

# **Social entrepreneurship as an inclusion strategy Case study: The third phase of National Initiative for Human Development in Morocco**

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## **Summary:**

*The advent of the Covid-19 pandemic has prompted the Moroccan public authorities to set up public programs to promote employment and entrepreneurship such as “Intelaka”, “Awrach”, “Forsa” and Program III of the third phase of the “National Initiative for Human Development”(INDH).*

*The objective of this article is to analyze the different stages of implementation of the Program III of the third phase of the INDH. This analysis will allow us to assess the results obtained with the human, financial and technical resources deployed and to what extent this initiative will help to thwart the crisis caused by the Covid-19 pandemic.*

**Key words:** *Public policies, social entrepreneurship, social economy, Initiative National Initiative for Human Development, economic inclusion, social inclusion.*

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Explanation of symbols:

INDH: National Initiative for Human Development

IGAs: Income- Generating activities

ESS: Social and Solidarity Economy

HCP: High Commission for Planning

## **I. Introduction**

Since the emergence of a new entrepreneurial economy in the 1990s, then the appearance of the first start-ups in the United States in the early 2000s, entrepreneurship, first identified by researchers as a job generator then as a source of technological innovation, has become the main driver of the world economy and its impact on economic growth is well established.

However, it is appropriate to clarify that economic growth should not be confused with development, nor be considered as giving rise to the latter: if economic growth is an increase in the production of goods and services over a period more or less long, development is a more complex phenomenon. Therefore, even if entrepreneurship allows economic growth, it does not guarantee social, economic development, etc.

Moreover, economic growth can also be a source of social inequality and poverty, because without redistribution to the population as a whole, economic growth widens the gaps between the different socio-economic strata within the same Company. From there, economists and financial institutions have developed a new model of economic growth that can help reduce inequalities and social exclusion: this is how the concept of inclusive growth has appeared at the heart of economic and political debates in the 2000s. Also, growth is said to be inclusive when it creates opportunities and makes them accessible to all, making it possible to reduce inequalities and exclusion.

On the other hand, the successive crises that have occurred over the last decade, and the social inequalities they have generated, make inclusive growth a priority in public policies. Thus, in Morocco, the INDH was created, in order to fight against exclusion and social and territorial inequalities; first by developing a social and solidarity economy through the creation of *Income- Generating activities (IGAs)* during the first phase, then by promoting entrepreneurship during the third phase.

Economic policies implemented in Morocco have often focused on improving growth and other economic indicators. However, the goal of this growth is above all a social development by optimizing growth and better sharing of its achievements. However, some questions arise in particular, what is the added value of entrepreneurship for Morocco's economic growth in times of crisis?

## 1. Definitions

### 1.1 The principle of entrepreneurship:

Defining entrepreneurship remains a difficult task. Despite a growing body of rigorous scientific literature, there is no unanimous definition of entrepreneurship within the scientific community, and the concept is often used incorrectly.

When we talk about entrepreneurship, we find several related meanings (Gartner 1990). Here are some definitions:

*“Entrepreneurship is the field that studies the practices of entrepreneurs: their activities, their characteristics, their economic and social impact, etc. The forms of their actions and the support available to facilitate the development of entrepreneurial activity”* (Fillon 1997).

*“Entrepreneurship is a phenomenon combining an individual and an organization [...], its action induces change and leads to a partial modification of the existing order”* (Verstraet 2000).

“Entrepreneurship is a process of identifying, evaluating and exploiting business opportunities”. (Bygrave 2000).

*“Entrepreneurship is the result of any human action to undertake in order to generate value through the creation or development of an economic activity identifying and exploiting new products, new processes or new markets”*. (OECD 2007).

According to Audretsch (2006), after the Second World War the principle of entrepreneurship experienced a strong emergence thanks to its impact on the economic aspect of the countries. Indeed according to the latter as knowledge became more important in as a factor of production, knowledge spillovers have also become more important as a source of economic growth. Entrepreneurship is gaining prominence in the knowledge economy as it serves as the primary mechanism through which knowledge created within an organization is commercialized by new businesses. It thus contributes to economic growth, employment and the vitality of the economy as a whole.

To this end, in order to distinguish social entrepreneurship from traditional entrepreneurship, it should be specified that social entrepreneurship is characterized by the fact that it explicitly favors the social profession. Social enterprises arise in response to social needs expressed in terms of general or collective interests that cannot be met by either the private or the public sector. Like traditional entrepreneurship, the primary objective revolves around financial profit, taking into account the needs of customers, consumers, shareholders or producers.

