

Economic Development Strategy Through Entrepreneurial Support: Case Study of Morocco

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Abstract— This research delves deeply into the socioeconomic indicators and targeted population categories within the framework of the Jerada support fund management project, offering valuable insights into the unique challenges and opportunities in the region. The study goes beyond theoretical analysis by proposing practical solutions to Jerada's socioeconomic challenges, providing tangible and real-life responses. As a replicable model, this case study presents concrete and adaptable solutions, demonstrating how research can be translated into actionable strategies. Not only does this study inform the specific context of Jerada, but it also serves as a valuable model for similar territorial development initiatives in Morocco and beyond.

Keywords— Strategy, Territorial Development, Socioeconomic Indicators, Entrepreneurship, Morocco.

1. Introduction:

In Morocco, despite the economic progress made over the past two decades, the country faces a major challenge: insufficient job creation, especially for young job seekers. This situation is exacerbated by the pandemic, drought, and an education and vocational training system ill-suited to the needs of the labor market. To address this issue, Morocco has implemented various initiatives and programs aimed at improving citizens' employability and attracting investments, we have already presented the process of one of these programs (Forsa program). Among these efforts, the launch of the Auto Entrepreneur Status and various initiatives to support entrepreneurs and

small businesses, in partnership with international donors such as GIZ and the World Bank, plays a crucial role. Additionally, sectorial plans, advanced regionalization, structural reforms within Chambers of Commerce, and discussions for a new economic model are underway. The country is also engaging in profound reforms, notably at the Regional Investment Centers (CRI) and Chambers of Commerce. Concurrently, initiatives such as the National Initiative for Human Development (INDH) focus on social inclusion, and the National Agency for the Promotion of Employment and Skills (ANAPEC) implements various programs to enhance employment and employability while strategically directing projects towards significant socio-economic impact. This comprehensive approach, building on past experiences, aims to create a more robust labor market and improve the living conditions of Moroccan citizens.

In this context, the development and modernization of the supply chain have become a key lever for strengthening the competitiveness of Moroccan companies and promoting employment. Drawing on its infrastructure (Tanger Med, logistics zones, industrial ecosystems), Morocco is focusing on digitalization, logistics optimization and training in order to meet market demands and offer new opportunities to young people.

Within this article, we delve into an in-depth analysis conducted within the “proximity management company”, focusing on the development of the alternative economy in a specific context. This

research project revolves around a significant initiative, benefiting from substantial funding of 150 million dirhams. Our primary objective is to explore the ins and outs of the alternative economy, emphasizing an innovative and methodical approach.

This study focuses on the Province of JERADA as a privileged investigative ground. We conducted a rigorous assessment of the region's specific economic needs, identifying existing gaps in the local economic fabric. Based on these findings, we developed four economic impetus products, the result of thorough deliberation and precise modeling of their potential impact on employment. To examine these elements in detail, we established a sophisticated simulator. This tool allowed us to anticipate the direct consequences of our initiatives on the local job market. This methodology, developed within the framework of this specific project, serves as a concrete example of applying alternative economy principles.

Through this study, we will unveil the challenges faced, the strategies deployed, and the tangible results achieved. Rooted in empirical research, this analysis provides relevant insights into the complex dynamics of the alternative economy in a specific territorial context. Our goal is to offer valuable lessons and contribute to existing knowledge on best practices in alternative economy while highlighting the opportunities and challenges inherent in this constantly evolving sector.

2. Literature Review

In the field of scientific literature, entrepreneurship has been discussed as a concept encompassing various elements such as business creation, wealth generation, innovation, change, job creation, value creation and growth [1] [2]. A recent study highlights the importance of differentiating Schumpeterian entrepreneurship from other commercial activities [3]. This distinction facilitates the separation between low-impact and high-impact entrepreneurship, particularly concerning outcomes like job creation, sales, innovation, and founders' wealth [4]. The significance of entrepreneurial development in diverse global economies cannot be underestimated. In response to this reality, many countries have implemented entrepreneurship support programs within their communities [5]. Developing entrepreneurship and the supply chain is essential to strengthening the economy, creating jobs, and improving competitiveness. Entrepreneurship

stimulates innovation and autonomy, while an efficient supply chain ensures optimized resource management and improved business responsiveness. Together, they form a strategic duo for building a sustainable and resilient economy [6].

