SOCIAL ENTERPRISE UK

A report on the social enterprise landscape in Morocco

# LIGHTING THE WAY

Photo of **Anou**

# Acknowledgements

# Forewords

## British Council, Morocco

In the last ten years, the British social enterprise sector has grown into one of the most dynamic and progressive business ecosystems in the world. The strength of the sector's grassroots sits alongside the leadership shown by the British government, which appointed the world's first Minister dedicated to the sector in 2006 and is a world-leader on social investment initiatives.

But this is not just an Anglo-Saxon phenomenon; it is a global movement driven by a demand for more equitable business models and improved public service delivery. South East Asia and India in particular are pioneering some extraordinary examples of how to leverage social enterprise to improve living conditions.

Morocco of course has its own protagonists. The Moroccan Centre for Innovation and Social Enterprise (Moroccan CISE), our partner in this research project, is paving the way for a generation of young Moroccan social innovators aiming to solve illiteracy, unemployment and rural marginalization.

Morocco has a strong tradition of the social economy (l'economie sociale et solidaire) and a very active co-operative sector. It is partly from within these communities that a new breed of social entrepreneurs is emerging. This research features a number of case studies of Moroccan social enterprises, many of whom are working in partnership with artisans or co-operatives to generate added value for the workers and the community. Looly's Fine Pearls of Couscous, for example, employs rural women who are at risk of domestic violence, paying them 20% above market rate wages, and at the same time integrating their husbands into the supply chain of the business by employing them to transport materials and products.

The authors of this report, Social Enterprise UK, are the world leaders in social enterprise research and they have adapted their methodology to assess the nascent social enterprise ecosystem in Morocco. The results, as you shall see, are varied and promising.

There is still a lot to be done, but the drive and initiative of people on the ground to make it happen is there. The British Council is committed to supporting these innovative social activists to create the change needed to build a more equal and inclusive society, in which business is both ethical and environmentally conscious.

**Martin Rose,**
**Country Director Morocco, British Council**

## Moroccan Centre for Innovation and Social Entrepreneurship

Any novel endeavor to solving social problems has its challenges. In the case of Morocco's social enterprise movement, over the last five years we have seen that the concept of social enterprise is little known and only a few people are aware of its existence, let alone its importance.

Social enterprises have multiple roles, simultaneously addressing social needs and improving communities, whilst creating economic growth, jobs, and adding value. Social entrepreneurship is not simply a concept or a trend - rather, it is a positive change movement, which can offer new solutions to Morocco's development and prosperity.

At the Moroccan Centre for Innovation and Social Entrepreneurship, we combine the power of community development, entrepreneurial spirit, advocacy and research to support the development of social innovation and entrepreneurship in Morocco. Today in early 2014, we are happy to share this report - the first of its kind about a topic dear to our hearts and to our future.

The report aims not only to shed some light about the concept of social enterprise in Morocco but also to give insights on how to take it forward. We are sure that it will lead the way for more research, attract the attention of both policy makers and businesses, and foster a sense of the importance of this topic through its analysis of how the movement can benefit Morocco strategically.

We are thankful to both the British Council and Social Enterprise UK for working with us and making this dream happen. We hope that this report provides readers with some answers, but more importantly that it triggers new questions that we can answer in our 2016 edition.

Have a good read and we look forward to promoting social change together.

**Adnane Addioui,**
**Chief Visionary, Moroccan Centre for Innovation and Social Entrepreneurship**

# Contents

# Executive Summary

This report presents the findings from research that Social Enterprise UK was commissioned to undertake on behalf of British Council, Morocco, in partnership with the Moroccan Centre for Innovation and Social Entrepreneurship (CISE). The aim of the research was to scope the early stages of social enterprise development and its landscape in Morocco.

## Background and context

Morocco is in the early stages of developing its social enterprise infrastructure and activity, particularly as regards raising awareness with key influencers and policymakers, and more general profile raising with the general public. However, there is a dearth of research on social enterprise within the Moroccan context. This report is one of the first attempts to explore the social enterprise landscape.

## Summary of key findings

This report presents the findings from research designed to scope the early stages of social enterprise development and its landscape in Morocco, highlighting what exists; where consensus and debates lie; what challenges are present; and practical 'next steps' to support the social enterprise agenda. Key findings from this report reveal that:

- Awareness of social enterprise is considered to be extremely low in Morocco. Those who have heard the term 'social enterprise' are likely to have only come across the term for the first time in the past four years.

- Whilst the idea that organisations may undertake some income generating activity as a way of supporting their social work is familiar in Morocco, there is real uncertainty and varied views around what social enterprise actually means and how it is different from current ways of working.

- It is clear that the social enterprise movement is being driven by a relatively small circle of people; this circle of people share common characteristics – notably, graduates of higher education and exposure to international ideas and experiences on social enterprise – which have clearly influenced their thinking on social enterprise development in Morocco.

• There are a variety of social purposes that social enterprises work for, the most common being working to improve or support a community, supporting women and providing education and training. The artisan and handicraft sector are also predominately the markets that the organisations operate in - which is in large part influenced by the dominance of the co-operative sector in Morocco.

• Personal finances, membership fees and government funding are the three most popular sources of funding for the surveyed organisations. Accessing financial support is also both the most received type of support and the most sought after type of support for the surveyed organisations.

• Other barriers to the growth and development of social enterprises include operational barriers - namely, lack of appropriate technical support, lack of finance and funding, and the limitations of the legal framework. Meanwhile, the barriers found at a more systemic level, which are equally pressing, included the lack of an enterprise culture and mindset, and issues around language.

• There is no shortage of ideas and suggestions about what is needed to develop a supportive environment for social enterprise to flourish in Morocco, the crux of which seems to lie in the need for the movement to become more inclusive and collaborative with more stakeholders and other sectors.

• Platforms and hubs which bring social enterprises, practitioners and supporters together to share best practice and ideas are also needed. These platforms can also serve as open forums which bring different stakeholders together to debate and build consensus around key issues which will shape the future of social enterprise.

# 1.0 **Introduction**

Social enterprise is a growing, global movement. All across the world, social enterprises and the inspirational people behind them are tackling entrenched social issues, protecting the environment from damage and deterioration, and revolutionising the scope of what we believe business can achieve.

And global leaders are taking note. From the UN, to the G8 and the World Bank, people are sitting up and recognising the movement's potential to create sustainable, lasting change.

But in order to realise this potential and advise policy-makers and funders about how best to get behind the movement, we need accurate knowledge of what's happening on the ground. In a number of countries this work has been evolving for many years, from practitioners sharing best practice to academics creating ever more sophisticated ways of capturing impact, and it has resulted in the establishment of specialists support networks like the Social Enterprise Alliance in the US and Social Enterprise UK.

