

Social & Solidarity Entrepreneurship What About the Responsible Finance Industry? Case of Moroccan Cooperatives

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This paper aims to present Social and solidarity entrepreneurship as a credible model for the emergence of new managerial practices for the solidarity economy companies (SSE, now). This model, especially in times of crises (Covid-19 health, economic, etc.) is an “alternative” to other forms of entrepreneurship specific to the traditional economy due to their double and sometimes triple ultimate goal - achieving financial, social and environmental goals. In recent years, innovative financing mechanisms such as guarantees, impact investing, Crowdfunding and complementary currencies have emerged to address these challenges and enable SSE organizations to thrive. Our study realized in between 2018-2019, on the various initiatives and financing mechanisms with a population of 390 Moroccan cooperatives in the Agadir Souss-Massa region, underline that the financing mechanisms are diversified and presented on the one hand, a certain potential to create and preserve decent jobs, create wealth, reduce social inequalities and advance local development. On the other hand, results showed also a deficiency in the management and diversification of these modes of financing.

Keywords: social & solidarity economy, social entrepreneurship, responsible financing, cooperatives

INTRODUCTION

For the last twenty years, there has been a very strong interest in social entrepreneurship. This concept has been developed simultaneously in many places around the world and it interests various actors, researchers, politicians, project leaders and the general public. The enthusiasm surrounding social entrepreneurship is explained by the fact that it provides innovative answers to social and environmental problems that governments and public institutions, the private sector or charities have failed to solve. The successive crises that have marked the development of capitalism in recent years, the rise in unemployment and exclusion, the persistence of poverty,...

The renewed interest in social and solidarity values, embodied in cooperative, mutualist and associative action, has been particularly noticeable since the advent of the crisis of 2008. Since then, economic action built on values and goals which aim for human development as an objective above all lucrative consideration has become the priority of government programs in Morocco. The objective is to develop an

inclusive social and solidarity economy that reduces social inequalities. As a result of this observation, the major components of SSE in Morocco have undergone significant changes.

The cooperative sector is currently a sensitive and very dynamic component of this SSE. Indeed, the cooperative is an essential lever for local, regional and national development. By virtue of its legal form and the social and fiscal advantages it represents, the cooperative actively contributes to the absorption of unemployment, and to the improvement of living conditions in several regions (rural in particular) and of individuals (mainly women). This explains the rapid growth experienced by this sector.

Access to this type of social entrepreneurship with three objectives (Financial, social & environmental) has been encouraged by a wide choice of financing, both national and international, motivated by profit for its conventional branch as well as by the responsible and solidarity finance. The results of our study on cooperatives in the Souss Massa region show that the main characteristics of the social & solidarity financial sector are as follows: - Very low conventional and solidarity funding- Cooperatives finance most of their projects with their equity, - Weak capital due to strong dependence on financial aid granted by national and international bodies. In our writing, we will start first with a conceptual review on entrepreneurship social as well as responsible finance. Then, we approach the methodology of our empirical study and finally restore their results on the financing offered to the cooperatives of the Souss-Massa region for a synthetic rereading.

RESPONSIBLE FINANCING

The evolution of the terms used to characterize so-called ethical finance is symptomatic of the gradual transformation of this sector: "ethical", it has thus become "socially responsible", before working in favor of "sustainable development". For some actors, its field encompasses solidarity finance, thereby testifying to an integrated vision of the financial system, the objective of which is to promote sustainable growth by participating both in the development of socially responsible listed companies and innovative useful micro-enterprises to the community.

Nevertheless, the concepts remain vague, each speaker having their own definition of these concepts. As a result, the size and profitability of these markets are difficult to determine, but their strong growth potential emerges from all analyzes.

In terms of ethical finance - or "socially responsible" according to the most commonly accepted denomination - these originate from a renewed approach to the economy aimed at better taking into account the social and environmental impact of the activity of companies on long-term economic growth. They are materialized in the work of the Stockholm conference, from the Brundtland commission, of the Rio conference, and more recently, in the UN Global Compact program and the Green Paper devoted to corporate social responsibility by the European Commission⁵, which notably put forward the concept of sustainable development. They are now being extended to national legislation, British and French for example, which echo a growing demand from civil society. These initiatives bear witness to the awareness that investors can influence the social and environmental management of companies.

For its part, solidarity finance was born from the desire to meet the financing needs of people and activities who do not have access to traditional banking circuits. It calls on specialized structures which finance projects with small loans and equity contributions or which provide them with guarantees. The first experiments of this nature saw the light of day in developing countries and countries of the East, before spreading to industrialized countries. The final objective of solidarity finance is to allow activities that promote emergence and social development to find their place in the market and to access traditional financing channels.

Solidarity and socially responsible approaches tend to come together. Thus, a solidarity investor who promotes the emergence of innovative activity sectors is part of a logic of sustainable development, close to socially responsible finance; conversely, a socially responsible investor will be inclined to invest his savings in companies engaged in solidarity actions and local development.

