

# **Analysis of the determinants of entrepreneurship of young rural in Morocco**

## **Analyse des déterminants de l'entrepreneuriat des jeunes ruraux au Maroc**

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## **Abstract**

In order to better understand the debate on rural, it is necessary to examine more closely the determinants of entrepreneurial intentions declared by rural youth and to assess their entrepreneurial spirit. With this in mind, a survey was conducted in the rural communes of the Meknes prefecture with 90 young graduates, including 70 young men and 20 young women with an average age of 33 years. These young people were approached through a questionnaire and direct observations. The data collected was processed through a descriptive analysis and the Multiple Correspondence Factorial Analysis (MCA).

The analysis brings to light that the reasons for the creation of enterprises by rural youth are among the seven modalities associated with the motivations, as well as the financial support of the projects carried by the youth remains a source of capital financing for 24% of the young entrepreneurs surveyed. And finally, the public mechanisms put in place are struggling to position themselves as really effective measures to support entrepreneurial initiatives in rural areas.

## **Keywords :**

Entrepreneurship ; Entrepreneurial spirit ; Rural entrepreneurial constraints ; Rural entrepreneurial motivations ; Rural entrepreneurial financing.

## **Résumé**

Afin de mieux comprendre le débat sur l'entrepreneuriat rural, il est nécessaire d'examiner de plus près les déterminants des intentions entrepreneuriales déclarées par les jeunes ruraux et d'évaluer leur esprit d'entreprise. Dans cette optique, une enquête a été menée dans les communes rurales de la préfecture de Meknès auprès de 90 jeunes diplômés, dont 70 jeunes hommes et 20 jeunes femmes avec un âge moyen de 33 ans. Ces jeunes ont été approchés à travers un questionnaire et des observations directes. Les données recueillies ont été traitées par une analyse descriptive et l'analyse factorielle des correspondances multiples (ACM).

L'analyse fait ressortir que les raisons de la création d'entreprises par les jeunes ruraux figurent parmi les sept modalités associées aux motivations, ainsi que le soutien financier des projets portés par les jeunes reste une source de financement du capital pour 24% des jeunes entrepreneurs interrogés. Et enfin, les dispositifs publics mis en place peinent à se positionner comme des mesures réellement efficaces pour soutenir les initiatives entrepreneuriales en milieu rural.

## **Mots clés :**

Entrepreneuriat ; Esprit d'entreprise ; Contraintes de l'entrepreneuriat rural ; Motivations de l'entrepreneuriat rural ; Financement de l'entrepreneuriat rural.

## Introduction

Entrepreneurship research has been the subject of much interest, mainly due to the complexity and heterogeneity of the phenomenon. Thus, for several researchers, the study of entrepreneurship in all its forms is essential for the understanding of the essential aspects of the phenomenon that make it unique (Hmama, Z. and Alaoui, M, 2020).

(Filion, 1997) emphasizes that the field of entrepreneurship is undergoing a blossoming, given its connection to several disciplines (economics, sociology, anthropology, history, psychology, political science, management ...), the perspectives provided by each discipline are generally rarely affected by the others, which refers us rather to an interdisciplinary approach (Herron et al, 1991). This assertion joins that of (Verstraete, 2008) when he confirms that "Entrepreneurship is perhaps at a stage where coordination between disciplines is called for in order to advance in a true accumulation of knowledge." With this in mind, Entrepreneurship, a strategic option for the promotion of youth employment, is an attractive solution for young rural graduates through self-employment that creates activity, value and improved productivity as well as economic growth as a result.

In this sense, our research will focus on the determinants of entrepreneurial intentions declared by rural youth and assess their entrepreneurial spirit. The first part of this work will be devoted to explain the reasons for the creation of enterprises by rural youth and sources of financing, while the second part will be devoted to clarify the constraints of promoting entrepreneurship among rural youth.

