

## NAVIGATING CRISIS: COVID 19'S IMPACT ON ENTREPRENEURSHIP IN MOROCCO

Hanaa Benchrifa , Lakhdar Karima 

*Hassan II University-FSJES Mohammedia, Morocco*

*E-mails: [Benchrifa\\_hanaa@hotmail.com](mailto:Benchrifa_hanaa@hotmail.com)*

Received November 2023; accepted January 2024

### Abstract

This article investigates the repercussions of the COVID 19 pandemic on entrepreneurship in Morocco, utilizing bibliographic research approach drawing from Google Scholar and IMIST database. It delves into governmental and non-governmental studies, elucidating the adverse impacts on various economic sectors while advocating for enhanced innovation and the production of high value goods. Furthermore, it examines Morocco's proactive measures in response to the pandemic. Additionally, the study explores strategies outlined in the new development model to alleviate crisis and stimulate economic revival including fostering social and female entrepreneurship and extending social protection to auto-entrepreneurs. This research stand out for its focused analysis on Morocco's context and the scrutiny of specific pandemic response measures. Its findings carry significant implications for informing policy decisions and actions at reinforcing entrepreneurship and economic resurgence not only in Morocco but also in similar contexts globally.

### Literature Review

**Keywords:** COVID 19 Pandemic; Entrepreneurship; Morocco; Economic Effects; Crisis Responses

**Reference** to this paper should be made as follows: Benchrifa, H., & Karima, L. (2023). Navigating crisis: COVID 19's impact on Entrepreneurship in Morocco. *Journal of Entrepreneurship, Business and Economics*, 11(2), 245–274.

## **Introduction**

COVID 19 pandemic is considered as the most challenging crisis that affects all over the world. This pandemic negatively affected public health, the global economy as well as mental health. Morocco, like many countries in the world, was not safe from the spread of coronavirus. The first case recorded in Morocco was on the 1<sup>st</sup> March 2020. A health state emergency was announced by the Moroccan Authorities on 20 March. In response to the rapid spread of COVID 19, the government implemented several measures, including limiting movement during the day just to work, shopping and medical care, purchasing medicine and only emergency situation, suspending train and intra city bus services and flight and imposing a curfew from 6pm to 6am. These lockdown measures have negatively impacted the global economy as well as the national one (Dheer & Salamzadeh, 2022). Global economy faced an unprecedented downturn. Given the scale of this crisis and its impact on the national economy, it is important to explore the measures taken by the government to deal with this crisis and enhance the national economy.

The question remains, what have been the effects of the pandemic on entrepreneurship in Morocco, and what measures have been taken by the government and other entities to support entrepreneurs during this difficult time?. This article aims to answer these questions by presenting an essay survey that summarizes recent research and reports related to the impact of COVID 19 on the Moroccan economy, with a specific focus on entrepreneurship. The article is based on secondary data and literature, drawing from a range of sources, including Google Scholar and the IMIST database. The article will first examine the effects on various sectors, the decline in economic activity, and the challenges faced by entrepreneurs. The article will discuss the

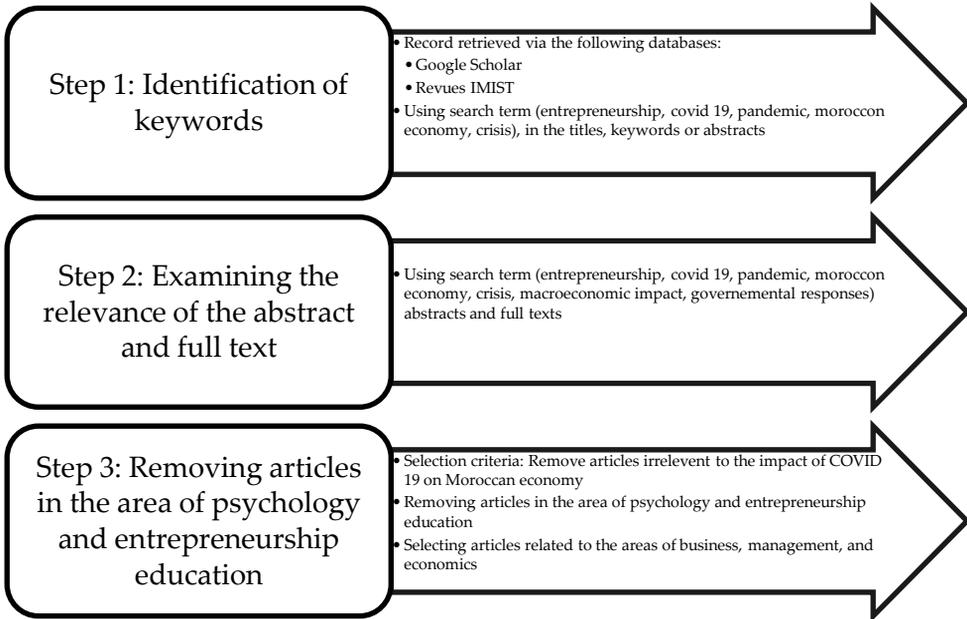
measures taken by the government to address the crisis, including the special fund and other initiatives aimed at supporting entrepreneurs. Furthermore, the article will examine the recommendations developed by the new development model in Morocco, which offer a future vision and a basis for the country's future programs by 2035 to limit the damage of this crisis and initiate an ambitious economic recovery plan. Finally, the article will present the lessons learned from this pandemic crisis and discuss their implications for future policy and research.

## **Methodology**

The systematic search for data is guided by a methodology comprising four steps proposed by Yang & al. (2017). Initially, a set of key phrases was utilized as inputs to initiate the search process. Subsequently, articles were meticulously screened, with a focus on inclusion and exclusion criteria, encompassing materials in both English and French. This systematic literature review approach serves to mitigate researcher bias and ensures transparency in the review process. Three key steps are incorporated into this approach: review planning, review execution, and findings reporting. The first step involved identifying keywords aligned with the study's objectives, specifically focusing on recent articles in the domain of entrepreneurship, with the year 2020 designated as the starting point. These search terms were thoroughly scrutinized within article titles, keywords, or abstracts across selected databases. The first step yielded a considerable number of articles, which were then refined in the second step by evaluating the relevance of their abstracts and full texts. This methodological approach is underpinned by the principles outlined in Moher & al. (2009), where the usefulness of a systematic review

is determined by the rigor of its procedures, the findings obtained, and the clarity of its report. It involves employing systematic and transparent methods to identify, select and critically evaluate relevant research. In this study, the research methodology revolves around reviewing both theoretical and empirical literature, conducted through bibliographic research focused on collecting information from various documents. The search for relevant literature was conducted using prominent databases such as Google Scholar and the Revues IMIST Database, which provides access to a wide array of scientific disciplines, including scientific journals published in Morocco. Specifically, the search targeted journal articles containing keywords related to COVID 19, entrepreneurship and the Moroccan economy. After gathering the articles, their quality and relevance were evaluated based on established inclusion and exclusion criteria, with a focus on peer-reviewed articles published in English and French between 2020-2023, examining the impact of the COVID 19 crisis on the Moroccan economy and entrepreneurship. Articles lacking empirical evidence or theoretical frameworks were excluded from the review process (Annex1). This comprehensive methodological approach ensures the rigor and comprehensiveness of the literature review, thereby enhancing the credibility and validity of the study's findings.