More fundamentally, the purpose of finance is to allow an optimal allocation between savings and investment, the balance being theoretically ensured by the remuneration of the saver. Socially responsible

finance and solidarity finance come together to question and broaden this framework of thought: for their supporters, the requirement of short-term profitability can lead investors to influence the management decisions of companies in a way that can harm their long-term performance and lead them to make decisions in social and environmental matters likely to generate negative externalities for the community. Likewise, investors may neglect to finance projects that they see as too high a risk, even though they have strong development potential. In this context, the introduction of criteria that are not exclusively financial in investment decisions should improve the capacity of the financial sector to operate in the long term and to promote harmonious and sustainable economic development.

Solidarity finance aims to remedy the imperfections of the banking market. This logic is based on the idea that the financial sector, and in particular the banking sector, does not fully fulfill its role of financing the economy for two reasons. On the one hand, the banks would not meet the financing needs of certain activities which they consider to present an excessively high risk of default. On the other hand, they avoid carrying out operations for which the management cost is high (case of micro-credit).

This situation would lead a fringe of entrepreneurs to be denied access to bank financing, because they do not have sufficient guarantees or are experiencing difficulties (beneficiaries of social minima, unemployed) requiring special support, or they intervene in sectors perceived as risky, or looking for a small amount of financial assistance. To overcome these dysfunctions, solidarity finance relies on alternative financing networks that support risks, as well as high management and support costs, and provide businesses with loans, guarantees and equity contributions.

As a result, these organizations cannot pass on their management and risk costs on their services, hence the need for them to obtain inexpensive resources. This assumes that at one level of the financing chain, one of the actors agrees to give up all or part of the remuneration that would normally be due to him. The resources needed to balance the accounts can come from volunteering, public subsidies, donations, low-interest loans from the private sector, solidarity investments or sharing as well as related activities that generate a margin for reinvestment in solidarity activities.

The perimeter covered by solidarity finance and its positioning in relation to the traditional financial sector remain controversial. Because of its affiliation with the social economy, some people sometimes confine solidarity finance to this sector, considering that mutual societies, associations and cooperatives are by nature solidary. It is clear that the legal status of organizations does not guarantee the joint nature of the actions they carry out. Moreover, solidarity finance is not defined by the financial tools it uses either. For example, the practice of micro-credit is not very different from consumer credit (at the rates practiced). Similarly, sharing funds do not specifically benefit the solidarity finance sector, since they can also be created for the benefit of charitable works. Finally, solidarity savings, which is only a means for solidarity finance institutions to continue their activity, can be collected by traditional financial institutions.

Ultimately, it is preferable to define the field of solidarity finance by its objectives and actions rather than by the legal status of its stakeholders or the nature of the instruments they use. Solidarity finance therefore covers all the tools for saving, portfolio management.

MOROCCAN CONTEXT ANALYSIS

In Morocco, despite the culture of solidarity, mutual aid and collective work is part of the traditions, The emergence of the sector in a structured and organized form, in particular for its associative component, dates from the 1980s and the beginning of the years 1990. Indeed, the application of the Structural Adjustment Program (SAP) during this period resulted in a progressive withdrawal of the State from several economic and social sectors, which had rather negative effects on the economy employment, the supply of public services and the purchasing power of the population.

Social economy organizations, associations & cooperatives, have rapidly developed and gained ground in several areas, long reserved for the State: the provision of local services and basic equipment, especially in the rural world, the fight against illiteracy, the creation and support of development projects, the promotion and integration of women into the economic circuit, the financing of small projects, etc. In all

these areas, social economy organizations perform work recognized by public authorities, populations and international organizations.

The strength of social economy companies lies in their proximity to the populations, their knowledge of the field, their flexible operating method which allows them to intervene quickly and effectively.

Even today, since the launch of the Human National Development Initiative (INDH), by King Mohamed VI, on May 18, 2005, social economy enterprises, associations & cooperatives, have been mobilized strongly to make this great project a success.

The example of the Moroccan cooperative, by virtue of its legal form and its social and fiscal advantages, actively contributes to the absorption of unemployment, and to the improvement of living conditions in several regions (rural in particular); the positive impact also concerns individuals (mainly women). This explains the rapid growth experienced by this sector, especially with the new cooperatives' Law 12-112. The latest statistics on the cooperative sector in Morocco are published by the ODCo (Office for Development and Cooperation). At the end of 2015, the number was 15,735, an increase of 70% compared to 2012 (9,263 in 2012, source ODCo). Reading these figures brings out four fundamental characteristics of this sector. The first is the variety of activity sectors from primary to tertiary. The second characteristic is the presence of all sectors (agriculture, fishing, crafts, food trade, housing, transport, training, advice, tourism, E-commerce, etc.).

The third is the predominance of activities in the primary sector (agriculture and fishing) with 11,387 cooperatives, i.e 72% of the total number of cooperatives; and secondary (crafts and food products) with 2,733 cooperatives, i.e 17% of the total of cooperatives. Finally, the fourth characteristic is the expansion of women's cooperatives with a share of and secondary (crafts and food products) with 2,733 cooperatives, i.e 17% of the total of cooperatives. Finally, the fourth characteristic is the expansion of women's cooperatives with a share of and secondary (crafts and food products) with 2,733 cooperatives, i.e 17% of the total of cooperatives.

