

# Transnational Entrepreneurship: Beyond the firm



*A case study on running a SME and  
(re)integration of Dutch-Moroccan  
entrepreneurs in the region of  
Casablanca-Rabat.*

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Radboud Universiteit Nijmegen



*“Wherever I lay my hat that's my home [...] and I like it that way”.*  
(Paul Young, 1983)

### *Title*

Transnational Entrepreneurship: Beyond the firm.  
A case study on running a SME and (re)integration of Dutch-Moroccan entrepreneurs in the region of Casablanca-Rabat

### *Photo on the cover*

Dutch-Moroccan entrepreneur A. Arrad in his store in Casablanca selling Dutch cheese.  
*Photo taken on: 20th of May 2013, by Bas Boselie*

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## Preface

In front of you lies my master thesis about transnational entrepreneurship of Dutch-Moroccans in the region of Casablanca-Rabat. The master thesis is a final project in which academic skills and knowledge that are acquired the past years come together in order to show approve that I can call myself Master in Human Geography. When I had to choose a subject for my master thesis it was already clear for myself that I wanted to write a thesis that is linked to Morocco. In 2010, I participated in a study trip to Morocco and the country fascinated me instantaneously. In my view, Morocco is a country with a fascinating culture and diverse landscapes and climates at the doorstep of Europe. This makes it a geographical interesting country.

Morocco intrigued me so much during the study trip, that I decided to return in the summer of 2012 for a road trip. After this road trip my Masters programme began. I approached Dr. Lothar Smith and started discussing about possible subjects to write about related to Morocco and the subjects discussed in courses during the Masters programme. Eventually we came up with transnational entrepreneurship of Dutch people with a Moroccan background that migrate to Morocco and start a business there.

Although my name is on the cover as the author of this thesis, many people made it possible for me in different ways to write this thesis. Firstly, I want to thank my thesis supervisor Dr. Lothar Smith who has been supporting me throughout the whole process of writing the thesis. It has not been an easy process with many ups and downs, but in the end Lothar was always supporting me and put me on the right track again. I am grateful for the commitment of Lothar in supervising me throughout the whole process of writing this thesis and his determination in helping me passing satisfactorily. I will always remember the interesting discussions we had drinking a cup of coffee or tea. Beside that I want to thank him for sparking my interest in Morocco, as he was one of the two mentors that organized the study trip to Morocco in 2010.

Secondly, my sincere gratefulness goes to IntEnt, that sadly is defunct nowadays, and IntEnt Maroc in providing me an internship. Without these organizations it would not be possible to do this research. I want to thank all my former colleagues that I worked with in The Hague and Casablanca for their kindness and support during my internships. In particular, I want to thank Peter Coeleweij and Asmae Idrissy. Peter was always prepared to arrange meetings with people who could be interesting regarding the thesis and he was always willing to help me when I had questions. Asmae supported me outstandingly in arranging practical matters in Casablanca – like renting a house, helping me to get to know Casablanca, providing information or help when needed etc. – and connecting me to transnational entrepreneurs that could be potential respondents in this thesis. I want to thank all my former colleagues in the Hague and Casablanca for receiving me with open arms and making me feel comfortable instantly. I also want to thank the NIMAR in Rabat. Via them I got in touch with IntEnt and IntEnt Maroc, which lead to the internship there.

Thirdly, I want to thank all respondents that were willing to participate in this research by giving interviews. Especially I want to thank the entrepreneurs that are central cases in this research. I want to thank them for sharing their personal stories with me so that I was able to successfully do my research. Your stories intrigued me and I am thankful that I was able to get to know you.

Finally, I want to thank my family and friends surrounding me in my daily life. The past period has not always been easy and thanks to your support I have been able to persevere in finishing my thesis. Especially to my parents; Thank you for your patience and support over the past period. You have been witnessing the whole process and the accompanying struggles in writing the thesis from first hand. This must not have been easy at some moments I think. Notwithstanding that, you had confidence in me and kept supporting me. This means a lot to me. Also thank you Jeroen Claassen, for taking care of this beautiful layout.

Although finishing the thesis took some time and did not always went as smoothly as desired, the result of months of work lies here. Hopefully this thesis explains to everybody surrounding me in my daily life it took some time to finish my Master thesis and hopefully they understand what effort was needed to come to this result. I hope you, as reader, will enjoy reading this thesis!

Schijndel, 12th of June 2014  
Bas Boselie

## Abstract

Nowadays transnationalism is still a topical subject in an emerging research field. Entrepreneurial activities of transnational migrants in a broader perspective of return to a country of origin is a phenomenon that is relatively little researched. Since 2004 there has been some attention on this subject, but still there is a need for more research on this topic. This is why in this research focused on transnational entrepreneurs, namely first and second generation Dutch people with a Moroccan background, that return back to Morocco to start a SME there. This research focuses on the urban context of transnational entrepreneurship, as the region of Casablanca has been chosen as the region where this research has been done. The return of transnational entrepreneurs to Morocco is a question about transnationalism, identity and integration that goes beyond the firm. The social domain of entrepreneurship is linked to transnationalism through the concept of mixed embeddedness. In this setting it is called re-embeddedness. The goal of this research is to gain insight in how certain choices are made by the transnational entrepreneur in running a successful sustainable enterprise in the country of origin. Integration, identity and the concept of embeddedness can explain how these choices are made.

