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A stylized world map composed of white dots on a blue grid background, with light rays emanating from the continents.

An imprint of the CYRUS Institute of Knowledge (CIK)



**CYRUS CHRONICLE JOURNAL (CCJ):**  
***Contemporary Economic and Management Studies in Asia and Africa***

*The flagship journal of the CYRUS Institute of Knowledge*

**THE CYRUS CHRONICLE JOURNAL (CCJ)**

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The CYRUS Institute of Knowledge (CIK) Journal is a refereed interdisciplinary journal. The editorial objective is to create opportunities for scholars and practitioners to share theoretical and applied knowledge. The subject fields are management sciences, economic development, sustainable growth, and related disciplines applicable to the emerging economies in Asia, Africa, and other emerging economies. Being in transitional stages, these regions can greatly benefit from applied research relevant to their development. **CCJ** provides a platform for dissemination of high quality research about these regions. We welcome contributions from researchers in academia and practitioners in broadly defined areas of management sciences, economic development, and sustainable growth. The Journal's scope includes, but is not limited to, the following:

Business Development and Governance  
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He will be assisted by an editorial board consisting of Tarek Hatem, Ph.D., American University in Cairo, Egypt

We invite authors to submit their papers and case studies to [Editor@Cyrusik.org](mailto:Editor@Cyrusik.org). We will have a quick turn-around review process of less than two months. We intend to begin with two issues per year consisting of about 5-8 papers and case studies per issue. The first issue is being planned for the fall of 2015. A selected number of papers submitted to the CIK conference will be double-blind reviewed for inclusion in **THE CCJ**. We intend to have special issues on themes that are within the scope of Journal. Also, we will have invited guest issues.

#### **THE CCJ: An imprint of the CYRUS Institute of Knowledge (CIK)**

##### **Background:**

This is a historical time for the mentioned regions, and The Cyrus Chronicle intends to offer what is most urgently needed. There is no question that organizations and businesses that are capable of analyzing and applying advanced knowledge in management sciences and development are in high demand, and especially during transitional periods. It is an unusual time in the target regions and the world, a time which requires active intellectual participation and contributions. It is the era of revolution in terms of communication, technology and minds for billions of people. It is a time for intellectuals, entrepreneurs, and philanthropists to help enlighten minds and therefore enrich the quality of life for millions. It is a time to focus intensely on the regions' historical characteristics, achievements, human and natural resources, and its significant deficit in development, management sciences, and democracy. CIK's vision, "to cultivate the discourse on human capital potentials for better living," is the appropriate response to current challenges, and the journal is a platform for sharing the perspectives of scholars and practitioner with a wider audience.

CYRUS associates tend to have a foot in two worlds. First, most of the associates possess a wealth of intellectual and experiential knowledge which is enhanced by their active involvement in business, consulting and scholarly research and collegiate teaching. Second, some associates are sons and daughters of the affirmation regions and possess an ethnic identity, language skills, and the insights only embraced by insiders. Third, most of the CIK board of directors' members and associates are well-known scholars, members of editorial boards of journals, and even editors. CYRUS possesses depth, breadth, and a competitive edge to successfully manage chronicle.

CYRUS is committed to developing knowledge that positively contributes to the life of the world citizens, especially, the target regions. CIK is a charitable, educational, and scientific organization that has been in operation since 2011. It is a secular and nonpartisan organization that has many scholars and practitioner as member.

## Editor's Introduction

Since inception in 2012, the Cyrus Institute of Knowledge has held five annual meetings. Last year we published the first volume of *Cyrus Chronicle Journal (CCJ): Contemporary Economic and Management Studies in Asia and Africa* in conjunction with the 2016 annual conference.

CYRUS Institute of Knowledge (CIK) had two successful international conferences. Between the CIK March 2016 conference at the American University of Cairo and the April 2017 at MIT, we have received more than 120 abstracts and 30 full papers. Papers, abstracts, and presentations have come from all continents and more than 40 countries and more than 50 institutions of higher education and organizations. Please see CIK website for detail information in this regard.

The acceptance rate for this issue is less than 20% considering many papers that were submitted for review and full papers for the conference. Two papers in this issue are invited. These articles, one by Professor Ghadar and another by Professor Contractor, two eminent international scholars, whose insight will enhance the quality of CCJ and give it the prominence it seeks. Our aim is to publish the highest quality papers that pass through multiple review process. CIK colleagues and conference participants have proposed and suggested special issues of the journal which is based on core topics (i.e., entrepreneurship, innovation, ethics, and sustainable development) and/or country specific. Therefore, we welcome your articles which meet these characteristics. We already have several papers about Iran.

Now we welcome you to the second issue (CCJ.V2). The journal intends to cover scholarship pertaining to emerging economies in Asia, Africa, and other emerging economies. Scholarship dealing with these regions tend to be either ignored or misunderstood, and there are limited outlets for scholars who work in these countries to share their scholarly outputs. Focusing on these two continents will help researchers from both developed countries as well as these two continents - which together account for the largest portion of the world population and growth. The CCJ intends to fill these gaps. An examination of our mission may shed some light on this question. The primary purpose of the journal is four-fold:

1. To share and promote knowledge of economic, management, and development issues facing countries of Asia and Africa and other emerging markets. Focusing on assessment, evaluation, and possible solutions help advance countries in this which has the largest world habitats. Development challenges are global; virtually every country faces problems concerning economic development, sustainability, food and water, population and environmental degradation. Yet no country gains by shunning opportunities that globalization can provide, with the possible exception of a few countries whose leaders lack a full understanding of the opportunities that globalization can offer. To take advantage of such opportunities, knowledge is the primary requisite. And this journal aspires to make a contribution to this body of knowledge.
2. To encourage the generation and dissemination of knowledge by local scholars whose access to mainstream academic outlets may be limited? We know many scholars from academic, public and private sector organizations whose first-

hand knowledge of problems and solutions isn't being shared for lack of an appropriate outlet for dissemination. The CCJ may provide an opportunity for spreading such knowledge.