**Figure 1.** Flow chart of the research process



### **Unprecedented downturn: Macroeconomic impact and sectorial impact**

The Covid 19 pandemic showed an adverse effect over and above health care. In fact, the impact of Covid 19 on Moroccan economy was extremely drastic. In this section, we will summarize the impact of this pandemic based on the macroeconomic aggregates and on three sectors. We will also shed light on its impact on entrepreneurship.

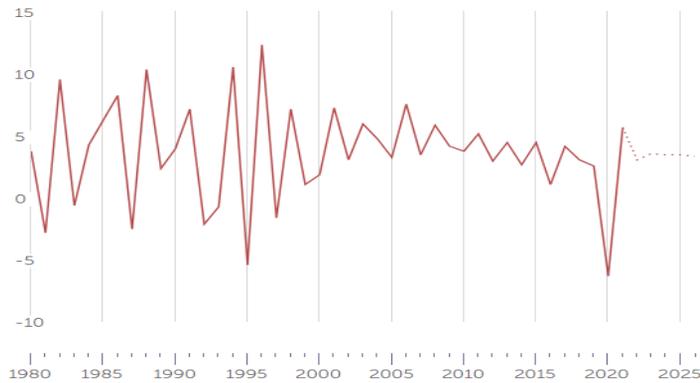
#### **Macroeconomic impact**

We will focus on three principal macroeconomic aggregates in order to present the negative impact of Covid 19 crisis: the economic growth, inflation and unemployment.

- **Economic growth:** It refers to the evolution of the GDP (Gross Domestic Product). One of the fundamental macroeconomic aggregate

that represents the wealth created during the year. It is the sum of the added values generated by the different economic agents and the import duties and taxes (Batrancea et al., 2019, 2022). The COVID 19 crisis has negatively impacted the Moroccan economic growth, the GDP dropped to 6,3% that the biggest contraction since 1995 (Figure 2). However, results of 2021 show a growth of the national economy of 5,7%. This rebound is due to a strong increase of 18% in agricultural activity and 5,6% in non-agricultural activities.

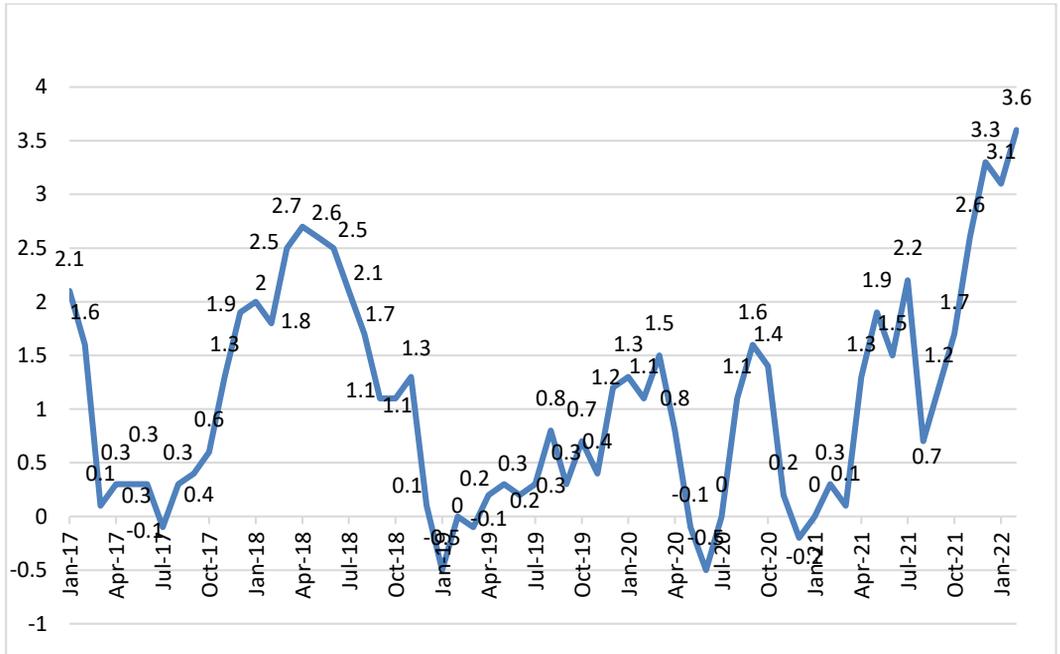
**Figure 3.** Real GDP growth (Annual percent change) (IMF,2021)



- **Inflation:** It is the continuous and general rise in the level of prices. It is measured by the consumer price index (CPI) which refers to the relative change in consumer prices of a fixed basket of household consumption. Despite the negative consequences of Covid 19 crisis (Salamzadeh et al., 2022, 2023), the IPC remained stable in the year 2020 compared to 2019. However, HCP (Haut commissariat au plan) report and IMF (International Monetary Fund) report underline that 2021 was a special year characterized by record increases. In fact, the CPI started to increase from April 2021 and reached the highest level in February 2022 with 3,6% (Figure 3). This increase is mainly due to

the increase in the index of food products by 5,5% and non-food products by 2,5%. In addition to Covid 19 crisis, the drought and the Ukraine-Russia Crisis will certainly further accentuate the inflationary risk.

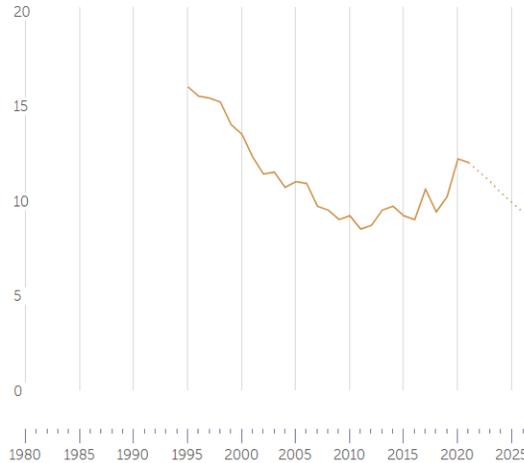
**Figure 3.** CPI Year on Year (IMF, 2021)



- **Unemployment:** Unemployment rate describes the most noticeable effect of COVID 19 pandemic which is job loss due to the economic downturn (Tajpour et al., 2021). We notice a spike in the unemployment rate due to the lockdown measures taken in order to stop the spread of the virus, going from 9,4% in 2019 to 12,2% in 2020. However, there is a slight decline in 2021. In fact, according to HCP, unemployment rate expresses the share of the unemployed in the labor force aged 15 and over. This rate is obtained by the ratio of the number of unemployed to that of working people aged 15 and over.