In Morocco, where social enterprise is newly starting to emerge, mapping the movement and surrounding landscape at an early stage will be enormously constructive. Social enterprise develops differently in every context and as this report bears out, the Moroccan context is no exception; understanding these nuances to develop a picture of what works in Morocco will give a valuable boost to the development of the movement.

This report aims to lay the foundations for precisely this. It presents the findings from research designed to scope the early stages of social enterprise development and its landscape in Morocco, highlighting what exists; where consensus and debates lie; what challenges are present; and practical 'next steps' to support the social enterprise agenda.

# 2.0 **Methodology**

This research project was commissioned by British Council, Morocco, in partnership with the Moroccan CISE. Social Enterprise UK were contracted to design research to scope the early stages of social enterprise development and its landscape in Morocco. The dearth of research on social enterprises in the Moroccan context meant that this research would provide a starting point and foundation, upon which further research could build. Practical 'next steps' to support the social enterprise agenda and raise its profile were also a key outcome from this research.

The field research for this project was undertaken in two main stages. The first stage was a scoping visit to Morocco to gain a broad understanding of how social enterprise was developing, both as a nascent movement and in terms of the landscape in which it is developing. The second stage was a series of interviews with individuals who were identified as having some engagement with how social enterprises are developing in practice. In total, 48 individuals were interviewed for this second stage of the field research.

## 2.1 Process and sample characteristics

**First stage:** Working with its local partner, the Moroccan CISE, British Council identified and invited individuals to participate in the scoping visit. Invitations were issued to two sets of people:

> 1. those who are considered to have expertise on social enterprise, including social entrepreneurs, practitioners in a support capacity and academics; and

> 2. those who work for organisations or sectors - government, finance, private sector, and civil society – which are considered to be potential stakeholders in the future landscape of social enterprise and can offer some insight on how social enterprises are perceived from the periphery.

Over the course of one week, the majority of participants were interviewed on a one-to-one basis, while five participants were involved as part of a roundtable.

**Second stage:** The initial findings from the scoping visit were used to inform the design of the questionnaire for the second stage interviews, to ensure that the scope was appropriate to the existing landscape and pitched at a level which would maximise the accessibility of the questions.

The aim of the second stage interviews was to understand how social enterprises are developing in practice. As this research was premised on the understanding that there is

no real understanding of what social enterprise means in Morocco and certainly no formal definition, a deliberately loose criteria of what might be classified as 'social enterprise', and therefore the target sample, was used. This loose criteria included organisations that may consider themselves to be a social enterprise; organisations that have social enterprise characteristics, though they may not identify as social enterprises; and organisations that are working towards becoming a social enterprise.

The interviews were conducted by a team of local researchers put together by Moroccan CISE, all of whom are active in the social enterprise movement in Morocco. As there are no established networks or membership bodies for social enterprise, the researchers built the sample frame using their own knowledge of the landscape to identify potential networks, organisations and individuals who were likely to fit the target sample. Invitations and call outs for participants were made through these channels and the researchers used their own judgement to select relevant participants. This means that in addition to being invited to participate by the researchers, other respondents self-selected to be part of this sample, which should maximise the likelihood that they are familiar with social enterprise in some way.

## 2.2 Reporting

The majority of the analysis in this report is based on both findings from the scoping visit and the second stage field research. Where possible, both sets of findings are weaved together. However, where this is not possible and the findings are more valuable presented separately, the findings from the field research are presented in a box entitled 'findings from the field' under the relevant section.

To differentiate between findings from the first stage of field research the second stage of field research:

> • the former is referred to in the report using the terms 'participants' and 'scoping visit'; and

> • the latter is referred to in the report using the terms 'respondents' and 'field research'.

To assess any stark differences which may emerge between findings from the whole sample and just those respondents who may consider their organisation to be social enterprise:

> • the former is referred to in the report as the 'total sample'; and

> • the latter is referred to in the report as the 'social enterprise sample'.

Results from the second stage of field research have been presented rounded to zero decimal places which may mean that where relevant, some percentages reported may not add up to exactly 100%.

The small sample sizes for both stages of field research mean that they are not fully representative of how social enterprise is developing in Morocco. However, based on the premise that the volume of social enterprises and social enterprise activity currently taking place in Morocco is very low, the findings can be interpreted as early indications of how social enterprise may be developing, at the time when this research was conducted.

# 3.0 Awareness of social enterprise in Morocco

Because social enterprise is a nascent movement in Morocco, the level of awareness is an important indicator of how well established social enterprise is, both as a concept and in practice as viable organisations on the ground. It is also a valuable indicator of how, and by whom, the movement is being driven; and ultimately how far the movement has to go.

On the whole, the level of awareness for social enterprise in Morocco varied hugely. This was true even among the people that were chosen to participate in the scoping visit, where they were primarily chosen based on their expertise on social enterprise. Many admitted that the term 'social enterprise' is very new for them and that they have only started hearing its usage in the past few years. One social entrepreneur commented that when she first set up her social enterprise in early 2012, she could not find any other social entrepreneurs and struggled to identify similar businesses, but now there are more in Morocco.

All the participants of the scoping research believed that the term is not well known at all outside a small circle, primarily from academic, civil society or international backgrounds. This nascent awareness and its limited reach beyond certain circles, is reinforced by the responses from the field interviews: of the two-thirds of respondents who have heard of the term 'social enterprise', 10% were not able to articulate what it is. This suggests quite a low level of awareness considering that the respondents were in large part a self-selected sample [1]. The majority of respondents first came across the term within the past four years. Respondents were also most likely to have come across the term studying at university or participating in some sort of higher education activity or work training event.

## 3.1 Use of the term 'social enterprise'

As the term is not well known at all, the participants do not use the term in their work or in their communications. Instead, anything regarding social enterprise is generally described as an Non-Govermental Organisation (NGO) activity or project.

Even those who are confident in their understanding of social enterprise recognise the limited marketability of using such an unknown term, and opt to use more recognised terms such as a 'social innovation' to promote their social enterprise activities.

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[1] See the Methodology section

In turn, the scarce use of the term 'social enterprise' adds to the uncertainty and confusion surrounding the concept. Many of the stakeholders required examples of what social enterprises might look like before being fully sure that they are aware of the term.

Of the two-thirds of respondents who have heard of the term 'social enterprise', 48% consider their organisations to be a social enterprise; this is one-third of the total sample. However, it is worth noting that one-third of the respondents who do not consider their organisation to be a social enterprise have stated they are transitioning to become a social enterprise in the future.