3. To focus on countries that span the northern band of Asia – from China to Turkey – to the northern tier of Africa, areas that have not previously been the subject of much attention. In the past, these countries have tended to gain the attention of scholars and the media only in times of man-made or natural crises. But in fact, these nations have many challenges similar to those of others. They wrestle with shortages of food and water and the growth of population and pollution. Although they have educated their own citizens, especially in countries that had been under the shackles of dictatorship for decades, now they have become freer to express ideas in journals such as this.
4. Academic scholarship emanating from the region under the journal's coverage tend to get lost in the academic jungle where the pressure of "publish or perish" leaves behind the younger and less experienced members. This journal will give an opportunity to the scholars with first-hand knowledge of these areas to publish their research and thereby make important contributions to the management and development body of scholarship on which the journal will concentrate. We need to know more about these topics in countries such as Afghanistan, Kazakhstan, Morocco and Tunisia as well as other countries covered by this journal. The CCJ will provide a platform for established as well as younger scholars who might collaborate with them in their research.

In this second issue of the *Cyrus Chronic Journal*, we include six articles and four book reviews. Scholarly articles, from established scholars and policymakers, cover the gamut from US-China relations and anomie and dysfunction in the Middle East to direct investment in the MENA countries, inclusive business in supply chain and, finally, barriers that Western educational entrepreneurs face in pursuit of educational initiatives. In addition, we included reviews of four books each of which is timely in coverage and penetrating in their analysis. We will continue to bring you book reviews as part of our mission to advance knowledge.

On the journal's operational side, we want to make the publication more accessible to a wide audience across the world, and so, consistent with the 21<sup>st</sup>-century trend toward electronic media, we will publish this journal online. To maintain rigor and originality, articles submitted to the journal will undergo the standard blind review process. Reviewers' anonymous comments are shared with authors, as appropriate. Submission guidelines and procedures are delineated on the journal's website: <http://www.cyrusik.org/research/the-cyrus-chronicle/>.

As the first editor of the journal, I am pleased and proud to accept this challenge. I bring some experience; my first editorial assignment was as an undergraduate at the then Pahlavi University in Shiraz, Iran, a top-ranking institution in the region. A few students and I founded and published *Danesh-Pajouh* (knowledge seeker). In those days when freedom of expression was severely limited, we managed to publish one issue in March 1965 before the censors put a stop to the enterprise.



# Cultural and Institutional Barriers for Western Educated Entrepreneurs in Morocco<sup>16</sup>

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## ABSTRACT

An examination of Moroccan entrepreneurs describes the impact of both macro factors (history, culture, and economic opportunities) and micro influences (personal beliefs, family support, education, competencies, and motivation) to start businesses in that country. Findings show that the most salient micro-level factors influencing all entrepreneurs to return and initiate businesses in that country were personal beliefs, family support, western business education with related competencies. The most salient macro factors were culture, family, and perceived economic opportunity. A major gender difference indicated that men relied more on public networks and accessed resources more easily in Morocco than did women in the sample.

**Keywords:** Entrepreneurs, Entrepreneurship in Morocco, Male and Female, Developing Countries, Education, Morocco.

## INTRODUCTION

Research on Moroccan “scientific production in entrepreneurship” has been low with an average of “3.6 articles per year over the period 2009 to 2012” (Khalifa et al, 2014, 11). The theme of small and medium sized enterprises (SME) during this period has been the most studied topic consisting of 66% of publications, followed by the topic of entrepreneurship with 34% (Ibid.) Studies have also been sparse with regard to Moroccan women entrepreneurs. A few studies (i.e., Gray, 2001; Gray and

Finley-Hervey, 2005; Gray, Foster, and Howard, 2006; Bastian and Zali, 2016) have examined motivation and characteristics, especially in regards to women entrepreneurs in Morocco. This study contributes to literature on western educated Moroccan entrepreneurship by reporting on micro, macro, and environmental factors that facilitated and constrained thirteen male and female entrepreneurs’ entry into starting and running businesses in that country. The case based data collected here from female and male entrepreneurs, while limited and based on self-reports, is unique and provides preliminary evidence toward addressing gaps in the literature.

Current studies on entrepreneurship show that early-stage entrepreneurial activity is gender sensitive due to cultural, societal and economic reasons (Bastian and Zali, 2016). Bastian and Zali, 2016) examined educational attainment and entrepreneurial competencies effect on entrepreneurial motives of women vs men in the MENA region. Taahey concluded that there is more positive effect on women’s entrepreneurial motives compared with men. There also are no reported differences in individual attributes such as perceived opportunities and capabilities (Singer, Amorós, and Arreola, 2014). There is a slight difference in fear of failure, experienced more by women than men. Other different patterns across regions emerge when comparing motives for early-stage entrepreneurial activity. For example, women start businesses more often out of necessity than do men, with the exceptions of the UK, India, Iran and Italy. Exceptions include Australia, Austria, Denmark, Kazakhstan, Luxembourg, Netherlands, Singapore, South Africa and Thailand. Verheul, Van Stel, and Thurik’s study (2006) also argued that entrepreneurship is related to the level of economic development in specific national economic context.

Morocco has provided a national strategy, the “Moroccan Innovation Initiative,” aimed at enhancing e-entrepreneurship and creating a favorable technology environment by advancing innovative projects, especially in IT fields. The government has been involved in developing 100 innovative start-ups per year beginning in 2014 (Bennani and Oumlil, 2014). Relevant to Jamali (2009) who investigated the constraints and opportunities

<sup>16</sup> The initial draft of this paper was presented at the Cyrus Institute of Knowledge, January 2014, Dubai, UAE.

that influence female entrepreneurship in developing countries, her study integrated micro, macro, historical and cultural issues to explain opportunities and constraints “as part of a holistic interdependent system.” She identified challenges and complexity for women entrepreneurs, stating that the study of entrepreneurship requires understanding reciprocal influences and the interplay of three sets of factors: the macro, micro, history and tradition of a culture. The macro variables are structural conditions that include social values, social stratification, laws, family and work, among other factors. The micro variables are motivation and various forms of human capital that influence individual capabilities and opportunities. We have developed and described an integrative model that captures links between broader societal characteristics and individual entrepreneurial activities. The sample used in this paper confirms, in a broad sense, with our integrative model (figure1).

A sample of thirteen western educated returnee entrepreneurs was interviewed. Based on their responses, micro, macro, and cultural barriers were identified in their pursuit of starting businesses. Most returned back to the west and the few who stayed had strong established family and friendship connections along with personal characteristics that played to their entrepreneurial strengths. The results show that personal characteristics consisting of beliefs, connections, dedication and the love for the homeland, were the most important factors in starting their business.

