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The Social and Solidarity Economy in Morocco... A Key Pillar for Integrated Growth and Looking to the Future

Prepared by
Ali Akebli

This research paper is a contribution conducted by the participant, Ali Akebli, at the end of the "Capacity Building in Policy Dialogue" course within the "Mediterranean Dialogue for Rights and Equality" programme. This paper addresses the challenges facing the social and solidarity economy in Morocco, as it is capable of striking a balance between economic success and the principles of equality and social justice. The paper also presents a number of proposed policies, laws, and procedures that can be used to enhance the role of the social and solidarity economy.

Ali Akebli is a project officer at the Moroccan Network for Social and Solidarity Economy. He worked on several projects related to the economic and social integration of youth with international partners and organisations such as the Belgian Development Agency (Enabel), the World Bank, and the International Labor Organisation (ILO). He also participated in organising a number of national and international events, such as the International Forum for Social and Solidarity Economy in Marrakesh (2017). In addition, he undertook visits to exchange experiences for the benefit of missions from Tunisia, Congo, and France to introduce the social and solidarity economy in Morocco. Besides, he holds a master's degree in economics and management of social organisations at Ibn Zohr University, Agadir.

This contribution is within the framework of the Mediterranean Dialogue Programme's publication of contributions made by five participants at the end of the "Capacity Building on Policy Dialogue" course. This course is focused on experiences of policy dialogues, assessment of opportunities and constraints, and analysis of the mapping cases of the policy dialogue in the Med-space countries, concerning the topics of economic and social inequality, as well as democracy and local governance.

*Note: These contributions do not necessarily reflect the opinion of the programme; they only express the views of the participants.



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Introduction

Social and economic integration in Morocco, as in other countries of the world, has been one of the most pressing challenges to economic development, especially in light of the constant low rates of static activity and the spread of the unstructured character, which significantly affected the percentages and rates of fragility and spatial disparities. This also led to Morocco's decline in the level of human development indicators, ranking 127 out of 187 countries.

It is worth noting that the economic and social diagnosis, which has been repeatedly revealed and to continue like so by the national and international¹ reports about the class and spatial disparities in Morocco as well as their effects on the levels of economic and social development, has contributed to sounding an early warning siren with the aim of reconsidering the economic and social policies in Morocco especially with regard to reducing poverty rates, diminishing disparities, lowering unemployment levels, and overcoming problems related to the absence of spatial justice between urban and rural areas. This prompted attention to new economic models that would contribute to giving a new prospect to economic growth, along with the public and private sectors, in which the concept of social and solidarity economy emerged as an economic model qualified enough to mobilise and provide the necessary resources to contribute to economic growth and social cohesion, as a distinct economic model that combines the vitality of economic dynamism and the spirit of human principles and values for development.

Hence, the social and solidarity economy contributes to the promotion of the values and principles of solidarity, through the spirit of voluntary participation and personal initiative, as it works to establish a balance between economic success on the one hand, and the principles of equality and social justice on the other, while adding a "human dimension" ' on economic relations.

The social and solidarity economy is not considered a complementary economy, nor an alternative one, as much as it is a parallel economy that forms the third pillar on which the balanced economy rests, along with the public and the private sectors. Besides, It is about an economy that has sufficient capabilities and means that make it able to mobilise material and non-material resources in a solidarity synergy that will meet the requirements of integrated development (locally, regionally, and nationally) and reduce the effects of potential economic crises, such as the Corona pandemic. The model on which this economy is based also allows for ensuring a balance in terms of investments and localisation of collective capital.

¹ - "The Social and Solidarity Economy: More Employment Opportunities, Better Employment Opportunities for Youth", ILO Training Center Publications

- "Social and Solidarity Economy in Morocco: For Human Development Based on Social Justice", publications of the Center for Studies and Research in Parliamentary Affairs, with the support of the Konrad Adenauer Foundation



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This will entail achieving an integrated growth that has the ability to mobilise various actors and partners broadly in order to unleash the dynamism of social innovation, the development of national entrepreneurship that can contribute significantly to the gross national product, and to work beyond borders, especially with regard to partnership that concerns the relations South-South.

Social and Solidarity Economy in the Moroccan Context

The nomenclature of social and solidarity economy differs from one country to another, and also according to different contexts. Therefore, if this economy is known as the "social and solidarity economy²", in Morocco and some other countries such as France, Nepal, Mali, and South Africa, in other countries such as Canada, Cameroon, and South Korea, its name is limited only to the "social economy". In addition, in some South American countries, for example, the Ecuador, this economy is described as the "popular economy."³

Despite the lack of agreement and unanimity on the name, Morocco chose the name "Social and Solidarity Economy", which is the one we found to be used among the majority of neighboring countries and the main partners of the Kingdom⁴.