It is widely established that entrepreneurship plays a vital role in job creation and economic development [7]. Extensive research has examined the relationship between entrepreneurship and economic development at local, state, and federal levels [8]. There is another work of that reveals an upward trend in the entrepreneurial sector's contribution to employment and gross domestic product (GDP) [9] [10]. Promoting entrepreneurship and adopting policies favorable to small and medium-sized enterprises have become crucial recommendations for recent economic development. Although attention to entrepreneurship might seem like a contemporary approach to development, it aligns with older and traditional strategies [11].

Among the studies that have been done on the subject of economic development and entrepreneurship, there is that of [12]. This study aims to identify and prioritize the factors influencing agricultural entrepreneurship in rural areas of Iran shahr County. The results show that five factors - economic, behavioral, environmental, promotional and social - influence agricultural entrepreneurship. In addition, a study [13] shows a method for evaluating the development of social entrepreneurship in a macro-region, using an adapted model based on the integrated index of regional innovative development

In this context, researchers [14] suggest that governments should alleviate constraints on entrepreneurship. Many countries, especially those in development, have dedicated considerable resources to developing policies to stimulate entrepreneurship, such as China, Brazil, Saudi Arabia, Malaysia, and Nigeria [15].

Porter's vision identifies three stages of development [16]: a factor-driven stage, an efficiency-driven stage, and an innovation-driven stage. Entrepreneurship is recognized as a crucial mechanism fostering economic development through job creation, innovation, and well-being [17]. Additionally, various elements influence entrepreneurship, including environmental conditions. The literature has

emphasized the critical impact of these conditions on entrepreneurship and economic growth [18]. However, it is still necessary to determine which environmental conditions, such as policies, support programs, funding, culture, professional infrastructure, academic support, labor market, infrastructure, networks, research and development (R&D), and market dynamics, exert an influence. In recent years, academic and public actors have focused on establishing thriving entrepreneurial ecosystems [19] [20].

Regarding financing for small and medium-sized enterprises (SMEs), various obstacles have long attracted stakeholders' attention. From the European Union to local governments, policymakers actively seek new strategies to facilitate SMEs' access to financing, a diverse sector [21]. In Morocco, the situation has become more serious given the high number of companies in bankruptcy, especially with other constraints appearing in particular with covid-19 and performance management requires a new vision which takes into consideration all the obstacles of the performance [22].

In regions such as the Middle East and North Africa (MENA), SMEs play a crucial role, especially in countries like Egypt, Jordan, Lebanon, Morocco, and Tunisia. Banks generally dominate the financial system in these regions [23]. Which leads us each time, as in our previous study, to deepen the study of development constraints; Strategies, systems in place; to analyze performance indicators to strengthen the position of companies in these developing countries [24].

Finally, a previous study identified various constraints faced by new entrepreneurs in the Moroccan context [25]. Taking a more financial perspective, a financing model has been identified that is generally followed by most companies during their growth, called the "financial growth circle". This model includes the following phases [26]:

- Companies initially rely on internal financing due to the novelty of their products or services, limiting their access to external investors.
- Angel investors, such as business angels, intervene at a later development stage when the company has formal business plans.

- Venture capital funds step in after support from angel investors during the initial development phase.
- Bank loans, generally accessible to small businesses only once they have accumulated enough assets to serve as collateral.

3. Methodology:

The methodology we followed is explained in detail in the (figure.1), providing a visual representation of our rigorous research approach. This methodological framework has been meticulously developed to ensure a complete exploration of the socio-economic landscape and targeted population categories. By employing a combination of qualitative and case study methods.

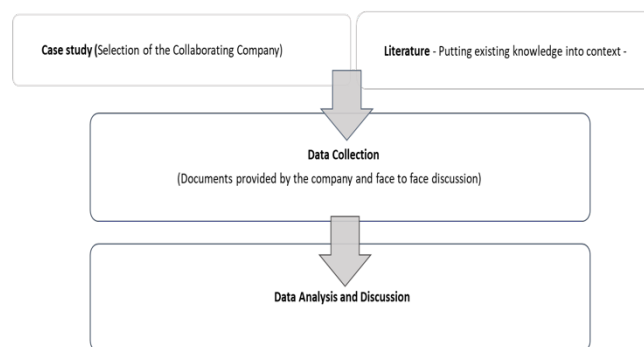


Figure 1. Methodology of the study

This study was carried out through close collaboration with the partner company involved. They generously provided us with various documents and resources essential to our research. We also had the chance to conduct in-depth interviews with internal company experts, enriching our analysis and gaining valuable insights. This mixed-method approach, combining in-depth analysis of the documents provided and in-depth interviews brought a deep and nuanced understanding to our case study.