Social entrepreneurship is a young concept that dates back to the 1990s and has become a growing area of research in recent years. Take as an example (Shaker et al. 2009) who consider social entrepreneurship as *“the activities and processes undertaken to discover, define and exploit opportunities in order to increase social wealth through the creation of new businesses or the management of existing organizations in an innovative way”*.

In this sense, social entrepreneurship essentially consists of a growing specialization of existing or emerging social and solidarity economy organizations, the adoption of entrepreneurial approaches and formal management tools to better and more broadly meet societal needs. (Elbaz and Majidulin 2017).

### 1.2. Public policies

The notion of public policy is the subject of several definitions, which, over the years, reflect the complexity both of this field of political study and of the practice of public policy itself.

Grawitz et al. (1985) consider public policies as being *“The interventions of an authority vested with public power and governmental legitimacy in a specific area of society or territory”*.

Turgeon and Savard retain in their definition that a public policy can be a document or a process (Turgeon and Savard 2012). It is a document drawn up by government actors to present their vision of an issue susceptible to public action. However, in a completely secondary way, the legal, technical and operational aspects of a public action can be qualified as public policy. It can also be a process during which elected politicians decide on public action on an issue for which certain public decision-makers (governmental or not) require action.

Therefore, public policies appear as specific interrelated and official actions, announced or undertaken at a given time by a legitimate state authority, at the local, national or international level and oriented towards the resolution of a public problem.

### 1.3. Youth Economic Inclusion and Income Enhancement Program

Julien and Cadieux define entrepreneurship as *“A human action, supported by the surrounding environment, generating market value through the creation or development of economic activity, and evolving with this value to ultimately affect the economy, in order to better meet individual needs and groups of a territory”* (Julien and Cadieux 2010).

In this context, the *National Initiative for Human Development (INDH)*, launched by King Mohammed VI on May 18, 2005, has made it possible to draw up a positive assessment of achievements, which has repercussions on the living conditions of the target populations. It suggested promoting human development in the economic and social dimensions of Morocco.

This assessment demonstrates the impact on the beneficiaries, the number of projects carried out and the national and international recognition enjoyed by the national initiative as an integrated and inclusive approach to human development.

In light of this dynamism, the third phase of the *National Initiative for Human Development (2019-2023)*, launched in September 2018, marks a turning point and refocuses its interventions on the intangible aspects of human development in Morocco. The implementation of this phase revolves around four programs, the third of which focuses on "Improvement of income and economic inclusion of young people" with the aim of improving the economic and social situation of Moroccan youth from an underprivileged population, by supporting employment and entrepreneurship as well as support for projects within the *Social and Solidarity Economy (ESS)*.

The third phase of the *INDH* promises to multiply the gains and refocus human capital through the implementation of four ambitious programs to fill the gaps in the infrastructure and services sector, helping people in vulnerable situations and improve the incomes and economic inclusion of young people.

The third program "Improvement of income and economic inclusion of young people" is based on its contribution to local economic development and the resolution of problems related to unemployment and inactivity of young people in Morocco. Indeed, according to the *High Commission for Planning (HCP)*, the Kingdom has, in 2017, about 1.2 million unemployed people. That is 10.2% of the population of working age, of which 15.4% is in the age group between 25-34 years (HCP, 2017). In addition, the third program occupies an important part within the framework of the budgeting allocated to the *INDH* under the third phase of the period 2019-2023. This share is represented by a budget envelope of four Billion, which reflects the *INDH's* commitment to guiding and supporting young people in favor of their inclusion in the economic fabric of the Kingdom.

Similarly, it should be noted that the projects and actions implemented within the framework of the third program of the *INDH* primarily target young people in a situation of inactivity by favoring the gender approach and by respecting the terms of the *INDH* environmental and social manual (*INDH Environmental and Social Manual 2006*).

## **II. Methodology**

To understand the impact of public policies on economic recovery and shed light on its role in the fight against poverty, inequality and unemployment, this article takes stock of the successes obtained by public policies by reviewing several projects carried out in Morocco. And to close the gaps and difficulties that oppose this complementarity and reveal their implications for the role of development and integration of young Moroccans, a study was being conducted with the aim of collecting the results of this program whether entrepreneurial side or youth platforms. Note that the study has still continuing this year, since it is an ongoing project.

The objective of this paper is to examine the role of entrepreneurship in the economic and social development of Moroccan youth and the actions of Moroccan income improvement and economic inclusion programs during the third phase of the *INDH*. A qualitative method of data collection and analysis was adopted. It was applied to a sample of 256 projects presented by young entrepreneurs. The data collected from three youth platforms in the territory of prefecture X, between 2019 and 2022, will be used to assess the progress of the youth inclusion program, as well as the effectiveness of its implementation process. Concerning the exploitation of the collected data, it was carried out thanks to a content analysis, which takes place in three stages, the pre-analysis, the exploitation of the information and the interpretation of the results.