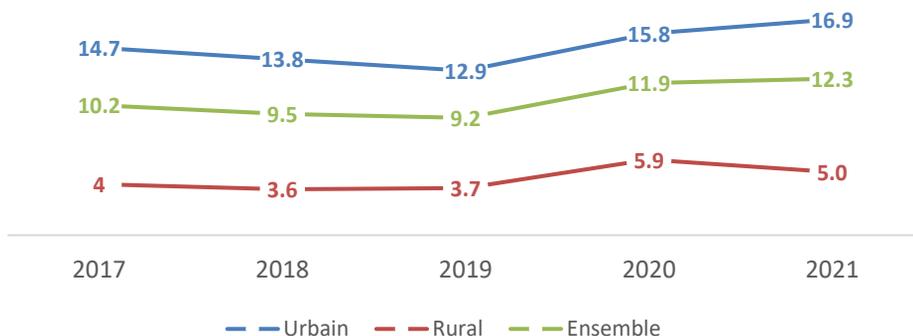
-

**Figure 4.** Unemployment rate (IMF, 2021)



The unemployment rate thus fell from 11.9% to 12.3% at the national level, from 15.8% to 16.9% in urban areas and from 5.9% to 5% in rural areas (Figure 5). It is higher among young people aged 15 to 24 (31.8%), graduates (19.6%) and women (16.8%). The total number of hours worked per week and per person decreased from 45 to 22 hours. Nevertheless, the total number of hours worked per week increased from 394 million hours in 2020 to 470 million in 2021. The informal sector was highly impacted by the Covid 19 crisis, 66% of informal workers lost their job (Boukaich, 2021; Salamzadeh & Dana, 2021, 2022), which created a big challenge to the Moroccan government in terms of census of those workers in order to receive the special aid during the crisis.

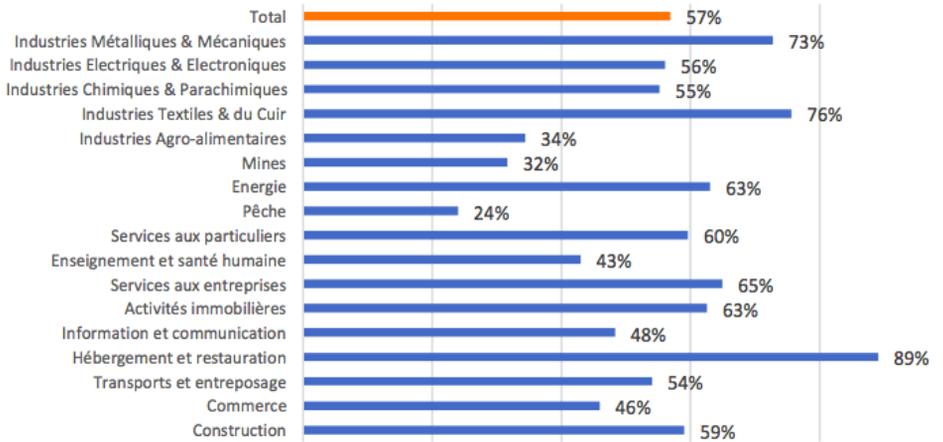
**Figure 5.** Evolution of unemployment rate since 2017 (%) (HCP, 2021)



### **Impact of COVID 19 on Moroccan economic sectors**

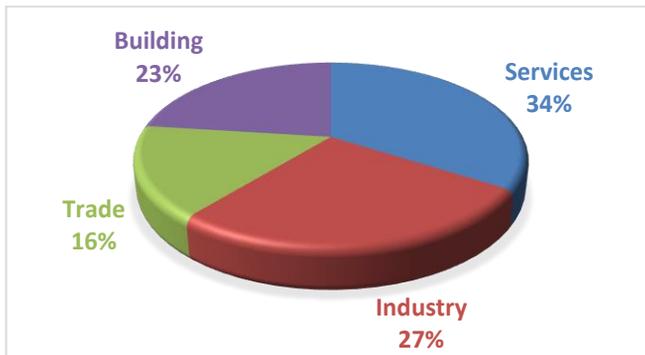
From the economic side, according to HCP (Higher Planning Commission), 57% of all companies have stopped their activities. The most affected sectors are the hospitality industry with 89% of companies shut down, the textile industry with 76%, leather industries with 73% and the construction industry with 60% (Figure 6).

**Figure 6.** Companies in shutdown by sector (HCP, 2020)



Thus, according to the survey results, service sector remains the most affected sector in terms of reducing its workforce by 34% (Figure 7).

**Figure 7.** Distribution of employment that would have been reduced by sector of activity (HCP<sup>1</sup>, 2020)



Ali et al. (2020) acknowledge the profound impact of the COVID 19 crisis, revealing a significant contraction of economic activity of nearly 7%.

<sup>1</sup> HCP: Haut commissariat au plan (Higher planning commission) is an independent government statistical institution in Morocco. It is the main source of economic, demographic and social statistical data.

This downturn can be attributed primarily to containment measures and a sharp decline in foreign demand. In 2021, certain sectors such as transport, warehousing, accommodation, catering and real estate activities continue to struggle to return to pre-pandemic levels. The repercussions are evident, with 10% of textile companies and 7% of real estate activities permanently shuttered. The impact of Covid 19 on the Moroccan economy can be summarized across three key sectors:

- **Primary sector:** The agriculture sector occupies an important place in the Moroccan economy, as shown by its weight in GDP (12.6% of total value added in 2019) and its weight in employment (more than 32.5% of the employed population in 2019). Moroccan economy, experienced dual setbacks from the pandemic and drought. Agricultural exports saw a slight decline by 3% at the end of the second semester of 2020. Then, Fisheries sector had the lowest rate of the shutdown businesses during the lockdown period (38% against an average at the global level of 83,4%) (HCP,2020). A decline in the number of employees was recorded at 21%. Fishing's exportations have been significantly affected with a drop of 4,2% in total Moroccan exports of fishery products. Supply chain disruptions compounded these challenges, affecting migrant labor availability and transportation.
- **Secondary sector:** Industrial sector contributes significantly to the Moroccan Economy with 17% of the value added, 80% of total exports and employing about 12% of the active population in Morocco. We notice a significant contraction in the turnover and employment of -56% and -32% respectively in the first half of 2020. As a matter

