REVIEW: Green Morocco Plan and Moroccan legislation for the socioeconomic and sustainable development of agricultural cooperatives: challenges and prospects

Hasnae Benjaafar¹*, Abdelbasset Berrichi¹, Fadwa El Jai¹², and Mourad Arabi¹

¹ Mohamed First University, Faculty of Sciences, Department of Biology, Laboratory of Improvement of Agricultural Production, Biotechnology and Environment, Oujda, Morocco.
² Mohamed First University, Superior School of Technology, Laboratory of Management and Development of Companies and Organizations, Oujda, Morocco.

Abstract. Since its inception, the Green Morocco Plan (MGP) has set as its overriding objective a strong territorial anchoring to enhance agricultural potential and make agriculture an engine of modern, competitive and inclusive economic and social development. The MGP has been designed according to the principles of sustainable agriculture and affects the plural form of all players, particularly professional agricultural organizations of all kinds. It is a national strategy that, among other things, targets socioeconomic development through several mechanisms to accompany and support the cooperative fabric. During the first years of implementation of the Green Morocco Plan, Law 112-12 governing cooperatives were enacted. Against this backdrop, we present the challenges and prospects of the government's strategy to boost agricultural cooperatives and the impact of Moroccan legislation on the development of this promising sector. Keywords: agricultural cooperatives, MGP, law 112-12.

1 Introduction

The agricultural sector of Morocco has considerable assets and potential, inherent in the diversity and richness of its natural resources, the know-how of its rural populations, the competitiveness of its workforce, the country's geographical location and its proximity to and access to the European market. However, the agricultural sector has long suffered from investment deficits. Prior to 2007, although the agricultural sector made a significant contribution to the country's GDP, its share of the total public investment budget remained limited. This public investment deficit is partly linked to the private investment gap due to the limited involvement of the banking system in agricultural sector financing, which has plunged agriculture into a spiral of low productivity, low income and low labor productivity, resulting in poverty and rural exodus. In 2008, His Majesty King Mohammed VI launched the Green Morocco Plan MGP (or PMV), an ambitious new strategy for the development of the agricultural sector that also presents major challenges. Agriculture has always been a key sector for the Moroccan Kingdom and is at the heart of economic, social and environmental issues. Moreover, agriculture has long remained monolithic, with cereal crops being the only sector with agricultural added value, while other agricultural sectors have received less attention, directly and negatively affecting the growth of the national economy as a whole. In addition, there were weaknesses in the structuring of existing players and value chains, as farmers were sometimes poorly organized, and the concept of professional agricultural organizations, notably agricultural cooperatives, was not taken into consideration. During this period, sustainable agricultural development was inhibited. The Green Morocco Plan (MGP). This program aims to modernize farms by helping them invest in various areas (planting, irrigation, improved breed cows) to develop certain sectors and improve their competitiveness. It also provides support for cooperatives and GIEs (economic interest groups) to improve production processing and marketing. The MGP comprises two pillars. Pillar 1, with a budget of 110 to 150 billion DH over 10 years, aims to develop high-value-added, high-productivity agriculture based on the aggregation model (Akesbi) [1].

To overcome these obstacles and achieve the objectives set out in the MGP, the integration of a territorial approach has proven essential to better exploit regional potential and create a spatial dynamic specific to each region. The MGP has therefore declined into 12 regional plans. Through their values of democracy, solidarity, sharing and mutual aid, cooperatives are playing an increasingly important role in Morocco's agricultural, economic and social development. The number of cooperatives has been increasing by approximately 10% a year since the introduction of the MGP and INDH2 projects. According to available census data from the Office for the Development of

* Corresponding author: benjaafar.hasnae2000@gmail.com / m.arabi@ump.ac.ma

© The Authors, published by EDP Sciences. This is an open access article distributed under the terms of the Creative Commons Attribution License 4.0 (https://creativecommons.org/licenses/by/4.0/).
Cooperation (ODCO), between 180,000 and 240,000 farmers are cooperative, representing between 12% and 16% of farms in Morocco. A cooperative is a concrete application of an ancient concept called cooperation, which can be defined as a social process in which individuals come together to help each other achieve common social, economic and cultural goals.