By taking nine cases that are central in this thesis there has been analyzed through a holistic perspective what the strategic choices of transnational entrepreneurs that start and run a business in the region of Casablanca. Semi-structured interviews, expert interviews and observations provided the data that were collected to analyze the process of re-embeddedness of transnational entrepreneurs in Casablanca.

The process of starting a SME from conceiving transnational entrepreneurship to the consolidation of the start up of the business is a process that brings a lot of challenges for both first and second generation Dutch-Moroccans. It is a process that costs a lot of time, effort and money in order to create and run a sustainable business.

It can be concluded that transnational entrepreneurship in the region of Casablanca-Rabat is more than just starting a business and the technical aspects of this. The process of starting a business in the region of Casablanca-Rabat is also a process and a question of integration and identity. Throughout the phases of conceiving and consolidating transnational entrepreneurship in Morocco occur several shifting patterns;

- A shifting pattern in becoming embedded as a transnational migrant in the region of Casablanca to becoming embedded as a transnational entrepreneur
- A shifting pattern concerning integration focusing on social, economic and politico-institutional integration in Morocco to acting within a transnational field
- A shifting pattern of identity. For the first generation Dutch-Moroccans this means that they reintegrate in Morocco. They become Moroccan again while also the Dutch identity still is part of their transnational identity. For second generation Dutch-Moroccans this means that they feel Dutch, but that they adapt to Moroccan society and become more aware of their Moroccan background. Morocco will play a bigger role in their identity the longer they will be living there.

When the process of starting a business advances, this changes to the focus on the transnational identity. They become increasingly connected to both countries at the same time. Networks, being on both locations both physically and virtually, and language are the most important things with respect to this process. Thus, starting a business in Morocco is a complex process where identity, embeddedness and entrepreneurship interact in a transnational field. This is more than just the firm. It is a process of transnationalism and integration.

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# 1. Introduction: Transnational entrepreneurship of in Morocco

## 1.1 Research context

The number of transnational activities have been growing the last decades due to an increasingly globalised world in which distances are diminishing and transnational and global networks are rising. Over the past decades, researchers have been increasingly noticing that immigrants live their lives across different borders. Thereby, they maintain their ties with the country of origin (Schiller et al., 2006, p. ix). Globalization and migration can be seen as triggers of transnational ties and transnational activities. Ashmin (2001, p. 385) describes globalization as “the stretching and deepening of social relations and institutions across space and time such that, on the one hand, day-to-day activities are increasingly influenced by events happening on the other side of the globe and, on the other hand, the practices and decisions of local groups can have significant global reverberations.” By using this definition of globalization it becomes clear that events around the globe affect each other at the same time. It indicates that people, goods, information, capital, etc. are constantly on the move around the world and that events in the everyday life are also influenced by events that are happening on the other side of the globe. This provides a transnational dimension on the everyday life of people and on the cross-border movements of people, goods, capital and information on social, economic, and political level. When we focus on the movement/migration of people it can be concluded that the contemporary globalizing world makes it easier to migrate and live cross-border lives than ever before, especially with the technological advances that have been made in the last decades and the relative distances that are still diminishing due to digital communication, online banking transactions etc.

“While back-and-forth movements by immigrants have always existed, they have not acquired until recently the critical mass and complexity necessary to speak of an emergent social field” (Portes et al., 2011, p. 217). To understand what Portes et al. (2011) mean with this transnationalism has to be explained. Transnationalism refers to persons that are connected to two countries in the shape of having houses in multiple countries, speaking two languages, making a living through regular connections and relations that traverse national borders. Thus, transnationalism can be explained as cross-border activities and cross-border ties of people.

These transnational ties are part of a research field in transnational theories. Transnational theories describe migration as a continuous process whereby people maintain cross-border ties. In the contemporary world with advancing technologies and relatively diminishing distances maintaining transnational ties has become easier. This means that transnationalism is still an emerging phenomenon. Transnationalism should be seen as a ongoing flow of people, goods, ideas and money and influences the way people think, the way they act and the way in which their identity is formed.

Many lives in the contemporary world are influenced by transnationalism. One of the most clear examples in which transnationalism influences the daily lives of people are diasporas. Diasporas refer to groups of people with the same collective ethnicity or religion that have migrated in the past from a country to another. The identity of diasporas is formed by “collective histories, migrations, modernity and nation” (McKittrick, 2009, p. 160). These groups often form minorities in other countries.

In Europe, there are many different diasporas of groups of people with different geographical backgrounds. Many of these diasporas have been settling in European countries because of the colonial history that European countries have with their former (former) colonies (McKittrick, 2009, p.156). There are also other historical factors that could explain diasporas in a certain country. In the 1950s and 1960s many Mediterranean guest workers migrated to Europe because there was a demand for workers at that time (Rath, 2009, p. 677). Also in the Netherlands these guest workers arrived during that period. When the guest workers arrived in the Netherlands they were expected to return when there would not be demand for guest workers anymore.