## 3.2 Familiarity with the concept

The lack of awareness with the term itself did not always indicate a corresponding lack of familiarity with the concept. When the concept of social enterprise was broken down into its various component characteristics and examples were given on how a social enterprise may work, recognition levels were high. As one stakeholder commented:

*"Social enterprise is not new, but the definition is new. Before, it was being done in different manners and different ways. The name is modern."*

This sentiment, that social enterprise is not a new concept, was echoed by other participants who believed that Moroccans *"are already doing social enterprise without knowing it".*

## Case study: **Looly's Fine Pearls of Couscous**

**Using traditional Moroccan cuisine to change women's lives**

Looly's is an impact-driven start-up, aiming to export handmade couscous in the UK and USA. Aimed at a health and environmentally-conscious market, the couscous is being sold (and packaged in an environmentally-friendly way) as a premium product to be eaten for breakfast, lunch and dinner.

The couscous is made by nine women working six days a week, using traditional methods which have been passed down the generations. For these women, making Looly's is not just cooking, but a craft that is part of their culture and legacy.

Looly's benefits its workers by paying 20% above market wage and working with women who are at risk of domestic violence due to their husbands' unemployment. Looly's also makes an effort to include husbands in the business (for example, through transporting the goods) in order to create equilibrium in the households. Furthermore, 40% of Looly's profits will go to the Worker's Community. This will help to pay a social trust fund for children's education, literary courses for adults, healthcare provision and a social housing programme.

# 4.0 What is social enterprise in the Moroccan context

It is clear that social enterprise is not an alien concept in Morocco. Even if the term itself is not well known, the concept and characteristics of social enterprise are familiar. And more than being familiar, there are activities already taking place in Morocco which people would recognise as social enterprise or similar to social enterprise.

However, key points of difference exist in how people understand social enterprise and what they value and prioritise about it. It is noteworthy that few of the participants were fully sure of their own position; most views were, from the outset, couched in recognition of the uncertainty surrounding the concept and the difficulty of reaching a definitive definition of what social enterprise is. However, there was some agreement over certain aspects of what social enterprise means; most notably, having a social purpose is one aspect which found broad agreement.

## 4.1 The social purpose of social enterprise

Social enterprises must have a clear social purpose; for many, a social enterprise is seen as a tool to achieve change. The majority of participants mentioned the importance of communities, both in terms of communities being the beneficiaries and also in terms of how social enterprises operate within and with the community. Generic responses of 'helping those in need' also featured high on what social purpose means.

Rural communities were commonly cited as areas that were most in need as issues around poverty and poor education are more prevalent there. There was a lot of attention given to supporting women in rural areas as they are seen as a marginalised and underserved group. Underlying many of these responses was also a belief that social enterprises enabled change beyond just momentary relief; that social enterprises could support communities to build their own capacity to support themselves or to help underserved groups to become financially independent and sustainable.

The field responses provide a more nuanced picture of what social purposes are pursued in Morocco. They varied from protecting Moroccan heritage to providing support for students. The different types of social purposes broadly cluster around certain legal structures: the majority of co-operatives and associations have a social purpose related to supporting a particularly community, women and/or families. Responses on behalf of

private enterprise structures have a more varied social purpose, and are more likely to offer a service or products like training.

Similarly, within the social enterprise sample there is considerable variation regarding their social purpose. However, the most popular social purposes cited by respondents are improving or supporting a community (19%), providing education and or training (19%), supporting women (13%), and helping people find employment (13%).

## 4.2 Beyond having a social purpose - the enterprise element

Beyond agreeing that having a social purpose is critically important to why a social enterprise exists, the majority of participants mention enterprise as a component of social enterprise, and that this aspect exists to support the social purpose. However, the question of how important a role the enterprise aspect plays in defining social enterprise was subject to greater debate. For some, the enterprise element plays a very secondary role to the social purpose, and people were indifferent as to what extent the enterprise element should play in defining social enterprise. For example, some participants believe that NGOs with an income generating activity could be social enterprises.

For others, the enterprise element is critical to defining social enterprise and the financial independence and sustainability it provides is of equal importance to having a social purpose. As a couple of participants state:

*"Social enterprise is first of all a business model directed at a social problem"*

and,

*"Social enterprises are businesses so they should play by the rules of the market, compete and be innovative."*

While there was certainly a wide range of views presented across a real mix of participants with different roles and responsibilities, it was clear that participants from certain backgrounds seemed to express similar views on certain aspects of social enterprise. Most noticeably, there was common ground among those with similar exposure to social enterprise as experienced abroad, namely in the UK or the US where the concept is better known and developed. Although there is also variation and nuance within both the UK and US landscape, these participants were more likely to emphasise the importance of the enterprise and financial sustainability elements as having equal importance to the social element.

Another common factor that seemed to influence participants' views was whether they were from a commercial background or attended business school. Perhaps, not

surprisingly, these participants emphasised the importance of social enterprises as businesses. For example, one participant described social enterprise as *"the opportunity for businesses to assume their social goal and citizenship".*

The background and motivations of the people involved in social enterprise, including those who participated in the field research, will be explored in greater detail below in section 4.3.

The field respondents were no less mixed in how they saw the relationship between the social and enterprise element. Of those who said they have heard of the term 'social enterprise', 90% were able to articulate what they understand by 'social enterprise'. Notably, although they were on the whole quite general descriptions, the majority refer to both enterprise and social elements, with a majority within this group explicitly describing social enterprise as "an enterprise/business/company with..." a social aspect. This suggests that for many, the enterprise aspect is a defining feature and one which differentiates social enterprises from other organisational forms with a social purpose.

## 4.3 The people behind social enterprise

To gain a better understanding of what influences and drives people to become involved in social enterprise, participants were asked to describe profiles and characteristics typical to these people. Factors from abroad are clearly some of the biggest influencers which have inspired people to champion social enterprise in Morocco. Indeed, it is noteworthy that all the participants actively involved in social enterprise can trace their social enterprise journey from outside Morocco. For example, one participant who runs a social enterprise to support women in rural areas of Morocco first came across the idea by attending a conference for business women leaders in the US, and still receives mentoring and support from abroad. There were also examples provided of foreigners who have imported the concept of social enterprise into Morocco as a model to address some of the problems they have come across.

However, on the other end of the spectrum, there was also discussion about how social enterprise could emerge more organically from within Morocco, namely from civil society and the NGO sector. It is not uncommon for these organisations to undertake some form of income generating activity which could plausibly transition into a sustainable model. It is also likely that some people were undertaking social enterprise activities in everything but name. One of the participants, who supports social enterprise through an organisation called Moroccan CISE, explained that through their grassroots support programmes they have discovered such people and organisations who seek to address problems around poverty and development in a sustainable manner.

Another key characteristic of people who are involved in social enterprise is the level of formal education received: all the participants have pursued higher education at university or post-graduate studies, and the majority undertook their higher education abroad. It was often during this time abroad that they first came across the concept of social enterprise.

The field responses broadly reinforce the findings identified in the scoping visit. The vast majority of respondents had pursued or were pursuing some form of higher education, mostly to degree level, and like the participants, this is where they first came across social enterprise.