## LITERATURE SURVEY

The history and traditions are of interplay of different levels of cultural and societal beliefs. These sets of factors have influence on networking, especially for women. Network is defined as an entrepreneur getting advice from others, family and friends and having workplace and professional contacts. We need to distinguish between two different networks around the entrepreneur, namely the entrepreneur’s network within the private sphere of family and friends, and the entrepreneur’s external network, in the public sphere with people in the workplace, the professions, the market and the international environment. The distinction between these two components of the network seems novel in research on entrepreneurial networks, although the distinction between the private sphere and the public sphere is common in other fields (Burns et al., 2001; Okin, 1998). The distinction turns out to be theoretically informative in five ways: first, the genders differ in their networks in the private sphere and in the public sphere; second, these networks are differently affected by culture; third, these networks differ in how their gendering is

modified by culture; fourth, these networks differ in their impacts on innovation; and fifth, these networks differ in how their impacts on innovation are modified by culture. There by our analysis of micro-level embeddedness in networks contributes to theorizing about gendering of innovation and entrepreneurship.

Culture is considered in the dimension of traditional culture versus modern or secular-rational culture (Inglehart and Welzel, 2005). This dimension of culture has been examined more in other fields than in entrepreneurship, which for the most part has examined the dimensions discerned by Hofstede (as reviewed by Hayton and Cacciotti, 2013). The dimension of traditional culture versus secular-rational culture turns out to be theoretically informative in three ways: first, these cultures differ in their effect on networks; second, these cultures differ in their modification of the network impacts on innovation; and third, these types of cultures vary in their modification of network impacts on innovation. Thereby our analysis of macro-level embeddedness in culture contributes to theorizing about gendering of innovation (Schött and Cheraghi, 2015).

Private sphere, family and friends, network is heavily used by women, while men use public sphere networking (Shott and Cheraghi, 2015). In traditional cultural, women’s networks are mainly private and as cultural moderate networks, will expand to the public sphere. While networks are smaller in traditional culture, in secular-rational culture tend to expand. Therefore, entrepreneurial and innovative ideas tend flourish in secular-rational cultures but there are impediment in traditional culture. The relation between entrepreneurship and innovation which is based on the process, structure, and strategy has been discussed by some.

Scholars have identified that female entrepreneurs start with lower levels of capitalization (Bruin et al., 2007) and have greater limitations in accessing personal savings (Carter and Kolvereid, 1997). Additionally, women entrepreneurs are less likely to have generated a credit track record (Shaw et al., 2001). Carter et al., (2001) argue that female entrepreneurial ventures tend to be focused in service sectors that are usually cheaper and easier to start. Both male and female entrepreneurs tap mostly into their personal savings and family support (Cosh and Hughes, 2000). Scholars (i.e., Carter et al., 2001; Marlow and Patton, 2005) discussed chronic female disadvantages such as acquiring funding, privately and publically in traditional cultures.

Greene et al., (2003) argued that women-owned businesses tend to be smaller and less profitable than those owned by men. The high levels of self-employment

often appear in countries with low levels of economic development (Baughn et al., 2006). Nooderhaven et al. (2004) state that increasing economic prosperity is correlated with decreasing rates of self-employment due to attractiveness of wage employment and increasing opportunity cost of self-employment.

### **Innovation and Entrepreneurship**

Scholars (i.e., Littunen, 2000, Cornwall and Perlman, 1990, Caird, 1988; Casson, 1982; Asgary, et. al, 2017) examined the relationship between entrepreneurship and innovation from perspectives of process, structure, and strategy of either entrepreneurship or innovation and others (Schumpeter, 1934, Drucker, 1994, Legge and Hindle, 1997, Kanungo 1999, Sundbo, 1998) discussed conceptual relationship between the two. Elbaz, Binkour, and Majdouline (2013) investigated the synergy between entrepreneurship and innovation through interviews with senior Moroccan managers of nine companies. Their main conclusion was "...that innovation and entrepreneurship are complementary because innovation is the source of entrepreneurship and entrepreneurship allows innovation to flourish and helps to realize its economic value" (p.9).

Bennani and Oumlil (2014) investigated factors nurturing e-entrepreneurship in Morocco. They applied a model based on the Technology Acceptance Model, TAM (Davis et al., 1989) and added three constructs "Trust", "Image" and "Risk". They interviewed 56 business students- at national school of business in located in Agadir city, south of Morocco - who were considered future entrepreneurs. Their results showed that TAM explained "40% of total variance in the intention to accept e-entrepreneurship". They also concluded that perceived usefulness ease of usage, in addition to trust, image and risk influenced meaningfully Moroccan entrepreneurs' intention for accepting e-entrepreneurship.

According to the European commission, "entrepreneurship can be defined as a certain mindset and process associated with individuals, showing a set of competencies (e.g. creativity, risk-taking) by turning a business idea into success" (OECD, 2014). Matlay (2004) discuss that e-entrepreneurship is referred as "the act of establishing new companies" while Kollmann (2006) referred to it as "creating "a new company with an innovative business idea."

Based on the above literature survey and our knowledge and experiences about Morocco, we developed a questionnaire.<sup>17</sup> The questionnaire is

composed of three sections, introduction, constraints, and opportunities. In the introduction, respondents shared the type of business they started, why did they chose the business, and the progress of their efforts. In the constraints section, the micro, macro, and cultural challenges that they have been faced with are reported. In the opportunities section, the participants provided their overall assessment of chances for success in Morocco. Overall, we have acquired answers to more than twenty-five questions.

### **Integrative Model**

The global and country ecosystem in which entrepreneurs start businesses is central to their decision making process as well as to their survival. Such ecosystems are composed of a number of factors. Figure 1 shows an integrative model that includes both macro and micro influences on entrepreneurs deciding on whether or not to start a business in a country. Macro level factors include historical, cultural, and institutional dimensions; micro factors include, for example, individual beliefs, influences of family and friendships, and competencies. These dimensions are also discussed and applied by other scholars (i.e., Lane et al., 2012; Asgary, 2015; Asgary, et. al, 2017). While we categorize these classifications as separate and independent, the interrelationships between macro and micro factors are evident. For example, families and friendship networks can be considered macro level dimensions that can be measured and categorized, but the type and level of both perceived and experienced influence of these dimensions on an entrepreneur can also be described as a subjective factor.