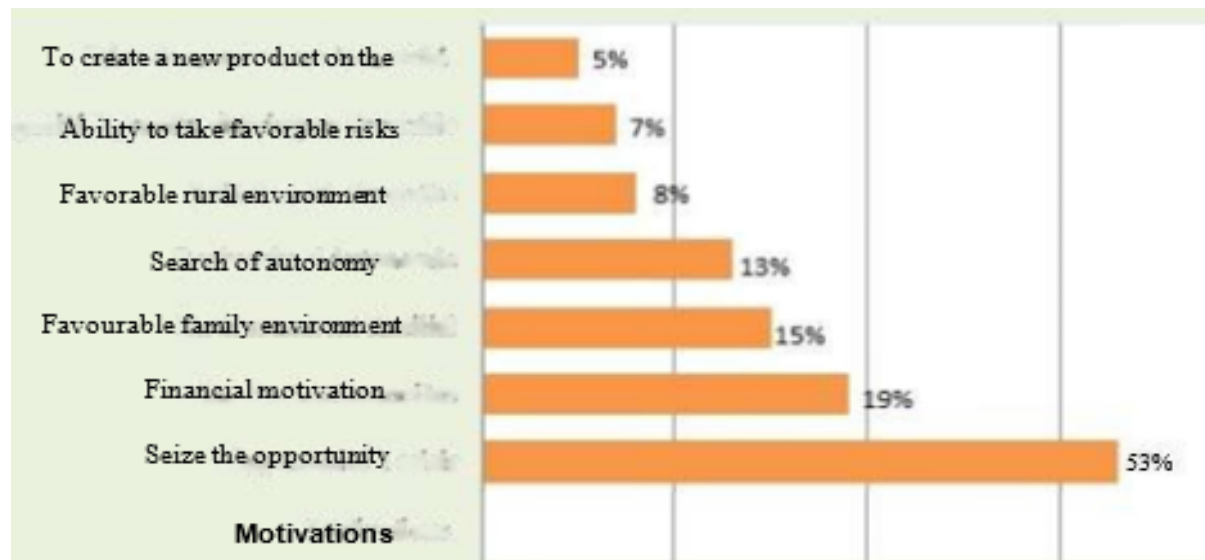
### **Then what are the determinants of the intention of entrepreneurial projects of rural youth ?**

To satisfy this reflection, it is necessary to examine more closely the determinants of the entrepreneurial intention of rural youth and to evaluate their entrepreneurial spirit. To this end, a survey of 90 young graduates, including 70 young men and 20 young women with an average age of 33 years in the rural community of Meknès, was conducted in the rural communes of the province of Meknes. The young people were subjected to questionnaires and direct observation. The treatment of the collected data was presented by a descriptive analysis.

## 1. The reasons for the creation of enterprises by rural youth and their sources of financing

With regard to the motivations of young entrepreneurs, we were interested in probing the reasons that encourage young people to become entrepreneurs. Through the results of the survey, we have highlighted 7 modalities associated with the motivations (Shape 1).

**Shape 1 : Reasons for starting a business among the young graduates surveyed**



Sources : S.ammari 2021

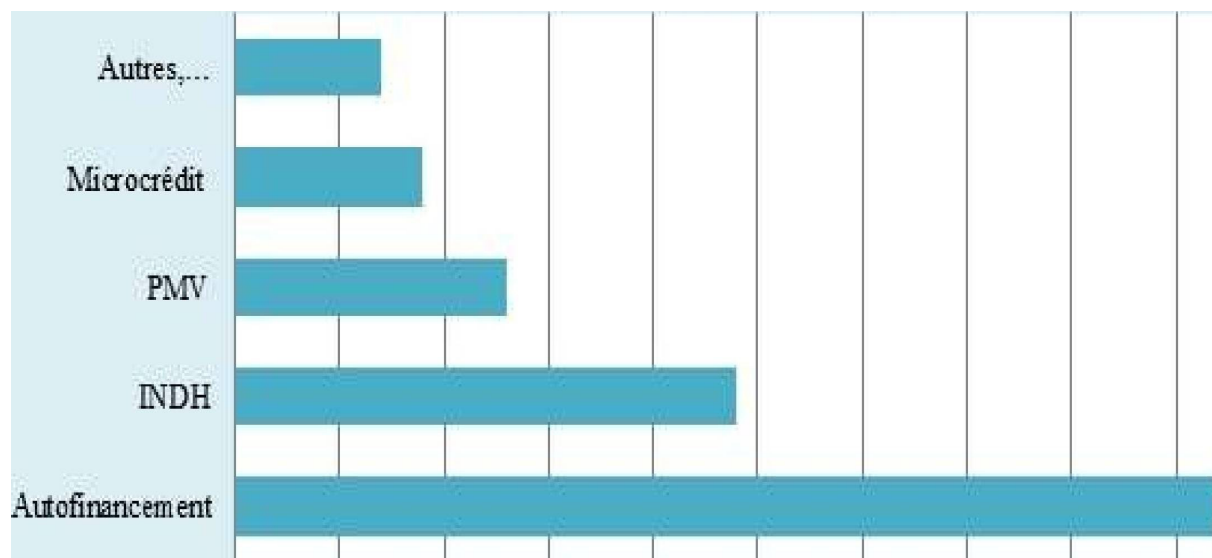
Several motives determine the behavior of rural youth in founding businesses. The opportunities that exist in rural areas is the reason most advanced by the young people surveyed with a percentage of 33%, which explains the importance of public policy in rural and agricultural development. This is the INDH and the PMV which have played a role in popularizing and mobilizing opportunities for entrepreneurship in rural areas. Secondly, financial motivation is an important determinant for young entrepreneurs as it was cited by 19% of respondents, which shows that earning money and improving the financial situation of young entrepreneurs are motivating factors for their entrepreneurial adventure. Finally, the family environment as a motivation for creation was not negligible for 15% of the respondents.