## 4.4 Profit and related characteristics

Although there remains obvious uncertainty and different views on the balance between the enterprise and social aspects, the expectation that a social enterprise needs to generate income is commonly accepted. Questions regarding the role of profit and how it is used therefore naturally follow on.

The vast majority of participants from the scoping research did not mention anything about profit when they were asked to define or describe social enterprise. It is likely that this is in large part due to the newness and ambiguity surrounding the term. Examples of social enterprises which are both profitable and financially sustainable were few. Indeed, many social enterprise examples provided were funded projects or NGO activities as opposed to entities in their own right.

It is telling that questions probing for more specific characteristics of social enterprise, for example on governance structures or profit redistribution, were often met with uncertainty or 'don't knows'; most people have never considered these questions. When an opinion was offered, they were often based on theory and principles rather than practice. For example, one participant believed that because social enterprises are businesses, and therefore operate along market principles, their shareholders and stakeholders should be able to do what they want with the profit. Meanwhile, another participant commented that although social enterprises can be for-profit and need to sustain their business, this cannot be achieved at the expense of exploiting their labour.

The lack of detailed thinking on social enterprise may also be symptomatic of the challenge, perceived and otherwise, of establishing a social enterprise within the current legal framework. The majority of participants believe that there is a lack of viable legal options, which prohibits, the development of social enterprise in Morocco. This is discussed in greater detail below in the section looking at barriers, section 6.3.

The field responses provide a clearer picture of how profit is used or intended to be used in practice:

> • One third of respondents did not know how they used their profits and 8% have not made or do not make a profit.
>
> • 10% of respondents distribute profit between their members who are often the beneficiaries they aim to support (this applies primarily to co-operatives).
>
> • The largest proportion of respondents (38%) reinvest the profit, in different ways, back into the business. 50% of this group are start-ups (under four years old), which also accounts for half of all start-ups in the entire sample (19%). This is not surprising as it is common practice for start-ups to reinvest their profit back into their business in order to be sustainable.

The one-third of respondents who consider their organisation to be a social enterprise present a similarly mixed picture; the largest proportion (44%) reinvesting their profit back into the business in some form.

Case study: **Maroc Taswiq**

**Removing the middleman for small-scale food-producers**

Maroc Taswiq is an online platform that gathers and distributes products made by co-operatives and small-scale producers across all of Morocco's 16 regions.

With over 80 co-operatives among its members, Maroc Taswiq is providing assistance to numerous communities. They work to modernise agricultural production and the food industry and help their member organisations with sales. This helps to improve conditions for small farmers, raising their incomes and providing much-needed funding for community projects.

The platform costs nothing for the co-operatives to join, but is funded by corporate sponsors and the government. Mr Najib Mikou, the CEO, sees a bright future for the company as more and more co-operatives sign-up and reap the benefits of Maroc Taswiq's assistance.

## 4.5 Legal models

> • **Co-operatives**

The majority of the participants thought that the most popular legal model for social enterprises is the co-operative model; it was rare to have any discussion about social enterprise without reference to a co-operative. However, whilst its prevalence within an embryonic social enterprise sector is clear, there are mixed views on why this is, and

whether its apparent popularity is an accurate reflection of how social enterprise is developing in Morocco.

The co-operative model is seen by many as the only game in town for people wanting to set up social enterprise in Morocco. In legal terms, it is the only model which permits profit generation and distribution, whilst also enabling an organisation to have a recognised social purpose in the same way as associations and NGOs. Co-operatives can legally benefit from special treatment on business issues such as tax and remuneration. On the other hand, whilst associations and NGOs are permitted to trade, they are technically prohibited from making a profit.

This means that people wishing to set up a social enterprise are greatly incentivised to adopt a co-operative model. Many participants have expressed concern that the limited choice on offer is inadvertently skewing the development of social enterprise in Morocco towards one model. Some participants also perceived a risk that all co-operatives could, by default of their legal model, be seen as social enterprises regardless of their social or enterprise credentials.

The predominance of the co-operative model is also reinforced by the support it receives from government. Co-operatives have a government department dedicated to them – the Office of Development Cooperation - which is closely linked to the Ministry of Handicraft, Solidarity and Social Economy. Many of the government's social policy agendas are pursued and implemented through these departments.

It was explained by a few participants that while government support for co-operatives is positive, it imbues social enterprises with a very particular set of ideals and expectations based on the French experience and school of thought on co-operatives. One participant explained that the government's view on co-operatives and the social economy is based on *"the provision of basic necessities such as food and shelter, and not on sustainable development, job creation or innovation"*.

The popularity of the co-operative model also stems from a heavily promoted concept of "solidarity" amongst the general public. One participant explained that *"Morocco has always had an old tradition of working together"*, and this concept of "solidarity" was further strengthened by the National Initiative for Human Development (INDH), a program launched in 2005 by King Mohammed VI. The aim of the programme is to "to enhance use of social and economic infrastructure and services by poor and vulnerable groups[2]". Under this initiative, the support and awareness of existing social purpose

[2] World Bank, a supporter of INDH

organisations such as co-operatives, NGOs and associations increased considerably, reinforcing the idea that these models are the purveyors of social good.

**• Private enterprise models and sole proprietorships**

Alongside co-operatives, other popular models are those designed for private businesses. The most popular models widely used by commercial companies are the SARL (a private limited liability model), and the SA (a limited liability company), also known as a stock company. There are examples of social enterprises adopting both SA and SARL forms. The sole trader/proprietorship model is also adopted by social enterprises.

**• Associations and projects**

It was common to hear examples of associations (which can be NGOs) and projects undertaken by associations described as social enterprises. These associations tended to be considered to be more professional in terms their organisational structure and training, and undertake some form of income generating activity. Projects that have an income generating aspect were also referred to by some participants as being social enterprise.

## 4.6 Findings from the field

It is clear from Figure 1 that the largest proportion of respondents from both the total sample and the social enterprise sample have chosen to adopt a SA or SARL legal model. Associations and other non-profit models follow as the second most popular and co-operative models follow as the third most popular. As the sample sizes are very small, in particular for the social enterprise sample which consists of 16 individual responses, the distance between the percentages cannot be taken as representative. However, the higher percentage of respondents who have adopted SA or SARL models, particularly those who consider their organisation to be a social enterprise, does suggest a preference towards more commercial models. This also indicates that there may be a discrepancy between the realities of how social enterprises are developing on the ground and the discourse on how they are developing at a policy, academic and support level (as represented by the participants), which seems to give more prominence to co-operatives and non-profit sector models. However, as the sample is too small to be taken as representative, further research will be required to substantiate which legal model is, in fact, the most popular among social enterprises.