## **III. Results**

The Table 1 presents the overall cost of the *INDH's* participation, during the period 2019-202, in projects on youth platforms, with an overall cost of 1,800,000 MDH. This cost consists of the costs of construction, development, equipment and operation as well as the costs linked to the missions of the integration program during the main stages, namely the reception, listening and orientation of youth.

Prefecture/Province	Name of the Youth platform	Number of youths welcomed	Number of young people listened to	Number of young people referred	Layout	Equipment	Functioning	Total cost
					INDH share	INDH share	INDH share	INDH share
Prefecture X	A	2515	2199	1452	0.00	2,000,000.00	1,069,500.00	3,069,500.00
	B	360	360	220	947,749.33	552,250.67	465,600.00	1,965,600.00
	C	349	341	173	750,000.00	750,000.00	300,000.00	1,800,000.00

Table1. Participation of the INDH in projects on youth platforms during 2019-2022.

According to a collection of data from the three youth platforms, a structure that encourages entrepreneurship, we have the number of young people in prefecture X from 2019 to the year 2022 (Table2), which coincides with the covid19. 256 young people were accompanied in post –creation, only 87 were able to reach the post-creation support stage among 56 have been validated by the governance bodies and only 17 were able to create their companies, however the number remains a number to be improved.

Table2. Number of young people in prefecture X from 2019 to the year 2022

#### IV. Discussion

Morocco's strategy, as well as the approaches and techniques used, need to be improved. In this section, some suggestions and recommendations that can be considered inspiring are presented and discussed:

➤ Better integration of the socio-economic sector into public policies

For the socio-economic sector to become a real driver of change, the public policies implemented must not only focus on social inclusion, but also sustainable financial autonomy. The economic organization of the community must also be targeted. It has the dual objective of participating in economic growth and promoting social cohesion.

Year	Region	Province /Prefecture	Number of young people accompanied in Pre-creation	Number young accompanied post-creation	Number projects validated	Number Agreements tripartite signed
2019 -2022	Casablanca- Settat	Prefecture X	256	87	56	17

The definitions of terms and their content must be harmonized in order to make the socio economy more visible. Even if a council was formed Economically and socially in Morocco, this sector is still relatively invisible.

The achievement of this objective is conditioned by the creation of a regional socio-economic chamber. These chambers of commerce are considered as interlocutors regarding the decentralized services and the municipalities in order to ensure the development of activities and jobs within the framework of the social and solidarity economy.

➤ Improving access to financing and promoting territorial approaches

Provide appropriate financing mechanisms for the sector through access to financial resources. This is seen as a key factor in poverty reduction because it offers poor population groups the opportunity to become economically independent and to survive in the long term. It also has an impact on productivity, capital and income generation, reduces vulnerability and improves the living conditions of the poor.

Developing the mechanisms for implementing the territorial approach, Moroccan public policy has a particular interest in this approach. This will make it possible to identify and know the potentialities and weaknesses of the territory so that the local actors can seize the opportunities to seek solutions adapted to the fight against poverty.

➤ Support and develop federated and cooperative employment:

The current economic crisis that characterizes most of the world's economies speaks for itself. Measures to promote employment in all dimensions, mainly in SE structures, which are traditionally fixed to the region and respond to social needs requiring a higher labor content than capital elements.

Morocco employs many young university graduates in the socio-economic sector. As a rule, these young people work in the informal sector. In the absence of employer declarations, national statistics cannot indicate the exact number of jobs created. Moreover, projects that generate small revenues do not generate wealth. Groupings of cooperatives and associations are the only way for the socio-economy to establish itself and to be competitive in the market.

## V. Conclusion

At the end of this article, we conclude that to promote entrepreneurship education and support projects led by young people and developed by associations active in the field of entrepreneurship, it is necessary to change the vision of entrepreneurship, move from a narrow goal perspective to businesses and create a broader view of entrepreneurship as an entrepreneurial learning process.

Therefore, in order to be part of this perspective of a new level, associations operating in the startups' field in Morocco must take into account sum factors of support for startups as well as reference tools for this support, taking into account of the position of the Moroccan ecosystem.

According to Bouchikhi Hamid, in his opinion of entrepreneurship in Morocco, November 17, 2014, the public policies clearly consider the need to help young people who are struggling to integrate into the profession to create their own jobs and projects enterprises, and policy makers need to talk about simple economic inclusion of young people and not about entrepreneurship. So, to conclude it's a bit more like explaining it's a program not yet completed but that does not prevent an analysis of the results retained so far and possible to correct certain steps and instrument may need to be reviewed in the implementation implemented for other future programs and projects launched by the INDH.

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