According to the Global Entrepreneurship Monitor (2016, 22), "...the entrepreneurship process is a complex endeavor carried out by people living in specific cultural and social conditions. A variety of entrepreneurship ecosystem factors could contribute to individuals' willingness to engage in entrepreneurial activity, for example, "red tape" which could present unfavorable administrative burdens or high costs to those thinking about starting a business; access to resources." Morocco is described in that study as an "Efficiency-driven economy," as classified by its geographic African region and economic development, as compared to a "Factor-driven economy" such as Cameroon and Senegal in that same region. There are no African countries in that study grouped in the "Innovation-driven" economies—such as

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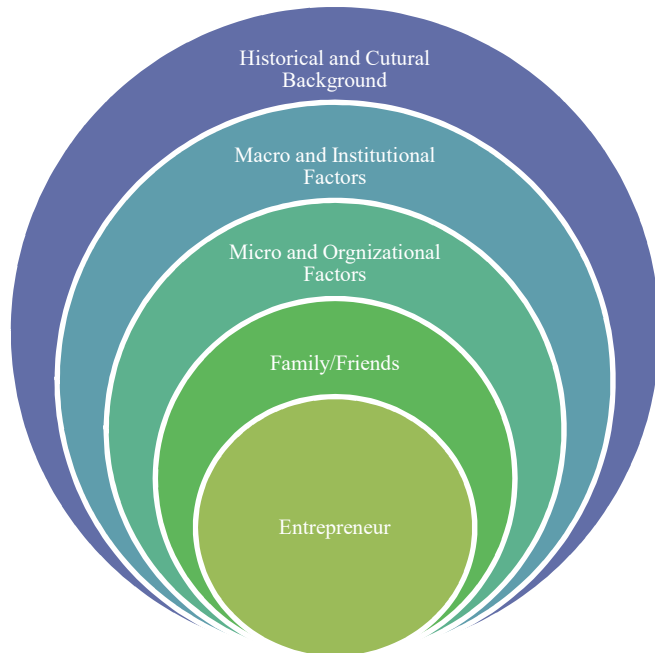
<sup>17</sup> The questionnaire is available upon request.



the U.S., Canada, many European and some Asian countries.

Morocco has one of the lowest levels of early stage entrepreneurial activities among in the sample (6%), while Ecuador registers the second highest TEA rate in the GEM sample (32%).

**Figure 1**



Historical and cultural societal dimensions influence risk-taking and resource availability that are essential for entrepreneurial activities. Institutions and macro factors supported by the rule of law, for example, create more even ‘playing fields’ and access for participants seeking economic resources to start businesses (Lin and Neugent, 1995; Rodrick, 2008; Asgary, 2015). Economic resources also provide opportunities for entrepreneurs; e.g., manufacturing entrepreneurs, as reported in the GEM (2016, 31) were the most prevalent, 22 percent, in Morocco.

Micro factors such as individual beliefs, education, competencies, and influence of family and friends also have a strong effect on motivating entrepreneurial activity as we report in the study.

### Focus and Methods of the Study

We used a qualitative research methodology that included a questionnaire and face-to-face recorded and follow-up interviews. Seventeen western educated

Moroccan entrepreneurs were identified using public sources and through different contact groups. Only thirteen responded to invited interviews. Of the thirteen, the eight males and five females agreed to meet and respond to our structured questionnaire as well as our probes. The thirteen entrepreneurs were interviewed to identify environmental (micro and macro), historical, and cultural factors that influenced their success or inability to start and run a business in Morocco.

A major part of the interview was designed to provide an explanation of opportunities and constraints that influenced their experiences in starting a business in Morocco. Three of the thirteen participants stated that they preferred emailing responses rather than meeting face-to-face. For the purpose of consistency and acquiring detailed responses, the other respondents agreed to face-to-face meetings and to a follow-up phone call or email correspondence.

As a qualitative study, we also wished to provide an inviting context to engage the respondents in a dialog that would offer real-time information. It is important to highlight challenges of acquiring face-to-face recorded interviews, especially in a developing countries where such interviews are uncommon and could be considered as suspicious. Respondents need assurance that the information they provide will not be used against them in an unfair or competitive way and that it does have political and cultural risks. Many important qualitative characteristics cannot be achieved through other means such as a survey questionnaire, especially in developing countries where such issues as trust and unfair competition are prevalent.

A questionnaire based on relevant literature survey and information informed by characteristics of Moroccan culture and entrepreneurship was developed. The questionnaire also served as a pretest to ensure clarity and accuracy of items. The interviews were conducted in English. While some interviewees interspersed responses in French and Arabic, the interviewer interpreted all results in English. The duration of first interview was one hour, conducted in May 2013 in Casablanca, Morocco, which is considered the main hub for entrepreneurs in Morocco. The follow-up communications included emails and texts that were conducted to ensure accuracy and clarify of their response. The interviewees were asked to sign a consent letter prior to starting the recording with the interview questions.<sup>18</sup>

<sup>18</sup> The consent letter is available upon request.

## Summary of Collected Information

Information was collected through interviews using a structured questionnaire; responses were taped and transcribed. Field notes were taken based on post interview dialog and during interviews if information was offered but not found in the questionnaires. The recorded interviews were then coded by participants. Transcriptions and field notes were then reviewed, analyzed, and cross-checked by the authors. Key findings were summarized into tables.

Table 1 shows a description of the sample, education, country, industry, and marital status. Nine were employed abroad prior to returning to Morocco. All acquired at least a baccalaureate degree in disciplines

such as computer sciences and management from western universities. Thirteen earned degrees from the United States, three from France. Twelve entrepreneurs stayed in Morocco and initiated entrepreneurial activities. Most respondents stated that they were or had worked in the retail industry, others in e-marketing and architecture. Some respondents' parents owned their own small business.

Overall, we collected information from a relatively balanced sample, 8 males and 5 females (see table 1). Five respondents were single, seven were married, four were engaged, and one male was divorced. All entrepreneurs were in the age range of 25 - 40 years. Nine were employed abroad prior to returning to Morocco and the remainder worked independently in Morocco.