**Figure 1** - Table showing comparison of legal models adopted by the total sample and the social enterprise sample

|  | **Total sample** | **Social enterprise sample (one-third of total sample)** |
|---|---|---|
| SA or SARL | **31%** | **44%** |
| Association and other non-profit orgs | **23%** | **13%** |
| Co-operative | **17%** | **6%** |
| Public institution | **8%** | **6%** |
| Other | **6%** | **0%** |
| Sole proprietorship | **4%** | **13%** |
| Don't know | **10%** | **19%** |

## Case study: **Anarouz**

**Empowering women in rural areas**

Anarouz means hope in Berber. The organisation has created an e-commerce platform, working with the indigenous people of Morocco, partnering women with a handicraft centre. It focuses both on the design of the products, ensuring the highest possible quality, and on connecting women to a global market.

The company was founded in March 2012 by Manal Elattir: inspired by the social enterprise stories she heard during an American mentoring programme, she aims to use her business and entrepreneurial skills to expand the social impact of the Moroccan co-operative movement.

Anarouz aims to make women leaders in their communities, not only empowering them financially but also giving them the skills and confidence to become truly independent.

# 5.0 How and where do social enterprises operate

## 5.1 Markets and trading activities

Handicrafts stand out as a key market that social enterprises trade in. This is in large part linked to the common view that the development of social enterprise is currently, and is likely to continue to be, heavily influenced by the co-operative and non-profit sector. Handicrafts are a strong part of Morocco's national heritage and play an important role in the economy and employment market. This tradition, coupled with the highly fragmented and informal nature of the industry makes it a natural fit with co-operative models and a popular activity used by associations and NGOs to support income generation, or as a means to provide training, employment and engagement for their beneficiaries. The existence of a Ministry of Handicraft, Solidarity and Social Economy is a strong signal that the Moroccan government views handicrafts as intertwined with achieving the nation's social objectives. This Ministry has established a strategic development programme as part of its flagship 'Vision 2015' plans to promote the socio-economic development of the handicraft sector.

One participant described social enterprises as *"organisations that work with people on the margin".* Considered to be a highly marginalised group in Morocco, women are often the target beneficiaries of handicraft co-operatives. The focus also seems to be on women and other vulnerable groups living in rural areas where support and opportunities are scarcer, and there is a higher level of illiteracy and poverty. Other trading activities mentioned by participants include *"carpet making, small jewellers, producing milk and honey"* as *"they need to start with what exists in order to make it more powerful and scalable".*

The field responses largely support the views expressed by the participants of the scoping visit; the largest proportion of respondents, over one-third (35%),  are involved in the handicrafts or wider artisanal markets from making carpets and bags to making jams and glass painting. Activities related to education and training - particularly for young people, students and entrepreneurs - form the second biggest proportion of respondents at 20%. Other training activities include a real mix from urban agriculture projects to concierge services. The activities undertaken by the social enterprise sample showed no dominant activities and echoed the diversity found in the total sample.

## 5.2 Sources of funding

**Figure 2** - Table showing comparison of sources of funding[3] of the total sample and the social enterprise sample

| Source of funding | Total sample | Social enterprise sample (one-third of total sample) |
|---|---|---|
| State/government | 17% | 19% |
| Membership | 19% | 19% |
| Personal/self-funded | 25% | 25% |
| Private | 15% | 25% |
| Grants/in-kind support/ donations/sponsorship | 20% | 6% |
| Other | 2% | 6% |
| Don't know | 23% | 19% |

On the whole, Figure 2 shows that a quarter of respondents, the largest single proportion from both the total sample and social enterprise sample, got their funding from personal sources. Almost one-fifth (19%) of both samples were also funded from membership fees. Funding from state/government sources was also very similar between the two samples: 17% from the total sample and 19% from the social enterprise sample.

However, more stark differences are found when looking at private sources of funding, which accounts for a quarter of respondents from the social enterprise sample compared to 15% from the total sample. This higher level of engagement with private sources of funding from respondents in the social enterprise sample, may be related to the higher percentage of commercial legal models adopted by this sample.

## 5.3 Turnover

Only 42% of the respondents provided answers when asked what turnover their organisation made in the last financial year. Of this 42%, only three-quarters generated a turnover. Of the remainder, 15% responded that it was too early to know what the turnover was, 5% made a deficit, and 5% did not know what their turnover was.

Of the 75% generating a turnover, the amount ranged significantly from 7 million MAD to over 10 million MAD. Over half (53%) of these respondents' turnover in the last financial

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[3] Respondent may have provided more than one source of funding

year was less than 100,000 MAD; just over a quarter (27%) was in between 100,001 and 1 million MAD; 13% of the respondents' turnover was in between 1 million and 10 million MAD; and only 7 %, accounting for one single respondent, generated a turnover of more than 10 million MAD. The highest turnover generated by any respondents from the social enterprise sample was 400,000 MAD.

## Case study: **Care**

**Providing clothing to communities in need**

Care is an award-winning social enterprise based in Casablanca. Driven by a passion for entrepreneurship and a desire to benefit his community, Omar Madi (aged 24) established the company in 2013. The ultimate goal of the company is that for every item of clothing sold, another is given to a person in need.

Although currently in its infancy, Care already employs seven people, and Omar sees great expansion in the future. In the next five years, he hopes that the company will be trading internationally - selling to 500,000 people across five continents.

# 6.0 Barriers and the current support landscape

## 6.1 Who is receiving support

**Figure 3** - Table showing both the support received and further support needed[4] by the total sample compared to the social enterprise sample.

| | Total sample | Social enterprise sample (one-third of total sample) |
|---|---|---|
| **Support received** | | |
| Yes (all) | 50% | 50% |
| % of 'Yes' which is financial support | 63% | 63% |
| % of 'Yes' which is non-financial support | 37% | 37% |
| No | 50% | 50% |
| **Further support needed** | | |
| Yes (all) | 60% | 56% |
| % of 'Yes' which is financial support | 55% | 31% |
| % of 'Yes' which is training support (e.g. management) | 14% | 19% |
| % of 'Yes' which is support for market access | 7% | 0% |
| % of 'Yes' which is support to recruit volunteers | 7% | 6% |
| % of 'Yes' which is other support | 24% | 6% |
| Not needed | 2% | 0% |
| Don't know | 38% | 44% |

[4] Respondents were able to provide more than one type of support

Figure 3 shows that half the respondents, from both the total sample and the social enterprise sample, have received or do receive some kind of support. The majority of this support is financial, totalling 63% from both samples. The percentage of respondents who require further support is also similar, with 60% of the total sample and 56% of the social enterprise sample stating that further support is needed.