Finally, the fourth characteristic is the expansion of women's cooperatives with a share of 14.50% of the total of cooperatives, ie a number of 2280 compared to 1019 female cooperatives in 2012. This represents a growth of 124%.

Despite this significant growth, this sector is experiencing difficulties which are mainly linked to internal management problems and the external environment. Among the main internal constraints faced by cooperatives on a daily basis, there is a lack of adequate training in management and marketing techniques; a lack of good governance (a lack of knowledge of the legal framework); and a weakness of capital due to a strong dependence on financial aid granted by national and international bodies. As for the external constraints, one evokes, primarily, the entry into force of the new regulation (112-12) and the difficulties of its implementation by the cooperatives, even the ignorance of its novelties by some. Moroccan finance Market does not offer products that meet the specific needs and characteristics of cooperatives.

On the side of public bodies, we note the diversity of stakeholders in the sector. We cite at the national level, the Ministry of Crafts and Solidarity Economy through the supervisory body ODCo, the Social Development Agency (ADS), the Ministry of the Interior through the programs of INDH, civil society through associations. At the international level, there is the German Development Agency (GIZ), the Japanese Development Agency (JICA), the European Union, the Canadian NGO OXFAM, and the Principality of Monaco.

These policies have contributed a lot to the development of the cooperative sector; however, what one criticizes certain initiatives (in particular those of the ODCo, the INDH and the ADS) is especially their standard approach of the policies undertaken. Indeed, for others, especially international initiatives (GIZ, OXFAM, Japanese Agency, etc.), their selective approach excluded certain cooperatives from the first phase. Their interventions were in fact limited either to very specific branches of activity (Argan or fishing for example) or to very specific regions. This depended above all on the foreign policy objectives defined by these countries. These seriously compromise the business continuity of a large majority of cooperatives, in particular the small and medium ones. In addition, most of the initiatives undertaken for the benefit of

this sector were limited to the start-up phase, and did not accompany the cooperative in the most crucial phase, namely growth.

As for the subsidies granted to this cooperative sector, are also intended to finance creation investment and not growth; technical assistance, if any, is provided at this phase (within the framework of AGR projects financed by the INDH, a subsidy of 10,000 dhs is granted to call on a feasibility study advisor). The same goes for the training programs put in place, which are generally carried out to support cooperative members in starting their projects. However, the stake is at the level of the sustainability of the project: How many young people entrepreneurs or cooperative members have seen their projects disappear due to a lack of advice or a high cost of support?

STUDY METHODOLOGY

To answer our questioning of the behavior of responsible & solidarity finance vis-à-vis Moroccan cooperatives, we adopt a quantitative approach based on a survey by semi-directive questionnaire with a representative sample of cooperatives in the Souss Massa region namely 388. This primary data collection tool is best suited for carrying out surveys and polls based on quantitative and / or qualitative information (Thietart, 2014). It should also be noted that the data collected will be the subject of statistical processing, making it possible to analyze the results obtained and to correlate, consequently, the empirical data with theoretical knowledge, through a set of methods.

This research is based on a face-to-face questionnaire survey of managers (Presidents, directors, administrative managers, etc.) of the cooperatives in our sample. This mode of administration of the questionnaire is essential thanks to the advantages offered to the researcher in management sciences who can, on the one hand, collect more detailed, more complete and more precise information by asking more questions to the respondents and by clarifying certain questions poorly understood by the respondent, and on the other hand, have better control over the representativeness of the sample (Thietart, 1999).

Also, the absence of a survey culture in our region leads us to go to the respondent to convince him to answer the questionnaire, instead of sending it to him by email or by post. To this end, a team of qualified investigators was recruited and trained, in order to carry out our primary data collection.

In order to validate our questionnaire and ensure its consistency and understanding; and so that it meets our objectives, the latter is subjected to a pre-test with fifty-five (55) cooperatives.

This step makes it possible to discover if the study protocol is realistic, if the measurement scales are valid, if the answers obtained can be used with regard to the research objectives and the available statistical analysis tools (Thietart, 2014, p. 266). Indeed, this pre-test raised a set of inaccuracies and gaps. Therefore, we rephrased some questions and deleted others. In addition, we encouraged the interlocutors to comply, in the majority of the questions, at the scale of Likert at 5 points (ranging from Strongly Agree to Strongly Disagree).

On the other hand, the preferred method for selecting our sample is the quota method. We can justify the use of this non-probabilistic method for several reasons. First, the heterogeneity of the cooperatives studied which makes probabilistic selection unsuitable for the emergence of homogeneous samples, giving rise to a difficulty in the control conditions. The second argument in favor of non-probability sampling is the possibility of using the quota method to make statistical inferences.

Indeed, although it is considered a non-probability sampling method, the quota method is used more and more in studies aimed at generalizing the results (Gavard-Perret et al., 2008).