A cooperative is defined as "an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a collectively owned and democratically empowered enterprise" [2]. However, the term "cooperative" reflects many different forms of cooperation. In the 1960s, cooperatives were few in number, based on voluntary membership by farmers and organized to supply their members with inputs (fertilizers, seeds), the joint use of agricultural equipment and the marketing of produce. Some cooperatives have disappeared or maintained their activities without seeking to expand (as in the case of many cereal cooperatives). In other cases, they have led to the creation of cooperative unions and even agro-industrial processing companies capable of competing with the private sector, as is the case in the milk sector with COLAIMO, COLAINORD and COPAG [3]. Jonet and Noel noted that "we should not imagine that the organization of production in cooperative form reflected their success. For Ahrouch [9], "encouraging the organization of production in cooperative form reflected at the time the role that cooperatives can play in national progress, the improvement of the economic and social situation and the personal fulfilment of cooperators". In recent years, the Moroccan cooperative sector has seen remarkable progress, with 40,531

2 The Green Morocco Plan: a new strategy for the development of the agricultural sector

The agricultural sector represents a key pillar in the Moroccan economy and is considered a strategic sector for economic and social development, contributing 13% to national GDP and 13.2% to total exports (2015). The agricultural sector provides 35% of national employment and 72% of rural employment. Promoting agriculture in Morocco is much more than developing an economic sector; improving farmers’ incomes helps to combat rural poverty and consequently reduce rural exodus, which is one of the causes of poverty and insecurity in cities. The fundamental role of agriculture in food security, territorial balance and sustainable development in the kingdom has not been neglected.

2.1 Moroccan agriculture through the various policies adopted

Since Morocco's independence, agriculture has always been the central link in the development chain, given the major economic, social and territorial issues raised by this sector. The diagram shows the evolution of agricultural policies adopted by the various Moroccan governments (Figure 1).

Fig. 1. Evolution of Moroccan agricultural policies

Since King Mohammed VI came to power, several sectoral strategies have been put in place to support the Moroccan economy as it integrates into the global economy. Given that the agricultural sector is the mainstay of this economy, two programs have been launched to encourage small producers, including young graduates of schools and academies and women, to establish businesses, cooperatives and other forms of the social solidarity economy (SSE): the National Initiative for Human Development (INDH) and the Moroccan Green Plan (MGP). An appropriate new entrepreneurial approach to developing cooperatives into self-sufficient, efficient businesses independent of the state based on investment, competition and competitiveness for the development of the Moroccan economy.

2.2 Specific features of the Moroccan cooperative sector

The Moroccan context is no exception, with cooperatives playing an important role in the country's economic development, in the sense that the participative governance practiced within this type of organization remains one of the fundamental factors in their success. For Ahrouch [9], "encouraging the organization of production in cooperative form reflected at the time the role that cooperatives can play in national progress, the improvement of the economic and social situation and the personal fulfilment of cooperators". In recent years, the Moroccan cooperative sector has seen remarkable progress, with 40,531
2.3 History of the Moroccan cooperative sector

After independence, a multitude of legislative texts relating to cooperatives were promulgated, encouraging several sectors, such as mining, fishing and agriculture, to organize as cooperatives. However, it was not until 1983 that a unifying law came into being, namely, Law 24-83, which established the general status of cooperatives and the missions of the Office for Development of Cooperation. Furthermore, support for the cooperative sector was strengthened in 2005, with the launch of the National Initiative for Human Development (INDH) and that of the ODCO through the "MOURAFAKA" program, as well as the National Plan for the Creation of Agricultural Cooperatives (PNCCA), which is part of the Green Morocco Plan (MGP) [10]. Twenty (20) years after the implementation of Law 24-83 on cooperatives, it has become clear that the law is still out of step with the fast-moving cooperative sector. The Act has several shortcomings.

2.4 Moroccan cooperatives before the MGP

Although the MGP represents a turning point in the history of agriculture in Morocco, it must be recognized that cooperatives have played a significant role since independence, and the idea of establishing a legislative framework for the organization of these types of groupings was one of the priority concerns of the Moroccan government, hence the birth of law no. 24-83.