**Figure 4** – Table showing whether support has been received by different groups of legal models

| Received support | Associations, Co-operatives and other non-profits | SA, SARL and sole proprietors | Other | Legal model not known |
|---|---|---|---|---|
| Yes (50% of total sample) | 67% | 17% | 8% | 8% |
| No (50% of total sample) | 21% | 54% | 13% | 13% |

As Figure 4 shows, the majority of respondents (67%) that did or do receive some form of support are co-operatives or associations and other non-profit organisations; a much lower 21% of this group did not receive any support. This is in stark contrast to the more commercial legal models - SA, SARL and sole proprietors – the majority of which (54%) did and do not receive any support; only 17% of this group received some support. This may suggest that organisations that adopt commercial models are less reliant on external support. However, this also seems to correlate with anecdotal findings which suggest that the support available, particularly from government, is aimed at co-operatives and other traditional civil society organisations, and therefore they are the more common users.

## 6.2 How they rate the support

Of the 50% of respondents that did or do receive some form of assistance, 42% rated the assistance available positively; the majority of these respondents were either co-operatives and associations or other non-profit organisations. 33% of respondents rated the assistance available negatively, the primary reason being that it was "insufficient" to meet their needs; notably, all of these respondents were co-operatives and associations or other non-profit organisations. The remaining 25% did not know how they rate the support.

## 6.3 Existing barriers

As is to be expected with any nascent sector, the barriers to becoming an established sector are often vast. For social enterprise, these barriers are arguably more complex than

for most others: as a way of doing business, social enterprise must be able to compete in the market and be sustainable. However, it must also function to fulfil its social and/or environmental aims.  Further, social enterprise not only requires proof of concept in general, but importantly, proof of concept within the Moroccan context.

These layers of complexity were well recognised by the participants, and as such, the barriers identified were rarely mentioned in isolation from other barriers. Broadly, the barriers identified can be separated into two levels: barriers which are found on an 'operational level', and barriers found on a 'systemic level'.

**Operational barriers** - these are barriers that have a direct impact in preventing social enterprises from developing and functioning, and are often connected to the more immediate environments within which they operate.

**• The lack of appropriate technical support**

Although, it is clear that there is very little specific support available to social enterprises, most participants felt that the level of support available in general, to both non-profit organisations and enterprises, is insufficient. This was more about the need for basic technical assistance on how to start up and run an organisation in a sustainable manner, be it better management training, building partnerships or how to secure finance. For some participants, this was underlined by the idea that social enterprises must be able to compete in the market alongside other commercial businesses. As one participant put it, *"there is no shortage of words to go before 'assistance'"* when asked what type of assistance was required. Figure 3 shows that this demand for training, and particularly management training, was the second most popular type of assistance that the field respondents identified.

When discussing the barriers faced by associations and other non-profit organisations, the focus was on the need for capacity building and fundraising, as many of these organisations were seen as lacking in the skills needed to be financially and operationally sustainable. One participant explained that many social projects had the potential to become social enterprises, but once the funding from government or other sources stopped, the projects rarely continued in a more sustainable form: *"There are good projects but they do not upscale because of lack of funding and lack of vision".*

Even co-operatives, the legal model widely considered by the participants to have the most support, both from government and international sources such as the EU, often lack support which is really appropriate to the diversity of needs. An example provided was the tendency to spend money on providing equipment for co-operatives (as many work in agriculture) even when this equipment cannot be used because the co-operative has no access to electricity. Another example was that although the co-operative structure

is commonly used to enable artisans to work together, there was no support to help them market and sell their products.

**• The lack of finance and funding**

Access to finance and funding is a common challenge for any organisation that seeks to be sustainable, and this is particularly true for start-ups and people with new and untested ideas – both of which are currently defining features of social enterprise in Morocco. The most commonly cited type of finance and funding need was seed-funding and finance for technical support, particularly with a view to achieving long term sustainability.

The finance and funding landscape in Morocco is limited in its scope and purpose. Most associations and co-operatives receive funding from government or international donors. However, participants have spoken about how this distant relationship has often led to a disconnect between what is needed on the ground and what is actually funded. There is also a sense that this has fostered an over-reliance on such external sources of funding, which in turn limits how social purpose organisations develop and grow from the outset. One participant remarked that *"the structure of NGOs do not allow for scale and projects remain projects"*, referring to the lack of funding which focuses on sustainability and innovation. When finance is available is it also considered to be insufficient and of short term value: *"currently people are restricted by the available finance to run small projects – this means social impact isn't maximised"*.

On the other end of the funding spectrum, the investment market is very thin in Morocco. One participant commented that although investment for social enterprises is much needed, this will be very challenging in Morocco where even traditional venture capital firms are few and far between.

Figure 3 shows that the need for financial support was by far the most received form of assistance (63%) as well as the most needed support (55%) from the field responses. This gives a strong indication that it is as big a barrier as the lack of technical support, and that despite being the most common support received, the levels available are not meeting the demand.

**• The limitations of the legal framework: perceived and real**

One issue frequently mentioned by the participants in the scoping visit was the limited legal options available for social enterprises. The prevalent view is that the co-operative model is the only viable structure for social enterprises. However, though most participants accept that this is a prevailing view and therefore a barrier to growing a diverse and strong sector, there is confusion and less of a consensus on the extent to which this barrier is real or perceived.

For strong advocates of a new legal structure, there seem to be a few different reasons driving this:

> • Some feel that a legal structure specifically designed for social enterprises is needed in order for the concept to gain acceptance and recognition in its own right, as neither a traditional business nor a non-profit organisation;

> • Some suggest that it is about creating a legal structure that provides incentives to start up a social enterprise. This could be in the form of the beneficial treatment that traditional social purpose organisations currently receive over mainstream commercial businesses; and

> • For others, it is about creating what they see as a more genuine legal model where the social purpose is embedded within it. As one participant stated, "there's no legal structure which mandates social wealth distribution within an enterprise".

However, another set of views do not place the same level of importance on the need to create a new legal structure specifically for social enterprise.

For some, this is an issue of timing underpinned by the Moroccan context. If a legal structure is developed then it should be fit for purpose and informed by the social enterprise context in Morocco. As social enterprise is in such an embryonic state and there is obvious uncertainty around how it should and could develop, it may at best be too early and at worse detrimental to focus on creating a new legal model: *"Morocco is not ready yet and so a legal status is not an important factor for the social enterprise movement"*.

Other participants were more ambivalent about the need for a new legal structure. These participants emphasised that the strength of social enterprise lies in the freedoms of operating as a business, and they are the future of business: "Today it is called social enterprise, tomorrow it is just called enterprises". Therefore, there is no need for a strict definition or legal structure to reinforce it. Another participant also pointed out the practical difficulties of creating a strict definition or structure due to the constantly evolving nature of social enterprise, especially in a nascent movement.

Interestingly, the participants who are currently running a social enterprise were notably less concerned about the need to pin down a legal structure or definition for social enterprise in general. The need to produce demonstrable social impact was seen to warrant greater attention: *"We've lost 10 years debating and defining the tribe - for example, who the profit should go to. We should base social enterprise on social impact."* Figure 5, below, shows that the field response seems to broadly echo the views of the participants; some change to the legal framework was the third most popular need identified. However, although this indicates that change to the legal framework is a

priority for many respondents, this issue was still only stated by one-fifth (21%) of the respondents.