Therefore, our sample is made up of a set of cooperatives from the Souss Massa region, selected by the quota sampling method. This method “is not a probability sampling method, and therefore does not allow, strictly speaking, statistical inference. However, under certain conditions of implementation, the quota method is similar to a probabilistic method and, subsequently, one proceeds in practice by statistical inference”(Thietart, 1999, p. 195).

This method makes it possible to obtain a sample having a certain level of representativeness of the mother population (Moscarola, 2018). It is a question of segmenting this mother population according to

defined criteria, and each element must belong to a single segment to which corresponds a quota which determines the number of responses to be obtained (Thietart, 1999, 2014).

To select our sample, we worked on the database of the ODCo (Office for the Development of Cooperation) and the various prefectures in the region. Consequently, the size of the mother population is 1526 Cooperatives (all sectors combined). And following the so-called pseudo-random procedure, a list of the elements of the population is then necessary (a professional directory in this case). Unlike stratification, it is not essential to have information on the segmentation criteria on this list. The selection procedure consists of randomly choosing a first element from the list, then going through it systematically until the desired number of responses is reached for each of the quotas ”(Thietart, 2014, p. 228). By performing the necessary calculations, our final sample size was 390 cooperatives.

READING IN THE SURVEY RESULTS & DISCUSSIONS

To answer our problem of the financing of Moroccan cooperatives, and the role of responsible finance (social & solidarity) in the different phases ranging from the creation to the development of these social and solidarity economy enterprises, several axes have been designed in questionnaire level:

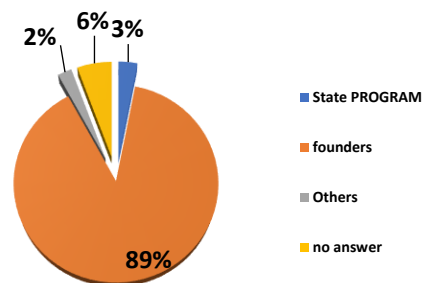
- a. *Cooperative creation initiative: Idea of entrepreneurship*
- b. *Initiative for the creation of cooperatives by gender: Entrepreneurship by gender*
- c. *Membership of cooperatives in a group: the Unions of cooperatives*
- d. *Management and Gender of the cooperative: Governance*
- e. *Methods of financing cooperatives*

The following most important lessons emerge from the analysis of our sample:

Entrepreneurship & Gender Initiative:

The social entrepreneurship initiative in cooperatives in this region comes mainly from the founding members with 89%. This denotes a highly developed personal entrepreneurial spirit compared to the encouragement of state programs which comes a long way with only 3% side by side with other initiatives. The same observation is confirmed if this creative initiative is associated with Gender.

**FIGURE 1
COOPERATIVE CREATION INITIATIVE**



Membership of a Group

The majority of cooperatives surveyed, i.e. 59%, confirm that they do not belong to no grouping, 39%, on the other hand, belong to federations (13%), EIGs Economic interest grouping (29%), Unions (35%) or other types of groupings (23%).

Bringing cooperatives together in unions, associations, EIGs, or satellite cooperatives around a parent cooperative will allow this fabric to become more competitive and more accessible to funding. Yet other industry experts, given their experience in the field, confirm that it is difficult for small and medium-sized cooperatives to integrate an EIG, for at least two reasons: Either, we are faced with a closed EIG limited to

its founding members and refusing any new membership. Either it is a EIG which asks for very high entry or membership fees that the new cooperatives are unable to pay.

FIGURE 2
MEMBERSHIP OF COOPERATIVES IN A GROUP

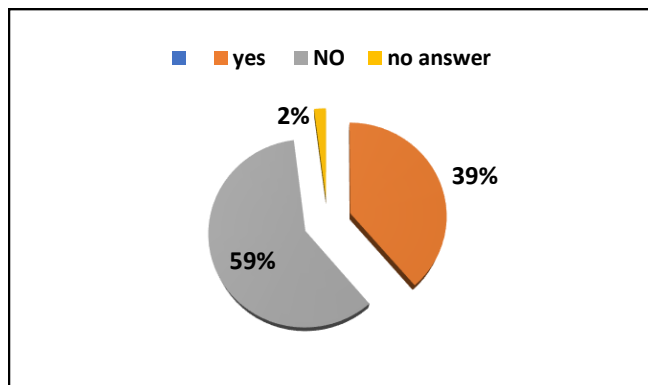
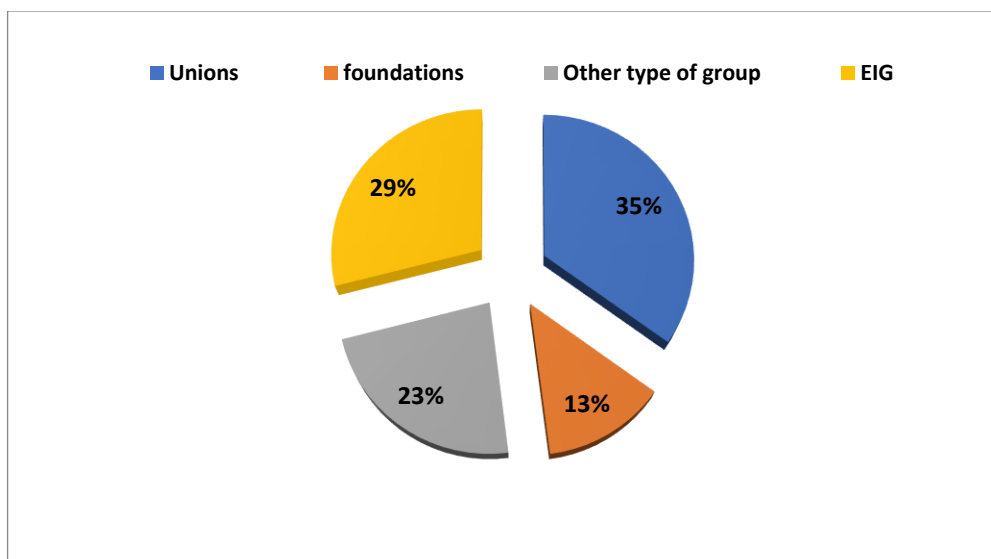


