also very small and neither random nor representative. They also relied on self-reporting.

ABOUT THE ORGANISATIONS

The British Council is the UK's international organisation for cultural relations and educational opportunities. We create friendly knowledge and understanding between the people of the UK and other countries. We do this by making a positive contribution to the countries we work with by creating opportunities, building connections and engendering trust.

We work with over 100 countries across the world in the fields of arts and culture, English language, education and civil society. Our work in social enterprise draws on UK and global experience and is delivered across 29 countries with local and international partners. Together, we:

- provide social entrepreneurs with access to training, mentoring and funding opportunities
- promote social enterprise education in schools and universities
- convene policy dialogues, conduct research and organise study tours to share knowledge and best practice in creating an enabling environment for social enterprise
- deliver international development actions that focus on social enterprise

It is a systemic approach designed to help foster a more sustainable, inclusive and prosperous future and build collaboration, opportunities and trust between the UK and other countries.

The Entrepreneurship and Organisation Management Research Centre is located in the Faculty of Legal, Economic and Social Sciences at the University of Hassan II, Casablanca. It aims to develop knowledge and support the growth of entrepreneurship through research and training in entrepreneurship and to promote the entrepreneurial spirit in general.

The laboratory has four main activities: training, research, support and e-learning.

The centre has developed expertise across six key areas: Entrepreneurial dynamic (e.g.: GEM), Social entrepreneurship, Entrepreneurial skills, Business support, Entrepreneurial finance, Employability.

Social Enterprise UK is the leading global authority on social enterprise. It is the biggest network of social enterprises in the UK and is a strategic partner to 6 government departments and has led public policy on social enterprise for over 15 years.

Their activities include:

- Running effective campaigns for our members and lobby on the sector's behalf
- Carrying out robust and respected research to help paint a picture of the UK's social enterprise movement
- Working with our corporate partners to broker business for our members and other social enterprises
- Raising awareness of the role that social enterprises play delivering health and care services
- Building networks between social enterprises
- Raising the profile of people and social enterprises in the sector.