

## **Social Entrepreneurship and Sustainable Economy: can new forms of organization combine business models and social impacts?**

Liana NDIAYE

Master in International Governance and Diplomacy  
Paris School of International Affairs, Sciences Po

This paper won the 2023 PSIA-CASDEN Prize  
for Best Paper dedicated to Social Entrepreneurship

## **Social Entrepreneurship and Sustainable Economy: can new forms of organization combine business models and social impact?**

### **Introduction**

According to Volkmann et al., “*the role of social entrepreneurship in societies, economics, and politics depends on the economic characteristics and conditions in the individual countries and on the legal, political, social cultural, technological, and ecological framework.*”<sup>1</sup> It is important to distinguish between countries that have completed their development objectives and those for which they are still in progress, which is notably the case for Morocco. I have decided to study this case because I had the opportunity to work for CARE Morocco, an association based in Casablanca, and because I strongly believe that social entrepreneurship is an important vector for countries to reach their development goals.

### **Social and Solidarity Economy : a potential solution for Morocco’s social and economic problems**

Social and economic integration in Morocco has been a pressing obstacle to economic development, particularly in light of the spread of the informal economy. Many challenges lie within the inequalities present in education and employment. With a growing population of 40 million people, the labor market is facing mounting pressure.<sup>2</sup> Despite a notable reduction in poverty levels over the past two decades, a significant portion of the population continues to struggle with precarious living conditions, particularly in rural areas.

---

<sup>1</sup>Mathias Rossi, Jan Eirik Kjeldsen (2015) *Social Entrepreneurship in Morocco: Prospects and Challenges*. D. Jamali et al. (eds.), *Social Entrepreneurship in the Middle East*

<sup>2</sup> Lahbabi, A., Makloul, Y. (2018) *The Marketing of Social and Solidarity Economy in Morocco: Characteristics and Issues*

In Morocco, the official status of social enterprise does not yet exist and a framework law regarding SSE is still in the works. However, there are many existing initiatives with a social impact. Some of the most prevalent initiatives pertaining to the social and solidarity economy adopt the legal form of cooperatives, associations, mutuals, SA and SARL.<sup>3</sup> There is a wide range of definitions for SE, but what all social enterprises have in common is that they are cause-driven rather than profit-driven, focusing on enacting social change, improving lives, and developing sustainable communities. The social and solidarity economy is a fast growing sector in Morocco. Although it is still perceived by many parts of the Moroccan population as a “third sector”, an alternative economy, it is becoming an increasingly important part of Morocco’s landscape. It is a parallel economy that serves to complement the others by putting people and the environment first,<sup>4</sup> enabling all social classes and enterprises from diverse sectors to contribute to inclusive growth and social cohesion.

Although the term "social and solidarity economy" is relatively recent in the Moroccan dictionary, practices of synergy, solidarity and collective action are rooted in Moroccan traditions and are linked to the concept of community. For generations, social initiatives aimed at aiding the underprivileged have been an important part of Moroccan culture.<sup>5</sup> Principles of exchange and community support, which are now fundamental to social entrepreneurship worldwide, have been prevalent across the territory for centuries. Despite its long-standing presence, social entrepreneurship has only recently gained official recognition and wider acceptance in Morocco. Today, one of the primary objectives of social entrepreneurship in the country is to establish resilient, self-sufficient communities by

---

<sup>3</sup> *Social Enterprise Landscape in Morocco* (2019). British Council Report

<sup>4</sup> Hasna Layadi, Khalid Rouggani, Nabil Bouayad Amine (2019) *L'Entreprenariat social au Maroc : définitions, enjeux et réalité*.

<sup>5</sup> Jabbour, A (2020) *Tiwizi, une solidarité collective ou une valeur primordiale!* Amazigh Press.

strengthening organizational structures and addressing issues such as precarious working conditions and unemployment.