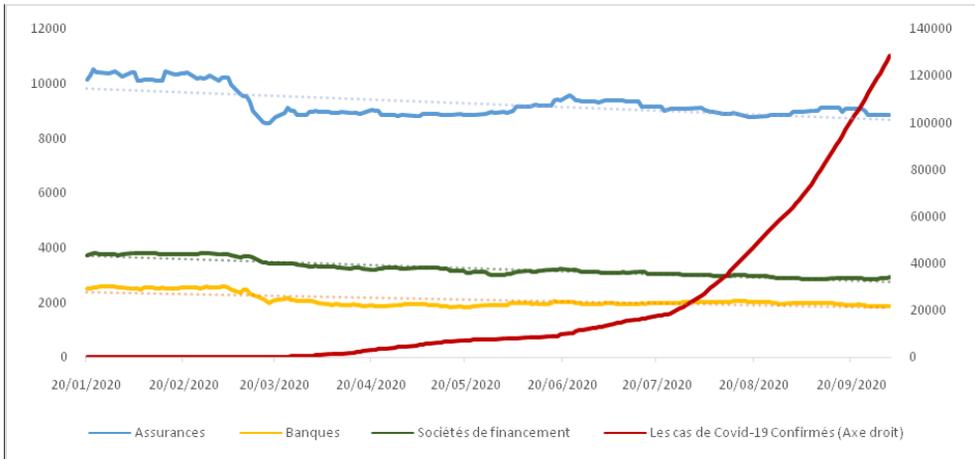
of fact, the car industry has been strongly impacted due to the temporary shutdown of one of the biggest car manufacturer, Renault and PS. The sector shows a decline of nearly 40% in turnover (Labrar & al., 2021). This situation led to a significant decline of exportations about 70%. The export turnover reached 39,4 million MAD against 51,3 million in 2019, which represents a reduction of 23,3%. Similarly the aeronautical industry suffered notable setbacks, with a turnover's decline with 25% in the first semester of 2020. The aeronautical exportations have dropped to half. Moreover, textile industry is not the exception. Because of its strong partnership with the European market, exports have decreased by 80% during the pandemic. Also, the unemployment rate increased to 80%. Even if some industries were negatively affected by the pandemic, others were more resilient and agile as chemical industry agri-food business

- **Tertiary sector:**The tourism sector, already grappling with challenges pre-pandemic, experienced a severe decline in activity, with widespread closures of tourist destinations and a sharp drop in arrivals at border crossings. The overall activity index dropped by 65% (El Oudri & Kanit, 2021). In fact, tourism sector contributes by 7% in GDP in 2018 and generates 78,8 milliard MAD in travel receipts in 2019, which represents 42% of service exports. The pandemic represents a real choc to the sector: 95% of the businesses shutdown, 77% drop in arrivals at the border crossings. The estimated loss is 34 Milliard MAD in terms of global tourist turnover, and a loss of 98% of tourists which is evaluated by drop of 14 Milliard MAD for the hotel industry (Bouanani &Ladraa, 2020).

Financial institutions, including banks and insurance companies, also faced challenges, as evidenced by substantial losses in the Casablanca stock exchange (-21,6% between the last trading session before the appearance of the first case of contamination in Morocco). The evolution trend of the stock market indexes of the sub sectors seems to be lower rather than higher (Alami, 2020) (Figure 8).

The impact of Covid-19 on the Moroccan economy has been significant across various sectors. In the primary sector, agriculture and fisheries have been heavily affected by the pandemic and drought, resulting in a decrease in exports and employment. In the secondary sector, the industrial sector, which accounts for a significant portion of the Moroccan economy, has seen a contraction in turnover and employment due to the temporary shutdown of major car manufacturers and a decline in exports. The aeronautical industry and textile industry were also negatively impacted, while chemical and agri-food industries showed more resilience. The tertiary sector, particularly the tourism industry, experienced a severe decline in activity, with 95% of businesses shut down and a significant drop in arrivals at border crossings. The financial sector also experienced losses, with the Casablanca stock exchange posting substantial declines. Strategies tailored to each sector's circumstances will be crucial in navigating the post-pandemic landscape effectively (Harrizi & Ouahraoui, 2022).

**Figure 8.** Financial sector's response to Covid 19 (Alami, 2020)



### Impact on startups and companies

Startups, characterized by their novelty and focus on cutting-edge technologies, represent the forefront of economic innovation, aiming to shape the future of economic activity. However, they are also among the most vulnerable actors in any economy (Kuckertz & al., 2020; Kawamorita et al., 2016; Salamzadeh & Markovic, 2018). A survey conducted by StartUp Square and La StartUp Factory in June 2020 underlines an heterogeneous impact of Covid 19 crisis on startups. While some startups experienced a decline in turnover and faced serious financial difficulties (40% of startups declared a decline of their turnover). The innovative projects carried by startups can be a curse in time of crisis and may worry makers averse to change. Even if their innovative nature enables them to cope with the Covid 19 crisis, startups are not prepared enough to this critical situation (Kuckertz & al., 2020). According to the survey, 2 out of 3 startups have lost one deal due to the pandemic. Moreover, Startups faced serious financial difficulties: 60% in a fundraising situation are subject to the postponement of negotiations with investors, while 64% announced having less than three months of cash on hand.

In the other side, 87% have successfully adapted their work to the context. The survey focused also on the development stages of startups: they found that startup in mid stage (1-2 years) are less impacted by the pandemic than matures one. In fact, mid stage startups are facing strong and quick growth with a low cost structure. We notice also the role of the sector as mediator: Startups showing high growth during Covid 19 pandemic are those belonging to e-commerce sector, edtech and fintech.

In the same line, the study conducted by Damir & Zahrane (2022) confirmed the negative impact of Covid 19 on start-ups. Based on a qualitative exploration, the study's main findings confirm that support structures played a major role in strengthening the Moroccan Startup ecosystem during the crisis. The study also highlights the importance of the founders' expertise, innovation capacity, adaptability and digital adoption in managing the negative effects of Covid 19. Similarly, Ghiffi and Allal (2022) conducted a qualitative study on companies that were able to survive during the crisis by implementing short-term tactical adjustments such as cost reduction, downsizing, changing work methods, and repositioning their offerings by exploring new niches. Additionally, El Harrane (2022) highlighted the resilience capacity of socially responsible companies labeled by RSE/CGEM<sup>2</sup>, emphasizing the transformative potential of socially responsible actions. This label reinforces the economic and social structures of companies through innovative solutions to socio-economic problems. Socially responsible actions can radically transform the modalities and way in which the company operates and

---

<sup>2</sup> RSE/CGEM refers to "Responsabilité Sociale des Entreprises/Confédération Générale des Entreprises du Maroc" which translates to « Corporate Social Responsibility/General Confederation of Moroccan Enterprises ». It is a label given to Moroccan companies that have implemented practices and policies aimed at promoting social responsibility and sustainable development.

increase its profitability (*ibid*). Other studies (Tajer & al., 2022; Larioui, 2022) underscored the importance of resilience capacity. Larioui (2021) confirmed the importance of family ties and internal and external social capital in resilience for the case of family businesses. Family businesses with significant internal and external family social capital, imbued with powerful family social capital, will have more advantages during the crisis. The author also emphasizes the importance of adopting one of the two strategies (1) pivoting strategy, which involves migrating to new markets and meeting new needs, (2) the freezing strategy that involves waiting, observing, and acting according to the evolution of the crisis.