2.4.1 Law no. 24-83

Since the early years of independence, cooperatives have proven successful in bringing people together for the benefit of society as a whole and have proven to be a suitable formula for mobilizing development.

This action began in 1958 with the allocation of land to farmers organized in the form of cooperatives. It was reinforced by the creation of a body called the "Office for the Development of Cooperation" (BDCO) in 1962, which was restructured in 1975 into a public establishment with legal personality and financial autonomy, named the "Office for the Development of Cooperation" (ODCO), in accordance with the Dahir of August 3, 1975. Responsibilities were dedicated to supporting cooperatives in the areas of training, information and legal support. The ODCO's missions were set out in article 77 of law 24-83 [11], which at the time defined the general status of cooperatives and the missions of the Office for the Development of Cooperation.

Moroccan legislation gave rise to law 24-83, promulgated on 5 chaabane 1403 (May 18, 1983) and amended by Dahir n. 1-93-166 of 22 rebia 1414 (Sept. 10, 1993) [11], which reflects the interest shown by public authorities in cooperatives as instruments of local development, given their economic, social and educational roles and objectives.

This law, despite the delay in its implementation (the implementing text was only decreed in September 1993) and certain shortcomings or inadequacies discovered after its implementation, has opened broad prospects for the cooperative sector and offered it an unprecedented dynamic for action.

The principles recommended by law 24-83 are in perfect harmony with the universal principles of cooperative activity. Indeed, the second article of this law speaks of cooperative principles: Any person, without distinction, may join a cooperative subject only to personally meet the substantive conditions laid down by the cooperative's founders for its activity. Any cooperative member may withdraw from the cooperative, subject only to the obligation not to prejudice its operation by untimely withdrawal (article 1 of law 24-83) [12].

Of course, any legislation created to organize production and exchange relations between individuals or legal entities with collective interests is incomplete and may present organizational and legal shortcomings requiring constant correction. In the first year of its application, the specific provisions of Law 24-83 and its implementation text revealed a number of obstacles, not only to the creation procedure but also to the way in which cooperatives are managed by all their members.

2.4.1.1 Legal gaps and limitations n° 24-83

Since the first year of implementation, certain provisions of law no. 24-83 and its implementing regulations have been flawed, causing a few obstacles to the creation of cooperatives, problems between members and managers, and impediments to cooperative development. An in-depth reading and critical analysis of this law revealed shortcomings at various levels.

2.4.1.2 Procedural shortcomings

Lengthy and complex creation procedure (Article 1 of the law) [13]:
- No consistency between members’ activities and professions (Articles 9, 10, 13, 16, 17 of the law) [11]
- Complicated procedure for creating unions (Article 92)
- Lack of reasons and grounds for exclusion of members (Article 20)
- According to the principle of exclusivity, the deadline for granting derogation is always exceeded by the commission, preventing cooperatives from benefiting from several opportunities (Article 6).
- The limitation of liability to the amount of shares does not encourage the evolution of the cooperative's capital (Article 31).
- According to article 65, the appointment of a director is optional even after a turnover threshold has been exceeded, whereas a "director" is essential for the proper management of the cooperative, as mentioned in article 49 of the law on free functions.
2.4.1.3 Governance gaps

Corporate governance can be defined as the “management of management” [12]. It is therefore an internal decision-making process, both institutional and behavioral, affecting relations between a company's managers and the stakeholders concerned by its future, primarily those who hold legitimate rights to it [14]. Among the ambiguities detected when analysing this law [13], we can cite the following:

- Principle of exclusivity: The failure to regulate the use of directors' powers has led to poor financial management of the cooperative's resources. (Article 90);
- Deadline for holding general meetings: According to article 40, cooperatives must respect the deadlines for their general meetings, but this is not the case for all cooperatives, where there is clear negligence.
- There was negligence in sending annual general meeting documents to the institutions concerned, and there was a lack of sanctions in article 67.
- There is no penalty for failure to pass on instructions (article 45).
- There is no coercive force concerning the filing of accounting documents with the court of first instance.
- No penalties for failure to keep a register of cooperative members (article 17);
- The failure of cooperative members to comply with internal regulations, as highlighted in article 66, and the absence of sanctions have led to internal administrative anarchy in most cooperatives.