In 1974, the Dutch government introduced a program called Reintegration of Emigrant Manpower Promotion of Local Opportunities for Development (REMPLOD) that encouraged immigrant guest workers to return to their home country (Migration DRC, 2009, p. 1; Kraniaukas, 2010, p. 15). The Dutch government was trying to encourage voluntary return of the guest workers from Morocco, Turkey and Tunisia to return to their countries of origin. The guest workers that arrived in the Netherlands during the 1950s and 1960s were mainly wage workers and rarely also entrepreneurs (Castles & Miller, 2009, p. 229). But still, by offering help with starting up businesses in the country of origin the Dutch government tried to encourage a successful return. By doing this, the Dutch government hoped that economic development would be stimulated in the regions to which the migrants returned.

Yet, in the late 1970s many guest workers decided to stay permanently in the Netherlands despite remigration policies of the Dutch government. Thereby the immigrant guest workers became a part of the Dutch society. The immigrants who stayed in the Netherlands tried to get embedded in Dutch society by owning or renting a house, getting permanent work or social assistance and starting a family. On January 1st of 2013, the Moroccan diaspora in the Netherlands consisted 368.838 people (CBS, 2013).

The immigrant guest workers that arrived in the Netherlands in the 1950s and 1960s are named the first generation Moroccans but in the meantime there exists also a second (and third) generation Moroccans in the Netherlands who are not born in Morocco, but rather in the Netherlands.

In this respect they are Dutch with a Moroccan background and Moroccan kin<sup>1</sup>. According to the CBS (2013), there were 168.117 people of the first generation Moroccan diaspora and 200.721 people that are second generation Moroccan diaspora. This means that 2% of the Dutch population has a Moroccan background. Within the group of Dutch-Moroccans 251.588 people are 15 years and older (Kosse & Vermeulen, 2013, p. 27).

Different groups of ethnic minorities exist in the Netherlands. Cities are home to dozens of different cultures or cultural backgrounds. This affects social cohesion, segregation, the Dutch culture, education etc. In the second half of the 20th century and the first decade of the 21st century there has been a lot of debate about the Netherlands as a multicultural society. This means that the mainstream thought in politics and society was that several cultures can successfully live together in a country. However, nowadays the criticisms on this approach are the emphasis on minorities adapting to the dominant culture instead of the equality between cultures and ethnic groups that was supposed to carry out within the Dutch society. This led to discussions about cultures, minorities, ethnicity and adaptation and it produced all kinds of questions about the possibility or the sustainability of a successful multicultural society in the Netherlands.

Over the past decades, discussions about integration, religion and criminality rates of Dutch-Moroccans have been dominating the news and public and political debates. Especially after the terrorist attacks on September 11th of 2001 these discussions gained momentum. It can be argued that events like the killing of Pim Fortuyn in 2002 and Theo van Gogh in 2004 accelerated this process. Pim Fortuyn was a politician who raised the discussion about integration of ethnic minorities in the Netherlands and the criminality rates that are relatively high in comparison to criminality rates of people with only a Dutch background. Eventually he was killed by a Dutch left-winged activist. Theo van Gogh was a filmmaker and columnist and a known critic on the Islam who provoked Muslims regularly.

After these events a new politician arose, namely Geert Wilders. His political movement, the Partij voor de Vrijheid (PVV), grew rapidly. To date, the PVV exists. During cabinet Rutte I, from October 2010 until April 2012, the PVV was involved in the government by giving support to the coalition, which did not have enough seats in the parliament to govern. This indicates that ethnic segregation in the Netherlands leads to anti-immigration voting (Van der Waal et al., 2013, p.750).

The main issue of the PVV is to prevent the alleged 'Islamisation' of the Netherlands. This means that the PVV acts against the Islam and the habits of people who express the Islam. E.g. he tried to prohibit wearing headscarves in public, prohibit mosques, fine wearing burqas and prohibit having two nationalities at the same time. Also, Geert Wilders opened a smear campaign against Moroccan people in the Netherlands by stigmatizing the whole Moroccan diaspora into Moroccan street thugs and calling them meat that is allowed to vote instead of just ordinary people who are allowed to vote. It can be argued that these quotes and the rise of Wilders can be seen as factors that tightened the debates about mainly the Islam and Moroccan people within the Netherlands.

This discussion intensified when after local elections in March of 2014 in the Netherlands Geert Wilders asked his followers if they wanted more or fewer Moroccans in the Netherlands. The crowd responded with the words; "fewer, fewer, fewer". Wilders answered them with the words; "Ok. Then we will arrange this". When this moment was broadcasted, mass indignation about the words of Wilders arose. The result was a societal debate arose about the role of Dutch people with a Moroccan background in the Netherlands and the fact that they are part of Dutch society. It also resulted in mass reports of discrimination against Wilders. Furthermore, Dutch people with a Moroccan background photographed themselves with their Dutch passport to make a statement to Wilders and his followers. The event after the local elections of March 2014 in the Netherlands could trigger Dutch people with a Moroccan background to emigrate, but it could also determine them to stay because they want to show they are as Dutch as any other Dutch person. Either way, the event of March 2014 has influenced the public debate and possibly the identity, feelings and behaviour of the Dutch people with a Moroccan background.