**Table 1- Sample Demographics**

Participant	Male/ Female	Marital Status	Education	Experience/Industry/Location
1	Male	Engaged	BS in International Business, Entrepreneurship, MS in Technological Entrepreneurship, USA	IT Office Manager/Import Export Business/ Tangier, Morocco
2	Male	Engaged	BS Technology and Software/ France and USA	Co-founder and CEO of a Software Company
3	Male	Married	BS and MS, Computer Science/ USA	Import/export Company,
4	Male	Married	BS and MS in Information Technology and an MBA in Marketing and Business Development/USA	Retail- Shoe Business and Restaurant
5	Female	Engaged	BS in Economics/Morocco, MBA in Finance and Investments, USA	Consulting
6	Male	Engaged	Bachelor in Corporate Finance and Accounting, USA, Master in Real estate Finance and Investments, UK	Digital agency in Morocco, CEO of a large holdings company in Morocco
7	Female	Married	Engineering degree in Hygiene quality and security environment from HEC, France	Consulting in Corporate Financial Management. and Training
8	Male	Married	BS Electrical Engineering, Morocco; MS and MBA, USA	Manager at a big tech company in the US, and the CEO of an E-Commerce Retail Company, USA

9	Female	Single	Master of Computer science Information Systems, Software Engineering, USA	CEO and founder of a Mobile application, Morocco
10	Male	Engaged	B.S in Mathematics and Computer Science, MS in Computer Engineering and Management, USA	The founder of an E- commerce online marketplace, Morocco
11	Female	Married	BS in Civil Engineering and MBA from France, France	Design, Restoration of Old Houses, Morocco
12	Male	Single	BS Software Engineering, Serial Entrepreneur, USA	Agriculture, Real Estate and Tourism, Morocco
13	Female	Single	Bachelor in Architecture, USA	Small Architect Company, Morocco

### Research Findings

The sample interviewed shows that all returned to Morocco to start and operate a business, after receiving a western education. Reportedly, they returned with positive attitudes and hopes of succeeding in their pursuits, only to soon after their arrival, experience micro, macro, and cultural barriers in advancing their entrepreneurial objectives. Most, not long after originally returning to Morocco, went back to the western countries where they were educated. The few who stayed had strong, established connections and personal characteristics consistent within the cultural country context.

Those respondents who reportedly were “not afraid to fail” and those who “did not put all their eggs in one basket” had had initial start-up success. Those who adapted to Moroccan country norms of doing business and were open to that country’s traditional cultural pressures also initially stayed. Our interview results also showed that personal characteristics consisting of personal beliefs, personal and professional network connections, dedication and a cultural fit with the Moroccan, were more successful in starting and running a business in that country. Also, support and encouragement—i.e. emotional, financial, and networking support— from immediate family members have, to date, been more successful in their business start-ups.

For example, one of the respondents stated “I always wanted to have my own business. When I first started in ‘98 at Northeastern University, I remember hearing all the stories about Napster....since then, I was hooked on the startup ecosystem, reading the news. I remember I never missed a post on tech crunch or mashable.com.” Later on, he started a tech blog. This

person has been highly successful in creating a company in Morocco. His father and relatives were strongly motivational and offered him the necessary financial support needed to initially succeed. This respondent stated “I met with my current partner. He’s a relative and a second cousin. I didn’t see him for 12 or 13 years. I had lunch with him in Casablanca. He’s a serial entrepreneur. He’s in the auto repair, real-estate, and advertising businesses-- he’s in everything except IT and e-commerce. I started talking with him about coming back home and I had an idea in mind that I had been working on developing this platform for the past two years..... He was listening and by the end of lunch, he offered to help, and said he would love to be my partner in this project. It was good support”. This entrepreneur created the first e-commerce marketplace in Morocco, which to date, has successfully imitated Groupon’s business model. The founder and CEO described his business in a few words as the start of ecommerce in Morocco.

The ability to adapt to country norms and manage expectations was another important criteria for succeeding. As discussed above, nine of thirteen participants were employed abroad prior to returning to Morocco and the remainder worked independently in Morocco. There were nine participants who experienced more difficulties than the others in adjusting to the work ethics and cultural norms of Morocco. For example, one respondent who eventually returned to the U.S. said he could not adjust to not being able to use the business school skills he had learned in the U.S. This participant lost his business savings in Morocco and stated that “at one point I was asking my family to loan me money so I could pay employees their salary”. He said he made some mistakes that led to the failure of his business, one being his perfectionist tendencies when launching the business:

“I wanted everything to be perfect and ready before the launch.” He also said that the emphasis on relational aspects of social protocol in Morocco was the most difficult for him to accept. Specifically, he said he could not adjust to his contacts being more ‘talkers and less dowers,’ adding that most of those whom he encountered would say “yes to everything when they meant no.” He noted that “changing the way people think about e-commerce was difficult.... Morocco is a small pie of people with purchasing capabilities and everyone wants a piece of that pie.” This participant returned to the US and launched a successful e-commerce business in Morocco from the US.

Another participant, a software engineer and a successful serial entrepreneur, launched his first business in the U.S. before deciding to return to Morocco, and reuniting with his family. He had the support of his immediate family members along with a significant supporting network. This serial entrepreneur shared with us his experience of developing various business deals and the challenges he faced with each of his business endeavors. His recommendation for future entrepreneurs about how to adapt to the country’s different norms and manage expectations were as follows: “Go about each business differently, plan to do just two things and try to achieve just one per day. Also lower your expectations to avoid stress.”

When asked about business opportunities, most participants did not wish to discuss the topic. The few who did respond stated that Morocco is a “virgin market, not yet saturated with lots of opportunities.” A cultural and emotional affinity for their “homeland,” their emotional satisfaction of being with their original family, and their having an interest in the development of the country were important factors for returning to Morocco. However, opportunities and barriers in doing business in Morocco varied among entrepreneurs, especially with their expectations. One female respondent whose father was French and mother Moroccan stated that “I always wanted to come back to Morocco but never knew how to. My mother and friends thought I was dreaming. They warned me that vacationing in Morocco is not the same as living there. They warned me that I am a women who would be living alone there, that I don’t speak the language and that I’m only half Moroccan. But even though, I thought I don’t know, I want to do something in Morocco. The opportunity presented itself. I worked on a project related to Morocco and I asked to relocate. I worked part-time maybe once or twice a week on that project while building my enterprise out of my rented apartment.”

Table 2 ranks the orders the obstacles faced by participants in starting their businesses. Recurrence refers to the number of times a particular obstacle was stated by respondents. The obstacles have been summarized and highlighted as these were repeated throughout our interviews. The cultural barriers listed were as stated by more than 90% of the respondents.

Cultural barriers are defined as the norms of relationships among Moroccans who initiated a business. Expectations by returnees to find transparent and clearly defined rules, regulation, and norms of business were not found. Other repeated obstacles included legal, administrative, financials, educational and unfair competition. Most of these factors can be categorized as macro variables associated with institutions at the state level which are associated with public short-term and long-term policies. Other micro level obstacles are identified as motivation, trust in partners, and family. One important aspect of this differentiation is that some of these obstacles are standalone issues but others (i.e., education) are both, macro and micro issues.