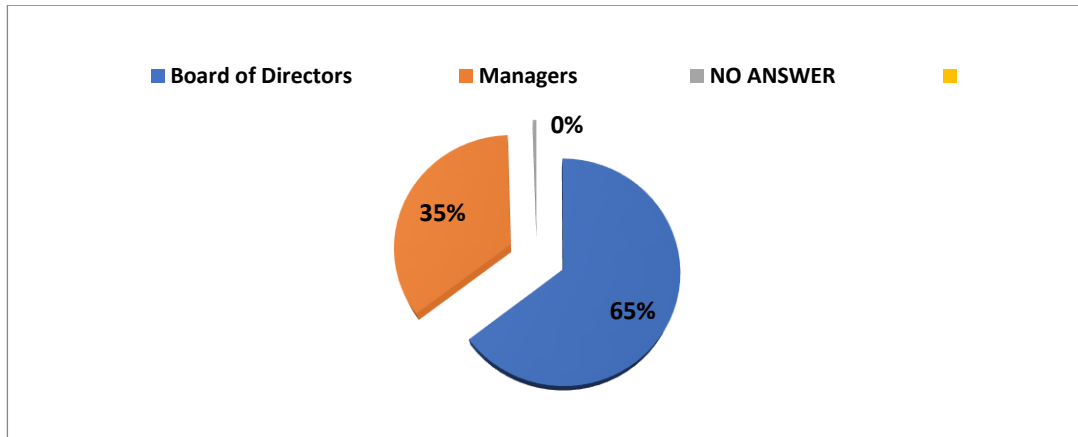
FIGURE 3
MEMBERSHIP OF COOPERATIVES IN A GROUP



Management and Gender of the Cooperative

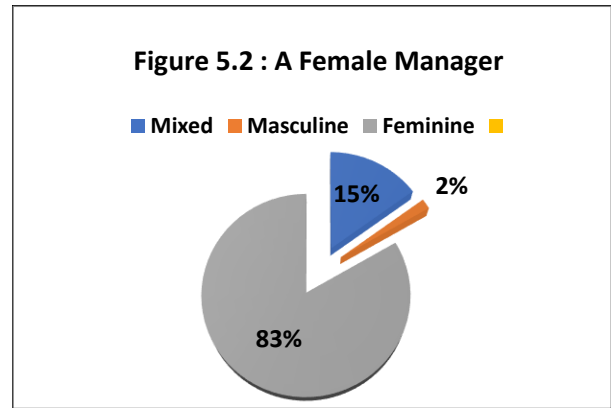
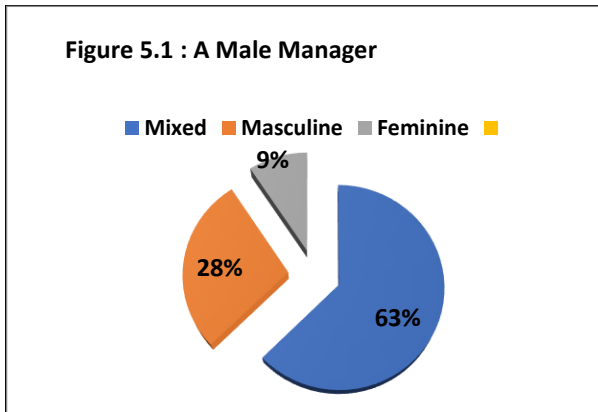
Of the 390 cooperatives that answered this decision-making question, almost 65% confirmed that the decision-making center is in the hands of the board of directors, while 35% confirmed having delegated this power to the managers of these cooperatives.

**FIGURE 4
DECISIO-MAKING BODY**



However, decision making is concentrated in the hands of women in female cooperatives with 83%, and in the hands of men in male and mixed cooperatives with 28% and 63% respectively. The total of cooperatives responding to this question is 135.