Morocco has recently made great progress in the social and solidarity economy sector. However, the long-term viability of social entrepreneurship projects is often hampered by financial challenges, an unclear legislative framework, and difficulties in achieving self-sufficiency. Without a clearly defined institutional framework for SE, the current statutes in place can be restrictive. Thus, many social enterprises are simply classic enterprises who opt for a shared value approach, which creates difficulties in accessing financing. Since a social entrepreneur is legally perceived as a classic entrepreneur, there is a need to prove to traditional investment sources such as banks that their business plan is viable in order to obtain financing. Credit institutions sometimes believe that having a social impact in the business model could affect financial profitability. The other source of funding available to social entrepreneurs is from competitions and programs or from the grants they receive after incubation.<sup>6</sup> This issue is not unique to Morocco : in many developing countries, local investors do not view social impact as viable, partly because of the absence of accurate indicators.

### **Cooperatives : a successful model**

Despite the obstacles they encounter, existing forms of social enterprises have proven to be successful. One of the most widespread forms of social enterprise in Morocco today is the cooperative. A cooperative is a self-governing organization made up of individuals who collectively own and manage a business with the goal of improving their community. Unlike

---

<sup>6</sup> Meryem Kabbaj - Enseignante universitaire et formatrice en entrepreneuriat et innovation sociale, chercheuse, consultante en entrepreneuriat et innovation sociale

traditional commercial enterprises, cooperatives make decisions based on the majority vote of their members, with each member having an equal say. The agency responsible for cooperatives is the ministry of handicrafts, social economy and solidarity.<sup>7</sup> Law 112.12<sup>8</sup> defines cooperatives as an enterprise with a legal status. The purpose of the cooperative is essentially the production and/or sale of goods and services.<sup>9</sup> In this section, we will study the case of cooperatives to see how they successfully combine social impact with economic profit.

The Moroccan cooperative sector has experienced a demographic boom since the 2000's, more specifically since the launch of the INDH in 2005.<sup>10</sup> There has been steady growth in the number of cooperatives and their memberships across various sectors and fields of activity. Agriculture is currently the most widespread sector, with women participating greatly in handicrafts. According to the figures communicated by the ONDC,<sup>11</sup> in 2020 there were 40 531 cooperatives with a total of 64 6901 members.<sup>12</sup>

The Moroccan government has shown a particular interest in cooperatives due to their significant contributions to both economic and social development. Cooperatives are viewed as a means of promoting social emancipation and economic growth, particularly in rural areas. Indeed, above generating income, cooperatives create social impact. They favor the creation of social links between members in rural areas and allow them to gain access and proximity to the population in the city through sales, particularly for women. This is one of

---

<sup>7</sup> *Social Enterprise Landscape in Morocco* (2019). British Council Report

<sup>8</sup> Office du Développement de la Coopération – Gouvernement du Royaume du Maroc.

<sup>9</sup> Al Ghazi Tali (2018) *Les coopératives agricoles au Maroc, un levier de développement miné*. Les clés du Moyen-Orient

<sup>10</sup> The National Initiative for Human Development (INDH), a government program launched in 2005, is involved in funding partnerships for the promotion and development of agricultural cooperatives.

<sup>11</sup> Office du Développement de la Coopération – Gouvernement du Royaume du Maroc.

<sup>12</sup> Didi, K., Attouch, H. (2022). *Dynamique Coopérative au Maroc et Nouveau Modèle de Développement*. International Journal of Financial Accountability, Economics, Management, and Auditing ISSN (2788-7189) Int. J. Fin. Acc. Eco. Man. Aud. 4, No.2

the many ways in which cooperatives promote women's economic empowerment.

Agricultural cooperatives can also allow farmers to increase profits by pooling together resources and favoring an environment where they can mutually benefit from each other's technical skills.<sup>13</sup> Cooperatives are fundamentally eco-friendly since most of the raw materials are sourced directly on site and are 100% natural. The direct beneficiaries are the members, and the indirect beneficiaries are the members of the community, households, and the villages' (*Douars*) ecosystems as a whole. Cooperatives, in a circular approach, can serve as a catalyst for the overall development of a region. As they grow and become profitable, they can reinvest a portion of their profits in the development of the local community, including education, training, transportation, healthcare, and more. By doing so, cooperatives can play a pivotal role in promoting the economic and social empowerment of rural areas by actively participating in all aspects of development.<sup>14</sup>

Cooperatives operate under a profitable business model in which they produce and sell goods or services. They participate in a fair distribution of the added value. Put simply, the cooperative provides members with benefits through collective services. Usually, the resources of each member are pooled together to launch the cooperative, or a cooperative is formed and is financed by an external organization such as an association or NGO.