This study of the entrepreneurial act of young people is based on the integrated model of Gnyawali et al (1991\*). It confirms that the issue of financing is the main source of vulnerability for rural youth who have difficulty mobilizing the initial capital needed to realize their entrepreneurial aspirations.

In fact, the main source of financing cited by 47% of young people is self-financing (Shape 2), a finding that is consistent with most studies and surveys conducted in this area, which suggest that self-financing is the healthiest means of financing. The second source of financing, no less important, is the use of activities

supported by the NHRI. The financial support of the projects carried by the young people remains a source of capital financing for 24% of the young entrepreneurs surveyed. And finally, the support provided by the projects of the Green Morocco Plan is a source of funding for 13% of respondents. These include the setting up of agricultural and agri-food production farms.

**Shape 2 : Origin of the completion of the projects of the young people surveyed**



	Self-financing	INDH	PMV	Microcredit	Others,...
String l	47%	24%	13%	9%	7%

Sources : S.ammari 2021

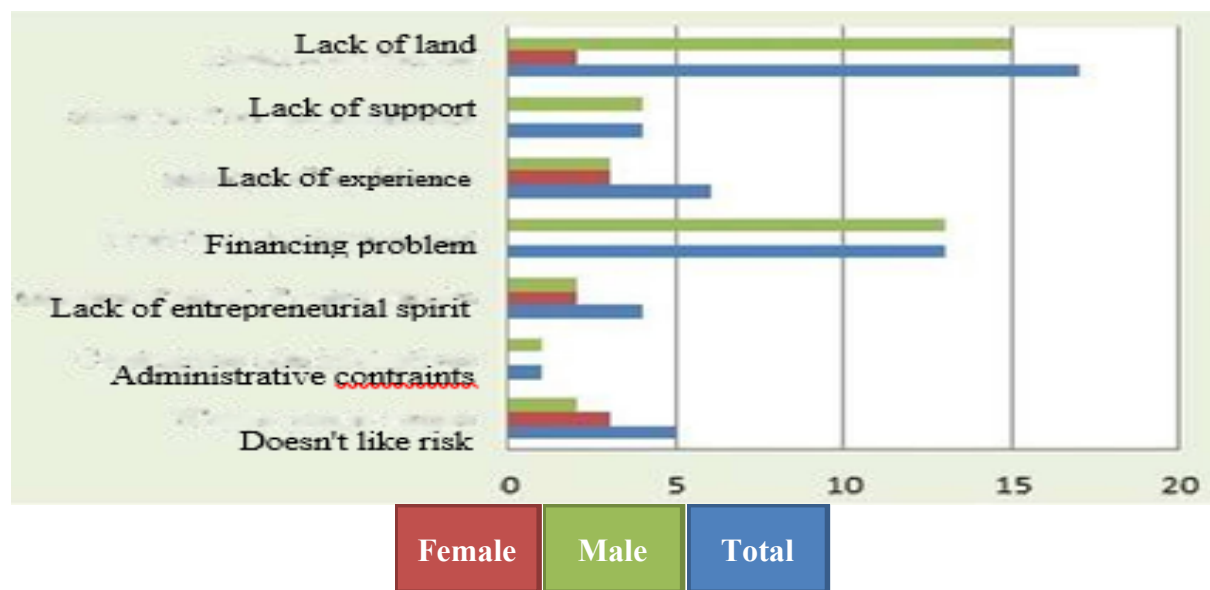
## 2. Constraints to promoting entrepreneurship among rural youth