2.4.1.4 Difficulty of adaptation

The socioeconomic dynamics of cooperatives and the emergence of major projects, particularly following the launch of two distinct phases of the National Initiative for Human Development (INDH) on May 18, 2005, by His Majesty King Mohammed VI, required the Moroccan legislature to revise Law 24-83 or give birth to another that met the requirements of good cooperative governance and aligned with the directives of major social, economic and environmental development workshops.

This legal framework, which was subsequently deemed to be ill suited to the aspirations of cooperatives, was replaced by Law 112-12, which introduced legislative amendments and regulatory flexibility for the creation of agricultural cooperatives and the bringing into line of former cooperatives.

2.4.2 Agricultural cooperatives as part of the MGP

To include Moroccan agriculture in a trilogy of sustainable economic, social and environmental development, the MGP plan was launched in 2008 with the aim of rehabilitating Moroccan agriculture, providing it with the resources it lacked and making it the main driver of growth and poverty reduction in Morocco.

2.4.3 The birth of the MGP

- Implemented at the beginning of 2009, this plan has the following main objectives [15]:
  - A competitive upgrade of the sector is needed to make it more modern, integrate it into the global market and create wealth across the entire value chain.
  - Considering the sector's sociological and territorial components, human development objectives are a major requirement.
  - Better valorization and sustainable management of natural resources.
  - A definition of the support policies required for sustainable growth.
  - In terms of figures, this plan has set the objective of increasing (6):
    - The GDP ranges from 60 to 90 billion dirhams.
    - The value of exports to 44 billion dirhams.
    - From 2 to 3 times the income of 3 million rural dwellers.
    - Water savings from 20% to 50%.

To achieve its objectives, the MGP is based on two pillars:

Pillar I: Targets the development of modern, more productive and competitive agriculture in the context of market globalization and increasing international competition. It relies on private investment, notably through aggregation and public–private partnership projects.

Pillar II: aims to develop solidarity-based agriculture by integrating family farming into the economic system. The conversion of cereal crops in disadvantaged areas to other crops with higher added value, the intensification of production and the diversification of agricultural activities have also been encouraged.

Although cooperatives existed long before the MGP, the latter, from its inception, encouraged professional agricultural organizations, particularly the creation of agricultural cooperatives, which represent a socially efficient form of grouping. The number of farming cooperatives created has risen sharply, reaching 17582 (as of 2019), with 406542 members, thanks to several factors, including the dynamism of the local population and the growing support of a few state actors, international organizations and civil society [16].

Since its launch, the Green Morocco Plan has helped to encourage the creation of 10,000 cooperatives between 2008 and 2020, helping to integrate farmers into all stages of the value chain, with a membership of 90,000 beneficiaries, not forgetting the importance given by the MGP to women who have been able to create, manage and even become leaders in their field (79% of women members of agricultural cooperatives created during this period) [6]. Notably, the MGP has given a great deal of importance to cooperatives working in the field of developing local products through the promulgation of law no 25-06 relating to the distinctive appellation of origin (the recognition of 62 labelled products and the upgrading of 720 cooperatives (20,000 beneficiaries)) [17].
The MGP has also supported the promotion of these products through the construction and equipping of value-adding units and the acquisition of agricultural equipment and supplies, as well as packaging elements. It has also facilitated the organization of agricultural marketing events and opened new marketing horizons, not forgetting that hundreds of training sessions have been dedicated to cooperative members on a range of technical, administrative and management topics.

Similarly, within the same framework for developing local products, the MGP promoted its marketing via access to national and international markets through agricultural trade fairs and events, as well as the exhibition of agricultural products on an e-commerce platform developed by the ADA (Agency of Agricultural Development).

2.4.4 The regulatory framework for agricultural cooperatives during the MGP

2.4.4.1 Law n° 12-112

Law n° 12-112 was promulgated by dahir 1-14-189 of November 21, 2014, and was published in Bulletin Officiel n° 6696 of August 2, 2018 [18]. The adoption of this new cooperative law ensures and affirms the intentions of public authorities to transform cooperatives into relevant, competitive and structured businesses. This law has adjusted to the best international standards, particularly in terms of respect for the universal cooperative spirit via opportunities for cooperation, exchange of expertise and interests between Moroccan cooperatives and their counterparts in other countries.