Agricultural cooperatives work well because they are based on a traditional business model which relies on community work and on the *savoir-faire* of populations.

In the cases where cooperatives are funded by external donors, their initial funding model tends to be hybrid. The external finances come from a combination of grants, donations, and partnerships with associations and foundations. Eventually, the sales figures are used to

---

<sup>13</sup>Al Ghazi Tali (2018) *Les coopératives agricoles au Maroc, un levier de développement miné*. Les clés du Moyen-Orient

<sup>14</sup>Al Ghazi Tali (2018) *Les coopératives agricoles au Maroc, un levier de développement miné*. Les clés du Moyen-Orient

generate more activity and more income. Generally, the income comes almost exclusively from the sale of products and services to individuals, companies and public actors.

### **Despite their success, cooperatives face obstacles**

Despite their success in many cases, cooperatives can encounter issues. The endogenous factors that hinder their growth are primarily attributed to poor governance, which is largely due to the high illiteracy rate among leaders, a shortage of qualified managers, and non-compliance with the cooperative's statutes and internal regulations. Additionally, cooperatives often struggle with a lack of equity capital due to limited contributions in terms of shares and a failure to invest surpluses back into the cooperative. On the external front, the cooperative sector faces a range of legal, institutional, and socio-economic constraints that impede its development.<sup>15</sup> Since cooperatives do not have the official status of social enterprise, they can also encounter issues in terms of the exact number of members needed which creates administrative obstacles.

A good way for the cooperative to reduce its costs and become commercially viable is to optimize organization and processes. This can be done through reliance on external help. In many cases, NGOs or associations such as CARE Morocco will launch three to four year projects involving cooperatives to help them access the necessary finances and expertise to become self-sustainable. Since cooperatives generally lack the necessary skills and funds to measure their impact, the associations who monitor the projects do so to track the cooperatives' progress and improve their outcomes.

---

<sup>15</sup>Didi, K., Attouch, H. (2022). *Dynamique Coopérative au Maroc et Nouveau Modèle de Développement*. International Journal of Financial Accountability, Economics, Management, and Auditing ISSN (2788-7189) Int. J. Fin. Acc. Eco. Man. Aud. 4, No.2

### **A great solution : MyTindy**

MyTindy is a great example of how two people with business and e-commerce expertise and skills came together to create a social enterprise while adding value to local artisans' skills.

MyTindy is “*a marketplace designed to introduce the world to Morocco’s talented craftspeople.*”<sup>16</sup> It is a platform that allows artisans, cooperatives, and markets in Morocco to sell their products online. It has the official status of an enterprise with a social impact.

MyTindy employs over 500 sellers in the crafts sector including cooperatives, markets and individual craftspeople. It is a market intermediary that provides services to clients, in this case artisans, to facilitate their access to the Moroccan and international markets. MyTindy’s creators have the necessary business expertise to propel local cooperatives and artisans in their endeavors. MyTindy focuses on women’s economic empowerment, the promotion of a safe workspace, equitable and timely pay, cultivating environmental consciousness, prioritizing people in complicated situations, and fighting for social justice.

A key point in developing a sustainable social enterprise model is impact measurement.

There is still an absence of strong indicators to measure social impact in a qualitative way in Morocco, so the managers of MyTindy employ quantitative, “early stage” methods to do so.<sup>17</sup>

MyTindy’s 2021 Impact Report states that 967 hours of dignified work were done, 714 units were sold by artisans, 150 artisans were formalized, products were sourced from 7 regions, and 78 of the cooperatives were led by women.<sup>18</sup> In terms of training, all of the artisans were trained to take photos of their products and list them online, 90% were trained to develop

---

<sup>16</sup> MyTindy - Moroccan Craft, Home Decor and Fashion.