Thus, nowadays the public debate about the position of inter alia the Moroccan diaspora is topical and it has become clear that there are groups of people in the Netherlands that stigmatize the Moroccan diaspora. The impact of these developments on Dutch-Moroccan people can be different and this can also influence the way in which these people act. The Moroccan diaspora has become part of the Dutch society and, notwithstanding the debates about the Moroccan diaspora and the Islam, Dutch-Moroccan people have also adapted the Dutch identity by living in the Netherlands and being part of society.

The fact that the debate about integration of ethnic minorities has evolved over the last decade also means that integration has become a theme that can be interpreted in different ways. The fact that Dutch-Moroccans are already part of Dutch society since the first migration wave in the 1950s indicates that Dutch-Moroccans cannot integrate anymore because they became Dutch after receiving their Dutch passports. Still, debates are about integration of inter alia Moroccans in the Netherlands. Second generation Dutch-Moroccans are born in the Netherlands, thus it can be concluded that they are technically just as Dutch as people who only have a Dutch background. The current public and political debate in the Netherlands therewith is in fact is not about integration anymore but still this is what the public and political debates is claimed. In these debates, distinctions are made between autochthonous Dutch people and allochthonous Dutch people. According to the Central Bureau for Statistics (CBS), an allochthonous person is "somebody who is born abroad or somebody from whom one of the parents is born abroad" (CBS, 2014). This means that many people in the Netherlands are in fact allochthonous. There is made a distinction between first generation and second generation allochthonous people. First generation are people born abroad and second generation allochthonous people are their offspring. When a person does not fit the definition of and allochthonous person, the person is called autochthonous.

<sup>1</sup> In this research there will be made a distinction between first and second generation Dutch-Moroccans. If it is not necessary to make a distinction between first and second generation, all Dutch-Moroccans will be named as one group.

A group who eventually did have to integrate in the Netherlands are the first generation Dutch Moroccans. When they decided to stay they had to embed themselves within the Dutch society to build up a sustainable livelihood. They had to embed themselves within Dutch society and become part of Dutch society. This process also influences the identity of those people. On the one hand their identity was formed by their life in Morocco but on the other hand their identity got influenced by their new lives as immigrants in the Netherlands. Also Morocco still formed their identity because of the ties that maintained with Morocco. The decision of a significant group of guest workers to stay in the Netherlands in the 1970s and 1980s and became part of the Dutch society does not mean that the migrants do not have any binding anymore with their country of origin, but there was a variety of reasons for them to stay in the Netherlands. In fact every Dutch Moroccan, first and second generation, is automatically connected with both the Netherlands as Morocco because they possess a double passport and therewith a double nationality.

The Moroccan diaspora in the Netherlands maintains ties with Morocco in different ways. There could be various reasons to maintain their ties with Morocco. Many people still have family in Morocco and visit the country during holidays. But also friends or business relations can be seen as transnational ties. The Moroccan diaspora in the Netherlands sends remittances to Morocco which indicates that transnational ties within the Dutch-Moroccan society are still strong. Most of these remittances are not sent via exchange offices, but they are often given directly by the Dutch-Moroccan migrants who visit their family and friends in Morocco during holidays (Kosse & Vermeulen, 2013, p. 30). Thus, it can be concluded that the Moroccan diaspora in the Netherlands has a transnational mindset.

On the one hand Dutch-Moroccans are part of Dutch society which means that their identity is formed by being part of the Dutch society, on the other hand their identity is formed by their Moroccan (cultural) background. This means that Dutch-Moroccans have to place themselves within a transnational area which is overlapping in some ways in both countries, but it is also tied to local (f)actors in both the Netherlands as Morocco. The fact that Dutch-Moroccans have to place themselves within a transnational area determines the way in which they act. These transnational activities embrace economical, political and socio-cultural activities on local level in both Morocco and the Netherlands. These activities are ranging from flows of social and economical capital, to social relations, to starting up businesses etc. Thus, it can be argued that transnationalism and transnational activities are topical phenomena in the current everyday life of Dutch Moroccan people that have transnational ties and actors around them.

A particular group within the Dutch-Moroccan society in the Netherlands wants to be (come) transnational entrepreneur. They want to start up a business in Morocco for a variety of reasons<sup>2</sup>. Their binding, affinity with Morocco and their transnational identity influence the way in which they operate in Morocco and how they deal with the establishment and running of a business in Morocco. Like the Dutch-Moroccans that decided to stay in the Netherlands, they have to embed in Morocco too to become a successful entrepreneur. This means that they have to embed themselves in Moroccan society to start and run a sustainable business there. Therefore they need to have knowledge about the country and the capability to successfully embed themselves on social, economic and politico-institutional level. Not only must the aspiring transnational entrepreneur embed himself<sup>3</sup> in Moroccan society. The migrant also has to deal with his identity and his place between two countries. The transnational identity of the person influences the actions of a person and the way in which his life is organized. E.g. the amount of contacts with friends or kin in the country of origin can determine the strength of the binding with that specific country. If he is still strongly connected to the country of origin the cultural values can play an important role in his daily life in the country of settlement too. This is important because this could influence whether a sustainable return to the country of origin is successful or not.