4. Results:

Entrepreneurial and innovative initiatives are increasingly seen as crucial drivers of sustainable development [27] [28]. Strezov et al. [29] noted that the concept of measuring sustainable development and developing assessment indicators was first introduced at the 1992 United Nations Conference in Rio de Janeiro (Agenda 21). This agenda emphasized

the need to establish systems for monitoring and evaluating progress in sustainable development through indicators that reflect changes in economic, social, and environmental aspects [30].

Socioeconomic evaluation goes beyond mere financial, budgetary, and technical analysis, also encompassing the social, economic, and environmental dimensions of a project. Among the

economic and social indicators, there are: Annual indicators, Demographic, Census, National Household Survey (NHS), Active population, Income, GDP (Gross Domestic Product), Prices. The (Fig.2.) highlights three main columns, each representing a facet of the analysis based on socioeconomic indicators and the targeted population to determine the actions to be taken:

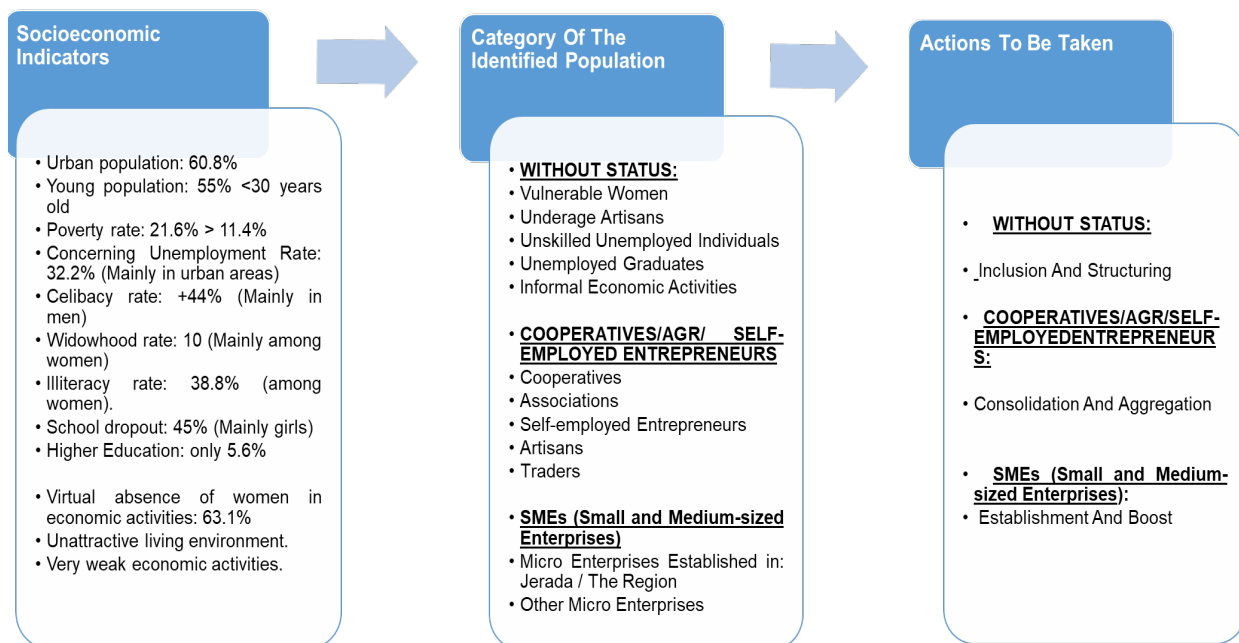


Figure 2. The correlation between Socioeconomic Indicators, the population and actions

Socioeconomic Indicators: The population in question is predominantly urban and young but faces major challenges such as a high poverty rate (21.6%) and concerning unemployment (32.2%), mainly in urban areas. This is consistent with the problem of youth unemployment in developing countries, particularly in sub-Saharan Africa, which has attracted considerable attention from academics and policy makers [31] [32].

Identified Population Category: The targeted population is divided into several categories, including people without status (vulnerable women, underage artisans, unemployed without diplomas, unemployed graduates, informal activities), cooperatives/self-employed individuals (cooperatives, associations, self-employed individuals, artisans,

traders), and very small businesses (micro-enterprises located in Jerada/the region, other micro-enterprises). It is important to highlight that many researchers have encountered challenges in collecting income data, especially in low-income environments, due to factors such as monthly fluctuations, informal employment, and reporting biases [33] [34].