This law has also provided a simple and adequate legal framework for cooperatives to achieve their objectives, optimizing profitability. The law's key benefits include the following:

- Precise definition of the cooperative's activity.
- The incorporation procedure was simplified, and the number of members was reduced from 7 to 5.
- Elimination of territorial boundaries.
- Cooperative surpluses are shared among all members.
- A cooperative with fewer than 50 members can create the position of manager, while cooperatives with sales of more than 5 million dirhams can be managed by a board of directors.
- Legal entities and foreigners may form cooperatives.
- Introduction of a conciliation and dispute settlement procedure
- Cooperatives may be transformed into companies.
- Creation of a national cooperative register and local registration registers.
- Cooperatives will be able to bid for public contracts.

The rules of governance within cooperatives should be established.

2.4.4.2 Performance analysis of law 112-12

To fully assimilate the performance of this legal framework, we adopted a methodological approach based on qualitative and quantitative field surveys of cooperative movement players and cooperative presidents. There are many cooperatives at the regional level (4690 agricultural cooperatives H.R.A.) [19]. We used probability sampling to select 115 cooperatives, i.e., 2.5% of the total number of cooperatives. However, to make the data presented by the population more reliable, we empirically distributed this sample to all 7 provinces and the Oujda Angad Prefecture (localities) that make up the Oriental region, with a view to covering the diversity of existing cooperatives.

The results of these surveys are interpreted as follows:

- A total of 57/115 cooperatives surveyed had some idea of the laws governing cooperatives (law 24-83), i.e., 49%.
- One hundred percent of cooperative actors are already familiar with law 112-12.
- Sixty-two percent of cooperative actors found the creation procedure under the new law 112-12 easy, while 38% found it moderately difficult.
- Fifty-eight percent of cooperatives were created under the new law, while 32% were aligned with it.
- Out of 115 cooperatives surveyed, 54 cooperatives (47%) stated that the ODCO met the deadlines for issuing the certificate of denomination, while 61 were satisfied with the service for issuing the certificate.
- Ninety-three percent of the surveyed cooperatives were satisfied with the minimum number required to create a cooperative, which explains the high percentage of family cooperatives in the region.
- A total of 77% of cooperatives have benefited from programs launched by the ODCO, notably the MOURAFAKA program.
- Seventy percent of cooperatives have benefited from training on the legal status of the professional organization, on internal management and on the dimensions of governance (MAPMDREF, ODCO, INDH).
- Of the 115 cooperative representatives surveyed, 96% affirmed that legal texts, in particular laws 112-12, play a key role in the socioeconomic development and standard of living of cooperative members.

3 Conclusion

The cooperative sector has grown considerably thanks to various government interventions, whether at the technical level (support and capacity building), at the managerial level (setting up a system of governance within the cooperative) or at the legal level (introduction of Law 112-12). With all these interventions, the objectives set for the development of cooperatives remained far from the ambitions of the MGP.

On the other hand, many agricultural cooperatives dependent on state subsidies were created, with low levels of autonomy and efficiency. These results
indicate that a minority of cooperatives are sustainable. These management constraints need to be reviewed in the new strategies dedicated to the development of agricultural dynamics and to rectifying the modalities of support to cooperatives.

Currently, the major development expectations of cooperatives are related to the new Generation Green strategy (2020-2030), which places the human element among these primary concerns and considers the need for support and qualifications as prerequisites for establishing cooperatives. Targeting includes the integration of rural youth (including women) into new generation professional organizations to create a rural middle class.

This study provides new support mechanisms for the conversion of classic cooperatives into new generation cooperatives and support for the creation of new generation cooperatives based on well-defined selection criteria. The involvement of agriculture in social life in Morocco has become palpable, and in this context, the importance of modernizing the cooperative sector has increased. We hope that the success of the new-generation green strategy (2020-2030) will increase due to the frameworks and energies of the country, which farmers invest in in a sustainable manner if feelings of honesty, good faith and trust are shared. It is also important to adjust agricultural models to address climate change, particularly water stress, as well as increase the cost of raw materials and energy.

References