<sup>17</sup> Meryem Kabbaj - Enseignante universitaire et formatrice en entrepreneuriat et innovation sociale, chercheuse, consultante en entrepreneuriat et innovation sociale

<sup>18</sup> MyTindy - Moroccan Craft, Home Decor and Fashion.



their own brand and social media presence, and 60% of the artisan groups were trained to develop new products and designs.<sup>19</sup>

## **Conclusion**

It is clear that existing social enterprises in Morocco contribute to the sustainable development of society. However, the growth of the social and solidarity economy is hindered by several factors, notably the absence of an institutional framework and proper support systems for social entrepreneurs. Even the most prevalent and arguably successful forms of social enterprises, cooperatives, encounter issues. I personally believe that although inequalities and other systemic factors can hamper a social enterprise's objectives, especially in its early stage, new forms of organization *can* combine business models and social impact. In Morocco, it seems as if the best way to do so is to blend business expertise with traditional forms of community work, as does MyTindy. Proper partnerships can allow cooperatives to flourish. It is necessary to support artisan's basework by fostering a healthy environment including proper financing, business expertise, adequate coordination in the organization's governance, with indicators to measure social impact. By valorizing the existing skills of cooperatives' artisans and promoting traditional craftsmanship while bringing in business know-how, enterprises like MyTindy pave the way for the creation of many more viable social enterprises.

---

<sup>19</sup> MyTindy - Moroccan Craft, Home Decor and Fashion.

## **SOURCES**

### **Primary Sources**

Aida Kandil - Founder of the social enterprise MyTindy

Meryem Kabbaj - University professor and trainer in entrepreneurship and social innovation, researcher, consultant in entrepreneurship and social innovation

### **Secondary Sources**

Al Ghazi Tali (2018) *Les coopératives agricoles au Maroc, un levier de développement miné.*

Les clés du Moyen-Orient

[https://www.lesclesdumoyenorient.com/Les-cooperatives-agricoles-au-Maroc-un-levier-de-developpement-mine.html#:~:text=La%20loi%2012.12%20\(9\)%20d%C3%A9finit,de%20bien%20et%20de%20services.](https://www.lesclesdumoyenorient.com/Les-cooperatives-agricoles-au-Maroc-un-levier-de-developpement-mine.html#:~:text=La%20loi%2012.12%20(9)%20d%C3%A9finit,de%20bien%20et%20de%20services.)

Didi, K., Attouch, H. (2022). *Dynamique Coopérative au Maroc et Nouveau Modèle de Développement*. International Journal of Financial Accountability, Economics, Management, and Auditing ISSN (2788-7189) Int. J. Fin. Acc. Eco. Man. Aud. 4, No.2

Available at : <https://hal.science/hal-03745669/document>

Hasna Layadi, Khalid Rouggani, Nabil Bouayad Amine (2019) *L'Entreprenariat social au Maroc : définitions, enjeux et réalité*.

Jaad, M., Bahmani, N., (2020) *Modèle coopératif marocain : Bien-être social et inégalités*. Revue "Repères et Perspectives Economiques" [En ligne], Vol. 4, N° 2/ 2 ème semestre 2020, mis en ligne le 01 juillet 2020. Available at :

<https://revues.imist.ma/index.php?journal=rpe&page=article&op=view&path%5B%5D=21536>

Jabbour, A (2020) *Tiwizi, une solidarité collective ou une valeur primordiale!* Amazigh Press. Available at :

<https://amadalamazigh.press.ma/fr/tiwizi-une-solidarite-collective-ou-une-valeur-primordiale/>

Lahbabi, A., Makloul, Y. (2018) *The Marketing of Social and Solidarity Economy in Morocco: Characteristics and Issues*

Mathias Rossi, Jan Eirik Kjeldsen (2015) *Social Entrepreneurship in Morocco: Prospects and Challenges*. D. Jamali et al. (eds.), Social Entrepreneurship in the Middle East

Liana NDIAYE - International Governance and Diplomacy

MyTindy - Moroccan Craft, Home Decor and Fashion.

Website : <https://mytindy.com/>

Office du Développement de la Coopération – Gouvernement du Royaume du Maroc.

Available at : <http://www.odco.gov.ma/>

*Social Enterprise Landscape in Morocco* (2019). British Council Report. Available at :

[https://www.britishcouncil.org/sites/default/files/social\\_enterprise\\_landscape\\_in\\_morocco.pdf](https://www.britishcouncil.org/sites/default/files/social_enterprise_landscape_in_morocco.pdf)

[f](#)