As noted in the paper [35], prior research on human resources in entrepreneurship has emphasized qualifications [36], skills and experience [37], employee's productivity [38], as well as the expertise and training of the team management [39]. Such findings suggest that entrepreneurial opportunities emerge when individuals can better recognize and utilize available resources.

Actions to be Taken: For people without status, the goal is inclusion and structuring. For cooperatives, agricultural activities, and self-employed individuals, the focus is on consolidation and aggregation. Regarding very small businesses, the objective is establishment and impetus to stimulate their growth and economic impact in the region. Highlighting the significance of understanding socioeconomic status is crucial when creating interventions. This aligns with the viewpoint of authors who argue that socioeconomic status reflects access to resources, shaped by economic, social, and occupational factors assessed through income or wealth, education, and occupation [40] [41].

These three columns indicate a strategic approach based on the analysis of socioeconomic indicators,

with specific actions tailored to each identified population category.

The above diagram presents the project management process in a structured manner:

- Objectives: Initial objectives leading to specific missions, expected deliverables, and project duration.
- Missions (including Mission 1, Mission 2, Mission 3, Mission 4)
- Deliverables (such as Criteria Repository, Definition of Target Segments, Intervention Strategy, Stakeholder Mapping, Management Documents, etc.)
- Duration (ranging from 1 month to 36 months)

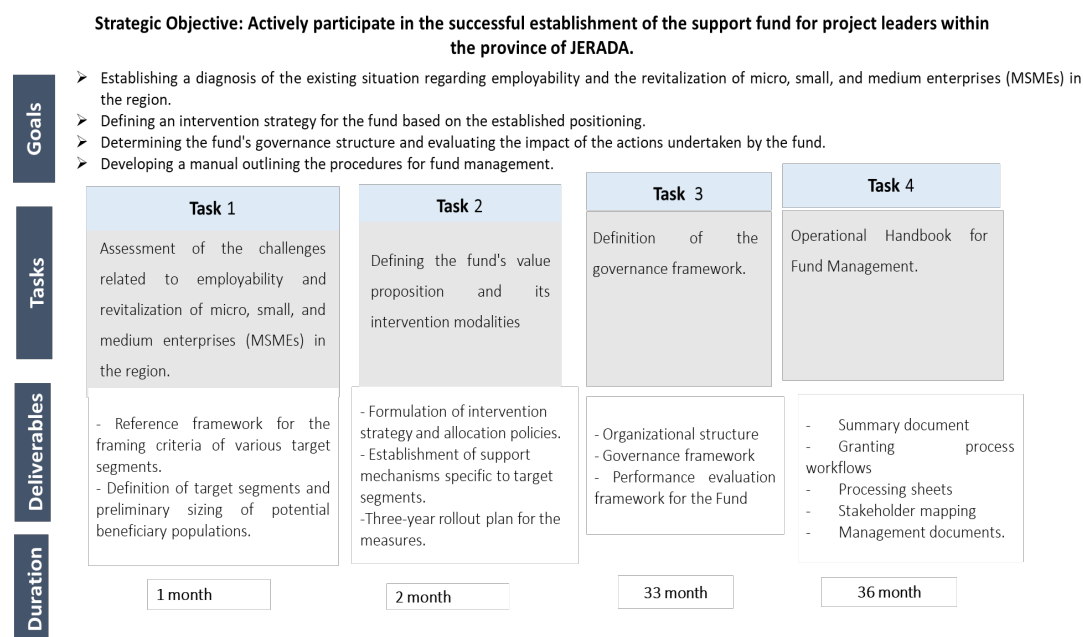


Figure 3. Mission strategy

The diagram above outlines the macro-process of the fund through several key stages:

- Guidelines and Mandates of the Steering Committee: This process commences by defining the guidelines and mandates of the Steering Committee (SC) regarding the sectors/targets to support, the contracted partners, and external providers involved in the project.
- Input Elements and Launch: It involves gathering

input elements such as calls for expressions of interest in compliance with current regulations, prospecting, spontaneous requests, and government programs.

- Continuous Registration and Monitoring: This process requires continuous registration and monitoring of requests. It distinguishes between files reviewed by the Investment and Operations Review Committee (IORC) and those not

reviewed by the IORC.

- **Contracts and Disbursement of Support:** At this stage, contracts are established, and funds are disbursed according to predefined criteria, thereby implementing decisions made by the SC.
- **Monitoring and Control:** Lastly, the process

includes continuous project monitoring through dedicated teams, specific procedures, and the use of control tools. These elements ensure that the project progresses in line with the guidelines set by the SC.