When asked why they choose certain legal models, those who operate under more commercial models were more likely to refer to their ability to make a profit, access capital and generate revenue than respondents who adopted other models. Meanwhile, respondents whose organisations are associations were more likely to refer to the model enabling them to work for a social purpose. Indeed, a couple of these associations were explicit in believing that this was the only model which allowed them to work for "community benefit" or "social work". This suggests that certain legal models have an impact on how people think about the balance between the social and enterprise aspect, and may have an impact on the extent to which they see the legal framework as a barrier.

**Systemic barriers** - these are barriers that have an indirect impact in preventing social enterprises from developing and functioning, and are often connected to the wider environments within which they operate.

   • **Culture and mindset**
All the participants mentioned a need to foster an enabling culture to grow social enterprise in Morocco. This is clearly linked to the need to grow the level of awareness and acceptance of social enterprise as a viable means of providing sustainable social impact. However, it is clear that achieving this would not be a straightforward task - all the participants felt that there is a stage of enterprise development missing that needs to take place before social enterprise can properly take root. For some participants, this  cultural barrier stems from a commonly held mindset about the role of business in society that business is about making profit and not social change: *"people think social entrepreneurs are a bunch of hippies, idealists. They don't think you want to make money and they don't get the double bottom line"*. Such perceptions easily feed into scepticism about the concept which can be seen as a form of 'green' or 'white washing' from businesses. Another participant's experience of applying for finance for her social enterprise from a bank reinforces the idea that people need to start thinking differently about what a business can be. In order to secure finance for her social enterprise, the business plan submitted needed to change the language away from the social side to focussing solely on the enterprise side and the profit model.

Many of the participants also commented on a more fundamental barrier related to the culture, or lack of culture, of entrepreneurship in Morocco. This barrier may stem from the education system which is not seen as a supportive environment to foster entrepreneurial behaviour or ideas. One participant believes that the *"education system is militant and doesn't support creative approaches"*. Without a supporting environment people are scared of taking the steps needed to turn their ideas into a reality, when really they need

to know that there is *"no judgement - it is okay to fail entrepreneurship"*.  It is no surprise that many of the support measures proposed were related to embedding opportunities for social enterprise or enterprise into schools and higher education.

### • Language

The many common languages spoken in Morocco, from the local dialects to Arabic, French and English, naturally add a layer of complexity in how ideas spread and take root in Moroccan society.  'Social enterprise' is very much seen as a term that is imported from outside Morocco, and section 4.4 discusses how external influences have and do play a significant role in shaping how social enterprise is developing in Morocco. While this is not a problem in itself, it does seem to have created a barrier affecting both the awareness and perhaps acceptance of the concept. The backgrounds of people currently involved in social enterprise, as explored in section 4.4, suggests that engagement with social enterprise is contained within certain circles – namely, those from a higher education background and with international exposure to social enterprise. The fact that the vast majority of interviews for the scoping visit were conducted in the English language is also an indicator of the limited circle within which social enterprise is currently developing in Morocco.

One participant, a researcher in social enterprise development in Morocco, shared findings from a survey undertaken on young people's attitude to social enterprise, which revealed that 80% of those surveyed believed that it would help if the term 'social enterprise' was translated into Arabic so that *"it is a concept that is recognised in their own language"*.

## Case study: **Anou**

**Empowering illiterate artisans to sell their work independently**

Anou began due to the experience of its founder, Dan Driscoll. Whilst serving as a Peace Corps volunteer in the Ait Bouguemez Valley, Dan learnt that the artisan workers remained in poverty despite selling a lot of their products. He realised that the only way to help the workers earn a fair price for their goods would be to sell independently, without middlemen.

As technology began to transform the area, Dan was able to train the carvers to use online outlets such as Etsy and eBay to sell their products. They were so successful that they were able to fund a number of community projects, tackling issues as varied as illiteracy and infrastructure. Dan then developed this project into Anou; an online community of artisans working together to establish direct access to international markets.

A small portion of every sale is set aside to pay Anou's artisan trainers as they support the existing community and train new artisans. This ensures that the cost of Anou's non-profit operations are reinvested back into a thriving artisan community.

# 7.0 The future of social enterprise: building a supportive environment

Looking ahead to the future landscape, the participants were asked what support they thought was needed in order for social enterprise to grow and develop. Naturally, the suggestions broadly mirrored the barriers identified, although it is noteworthy that much of the focus was on change which needed to take place at the systemic level. The diversity and range of suggestions presented by the participants in the scoping visit are also reinforced by the findings from the field responses in Figure 5 below.

The suggestions from the participants can again be categorised into support needed at the operational level and support needed at the systemic level:

## 7.1 Operational support

- **More co-ordinated funding and finance information:** Social enterprises require all different types of funding and finance to suit their needs. Not knowing where to access this funding and finance is a key challenge, particularly for organisations trying to move away from being wholly dependent on grants and donations. Funders need to present clearer guidance and communication on what type of support they provide, and in turn social enterprises need support on how to approach funders.

- **Financial management and business skills training:** One of the biggest barriers identified is the lack of sustainability - organisations lack the knowledge and skills to manage their finances and run sustainable business models.

- **A central hub to facilitate support and best practice:** The dearth of information and fragmented support for social enterprises in Morocco means that it is extremely difficult for people who are interested in social enterprise to know where to go and find out more. Having a central hub where this support is facilitated and ideas could be matched with appropriate skills and resources would help to address this. These hubs can also highlight new ideas emerging from different sectors, geographies and internationally.

- **Research on the legal framework for social enterprises:** There needs to be a common understanding of the types of legal models that social enterprises can adopt, recognised by all stakeholders from government to civil society.

• **Support for start-ups:** In order to grow social enterprise, more support needs to be provided to start-ups in the form of incubators and seed investment.

• **Mentors for social enterprise practitioners:** As a nascent movement, budding social enterprise practitioners need role models and leaders to learn from.

• **Platforms for discussion and sharing ideas:** Particularly important for the very early stages of a sector, different stakeholders and organisations need to be brought together to capture what already exists, capitalise on what works, and progress together, as everyone will have something different to contribute.

## 7.2 Systemic support

• **Wide promotion of social enterprise in the media:** In order to raise awareness and build credibility for the concept, wide promotion is needed. In particular, success stories need to be captured to help encourage other people to get involved with social enterprise.

• **Strategic thinking on social enterprise from government:** Currently, there is no formal recognition of social enterprise from government. Strategic indicators on how social enterprise will be approached need to be provided to give other stakeholders the confidence to engage.

• **Building social enterprise into the education system:** There needs to be a focus on empowering young people to address the social issues they see, either within their communities or at a national level, through more entrepreneurial approaches. This culture for innovation and enterprise needs to be fostered early on.