Overall, there are very few examples of entrepreneurial successes in our sample in Morocco. Additionally, there are very few public or private institutional supports and incentives found in Morocco by entrepreneurs in this sample, who generally discovered that the potential costs was significantly higher than the benefits for taking large risks and engaging in entrepreneurial activities to succeed. In some countries (i.e., South Korea and the U.S.) there is private and public support for entrepreneurial activities. Additionally, there are resources at the state, federal, and private sectors. Furthermore, many higher education institutions are providing academic trainings and degrees in entrepreneurship and entrepreneurial culture for risk taking is admired.

**Table 2- Obstacles faced by participants**

Levels	Obstacles	Recurrence
Cultural	Culture	10
Macro	Legal/Administrative	7
	Financials	7
	Educational - Poor competencies	7
	Unfair competition	3
Micro	Motivation	2
	Trust in partners	1
	Family	1



## Obstacles to Starting and Running a Business

Table 3 is a detailed and expanded version of Table 2. The expanded version is categorized as micro, macro, and cultural variables which are consistent with the literature on entrepreneurial challenges (i.e., Jamali, 2009). Micro issues are considered the internal operation and decision making for a firm or an entrepreneurial activity such as addressing the workforce, marketing, etc. Macro variables are considered to be exogenous such as public policies and organizations or entrepreneurs that are in the receiving end. Cultural factors are unwritten rules, norms, and relationship which have a significant impact on entrepreneurial activities.

### Micro Variables

Micro variables are essential components for an organization to form and grow. Therefore, factors such as education levels and competencies of workforce are necessary conditions to build an organization. The education system in Morocco is mostly training graduates to work in the government bureaucracy. The educational system curricula does not focus on entrepreneurial efforts and technology related subjects. As a result, employees tend to be more of a follower than a leader and risk-takers. Some of the keywords relevant to micro variables that our respondents expressed as obstacles are that the educational system is poor, there are low levels of competencies, and micromanaging workers, which are not easily motivated, and not results oriented and have short term goals (see Table 3). For example, one respondent stated that "...few candidates knew about e-commerce and there are no subject matter experts". Another said: "You have to be behind your business every day. You can't trust. You cannot do two things at once. You cannot multitask. To get the best return, you can only do one task every day". Another described micromanaging as a necessary condition for success, "I am involved in many projects because in Morocco, one should never invest all that he has in one. There are no guarantees of success, so, I was partnering with others so that I could learn from them. As a result, it is very hard to launch a project and move on to another one. You have to micromanage every project in order for it to succeed". From these interviews, we observed that low levels of entrepreneurial spirit and a lack of educational training contributed to creating a culture that was not conducive or nurturing for entrepreneurial activities in Morocco for those in this study. Most of the western educated Moroccans who started their businesses in Morocco also reportedly found that it was hard to find competent and motivated employees.

### Macro Variables

Country rules, regulations, rewards, and penalties related to the rights of investors and consumers influences the formation of firms and the evolution of industries. Moroccan law has been shaped primarily by French Civil Law and is a combination of Muslim and Jewish traditions. Respondents interviewed described macro variables (i.e., regulations, bureaucracy, and funding) as the most prominent impediments in starting and operating entrepreneurial businesses in Morocco. These findings are consistent with studies in the entrepreneurship literature in developing countries.

Respondents also repeated descriptive words and phrases associated with macro level obstacles such as "red tape, complex administration processes, bureaucracy, unfair competition from China, limited funding, legalization and paperwork, the structure of the legal system is not accommodating for entrepreneurs, investment funds are given out for a political agenda, and no tax breaks."

A female French educated respondent who returned to Morocco to start a business ranked legal, financial, and social issues as the top three obstacles, respectively. She stated that "I had to rely on personal connections and 'asking around'. Needless to say, I survived the first year on the \$1,000 (10,000 MAD) savings that I had and I could not secure any other source of funding". It is not easy to obtain financial support or loans from the Moroccan banking system. A 10% cash deposit is required along with collaterals such as housing or other tangible wealth.

A male participant who started two businesses and operated for a few years but eventually gave up, ranked financials and educational issues as the top two constraints because he had challenges to raise funds to find competent employees. Social and legal issues were both ranked third on his list. He had "to adapt to people's inability to say 'no' when they are not onboard, as they prefer not to disappoint but to keep the doors open". Another participant stated that his application was put on hold for six months because he refused to bribe officials. Another participant stated that it took 5 years for a law to take effect after it was enacted. Therefore, holding everything else constant, reduction in bureaucracy and cumbersome regulations will increase entrepreneurial activities.

Regulations are put in place to facilitate the process of registering a business. In Morocco, there are five Regional Centers for Investments (RCI) strategically located in the country and solely dedicated for this task.

They are all located in the main metropolitan areas: Casablanca, Rabat, Tangier, Marrakech and Agadir. The process in place is simple, as per the website, and can be completed in 8 days by submitting the required documentation. However in practice, registering a business is cumbersome and unclear, this requires help from a specialist and therefore will take a long time. Based on our review, the website has incomplete and unclear information.

One respondent who invested in an online travel agency and in a software service stated “the business plan gets approved by who you know in the market. No support from the government at all. There is no trust in the whole system. The capitalist takes the business plan not the people....they do not offer a tax break.” The same respondent said “I have used my own capital to invest. I had 7,000 products and 45 employees. I went to the minister of tech to find an investor, no help, just talks without help. I went to investment funds, I showed them the plan, they rejected it because they did not like the name... it was more political.”

Availability of funding through family, public, and private sources are both macro and micro factors. Generally, one's family provides funding resources in the initial stage of the start-up. This was stated in the case of 3 of the female participants. Others, used their own savings or angel investors to start their project. Rules and regulations in protecting and rewarding a capitalist are not well developed in Morocco as one participant stated: “Investment fund is a shell department related to a political agenda”.

Unfair competition from China, especially textile products were highlighted by some respondents. This is consistent with the general policy of Chinese firms to flood markets of developing countries with cheap and low quality consumer goods such as textiles and shoes. A few respondents' stated that “business opportunities are only available to selected and high ranked individuals in the government, they are not advertised anywhere but an entrepreneur will see it”.