The fact that Dutch-Moroccans want to start up a SME in Morocco indicates that transnational ties of those people are more than just going on holiday or having contact with relatives or friends. It indicates that the ties are stronger than that. It is of interest to research this phenomenon because the different concepts of transnationalism, identity, and the everyday life of Dutch Moroccan people can explain the choice to make such step. They are also interconnected with each other and it is of interest to research how this transnational actions manifest themselves in practice. Making the choice and the step to start an enterprise in the 'country of origin'<sup>4</sup> influences the way in which the Dutch-Moroccan will spatially act, how his identity will be shaped, how or if his networks and relations will change and how life is given shape in the broadest sense. It does not only affect the migrant himself, but also his (social) environment both in the Netherlands as in Morocco.

#### *IntEnt Foundation and Association IntEnt Maroc*

One of the organizations that focuses on assisting in starting up small and medium enterprises by transnational migrants is Foundation IntEnt. Foundation IntEnt and Association IntEnt Maroc are non-governmental organizations assisting Dutch transnational entrepreneurs that want to start an enterprise in Morocco in actually starting up that enterprise. The Foundation IntEnt, created in 1996, offers an entrepreneurship development programme to potential transnational entrepreneurs living in the Netherlands wishing to set up a SME in their country of origin. IntEnt is active in 13 countries such as Morocco, Ghana, Surinam, Ethiopia (Molenaar, 2009, p. 14). In order to help potential transnational entrepreneurs across the world wishing to create a SME in Morocco, IntEnt helped with

<sup>2</sup> In this case transnational entrepreneur is defined as: Dutch-Moroccan people who want to start a small or medium enterprise (SME) in Morocco.

<sup>3</sup> From now on, the entrepreneur will be named 'he', whether the transnational entrepreneur is a man or a woman.

<sup>4</sup> The term 'country of origin' is technically speaking not applicable to second generation Dutch-Moroccans. In this research however, it will also be used for this group.

the creation of a Moroccan association in 2007, named IntEnt Maroc. This association offers entrepreneurship services such as: assistance development business idea, execution of the market study, development of the business plan, the creation of the business and follow up activities after the creation of the business.

Both IntEnt and IntEnt Maroc do this by “stimulating entrepreneurship and developing of entrepreneurial skills” in order to strengthen the local economy in Morocco (IntEnt Foundation, 2012). IntEnt Foundation (2012) also states that “by offering purposeful, concrete and comprehensible services and products we can contribute to sustainable development in the countries of origin of Dutch migrants. Not only do we focus on the theoretical and practical side of this, but especially when it comes to dreams people have, we believe that a personal approach and customized service is the way to go when helping an entrepreneur make his or her dream come true!” This means that IntEnt and IntEnt’s main focus is on skills to become a successful transnational entrepreneur and that they therewith help transnational migrants to become skilled and successful in starting up a SME on economic and institutional level. These skills are needed to successfully establish a sustainable SME in Morocco. Also social skills and networks could be important but both organizations can be one of the tools that provide the possibility for migrants to successfully start with an enterprise.

IntEnt and IntEnt Maroc have stated that there is a lot of interest of Dutch-Moroccans in starting up a SME in Morocco (IntEnt, personal communication, January 16th of 2013). There are different reasons for these Dutch-Moroccan people to be interested in starting a SME in Morocco. One of these factors could be the binding and affinity with the country but there could also be other personal reasons. It can be said that Foundation IntEnt is continuing the REMPLOD policy of the 70s, but then on a voluntary manner, by providing assistance to those that wish to start a business on their own accord. Especially in an age where globalization and migration are still emerging it can be expected that more and more people will start an enterprise abroad. This is in line with the renewed attention from policy-makers, scholars and multilateral organizations of the relation between migration and development (Davids & van Houte, 2008, p. 170).

## 1.2 Research objective

The entrepreneurial activities of transnational migrants in a broader perspective of return to a country of origin are phenomena that are relatively little researched. As Black et al. (2004, p. 42) state: “There have been relatively little few recent studies of the decision to return and very little empirical research amongst returnees”. Since 2004 there has been some attention on this subject, but still there is a need for more research on this topic.

Foundation IntEnt is constantly looking for improvement of their concept to assist people in starting SMEs abroad. In the case of Morocco, in my view, it is crucial to understand how migrants who return approach their return and how they do this in practice. Also understanding how their identity influences this and how their identity changes over time is, in my view, crucial. When these aspects of return and setting up a business are understood this can give insights and opportunities for improvements and recommendations for policies or organizations like IntEnt.