The above discussion highlights the vulnerability of small and medium sized enterprises (SMEs and startups during economic crises, particularly the COVID 19 pandemic. While they may face significant challenges, they can also adapt and survive by implementing short-term tactical adjustments. The support structures, founders 'expertise, innovation capacity, adaptability and digital adoption play an important role in managing the negative effects of the crisis. The resilience capacity of companies, especially those with strong family ties and internal and external social capital, has also been highlighted. Adopting a pivoting or freezing strategy can help companies navigate through uncertain times. Overall, SMEs and startups need to be agile and innovative in their approach to cope with economic crises.

## **Responses to Covid 19 crisis**

### **Governmental support and policies for business**

According to the World Bank report, the COVID 19 pandemic pushed the Moroccan economy into a deep recession in 2020. In response, several

measures were implemented to mitigate its adverse effects. Firstly, the Moroccan government established the Economic Watch Committee led by the Minister of Economy, Finance and Administrative Reform, along with representatives from the public and private sectors. Its fundamental mission was to diligently monitor the economic situation and address emerging challenges. One such challenge was the substantial number of informal workers impacted by the crisis. To assist them, a digital platform was launched to streamline aid distribution by collecting essential personal details: ID number, phone number, and evidence of their occupation (OECD, 2020). Concurrently, under the directive of his Majesty King Mohamed VI, a special fund for pandemic management was created in order to support economic strains and diminish the pandemic's social repercussions. Additionally, the committee initiated aid packages for workers affected by lockdown measures, offering monthly allowances based on household size: 800 MAD per month for households of two people or less; 1000 MAD per month for households of three to four people; 1200 MAD per month for households of more than four people. The committee also suggested the postponement of deadlines for personal income tax returns and the exemption from income tax on the additional allowances paid to employees affiliated to the CNSS (Social Security system) by their employers (ibid). In addition, Moroccan government supported firms by suspending payment of all social taxes. The repayment of bank credit maturities and the reimbursement of leasing maturities was also suspended without payment of fees or penalties (ibid).

In order to support SMEs in their financing needs, CDG Group implemented various exceptional measures, such as extending financing deadlines

and increasing authorized ceilings and postponement of credit repayment terms up to three months.

Moreover, Moroccan Government have introduced, in collaboration with the (Caisse Centrale de Garantie), lines of credit to assist entrepreneurs and companies impacted by the crisis:

- Damane Oxygen was one of these programs introduced to cover an exceptional overdraft up to 95% for SMEs with a turnover is less than 500 Million MAD. The fundamental objective was to allow banks to set up exceptional overdrafts for companies with a capital requirement.
- Damane Relance: This instrument ensures to all sizes of companies to finance their gradual return to normal activity. The credits granted have reached about 35 Million MAD.
- Garantie Auto-Entrepreneur is a zero credit program for auto-entrepreneurs. The credit is up to approximately 15000 MAD and the repayment date will be in three years.

Furthermore, Garouche (2022) highlights that Moroccan entrepreneurs have confidence in the actions taken by public authorities in response to the COVID 19 crisis. This evident in the various programs and measures presented above.

Lately, Moroccan government launched a new program called "Forsa", which means opportunity. This program with a budget of 1,25 billion MAD for 2022, will support project leaders from the ideation phase to the effective implementation of their projects, 10000 in total by the end of 2022. Forsa's support system includes e-learning training for all the projects selected, followed by a 2-5 months. More than that, the funding component

provides for a loan of honor at a zero rate, up to 100 000 MAD, including a grant of 10 000 MAD for all the projects selected. The program allows entrepreneurs to repay the loan over a maximum period of 10 years, with a grace period of 2 years<sup>3</sup>.

### **New development model**

Morocco has embarked on the establishment of a New Development Model, envisioning a prosperous future by 2035 aimed at enhancing citizen welfare. His Majesty King Mohammed VI appointed a special commission in November 2019 to serve as a consultative body, tasked with assessing the country's status quo and formulating guidelines for the new development model. Throughout its mandate, the commission diligently listened to and documented insights from across the nation. However, the onset of the COVID 19 pandemic prompted the commission to recalibrate the model's contours, taking into account the pandemic's ramifications. Actually, entrepreneurs grapple with various challenges, including information scarcity, bureaucratic complexities, and institutional shortcomings (Lahcen., 2021). Therefore, to fortify entrepreneurial endeavors, the commission proposes three pivotal actions:

- Ensure systematic elimination of administrative and regulatory barriers: The new development model suggested streamlining authorization, approval and licensing procedures, compelling administrations to justify existing protocols and discard redundant ones. Emphasis is placed on post hoc control mechanisms based on specifications, consolidated under modernization laws.

---

<sup>3</sup> <https://www.maroc.ma/en/news/government-launches-forsa-program>

- Ensure healthy competition and strengthen the hand of regulators: In order to boost private initiative, guaranteeing a competitive functioning of the market remains fundamental. For this reason, the new development model suggests to strengthen the functioning of some regulatory institutions as the Competition Council by safeguarding their independence and enacting a legal framework.
- Protect businesses through effective redress mechanisms: The new development model underlines the necessity of access to a transparent, impartial judiciary capable of enforcing verdicts. Additionally, it proposes the establishment of a Business Advocate, reporting to the head of government, tasked with mediating disputes arising from administrative delays or abuse.

Another strategic imperative is steering economic stakeholders towards productive activities, with the aim of positioning the “Made in Morocco” label as synonyms with quality, competitiveness, and sustainability. In response to the Covid 19 crisis, enhancing self-reliance from external markets becomes paramount. Thus, “Made in Morocco” label identifies numerous high-potential sectors across industry, services and natural resources.

To operationalize this strategic thrust, the commission proposes the development of a national economic transformation policy to unleash Morocco’s growth potential. It advocates for the the establishment of sector-specific task forces comprising public and private sector representatives to identify barriers hindering high potential sector development and assess the efficacy of public incentives. Moreover, scaling up existing support programs and ensuring their accessibility across regions is deemed critical.