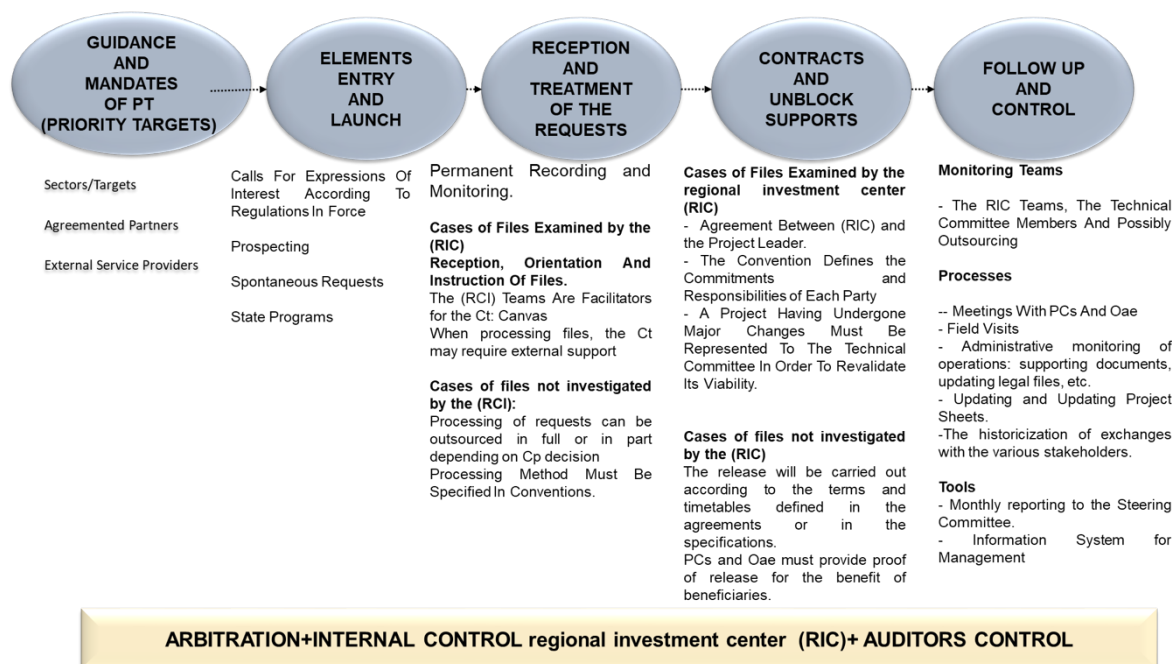


Figure 4. Macro process of the mission

The monitoring teams are made up of the RIC director and the members of the Technical Committee (e.g. Representative of the wilaya, Representative of the Regional Council, Representative of the Province, Representative of the CRI). Figure (4) provides a

comprehensive overview of the project lifecycle, from initial planning to implementation, monitoring, and control, all while incorporating the strategic guidelines and decisions made by the Steering Committee.

5. Conclusion

This study represents a significant contribution to the formulation of a territorial development strategy in Morocco, with a specific focus on the management project of the support fund in Jerada. By adopting an in-depth case study approach, our research delved deep into the complexities of socioeconomic indicators and targeted population categories, providing valuable insights into the unique challenges and opportunities faced by the Jerada region.

Our meticulous exploration of socioeconomic indicators formed a solid foundation for the

development of targeted intervention strategies. This analysis enabled the formulation of clear and measurable objectives for the successful launch of four essential products under the support fund. By identifying the specific needs of various population categories, from individuals without status to very small enterprises, this case study laid the groundwork for an inclusive and adaptable approach.

It is crucial to emphasize that this research extends beyond mere theoretical analysis. Instead, it is firmly rooted in the concrete reality of Jerada, offering practical solutions to address the region's socioeconomic challenges. As a case study, it

provides a tangible and replicable model for other territorial development initiatives in Morocco and beyond.

Thus, our rigorous methodological approach, grounded in a thorough analysis of socioeconomic indicators, has led to the design of concrete actions tailored to specific local needs. This case study on the Jerada support fund management project stands as a tangible and inspiring example of how research can be translated into tangible actions, thereby stimulating economic, social, and human development in the region. It serves as a model for similar regions, showcasing the transformative potential of research in driving tangible, positive change.

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