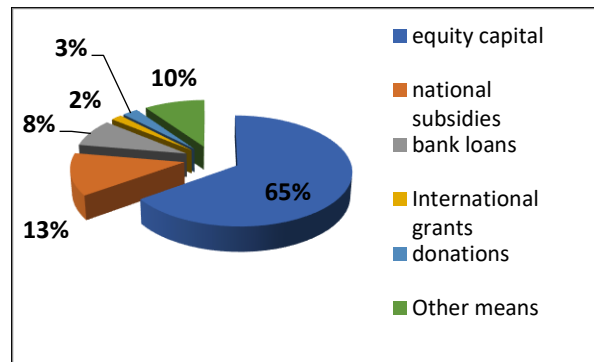
**FIGURE 5
GENDER OF THE MANAGER BY TYPE OF COOPERATIVE**



Cooperatives' Financing Means

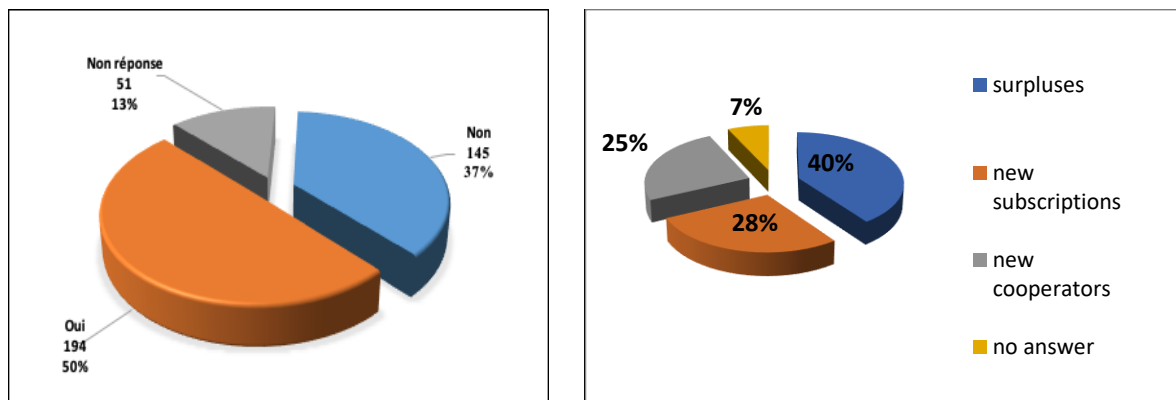
The answers to the questions on this axis show, in the first point, that the majority of cooperatives (65%) are financed by equity capital, followed by national subsidies from programs such as NIHD (National Initiative for Human Development), Green Morocco Plan,... with 13%. The other financing means granted by other institutions comes in 3rd position with 10%, and bank loans with 8%. Donations and International grants make little or no contribution to the financing of cooperatives in the region with only 3% and 2% respectively.

**FIGURE 6
COOPERATIVES FINANCING MEANS**



Regarding the capital increase, as another financing alternative for cooperatives, the results of the survey carried out show that 50% of cooperatives have increased their capital since creation while 37% have not made. This capital increase is generally carried out by the surpluses in 40% of the cooperatives, by new subscriptions in 28% and by the membership of new cooperators in 25% of the cooperatives.

**FIGURE 7
CAPITAL INCREASE AND ITS FORMS IN COOPERATIVES**



Because of the social impact generated, public aid is a natural response to the financing needs of the social entrepreneur. However, the time and energy required should not be underestimated. Many local communities have budgets to support the social and solidarity economy sector. But they are often unrecognized, managed by teams who are struggling to get people talking about them. Moreover, they are not the only means of action of the public power which can also buy what the company produces or offer it its guarantee.

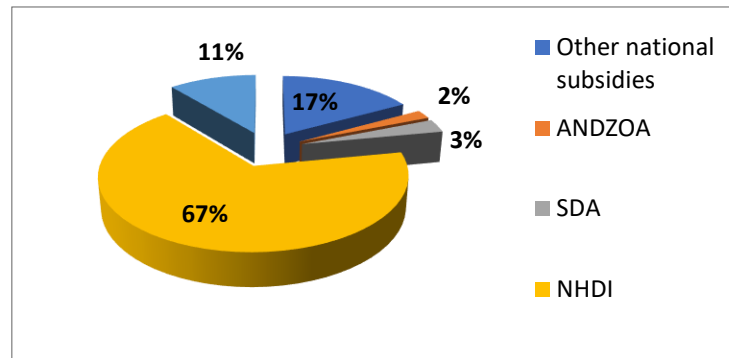
Grants can also come from the private sector, foundations or philanthropists in particular. But generosity has its limits: the pockets of the State are pierced and patronage does not have the means to take over entirely.

Social entrepreneurs must therefore diversify their resources and clearly identify the type of financing most suited to the project phase, and ask themselves several questions: Do I need an operating grant? Equity for research and development actions? A loan to cover a cash flow requirement related to salary? Each situation is different, the accompaniment is of great importance.