We did observe from this study that an ecosystem for developing sustainable emergent businesses and institutional support (i.e., governance) that could help entrepreneurs succeed were not readily available. The ecosystem refers to elements such as the role of individuals, organizations, institutions, public and private support that advances entrepreneurial activities. An effective ecosystem is apparent when sufficient elements—i.e. individuals, organizations and institutions,

complement each other. In the case of Morocco, one would assume that a western educated entrepreneur could easily succeed in this country for the following reasons: availability of cheap labor including the young generations desire to excel, available markets, the country being strategically located - closer to Europe- and politically stable. In an effective ecosystem, these forces provide opportunities for people to work together and create greater opportunities for more business opportunities [Global Entrepreneurship Monitor – GEM 2015].

### **Cultural Issues**

Overall, Moroccan culture is unique, complicated, and perhaps difficult to understand. Customs and religion can play an important role in business decisions. The country is in Africa and close to Europe. The majority of its citizens are Muslim and it is a relatively tolerant society. As a traditional society, change has not come easily, especially for entrepreneurs educated in the United States and Europe.

Female respondents stated that they are at a disadvantage compared to males when starting a business due to cultural bias. Morocco is a male Muslim dominated culture. Some women respondents stated that because of their gender, they was not taken seriously in a male dominated culture. Female respondents reported that they had difficulties completing business deals because some males would not talk with women and certain tasks could only be transacted by men. One of the respondents stated that “being a female slowed her success because it took her longer to improve her business plan”. Another stated: “a female with a large pocket can be successful”. Our findings show that those female western educated entrepreneurs who succeeded in Morocco had the ability to adapt to the Moroccan culture and entrepreneurial spirit passed on by their family. As one women said, “Being a women in Morocco is not easy to start a business. They look at you as a women and make you understand that if you need projects, you'll need to accept certain conditions.”

**Table 3 – Micro, Macro, and Cultural**

Participants #	Micro	Macro	Cultural
1	Need to micromanage employees; they are not trained to lead or take control. Low levels of competences of workforces Monopoly: not able to find out ahead of time of protected businesses reserved to a few selected business men.	Unfair competition from China; red tape in the real-estate business; Complex administration processes; banking system is not accommodative	He had to push back on demands for bribes and submit to the negative consequences; Claims that Females – in this case his sister- will not be able to work in the same line because the men in that industry and environment will not want to work with her or listen to her requests or directions. Resistance to change of procedures. Unwilling to trust or use technology. Prefer to use old school techniques in business deals. Trust- because of the lack in trust, deals are completed using cash rather than other forms of payments.
2	Poor Educational system; Low levels of competencies thus unable to find qualified employees	Bureaucracy in the administration; very slow business process; hard to acquire financing	Lack of trust in Moroccan made product; Fear of low quality products.
3	Difficult to find competent and motivated employees	Administration- takes lot of time to approve documents; too many red tapes	Family was not supportive of venturing outside the four profitable industries in Morocco ( Real-estate, tourism, agriculture and technology) Social – the need to adapt to the way people do not respect the rule of law when driving and the way they communicate within the class system affected this entrepreneur's daily life. He found it to be very hard to adapt to this new style compared to the west. Claims that his wife, also an American and American educated entrepreneur, cannot do the same job. There are no men available at the freight customs check point and men will refuse to deal with her.
4	Different views in management styles; Ecosystem: Business partner are not adequately knowledgeable; Finding qualified human resources is very difficult; Workers are not easily motivated; they are not result oriented and they have short term goals.	Financial barriers; Banks need guarantees/collaterals. International: When dealing with franchises, they expect quick results. Which is difficult in a slow environment.	Money: In Morocco, people tend not to be very serious regarding paying dues on time and as agreed on. Cultural: Lots of marketing and education is required when introducing a new brand to the Moroccan consumer. Moroccans do not trust easily unknown brands.

5	Competition use unethical techniques to gain work contracts.	Banking system - seed funding is not available; administrative barriers; Legalization of foreign documents and required paperwork take a long time to complete.	Being a female slowed her success because it took her longer to prove that her business is viable. She was not taken seriously at first. She had to prove her qualifications and push back on 1- improper demands 2- demands for bribes.
6	Finding qualified Human resources was challenging; Workers not easily motivated; had to give up shares to find qualified people to work with him.	Market was not ready. Innovative and disruptive ideas are challenged; clients do not understand the value of the product.	People are scared of getting scammed. Lot of education and trust building is required. At the end, acquiring clients was starting to get easier, managing employees was getting harder. Had to be very patient to find people to work with
7	Faced lot of resistance to change: Had to educate and explain the value of her services. Unable to find qualified workers	Financial- None Uncovered receivables	Being a female slowed her success. It took her longer to prove herself and her business. She was not taken seriously. Had to spend time understanding the Moroccan way of doing business
8	Educational-/ HR: few candidates know about e-commerce, no subject matter experts when he started. He needed to do everything himself.	Financial- none: investment fund is a shell dept. related to a political agenda Legal- no support from the Government. There is no trust in the system. (Stealing of business ideas); No tax break is being offered.	Cultural – difficulties in changing the way people think about e-commerce. People say yes to everything when they mean to say no. Loss of creativity occurs from lack of motivation and excess struggle proving ones ideas.
9	Finding qualified people to help her rather than expecting her to train them. Challenges in staying motivated with the lack of financial outlook and support	Unable to find VC to support her business. Total absence of startup accelerators and incubators. No source of funding available at all besides family. Not able to find information on how to start or who help from a role model.	It is hard to deal with people who are not educated in morocco. Pro of being a female in Morocco: Finds herself to be very lucky to have the financial and emotional support of her family and especially her father who is a business men. Staying ethical is difficult. Adapt to the Moroccan market was difficult. Persisting requires lot of self-awareness. Education and experience helped, adapting to the environment and the Moroccan market was difficult. Perseverance helped.
10	Customer's loyalty to the product and education- needed to reply to every inquiry and educate consumers. Hiring- inability to find responsible and accountable employees so he	No one wanted to invest in e-commerce because of trust and brand issues. People think of e-commerce as just a website someone running it from a garage, waiting	Branding was expensive from \$3,000 - \$30,000 month - Funding and banking issues in the first year