Although the term "social and solidarity economy" is relatively recent in the Moroccan dictionary, the practices of synergy, solidarity, and collective action are rooted in Moroccan traditions and are related to the concept of "community" and associated practices. Actually, this social norm has been crucial in raising individuals and in building their identity outside the confines of their own space. Consequently, the lack of respect for this practice results in the loss of the individual's position within the group, and in some cases even leads to the loss of identity.

For example, these are some of the collection practices that marked Moroccan society in the past:

- Twiza: which represents the most widespread form of cooperation and collaboration, and the most common in the operations of plowing, harvesting, reaping fruits, digging wells, preparing pathways and building houses. This practice of solidarity is based on the principle of exchange and sharing of services between members of the group.

² The Draft law, the framework related to the social and solidarity economy in Morocco

³ The popular and solidarity economy in Ecuador: towards the materialisation of the constitutional principle of good living? International Journal of Social Economy.

⁴ "Social and Solidarity Economy: A Leverage for Integrated Growth", Report of the Economic, Social and Environmental Council of Morocco



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- Agadir: It is a form of mass storage of foodstuffs, especially grains and dry fruits. It is based on the construction of traditionally shaped places for storing materials, which the members of the group take turns to watch.
- Chard: It is a common tradition in the field of education and training, which is based on engaging with the Holy Qur'an teacher (the jurist) in the framework of a collective agreement that includes compensating the jurist for the educational services he provides by sponsoring him from various aspects (nutrition, housing...) and granting him a share of the annual product.

Based on the foregoing, the Economic, Social and Environmental Council has proposed the following definition of this economy: "Social and solidarity economy expresses the sum of economic and social activities that are organised in the form of systematic structures or gatherings of subjective or legal persons, with the aim of achieving collective and community interest; they are also independent activities subject to autonomous, democratic and participatory measure, in which participation is free.

It also belongs to the social and solidarity economy, all institutions whose basic objectives are based primarily on what is social, by presenting sustainable and economically integrated models, and producing goods and services that focus on the human element, as well as falling under sustainable development and the fight against exclusion.

Obstacles and the Current Situation

Despite the long history of the social and solidarity economy in Morocco, It is still vulnerable to shocks, as manifested during the current crisis of Covid 19.

Statistical data reveal a remarkable development in the areas of social and solidarity economy, which is shown in particular in the development of the number of incubating and active organisations in this economy, where 210,000 associations, 27,262 cooperatives as well as their newly engaged members numbering 563,000 (more than half involved in it are women), are considered the most important actors in this type of economy⁵ . As for the synergies, their number reached 52⁶ , distributed between health, and insurance companies. Concerning the rest of the actors, especially social enterprises, which reinvest their profits for social goals, their absence is noted in this economic system due to the lack of a law framing it until now.

⁵ "Social and Solidarity Economy: A Leverage for Integrated Growth", Report of the Economic, Social and Environmental Council of Morocco

⁶ The general report of the new development model of the Kingdom of Morocco



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Despite the special attention shown by Morocco towards the social and solidarity economy, its contribution remains very weak in creating wealth, and quite limited in employment. This is due to the main actors' fabric continuously suffering from difficulties that are exacerbated by the large number of actors and the weakly motivated environment. It is also related to the lack of human and organisational capabilities, the high rate of the unstructured economy, the poorly exploited production infrastructures that are of a modest level, the weak product valuation, in addition to the absence of creativity and innovation capabilities. Market access is also a major obstacle to the products of the social and solidarity economy, due in particular to the marketing and distribution mechanisms that are often ineffective and uncreative, which are mainly limited to markets and special exhibitions. Finally, access to financing remains difficult, as it depends mainly on microfinance institutions and on public and private support.

The social and solidarity economy is also considered to be an economy directed to ensuring daily living rather than a real alternative to creating value and job positions. This situation is reinforced through the existence of public programmes that provide unconditional financial support for projects for social and economic development, without the latter responding to the logic of sustainability, which leads to a big growth in the number of project holders due to the availability of financing without adopting the approach of sustainability and feasibility. Consequently, these projects remain depending, structurally, on financing and aid that is mostly public.

As for the legal and regulatory aspects, the social and solidarity economy is governed by a fragmented legal framework, which results in a kind of weak homogeneity and isolation. Additionally, the governance of the sector is characterised by the multiplicity of stakeholders, including many ministries, especially the Ministry of Tourism and Handicrafts, territorial groups, and the Cooperation Development Office that accompanies cooperatives only... With regard to the legal and regulatory framework, every actor in the social and solidarity economy is framed by a special text without any real link between these texts.