For our study, it turns out that the National Human Development Initiative (NHDI) contributes the most in the financing of cooperatives in the Souss Massa region with 67%. By reconciling this variable with their

dates of creation, 41% of cooperatives having benefited from the INDH subsidy were created between 2005 and 2010, and 27% of the same sample are created between 2011 and 2015. These two periods coincide, respectively, with the launch of the first and second phases of INDH in Morocco for the support and development of the social and solidarity economy.

FIGURE 8
FINANCING OF COOPERATIVES BY NATIONAL GRANTS

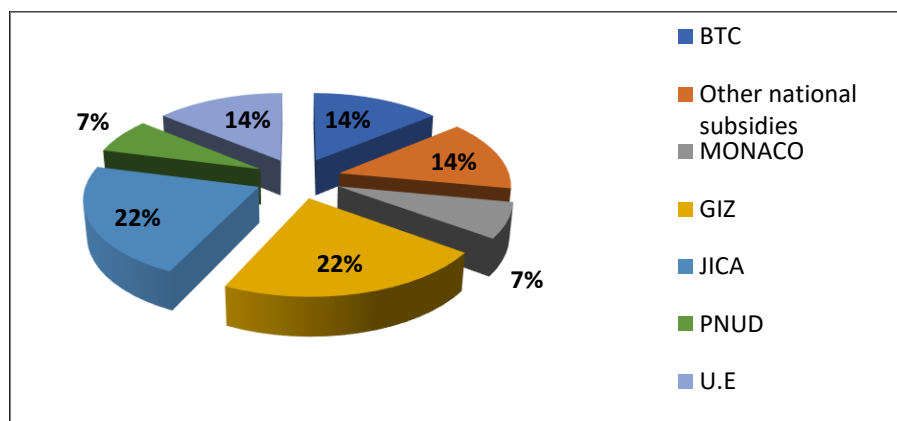


Between credit and subsidy, international solidarity funders offer several types of financing, such as: honor loans, subsidies and guarantees. These interventions have the merit of reassuring traditional banking players, who are more inclined to support a project "labeled" by these solidarity specialists.

To access all of this funding, the same golden rule is essential: present a project that works on its two legs, the expected social impact of which and the economic balance of the activity are clearly defined. Some will focus on job creation, others on ecological impact, and still others will only intervene in a given area. It is up to the entrepreneur to know how to present his project in its best light in order to activate the right levers.

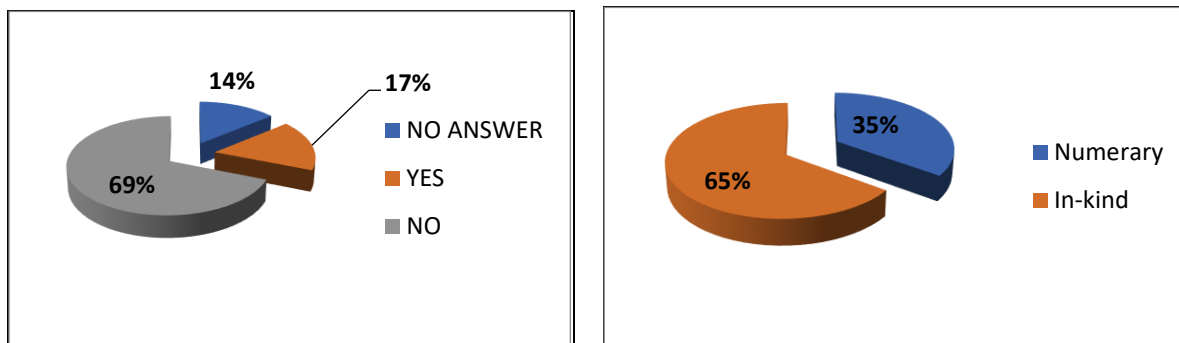
On our sample of cooperatives, the main international organizations intervening in the cooperative fabric of the Souss Massa region are GIZ (German International Cooperation Agency) and JICA (Japanese International Cooperation Agency) positioning themselves in first place with 22% subsidized cooperatives, followed by the European Union, BTC (Belgian Cooperation Agency) and other international associations with 14%, and finally, the UNDP (United Nations Development Program with the POS (Oasis Program of South) and the Principality of Monaco with 7%.

FIGURE 9
FINANCING OF COOPERATIVES BY INTERNATIONAL GRANTS



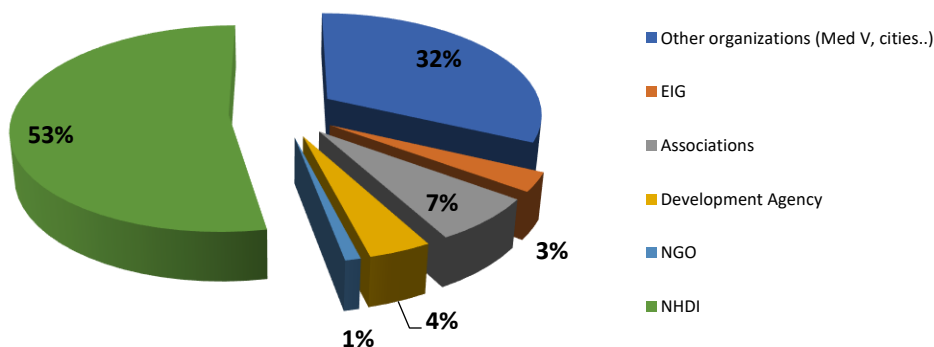
With regard to donations received by cooperatives, the majority (69%) of the latter confirm that they have never received any donations, against a minority (17%) who claim to have benefited from in-kind donations to the tune of 65%, against 35% of donations in cash.