The return and starting up a business by transnational entrepreneurs in the country of origin have impact on both the entrepreneur that returns as the actors that are involved in the return of the transnational entrepreneur, both in the country of origin as the country of settlement. I think it is crucial to understand how a transnational entrepreneur embeds himself socially in country of origin to understand why he made a successful start with a SME. The concept of mixed embeddedness, developed by Rath and Kloosterman, could play an important role in this respect. This concept focuses on the embeddedness of immigrant entrepreneurs on social, economic, and politico-institutional level. This concept focuses on the way in which a immigrant embeds himself locally in a country of settlement. The concept of mixed embeddedness will be further elaborated in chapter 2. In the case of Dutch-Moroccan entrepreneurs who want to start a business in Morocco, in the region of Casablanca-Rabat, it is interesting to apply the concept of mixed embeddedness on people who return to the country of origin. The fact that a migrant invests in the country of origin implies that the migrant has certain knowledge about the country and a transnational lens is needed to analyze to understand how the transnational entrepreneur deals with the way he invests in the country of origin. The fact that the transnational entrepreneur has certain knowledge about the country of origin does not necessarily imply that the actual return and investment of the entrepreneur will be as he would expect. Namely, the situation in the country of origin could be different than expected on institutional, political, social or economic level. This is why the concept of embeddedness is a concept that can help analyzing the way in which the transnational entrepreneur invests, starts an enterprise and uses networks and institutions in the country of origin, in this case Morocco. In this area a theoretical – and empirical – contribution to existing literature about embeddedness can be made.

Following on the debate about migration, integration/identity and transnationalism given in the beginning of this introduction, the objective of this research is to explore and analyze the way in which Dutch-Moroccan entrepreneurs strategically approach running a SME in the economic region of Casablanca-Rabat and how this changes over time. It is also the objective to explore what role the transnationality plays in the way the Dutch-Moroccan entrepreneur acts. This includes the way in which he uses his (transnational) identity and the way in which the migrant acts within both a local and global framework. This provides an international and transnational dimension to this research. Thus not only the strategic choices and actions in Morocco will be researched, but also the international dimension and the activities of the transnational entrepreneur in the Netherlands.

The goal of this thesis is to gain insight in how certain choices are made by the transnational entrepreneur in running a successful sustainable enterprise in the country of origin. This includes the extent to which choices of the migrant are made rationally or not. E.g. a choice can be made rationally by a migrant when he consciously makes choices regarding his enterprise, but it can also be that a migrant makes choices because he does not know any better. Thus, the relation between actors and which actor has the agency in social interactions will be analyzed to determine how the process of running a business by a transnational entrepreneur is shaped. Agency in this respect could lead to possibilities for the entrepreneur, but also to (un)desirable obligations and expectations of the actors (or culture) that are involved in enterprising in the region of Casablanca-Rabat.

The choices the transnational entrepreneur makes in relation to migration could also be determined by culture, social networks and the economic situation of the migrant. These could induce a shifting pattern of identity, affinity and eventually the binding with both Morocco and the Netherlands. This means that it is important to analyze the transnational activities of the entrepreneur in both Morocco and the Netherlands. Both the actions on global and local scale of the transnational entrepreneur can explain the way in which he embeds and acts. This will provide the possibility to analyze the process of running a SME in a holistic way. It is hereby the objective to fathom why the transnational entrepreneur makes certain choices in relation to his actions, network or his business and to relate this to the contextual framework of the entrepreneur.

The research will be performed by using the concept of (re-)embeddedness to explore the extent of (re)integration in Morocco, the rationality behind choices that the transnational entrepreneur makes in running a business, and the way in which the social, economic, and politico-institutional (f)actors are involved in the process of starting and running a SME in both the Netherlands and Morocco.

#### *Beyond the firm*

This research will not solely focus on the way in which a migrant runs a business through a business management perspective, which focuses on the technical aspects of running an enterprise. Rather it will mainly focus on the social networks, culture and the institutions that influence the choices the migrant makes. This makes this research go beyond the firm. By doing this, not the SME itself is central in the research but rather the migrant and his utilization of his social and institutional environment in order to run a business. This results in an encounter of a socio-cultural and an economic field. This 'colors' the array of choices of the migrant and what rationality is followed within different dimensions that are interconnected. By analyzing the choices the migrant makes on social, economic and politico-institutional level and the changing pattern of identity a broader field will be analyzed than just the firm and investment itself in which the migrant is involved. This is important because I think that not only entrepreneurial skills, but also getting embedded within a 'strange' society is crucial to determine whether a SME can be sustainable or not. It adds a geographical dimension on entrepreneurship rather than a solely managerial approach on starting a SME, especially in the case of transnational entrepreneurship. This research can be seen as a case study whereby a research will be conducted on migrants that migrate to the country of origin in the region of a city in the Global South. Because there is a transnational component added to this form of return in relation to the concept of embeddedness this research can be seen as a new approach within the field of transnationalism.