The young rural entrepreneurs are confronted with a multitude of constraints of different kinds in the development of their projects. The results (shape 3) show that for 34% of the 50 young non-entrepreneurs surveyed, the lack of land is the main constraint to the emergence of agricultural and rural entrepreneurship. In this respect, rural youth need land to create their micro-enterprises and it would be even more motivating if they could find land to rent. In fact, land should be sought outside the family framework in order to consider setting up the young enterprise on innovative, well-reasoned and solid bases.

For 26% of the young people surveyed, the lack of financing remains a barrier to business creation. These results show that these two problems are major constraints insofar as they were cited first by 30 young non-entrepreneurs surveyed, i.e., 60%. Beyond the major constraints cited by the respondents, others were cited, such as lack of experience, apprehension of risk, lack of support, etc., which explain the inhibition of young rural people in the development of a project.

8% of the young non-entrepreneurs surveyed blame the lack of support and coaching structures such as incubators for the supervision of project leaders as an obstacle to rural youth entrepreneurship. Nevertheless, some public initiatives offer new opportunities to young people, such as the calls for tenders launched by the Agency for Agricultural Development (ADA) under the Public-Private Partnership (PPP) program, which consists of renting agricultural land. Such measures can certainly promote the rapprochement of young rural graduates of the category of entrepreneurship to natural succession.

**Shape 3 : Main entrepreneurial constraints among young non-entrepreneurs surveyed**



Sources : S.ammari 2021

On the other hand, here is an analysis which presents a panoply of variable whose conjugation could guarantee the perenity of the young rural companies and would make it possible to conceive a new version of the young people in rural environment.

To achieve this objective, several actions must be implemented by the various stakeholders, whether state institutions, the private sector or professional organizations whose roles are complementary to strengthen and energize entrepreneurship, especially in rural areas which knows several obstacles, in particular the difficulty of access to the agricultural land and the financing, the weakness of the tools of accompaniment, orientations and council before the creation of the company, and after, the slowness of the administrative procedures. to that is added the lack of competences in matters of management of projects at the young proteurs of rural projects.

## **Conclusion**

The youth employment remains a global challenge, especially in morocco. Faced with the limited capacity of the labor market to provide decent employment opportunities for youth, there is a need to promote new strategies that enable young people to create their own jobs and contribute positively to the economy and society. Entrepreneurship is increasingly recognized as a key strategy to unlock the productive and innovative potential of youth.

Then development of youth entrepreneurship is not only a lever to boost the national economy and create jobs, but also contributes to meeting the challenges of sustainable and inclusive development that we face today. New perspectives are offered to project holders, notably thanks to the commitment of several actors of the entrepreneurial ecosystem to support this dynamic.

Despite the efforts of the state to encourage and facilitate the entrepreneurial culture, the results remain below expectations for many reasons. First, the entrepreneurial spirit is struggling to find its place among rural youth. Secondly, there is the predominance of the idea that the civil service is the only social success for earning a living and for a better socio-professional integration of young graduates. And finally, the public mechanisms put in place are struggling to position themselves as truly effective measures to support entrepreneurial initiatives in rural areas.

The entrepreneurship of rural youth faces several constraints, including the difficulty of access to land capital, financing and entrepreneurial training. The access of young people to factors of production, particularly to land and financing, would be a powerful engine for the emergence of entrepreneurship. This study also shows the interest of seizing the different opportunities offered to rural youth within the framework of public initiatives aimed at promoting employment for young graduates or with the objective of improving their financial situation, gaining independence or the desire to take the reins of their own business.

Finally, it is recommended to focus on the implementation of training programs aimed at promoting rural entrepreneurship. These programs would build on local know-how to improve it or encourage the adoption of new modern entrepreneurial practices.

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