FIGURE 10
RECEIPT OF DONATIONS AND THEIR TYPES



The main source of donations for cooperatives remains the INDH (53%), then other organizations such as the Mohamed V foundation, municipalities and line ministries (32%).

FIGURE 11
SOURCES OF DONATIONS RECEIVED BY COOPERATIVES



Our study revealed a certain number of weaknesses in this sector which can hamper its growth and development. We cite, essentially, the following points:

In terms of social & solidarity entrepreneurship:

1. In terms of job creation, it is a sector that does not recruit, as it is limited to its members; however the main objective of social entrepreneurship, namely the absorption of unemployment does not reach its maximum.
2. The majority of cooperatives operate in the classic activities of the agricultural and craft sectors, with a great concentration in argan products and beekeeping. The other local products of the SM region are poorly or not at all represented, whereas they can constitute important niches for this type of solidarity entrepreneurship, and which can attract new investors and drain new funds.
3. Despite the many training programs initiated by the partners, this sector continues to suffer from a great lack of managerial, commercial and financial skills. This explains the

difficulty for most of these organizations to find a place in national and even more international markets.

In terms of financing the sector:

1. Faced with the very limited financial resources of these entities, instead of seeing their living conditions improve, members are forced to take charge and help each other. A constraint that is easy to manage when it is occasional, but heavy in the long term and when it becomes permanent.
2. Once the activity is launched, other needs arise. Filling the need for cash, investing in a new machine, expanding its premises ... There are plenty of reasons to call on financial intermediaries. Conventional credit players - and who contribute only 7% to the financing of the cooperatives studied - must open up to these new ways of doing business by creating referents dedicated to social entrepreneurs and by adapting their grid to analyse.
3. Financing more intangible investments, such as a marketing campaign, a training plan or the reinforcement of a stock are also other assets to be financed by the conventional ones to develop their "Solidarity and social finance" label.
4. The cooperative must know how to rely on its assets, production line, machine park, real estate ... to convince its banker. It can also call on co-financiers, who will then play the role of a trusted third party.
5. Other responsible funding methods should be explored and encouraged, such as Crowdfunding and so-called Impact Investing funds.
6. Developing "smart" industrial partnerships or encouraging "groupings and unions" can also meet the needs. In fact, groups constitute a sort of guarantee for funders and promote synergy in several areas, economies of scale and the sharing of knowledge and technology. This also promotes access to larger and more distant markets.

CONCLUSION

From what has just been put forward, we can conclude that the cooperative sector of the SM region, the subject of our study, has a significant potential that can be exploited to ensure the sustainable development of this region and achieve the objectives expected by the policies and programs put in place in favor of this sector.

In fact, the majority of cooperatives in the region are young and of small or medium size, managed by young people who are not illiterate, and who have taken the initiative to opt for this mode of entrepreneurship while relying on their equity. This observation means that we are faced with a sector, by virtue of these characteristics and if it is well supervised, with high potential for sustainable growth with a highly developed entrepreneurial spirit.

To this, we add very flexible organizational structures (due to their size) which can quickly adapt to the vagaries of the environment. Also, there is a large presence of women and young people considered to be the most vulnerable layers of society (with a very high unemployment rate). These two layers constitute the main targets of any entrepreneurship program in general and social in particular.

However, these characteristics contain in themselves serious risks which, if not taken into account, can hamper the sustainability of cooperatives. Any young entity, whatever the field of activity, has to face the difficulties of starting up, penetrating markets, financing..., generally inexperience. Any entity, which relies on its own capital, must be sufficiently rich or generate significant profits to ensure its growth and development.

In general, in Morocco the cooperative sector has benefited from many programs, several organizations intervene, large budgets are allocated to this sector, and it is the target of various sector strategies. This situation raises several questions. Are the strategies developed by the central administration adapted to all Moroccan regions? Do the regions have the same development priorities and the same problems? Which strategic vision should it take precedence: local or national? Why is there always a gap between plans and achievements? Should we continue to create cooperatives? Is the cooperative the only model capable of

bringing socio-economic solutions to society? How can we attract more solidarity funds for this sector? And How can we help them for a better allocation and management of funds?

These different questions challenge us all: officials of the various ministries and local authorities, elected officials, socio-economic partners, researchers, and national and international NGOs. Certainly, initiatives are being taken to provide answers to these questions (regional development plans, municipal development plans, draft deconcentration charter, draft law on SSE, etc.), but which are experiencing delays in the execution of their programs or that are late in coming into force.

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