• **Promoting ideas around social value, ownership and citizenship models in business:** The corporate sector already does a lot of good things in Morocco, particularly as part of a growing emphasis on corporate social responsibility. If this can be harnessed and built upon to really engage businesses with new approaches to supporting social impact, then this will unlock support for social enterprise.

• **More research:** There is a real lack of evidence on how social enterprise is really developing, particularly how it manifests on the ground and the diversity in approaches and interpretations of what the concept means.

• **Greater connection between older and younger generations:** It has been noticed that the ideas and advocates of social enterprise tend to be from the younger generation. However, there is an absence of this demographic in positions of influence, such as the government. Mechanisms are needed to bridge this gap in order that ideas can be supported into action.

As mentioned above, the findings from the field responses were very similar to those proposed by the participants in the scoping visit. However, Figure 5 gives a better indication of the most common support required.

All respondents were asked what top three things would be needed for the future development of social enterprises in Morocco. However, only two-thirds of the respondents (60%) provided a response; this may be a reflection of embryonic state of social enterprise development in Morocco to date. Whilst there was a considerable amount of variation in the responses provided, there were also common themes which emerged.

**Figure 5** - Table showing, in order of highest to lowest percentage of responses, the different types of support needed[5] for the future growth and development of social enterprise

| Future support needed | Total sample |
|---|---|
| Greater awareness/ promotion/communication of social enterprise to the general public | 31% |
| Better support infrastructure (training, incubators, networks etc.) | 29% |
| Legal framework/definition for social enterprise | 21% |
| Wider and increased involvement of other stakeholders (private sector, civil society etc.) | 9% |
| Championing a strong sector (lobbying and advocacy work etc.) | 7% |
| Support and recognition from government | 7% |
| Introduce in education system | 5% |
| Incentives | 4% |
| Change in culture and attitudes towards social enterprise | 4% |
| Be more open to international ideas | 2% |
| Be more like co-operatives | 2% |
| Encouraging customers to buy social enterprise | 2% |
| Create regulation | 2% |

[5] Respondents were able to provide more than one type of support needed

## Case study: **Amicale Marocaine des Handicapés (AMH)**

**Working for people with disabilities in Casablanca**

AMH is a charity created in 1992 in response to the lack of infrastructure in place supporting people in Casablanca dealing with a disability.

The organisation aims to improve the lives of disabled people across Casablanca, though providing services, facilities and equipment to reduce exclusion, lobbying the government on disability rights issues and raising awareness among the public. Central to their work is the rehabilitation centre, which is home to 80 people, employing nearly 200 professionals.

Although the legal status of AMH is a charity, it is enterprising in that it operates by charging those who can afford to pay for their services, whilst offering free healthcare and support to those who can't. They are hoping to expand their work, and hope to contribute towards tackling youth unemployment by taking on more young people as staff.

# 8.0 Conclusions and next steps

The nascent social enterprise movement in Morocco is coloured by uncertainty and ambiguity; it is grappling with the many nuanced and divergent views on almost every aspect of what it means to be a social enterprise. Amongst all this though, there is also boldness in ambition and real appetite to grow and champion social enterprises.

There is an overwhelming sense that social enterprise is about changing how change itself can be made in Morocco. And nowhere is this felt more strongly than in what is happening on the ground; there are social enterprises causing a buzz with what they are doing to address some of Morocco's most entrenched social problems, such as rural poverty, marginalised groups and the long term unemployed.

The movement, although quickly gaining interest - even as this report is being launched, new initiatives to support social enterprise in Morocco are being created – is still confined to relatively small circles of young professionals, social entrepreneurs and advocates. The influence of international experiences and thinking on social enterprise is also very evident in driving the development of social enterprise in Morocco.

Whilst the movement remains small, the needs and perspectives of practitioners and social entrepreneurs, and those working more on a policy, support and academic level, are broadly harmonious. However, there are some noticeable differences which have crept in on issues such as the importance of having a water-tight definition or new legal structure, where the need for pragmatism and focus on actual outcomes is largely driven by those running social enterprises in the day-to-day.

Many of the barriers which have been identified through the research will be familiar to a nascent social enterprise movement in any context, particularly those found at the operational level - the lack of appropriate support and finance, and to an extent, the issues around legal recognition. However, equally pressing barriers are found at the systemic level: these barriers around culture and mindset are more entrenched, with education and an enterprise culture being at the heart of the issue. And the barriers around language are critical to ensuring that social enterprise does not remain a niche movement.

Though the barriers seemed to emerge thick and fast, this is amply compensated for by the suggestions and ideas that this research has unearthed; a testament to the commitment behind the movement. Looking to the future, much of the support needed is around fostering environments which enable more inclusive and collaborative

approaches to growing social enterprise. This is of acute importance to the movement in Morocco, which must grow beyond the comfort of like-minded actors and take root in the communities and the people it is trying to serve.

## 8.1 Next steps

As one of the first pieces of research which has set out to explore the social enterprise landscape in Morocco, this report has inevitably raised more questions than it has answered. However, it is envisaged that this report will catalyse further exploration to build a stronger picture of what exists, what works, and what else needs to be done to help realise the ambitions for the movement. Such attempts might consider the following next steps (by no means an exhaustive list):

1) **Map out an eco-system for social enterprise:** The movement is extremely malleable at this nascent stage of development and it is critical to identify the various stakeholders and communities which currently play, and importantly can potentially play, a key role in its future. This may also help identify gaps in how and where social enterprise is developing. The journey to develop a robust and supportive eco-system of support will require the buy-in and fostering of strategic relationships with diverse stakeholders who can support the different and various needs of social enterprise.

2) **Focus on how social enterprise can grow in a more inclusive manner and build better engagement with other sectors and stakeholders:** Many of the social enterprises in Morocco have grown or transitioned from either the non-profit sector or commercial sector. A greater understanding of the motivations and views about social enterprise from these sectors would be useful to ensure that social enterprise does not grow in a siloed fashion, divided from these sectors. It is also clear that associations, NGOs and co-operatives are seen and trusted as the vehicles to deliver social good, especially with hard to reach communities and vulnerable groups; social enterprises may need to learn to work with and alongside this existing landscape if it is to be accepted and not seen as a threat.

3) **Work to foster a culture of enterprise:** It is clear that there needs to be a stronger culture of enterprise before social enterprise can really take root in Morocco. Understanding the role that schools and universities can play in fostering this culture can be one way of delivering change which is both sustainable and involves a greater diversity of people.

4) **Understand the impact of different types of support:** The dominance of support for certain legal models in delivering social good may inadvertently impact on how social enterprise develops, in ways which may not always be the most appropriate. The implications of different types of support, and who the support is targeted at, should be investigated to fully understand their impact on how the movement may develop.

Photo of **Amicale Marocaine des Handicapés (AMH)**

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