	had to reply to all inquiries within 2 hours. Dealers' disloyalty not honoring their deals. Dealers will sign contracts and not honor their obligations.	to steal credit card numbers.	
<b>11</b>	Educational- level doesn't meet market demand: poor language skills, no leaders but just followers.	High rates on loan; lengthy and difficult procedures to get approved for a loan. No support is available from the Government. She failed in her first business because she did not get paid for the work she provided to the state as originally agreed on.	Very difficult for women to start and establish themselves. She was always asked to bribe.
<b>12</b>	Micromanaging every project ( very limiting if working on many); complex administration processes	Unfair competition from others- copy and paste rather than being creative Banking system funds 10% but require lot of collateral	Red tapes in the real-estate business Human factor- Moroccan culture and people, hard to adapt to it.
<b>13</b>	Difficulties deciphering the truth- needed to ask many different opinions before coming up with real answers	Work ethics completely different than in the US.	Being a Female made her work harder to establish and prove herself. She had to learn to be persistent, resistant and ignore the fact that people are dismissing her because of her gender. [She had to defy the way people look at her Gender; Ignore the fact that people are looking at you as young female; Networking is hard with men
<b>Conclusions</b>	Shortages of qualified workforce; applicants have the degrees but not qualified to the job; educational system is not training competent applicants; cannot speak their mind, are afraid to lose their job; flat organizations, employees need too much micromanaged; plan to do 2 things and try to achieve 1- lower expectations	Rules and regulations are not complementary to entrepreneurial activities; too much red tapes; whom you know is more important than your ideas or qualifications; public or private sectors funding are very scarce; easy to register the business but no seed money; Unethical competition	To succeed you need to bribe; entrepreneurs need to adapt to the cultural norms; for example saying yes when you mean no There is a mix of religion and business deals (i.e., enchallah- Godwilling hence the yes vs no). Trust in employees and partners is very weak; trust in close family members exist but only helpful if they are part of the business. accept the lack of professionalism; be persistent in this culture; do not give up; ignore the fact that people are looking at you as young person; Private or public networks is convenient for men but it is not feasible for women

Throughout our interviews, we repeatedly heard that what we termed as ‘code of culture’ and the need to adapt to it in order to survive and succeed in Morocco. One of the successful female respondents described her first experience doing business in Morocco. She freely offered her services as a way to introduce her business to the market. However, as she slowly established her product and started searching for clients, she was faced with the Moroccan ‘code of culture’ in which “potential clients were speaking with her in ‘codes’ until someone had to explain to her what those codes meant. The codes were in the form of verbal clues and using religious or misleading terms such as “Inchallah” a widely used term that means agreeing to something or to disagree to something based on God’s decision and our destiny “clients when they were not interested in my product would not want to say it clearly but uses codes instead and that was hurtful to me. I would have preferred they say that they were not interested rather than make me think they were interested by the way they were responding back to me.” The same respondent discussed comparing Morocco to France when it comes to her work. She stated from the legislation point of view, they are many similarities. What changes are the cultural and business ‘codes’. Indeed, Morocco inherited many rules and regulations from the French and Spanish Colonial in 1912-1956 in fact, most Moroccan Laws originate from the laws in France. After the independence in 1956, Morocco become a constitutional monarchy but the impact of the colonization is still affecting Morocco’s education, administration and transport. Referring back to our participant’s mention of ‘codes’ she added “At one points, we are like chameleons- we wear masks. When in Morocco, I use Moroccan codes, when in France, I use French codes. But in Morocco, I have yet to learn all codes”. Codes refer to the way people behave in different settings using different cultural norms, for example, the French, Spanish, Arabic and Moroccan amongst the many other cultures and norms they are accustomed to, based on the country’s strategic location in North Africa. Human factors is defined as “... the study of how humans behave physically and psychologically in relation to particular environments, products, or services”. We are applying this basic description for the case of operating in Morocco. Human factors play an important role in day-to-day operation of business and in entrepreneurial activities. Most of our respondents concur with the below assertion and have either observed it or had to deal with it to move their objectives forward. There are many unwritten rules that most if not all Moroccans are able to understand based on their unique experiences. Moroccan culture and the people for example do not allow for individual to flourish compared to western countries. Decisions must be made in groups – term of “ntchawere”

means taking multiple advices and opinions before making a final decision. When making business deals, the parties refer to the higher power authority in negotiations and use terms such as Inchallah and “ntchawere wen jawoub” meaning, I’ll ask and get back to you. Second, there is a “class” system in Morocco and only a few groups of selected individuals have access to business deals and “right of ways.” For example, a middle class individual has to follow rules and be very patient when dealing with authorities and government officers. Whereas an upper class individual will send his employee to stand in the lines or pay some bribes to expedite the matters.

## Conclusions

We used qualitative data that included face-to-face interviews to examine and identify constraints and opportunities experienced by American and French educated entrepreneurs who returned to Morocco. While limitations of qualitative methods also apply to this study, reporting interview information added to the richness of responses.

Thirteen men and women shared their entrepreneurial experiences regarding micro and macro factors and historical and cultural issues that impacted their progress. The most notable findings are that micro-level factors that influenced all entrepreneurs include motivation, persistence, competencies of the entrepreneur, and family support. Also being able to use private and public networks were important for both genders.

Obstacles and impediments at a macro-level included regulations, bureaucracy, and lack of funding. It also seems that the Moroccan educational system is not training workforces with the knowledge and skill sets needed for contemporary entrepreneurial activities. Morocco remains a traditional culture that does reflect barriers for females, different than some of those that males face when starting a new business, as noted in this study. These findings are consistent with studies in start-up entrepreneurs in developing countries. Our sample conclusions supported (see Table 3) most historical, cultural, institutional, and macro constraints that our integrative model highlighted about conventional societies. Therefore, activist government policies that help development of relevant institutions and support for entrepreneurial activities are required (Asgary, et. al, 2017).

These preliminary results, then, provide further evidence that some Moroccan entrepreneurs educated in western countries can succeed when returning to start and maintain small businesses in the country—including one

who has been highly successful in creating the first online shopping mall. However, the transition for western educated Moroccan entrepreneurs back to this country is generally not easy, and a few do not succeed—particularly for women facing cultural barriers whose influence in public networking activities has proven more difficult. Institutional voids and barriers continue to impede entrepreneurial effectiveness in starting and maintaining start-ups and small businesses in the country. One message from this study to Moroccan government policy and business influential is that in order to welcome and retain returning Moroccan nationals who study outside the country and who wish to start businesses there, it is necessary to transform and adjust financial, governmental, and other institutions to meet the needs of these returnees. The good news is that the Morocco has important social capital characteristics built into its national culture, so much so that returning entrepreneurs continue to be drawn back to family, peer and friendship networks.

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