A second argument why this research goes beyond the firm is that the possibilities of the migrant could change over time once the firm is developing and when the way in which investments are done is changing. Hereby, it is necessary to provide a holistic analysis that goes beyond the firm itself. This means that not only the firm itself will be analyzed, but rather the way in which the migrant deals with choices, changing binding and identity, and possibilities in a social, economic and politico-institutional framework.

### 1.3 Relevance of the research

#### *Scientific relevance*

This research contributes to existing literature and theories about the application of the concept of embeddedness not in a 'new' country, but rather in the a country where the entrepreneur has a (cultural or ethnic) background. This adds a transnational dimension to the concept of embeddedness. The use of the concept of embeddedness in this way is relatively little researched. Thus, this research could be a significant contribution to an elaboration of the theory of re-embeddedness of Davids and van Houte (2008) and the scientific debates around transnationalism. This is important because it allows scholars to understand transnational entrepreneurship to a country of origin and the way in which migration and the way in which a migrant acts manifest themselves in practice. The application of the concept of re(versed)-embeddedness in relation to integration in this way differs from the applications of the concept of mixed embeddedness that have been done before.

The concept of mixed embeddedness is mainly applied to immigrant entrepreneurship in a 'new' country of settlement of the migrant and to analyze the way in which and to what extent the migrant integrates. In this research, embeddedness will be applied to the return and possible (re)integration of a transnational migrant to the country of origin, in this case Morocco. This is of added value because it gives insights in the behavior and strategic choices migrants make during their return to the country of origin. Because transnational entrepreneurs will be analyzed, an analysis will be made about not only integration in the host country (or the country of settlement), but also (re)integration in the country of origin. Thus, the concept of embeddedness will be applied on the phenomenon of transnational entrepreneurship in the movement back of a migrant. This is a significantly different use of the concept of embeddedness that is relatively little researched and that could provide a theoretical surplus to existing literature about embeddedness.

This research problematizes the integration of migrants in the country of origin, but in a transnational perspective. The integration in Morocco will be analyzed but also the way this influences the way of life of the migrant. This means that an extra dimension is given to the subject of integration of migrants in their country of origin. It is important to add this dimension because the transnational actions and behavior affect the choices the migrant makes regarding the integration in Morocco.

#### *Societal relevance*

This research is relevant because it focuses on the emergence of transnational worlds in which diaspora communities are still connected to their country of origin and the shifting patterns within these transnational worlds are important to understand. Transnational entrepreneurship and remittances are direct examples of the way in which transnational activities are manifesting themselves between countries. These phenomena influence both society in the Netherlands as society in Morocco and create new geopolitical relations between nation-states.

Adjacent to this, reason why this research is socially relevant is the current (political) debate in e.g. the Netherlands about development and trade in developing countries. The Dutch government created a ministry of Development and Trade and to this respect this research is very topical.

Furthermore, research is relevant because it research provides insight in the way in which transnational entrepreneurs run a business in the country of origin and this leads to possible recommendations on policy measurements for nations/states like the Netherlands and Morocco or organizations that assist migrants in returning to their country of settlement.

By applying the concept of embeddedness, the complexity of transnational entrepreneurship can be made in a holistic way to explain the phenomenon of transnational entrepreneurship within a framework of return migration. By performing this analysis, governments and other institutes could gain more insight in transnational entrepreneurship and return migration. This could help those institutes by making policies about migration and entrepreneurship. This research is especially relevant in the context of developing policies and treaties between two or more states, e.g. treaties between the Netherlands and Morocco concerning migration policies.

#### *Relevance for IntEnt Maroc*

For IntEnt Maroc this research is also of added value. With the results of this research IntEnt Maroc gains more insight in helping transnational entrepreneurs that want to start up an enterprise abroad and the complexity of embeddedness that exists behind starting up a SME in a country of origin. At this moment the focus of IntEnt Maroc is on skills to be a good entrepreneur. But this research also provides insight in the role of embeddedness and identity in relation to be a successful entrepreneur or to start a sustainable SME. The conclusions of this research and the empirical findings can help IntEnt Maroc to get more understanding of what is needed to start a sustainable SME in Morocco. Not only the entrepreneurial skills but also the cultural, social and economic aspects of successful entrepreneurship in Morocco come to the forth in this research. This goes beyond the firm and the model of IntEnt Maroc because this research also takes the local factors of Morocco into account.

Also the analysis that IntEnt asked for provides insights in the reasons why the broad interest in starting up an enterprise in Morocco does not always result in the actual start of an enterprise in Morocco. The results of that analysis could be useful for action plans within the model that IntEnt Maroc uses when it comes to guiding and helping starting transnational entrepreneurs. Finally, information that was unknown before can provide new insights for potential further elaborations.

## 2. Theorizing transnational entrepreneurship

In this chapter the research context of transnational entrepreneurship in the region of Casablanca-Rabat will be conceptualized theoretically. Transnational entrepreneurship of Dutch-Moroccan migrants in the region of Casablanca-Rabat is a question about (re)integration that is conceptualized in an urban and global context whereby different academic fields come together. This research is a question about integration, migration, transnationalism, mixed embeddedness, entrepreneurship and identity. These aspects of transnational entrepreneurship will be conceptualized in this chapter in order to create a theoretical framework to explain the theoretical context of this research.