The Covid pandemic accentuates the importance of certain fields like health sector, social assistance, education, culture... Consequently, the new development model prioritizes the emergence of social economy initiatives. The commission recommends fostering innovative social entrepreneurship through the implementation of incubators, R&D centers for social innovation facilitated by the minister of higher education, alongside the development of legal framework of the social company.

### **Discussion and conclusion**

The Covid 19 crisis has evolved from a public health emergency to an economic challenge, influencing Morocco and global economies alike. This crisis has adversely affected macroeconomic indicators, economic sectors and startups. To address these challenges, the Moroccan government has swiftly implemented measures to reinforce entrepreneurship and stimulate economic growth.

Alami (2020) identified three types of companies' profile during the crisis: (1) Companies capitalizing on the pandemic such as IT sector and pharmaceutical one. These companies must look for other alternatives to ensure a permanent profit beyond the crisis. (2) Companies impacted at the beginning of the crisis but they convert their situation and they are in phase of recovery activity now. They are working on elaborating new strategies to cope with potential scenarios. (3) The third category is related to companies that are seriously impacted by the pandemic. So, they have to evaluate the impact of the crisis on their performance and take corrective actions quickly. Amidst this uncertain climate, the critical question emerges: what can we learn from this crisis?

**Limits of global long distance traffic:** Bennis and About (2021) confirm that globalization and free trade presented a threat during the pandemic. In fact, Covid 19 crisis emphasizes a shortening of the global value chain by strengthening regional and local circuits. For this reason, Moroccan economy must be independent from abroad by creating its own competitive industries responding to all the internal needs first of all as well as international ones. In fact, Moroccan authorities must take advantage of the change in the global supply chain and position itself not only in subcontracting but also in production, assembly, as well as high value added design and manufacturing (Harrizi & Ouahraoui, 2022).

**Developing the industrial entrepreneurship and redefining priorities:** The Covid 19 crisis determined the importance of some industries, ranked second in developing countries. The Covid 19 crisis has brought serious debates about food and health security, the limits of globalization of supply chain. For this reason, it becomes mandatory to set up regional value chains in high potential sectors (agriculture, textiles, education, innovation, cultural industry, pharmaceutical industry). In fact, “Made in Morocco” is great entrepreneurial opportunity. This label is accredited to businesses which sell goods that have been manufactured or have undergone a final major change in Morocco before sale. More than that, Moroccan economy must diversify its strategic partners. In addition to those traditional markets as Europe, North America, it seems to be very promising to look for emerging markets as Africa.

**Youth entrepreneurship:** Youth entrepreneurship heavily affected by rising unemployment exacerbated by geopolitical tensions. As we discussed above, the unemployment rate has been increased during the crisis and it will get worse due to the actual political crisis between Russian and Ukraine. These situations of uncertainty can only enhance young people's anxiety about their future. This situation necessitates structured support systems and tailored mentoring programs to harness their potential effectively. It is also recommended to identify the profile of the future entrepreneur if they are necessity entrepreneurs or opportunity entrepreneurs in order to identify precisely the drivers of entrepreneurship and set a personalized mentoring program. More than that, it becomes a necessity to encourage the status of self-entrepreneur (auto-entrepreneur) and ensure social coverage for their integration.

**Resilience as a survival character and the the role of support structure:** Resilience refers to the ability to recover from adversity, adapt to change, and bounce back stronger from setbacks. Resilience character seems to be vital for SMEs and startups to meet changing market demand, pivot their business models, products or services and to navigate the uncertainties and challenges of economic crises. In fact, building resilience requires intentional effort and practice. Support structure can play a key role in fostering resilience by offering various forms of assistance, access to information and resources. However, support structure should be adapted to the context SMEs. Bassrih & Allouli confirmed this fact and revealed that entrepreneurs in the South region of Morocco have a strong preference for support services offered by professional networks and associations during the pandemic.

**Integration of the informal sector:** This sector generates loss to the Moroccan economy and impact directly the competition of businesses about 36 Billion MAD of loss of earning for tax charges and 6 Billion MAD for social charges (Idrissi & al., 2020). During the pandemic, it presented a challenge to the Moroccan economy in terms of identifying workers to benefit from the public aid. Consequently, it is recommended to integrate this sector gradually. Dinar & Berrahma (2023) have highlighted the inadequacy of Moroccan public policies aimed at managing the crisis for informal workers. Alla & al. (2022) underline that it becomes fundamental to not exclude informal sector from the public policies. It is necessary to support this category because it is a source of job creation, social stability and improvement in the living conditions of populations (*ibid*).

**Digitalization as a business opportunity:** Digitalization emerges as a transformative force, offering new avenues for entrepreneurship across various sectors. It concerns several fields: education, administration, health system, commerce, tourism... ITC is placed at the forefront. Many things that are impossible to do in the real world can be possible in cyberspace. Belbachir & Zammar (2021) highlight the potential of digitalization in rural areas, unlocking opportunities for market integration and competitiveness. It can lead to recent trends that have the ability to take effective actions. This process improves the potential of this rural sector to integrate competitive markets.

In summary, the article provides valuable insights into the impact of Covid 19 crisis on entrepreneurship in Morocco, and suggest practical recommendations for policy makers and entrepreneurs to overcome the challenges

and seize the opportunities created by this unprecedented crisis. These recommendations seem to be relevant not only for Morocco, but also for other countries facing similar challenges. The Covid 19 pandemic has presented challenges for Moroccan entrepreneurship, but it has also opened up opportunities for innovation and growth. The crisis has accentuated the need for Morocco to develop its own competitive industries, prioritize certain sectors, and diversify its strategic partners. Youth entrepreneurship should be encouraged, and support structures should be put in place to help entrepreneurs build resilience. Otherwise, the integration of the informal sector into the economy and the digitalization of businesses are also important opportunities. Overall, policy makers and entrepreneurs should work together to adapt to the changing economic landscape and create a more sustainable and resilient future for Moroccan entrepreneurship. However, the article acknowledges certain limitations suggesting avenues for future research. First, the study mainly relies on secondary data sources, which could be complemented by primary data collection through surveys or interviews with entrepreneurs and policymakers. Second, we note a narrow focus on Morocco, and it would be interesting to compare the Moroccan case with other developing countries or even developed ones to draw lessons and identify best practices.

In terms of perspectives, several avenues for further research can be considered. These include exploring the impact of specific policies or support measures that have been implemented by the Moroccan government on the performance of startups and entrepreneurship. Moreover, given the increasing importance of digitalization, future research could explore the role of technology and digital tools in supporting the growth and development of startups. Finally, there is a high need for more research on the specific challenges faced

by youth entrepreneurs and how to better support them. We note also, as mentioned in annex 1 that several studies have adopted qualitative research and documentary analysis to explore the impact of COVID 19 on entrepreneurship. Adopting a multidisciplinary approach combining qualitative and quantitative methods will facilitate a comprehensive understanding of the post-pandemic entrepreneurial landscape, essential for fostering sustainable economic growth and resilience.