Looking to the Future: Building a Supportive Environment

The current situation of the COVID-19 pandemic represents an opportunity to establish the social and solidarity economy as a third pillar of development, in which its efforts are combined with the state and the private sector. In fact, this situation has drawn attention to the importance of a strong social and solidarity economy, which can play a preventive role and act as a safety net during global crises given its local roots and its ability to face short-term financial difficulties.

On the other hand, the state can rely, in the face of unprecedented pressure on the budget and public services, on the activities of the social and solidarity economy to



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enhance its work by presenting a new prospect based on entrepreneurial culture and innovation. Subsequently, it is necessary to jointly build this new dynamic with the local population in order to cater to their special needs in a better way and to enhance confidence, through the ownership of this economy by citizens in institutions and society. The emergence of this third pillar is also in line with the new social contract and accompanies Morocco's will to establish a prosperous society.

This can be achieved through

- Adopting a special framework law that enables Morocco to engage in the international dynamic of recognising the social and solidarity economy, as the adoption of a special legal framework, which does not exclude any of the components of this economy, would define the latter in all its peculiarities, and gather its various components in a common frame of reference. It will as well respond to the need for increased recognition of it, which leads to more just consideration of this economy and the role it plays. It is ultimately about enabling all actors in the social and solidarity economy from the legal and regulatory integrity of their activities. This framework would also allow the establishment of mechanisms for access to finance and the development of the social and solidarity economy.
- Investing in raising the professional capabilities of the actors in order to enhance the sustainability of the economic models of the projects. This will include training managers, workers, and volunteers on best management practices, providing technical assistance to enhance organisational capabilities, modernising structures, and establishing an effective culture and methods for impact assessment. It is also related to encouraging actors to improve their governance, maintain a balanced financial structure, and fully or partially finance their activities through the incomes generated by the innovative economic models they adopt, as well as the incentives based on returns in performance. From this perspective, public support should be largely redirected towards technical support and accompaniment rather than direct support. It is possible to benefit from the model of the National Initiative for Human Development in its third form, through associations or other social and solidarity economy institutions that act as the chaperone that will accompany small or fragile organisations.
- In order to preserve the social and cultural heritage rooted in the national framework, it is necessary to integrate the social and solidarity economy into the education and training system, by including:



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- Topics at the level of school curricula and applied workshops in primary and secondary education, with the aim of sensitising and educating children about the importance of the social and solidarity economy, and the possibilities of participating in settling various social and environmental problems.
 - Lessons at the level of higher education in the framework of various trainings;
 - Dissertations and trainings related to the social and solidarity economy, which will encourage research, development and innovation. These measures will work to develop a spirit of initiative and solidarity action; thus, encouraging the emergence of a new generation of entrepreneurs.
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- Ensuring access to different types of financing, as the social and solidarity economy cannot rely solely on funds and subsidies provided by the state, nor on traditional funds. This diversification of sources of financing for social development should constitute a turning point towards the logic of results and impact rather than the logic of means. Crowdfunding must also be expanded within the context of the draft framework law to be passed. In addition, it will be important to strengthen the development of charitable work by developing a motivational framework for contracting as well as for individuals wishing to make a grant for approved, social, and solidarity economy contracting. This can be achieved by developing a fundamental system for establishing institutions in this regard and by organising a better mobilisation of zakat and Waqf (endowment) land for the benefit of the social and solidarity economy.

Summary

This paper seeks to contribute to confirming the important and growing role that the social and solidarity economy plays in building a balanced and integrated society. This fact also confirms the values and principles of solidarity, which this economy is keen to promote within the framework of the spirit of voluntary contribution and personal initiative, as well as the principles of equity and social justice that this economy seeks to establish.

The current health crisis has constituted a great incentive to advance this economy, not only as a model, orientation or economic option for the state, which was expressed in the report of the new development model of the Kingdom, but also as a mechanism and a basic and important tool for fighting poverty and creating wealth. In order to enhance its role in society, the social and solidarity economy needs to be supported



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by an appropriate public policy, and this process, related to the development of this economy, requires a long period of time, which means that it cannot be transformed over a short time; thus, the necessity for the application of a long-term policy. Moreover, all those involved in the social and solidarity economy must engage in a unified policy, giving priority to the local and regional dimension by involving the elected and local authorities, and empowering them with leadership tools in addition to an effective and unified information system.

All public policies directed to the social and solidarity economy remain subject to activation and downloading on the ground by mobilising its private financial resources within the framework of partnership programmes between the public and private sectors, in addition to international partners and donors.