## **References**

1. Alami, Y. (2020). Contribution à l'étude de l'impact de la crise sanitaire Covid-19 sur la Bourse des Valeurs de Casablanca. *Revue Internationale d'Economie Numérique*, 2(2), 112-131.
2. Ali, A. A., Bassou, A., Dryef, M. H., Aynaoui, K. E., Houdaigui, R. E., Jai, Y. E., ... & Saaf, A. (2020). La stratégie du Maroc face au Covid-19. *Policy center for the new south*, 37.
3. Ali, A. A., El Aynaoui, K., & El Hossaini, F. (2020). Impacts de la Covid-19 sur L'économie Marocaine: Un Premier Bilan/Impacts of Covid-19 on the Moroccan Economy: A First Assessment.
4. Alla, L., Jaouhari, E., & Bentalha, B. (2022). Repenser l'entrepreneuriat au sein du secteur informel au Maroc à l'ère du post Covid-19: Pour approche prospective de la formalisation intégrative. *Alternatives Managériales et Economiques*, 4(1), 180-202.
5. Bassrih, M., & Allouli, R. (2022). Les PME à l'ère du Covid-19: rôle des structures d'accompagnement et perception des entrepreneurs de la Région Souss-Massa, Maroc. *Repères et Perspectives Economiques*, 6(1).
6. Batrancea, L. M., Nichita, A., De Agostini, R., Batista Narcizo, F., Forte, D., de Paiva Neves Mamede, S., ... & Budak, T. (2022). A self-employed taxpayer experimental study on trust, power, and tax compliance in eleven countries. *Financial Innovation*, 8(1), 96.
7. Batrancea, L., Nichita, A., Olsen, J., Kogler, C., Kirchler, E., Hoelzl, E., ... & Zukauskas, S. (2019). Trust and power as determinants of tax compliance across 44 nations. *Journal of Economic Psychology*, 74, 102191.
8. Belbachir, M., & Rachid, Z. (2021). La digitalisation et l'entrepreneuriat rural au Maroc: les défis de relance post-covid-19. *REINNOVA-Revue de l'Entrepreneuriat et de l'Innovation*.

9. Benazzou, L., & Zoubair, R. (2024). Adapting Moroccan Fiscal Policy to the Coronavirus Crisis. *International Journal of Accounting, Finance, Auditing, Management and Economics*, 5(2), 645-661.
10. Bennis, L., & Abbout, B. (2021). L'impact macroéconomique de la pandémie du covid-19 au Maroc. *Revue Internationale des Sciences de Gestion*, 4(2).
11. Bennis, L., & Oudda, Y. (2021). Impact de la crise économique du Covid-19 sur les entreprises marocaines. *Revue Française d'Économie et de Gestion*, 2(3).
12. Bentahar, A., & Bouazzaoui, R. (2022). L'entrepreneuriat: Un choix stratégique pour plus de résilience économique et de gestion de crise au Maroc. *Revue Française d'Economie et de Gestion*, 3(2).
13. Boukaich, K. (2021). Les conséquences sociales de la crise COVID-19 au Maroc. *Noticias CIELO*, (3), 3.
14. CDG Capital (2021). Le secteur bancaire marocain face à la crise Covid 19. Publications de CDG Capital
15. CSMD. (2021). The new development mode : Releasing energies and regaining trust to accelerate the march of progress and prosperity for all.
16. Damir, S., & Zahrane, T. (2022). Les start-ups marocaines face à la crise du COVID-19: Impact et Mesures adoptées. *International Journal of Accounting, Finance, Auditing, Management and Economics*, 3(5-2), 553-564.
17. Dheer, R. J., & Salamzadeh, A. (2022). Pandemic threats: how SMEs can respond to the challenges from global crises. *International Journal of Globalisation and Small Business*, 13(1), 1-17.
18. Dinar, B., & Berrahma, N. (2023). Politiques publiques et économie informelle au Maroc à l'ère du Covid-19: enjeux et perspectives. *Revue Internationale des Sciences de Gestion*, 6(1).
19. Direction des Etudes et des Prévisions Financières du Ministère de l'économie, des finances et de la réforme de l'administration. (2020). Rapport économique et financier.
20. El Harrane, M. C. (2022). Les entreprises labélisées RSE/CGEM face à la crise de la Covid 19. *Revue Française d'Economie et de Gestion*.
21. El Oudri, A., & Kanit, H. (2021). L'impact du Covid-19 sur le tourisme au Maroc. *Revue Internationale des Sciences de Gestion*, 4(4).
22. Garohe, A. (2022). Analyse des variables d'impact sur le comportement entrepreneurial en période de crise covid 19. *REVUE DE L'ENTREPRENEURIAT ET DE L'INNOVATION*, 4(16).
23. Ghiffi, N., & Allal, Z. (2022). La survie des entrepreneurs en période de la crise du Covid-19. *International Journal of Financial Studies, Economics and Management*, 1(3), 1-16.
24. Haddad, E. A., El Aynaoui, K., Ali, A. A., Arbouch, M., & Araújo, I. F. (2020). The impact of COVID-19 in Morocco: Macroeconomic, sectoral and regional effects.

25. Harrizi, D., & Ouahraoui, F. (2022). L'économie Marocaine face à la pandémie du covid-19: Vers un nouveau positionnement du Maroc dans la chaîne de valeur mondiale. *Journal of Performance Management*, 1(1), 55-76.
26. Haut Commissariat au Plan (2021). Effet du Covid 19 sur l'activité des entreprises-3ème enquête-Janvier 2021.
27. Haut Commissariat au Plan, Système des Nations Unies au Maroc & Banque Mondiale. (2020). Impact social et économique du Covid 19 au Maroc. Note stratégique.
28. Idrissi, M. A., Oudda, Y., & Taouab, O. (2020). Quel modèle de développement pour le Maroc dans l'ère post coronavirus. *Revue Internationale du chercheur*, 1(2).
29. Jalila, B. E. I., & Salwa, L. A. D. R. A. A. (2020). Relance économique pendant l'état de crise sanitaire COVID 19: Etude d'impact sur l'activité des entreprises industrielles au Maroc. *Revue Française d'Economie et de Gestion*, 1(2).
30. Kawamorita, H., Salamzadeh, A., & Demiryürek, K. (2016). Academic entrepreneurship: Some evidence from a Turkish University. In the Third International Conference on Entrepreneurship (ICE2016), Tehran, Iran.
31. Kuckertz, A., Brändle, L., Gaudig, A., Hinderer, S., Reyes, C. A. M., Prochotta, A., ... & Berger, E. S. (2020). Startups in times of crisis—A rapid response to the COVID-19 pandemic. *Journal of Business Venturing Insights*, 13, e00169.
32. Labrar, S., Maarouf, A., & Zouiri, L. (2021, September). L'industrie marocaine à l'ère du Covid-19: cas du secteur automobile. In *RIODD 2021-16e Congrès du réseau international de Recherche sur les Organisations et le Développement Durable: Entrepreneuriat et développement durable: La «société entrepreneuriale» à l'épreuve de la crise sanitaire*.
33. Lahcen, D. A., Oukassi, M., & Amghar, N. E. (2021). Les déterminants de la réussite entrepreneuriale en temps de la crise sanitaire et économique: Cas des PME de la région de Rabat-Salé-Kénitra. *International Journal of Accounting, Finance, Auditing, Management and Economics*, 2(6), pp-225.
34. Larioui, L. (2021). Covid 19, Résilience et Stratégies des entreprises familiales au Maroc: Etude exploratoire. *Journal Of Social Science and Organization Management*, 2(2), 45-60.
35. OECD (2020). The Covid 19 crisis in Morocco
36. Oudda, Y., Idrissi, M. A., & Bennis, L. (2020). Les retombées de la crise sanitaire Covid-19 sur l'Economie Marocaine. *Revue du contrôle, de la comptabilité et de l'audit*, 4(2).
37. Ouziame, K. (2020). La Crise Du Covid19 En Afrique: Impact Economique De La Pandemie Au Maroc, Strategie Et Enseignements. *Journal of Integrated Studies In Economics, Law, Technical Sciences & Communication*, 2(1).

38. Salamzadeh, A., & Dana, L. P. (2021). The coronavirus (COVID-19) pandemic: challenges among Iranian startups. *Journal of Small Business & Entrepreneurship*, 33(5), 489-512.
39. Salamzadeh, A., & Dana, L. P. (2022). A systematic literature review of crisis management in and by small and medium-sized enterprises. *Small and medium sized enterprises and the COVID-19 response*, 38-61.
40. Salamzadeh, A., & Markovic, M. R. (2018). Shortening the learning curve of media start-ups in accelerators: Case of a developing country. In *Evaluating media richness in organizational learning* (pp. 36-48). IGI Global.
41. Salamzadeh, A., Markovic Radovic, M., & Salamzadeh, Y. (2022). The economic resilience-entrepreneurship nexus. *Journal of Entrepreneurship and Business Resilience*, 5(1), 7-12.
42. Salamzadeh, A., Mortazavi, S., Hadizadeh, M., & Braga, V. (2023). Examining the effect of business model innovation on crisis management: the mediating role of entrepreneurial capability, resilience and business performance. *Innovation & Management Review*, 20(2), 132-146.
43. Tajer, A., Araban, O., Belfatmi, F. E., & Rigat, S. M. (2022). Gouvernance et résilience des PME à l'ère de la crise sanitaire du COVID 19. *Revue Internationale des Sciences de Gestion*, 5(3).
44. Tajpour, M., Salamzadeh, A., & Hosseini, E. (2021). Job satisfaction in IT department of Mellat Bank: Does employer brand matter. *IPSI BgD Transactions on Internet Research*, 17(1), 15-21.
45. Yammad, Y., & Lalaoui, S. (2021). La Covid-19: quel impact sur le développement économique du Maroc?. *Revue Internationale du chercheur*, 2(2).
46. Yang, S., Song, Y., & Tong, S. (2017). Sustainable retailing in the fashion industry: A systematic literature review. *Sustainability*, 9(7), 1266

**Annex 1**

<b>Authors</b>	<b>Research main objective</b>	<b>Methodology adopted</b>
Alami (2020)	Evaluate the impact of Covid 19 on Moroccan stock market	Theoretical analysis and description through secondary data
Ali &al. (2020)	Assessment related to the management of COVID crisis in Morocco	Theoretical analysis and description through secondary data
Alla et al. (2022)	Explain how we can approach the business model of the informal sector differently to better understand its integrative formalization	Qualitative research
Bassrih & Allouli (2022)	Study the perception of entrepreneurs on the role of support structures in the entrepreneurial process	Qualitative research
Belbachir and Zammar (2021)	Explain a holistic vision of digitalization and rural entrepreneurship in Morocco	Quantitative research
Bennis & About (2021)	Analyze the macroeconomic impact of COVID 19	Theoretical analysis and description through secondary data
Bennis & Oudda (2021)	Analyze the impact of covid 19 on business in Morocco	Theoretical analysis and description through secondary data
Bouanani & Ladraa (2020)	Explore the economic recovery during COVID 19 crisis	Qualitative research (study case of 5 Moroccan companies)
Damir &Zahrane (2022)	Analyze the impact of Covid 19 crisis on Moroccan startups	Qualitative research based on semi-direct interviews with the co-founders of digital start-ups.
Dinar &Ber-rahma (2023)	Analyse the direct effect of Covid 19 crisis on the informal economy	Theoretical analysis and description through secondary data
El Harrane (2022)	Study the impact of COVID 19 on RSE/CGEM labeled companies	Qualitative research
El oudri & Kanit(2020)	Compare tourism sector before and after COVID 19	Documentary analysis
Garrouche (2022)	Analyze the impact of determinant variables on entrepreneurial behavior during COVID 19	Survey of 100 companies
Ghiffi &Allal (2022)	Focus on abilities developed by companies to survive during the crisis	Qualitative research : Semi direct interviews of the founders and the managers
Haddad & al. (2020)	Study the macroeconomic , sectorial and regional effects of COVID 19	Econometric method
Harrizi & Ouahraoui	Analyze the impact of Covid 19 crisis on Moroccan economy and project it in the post crisis world by repositioning it in the new global value chain	Documentary analysis
Idriss & al. (2020)	Analyse the negative impact of Covid 19 on the Moroccan economy and the measures taken +Foster a reflection on a new development model	Documentary analysis
Labrar & al. (2021)	Study the impact of Covid 19 on automobile industry in Morocco	Documentary research
Lahcen (2021)	Explore the determinants of entrepreneurial success in times of crisis	Qualitative research based on interviewing 20 entrepreneurs of SME in the region of Rabat-Salé –Kenitra
Larioui (2021)	Explore the role resilience to face the effect of COVID 19 and the strategies adopted by family businesses	Study case of 4 family businesses
Oudda &al. (2020)	Analyse the impact of COVID 19 on the macroeconomic aggregates	Documentary analysis
Ouziame (2020)	Demonstrate the extent of the impact of the crisis on the economy of African countries in general and on the Moroccan economy in particular	Literature review and bibliographic research
Tajer et al. (2022)	Test the impact of entrepreneur characters and governance factors	Quantitative research with Smart PLS
Yammad & Lalaoui (2021)	Analyse the impact of Covid 19 crisis on the conception of the new development model	Documentary analysis