In this theoretical framework theories that are needed to conceptualize the goal of this research will be explained in order to theoretically elaborate the research objective. At first, since the urban region of Casablanca-Rabat is central in this research, the concept of urbanization in the Global South will be discussed. This conceptualizes the urban context within the region of Casablanca-Rabat in this research. In section 2.2 transnationalism will be explained and eventually be related to transnational entrepreneurship and migration and to transnational networks. In section 2.3 the concept of embeddedness will be explained and it will be related to entrepreneurship of migrants. Afterwards, the concept of embeddedness will be linked at integration and identity and at re-embeddedness, which discusses embeddedness in a transnational framework when people migrate to the country of origin and have to re-embed again. In section 2.4 the conceptual model of this research will be given and explained on the basis of the research goal given in section 1.2. Finally, in section 2.5 a brief conclusion will be given where the concepts of this research will be linked together.

### 2.1 Urbanization in the Global South

In the contemporary world urbanization is a topical phenomenon. The boundary of 50 percent of the world population that lives in cities has been exceeded and it is expected that by 2030, a majority of 5 billion people of the world population will live in cities (UNFPA, 2007). During the next decades 95 percent of urban population growth will take place in global cities in the developing world (Dawson & Edwards, 2004, p. 2). This means that cities in the Global South will take other forms and will be spatially and demographically different from cities in the Global North. Cities in the Global South also have to deal with different ecological, social and political issues. Cities have become cosmopolitan gathering places where information, people, goods and capital flow constantly (Dawson & Edwards, 2004, p. 1). Sassen, who is a known scholar on the subject of global cities argues that urban spaces have the role of “command points” which facilitate the capitalist globalization (Dawson & Edwards, p. 3). This means that global cities are ideal business locations for transnational companies, finance companies, and information/technological companies because global cities are hotspots for economic activities. According to Dawson & Edwards (2004, p. 3) cities in the Global South in this respect can be approached in two ways. The first way is that one can look to cities in the Global South on the basis of central places that are dynamic and can be ranked within a global hierarchy. The second way is that one can approach cities in the Global South as places to “identify secondary networks of global economic flows, turning from the highest order of capitalism to ‘new geographies of centrality’ that foster capitalism on lower levels, which may be continental and regional rather than global” (Dawson & Edwards, 2004, p.3). This means that cities in the Global South, like Casablanca, are influential on different scales ranging from global to regional and local scales.

Cities in the Global South often have a formal and an informal economy, which both affect different actors. This means that actors can operate within cities in the Global South on different scales. Herewith, it can also be seen as a reason of social and economic inequalities within cities in the Global South. The informal economy means that the economy within a city is functioning without official regulations and institutions, control or formal systems. These aspects of economies in the Global South are important to understand how the society within a region functions both economically and socially. The economy and society as a whole is based on a set of formal and informal institutions and socio-economic activities that shape the socio-cultural and economic structures within a society.

#### *Institutions*

North (1990, p. 3) defines institutions as “the rules of the game of a society or more formally are the humanly-devised constraints that structure human interaction. They are composed of formal rules (statute law, common law, regulations), informal constraints (conventions, norms of behavior, and self imposed codes of conduct), and the enforcement characteristics of both”.

This means that institutions determine how relations between people are determined. E.g. Friendships can be differently institutionalized than business relations. The attitude of a person regarding expectations that this person has within a relation and the outcomes of this relation with a different person and vice versa determine how the relation between these people is shaped and expressed in practice. Institutions are an influential factor in this process. E.g. when a person wants to buy a car different forms of institutions come to the forth. The relation between the buyer and the seller is mainly focused on business. It is possible that the buyer wants to negotiate about the price of the car. If the seller is willing to negotiate they can try to arrange a price that satisfies both persons. In this case, in the negotiation process different institutions could be revealed, like the way in which they expect to treat each other in the negotiation process and how they expect to be treated, shaking hands when the deal is made, offering the buyer a cup of coffee before the negotiation starts, etc. These are all examples of informal institutions during a trade. Examples of formal institutions in the same example of selling a car can be registration of formal data about the seller when the deal is made, signing a contract, arranging insurances, arranging the transaction via a bank, etc.

Institutions can also be linked to economic structures and activities in a local, national, or global economy. Formal and informal laws and regulations determine how people trade because of formal and informal relations that are present in doing business. It reveals the social and economic context of trade. The informal economy officially is constructed out of illegal activities, which can be compared to the 'black market' in the Global North (Pacione, 2005, p.670). This part of economies in cities in the Global South is important for cities. Without the informal sector, cities in the Global South would not function because a significant part of the urban societies in the Global South depend on the informal sector. The formal economy is constructed out of regulations, formal institutions, registered companies and banks etc. Pacione (2005, p. 503) makes a distinction between the formal and the informal economy by referring to the upper circuit and the lower circuit. The main differences between the formal economy (upper circuit) and the informal economy (lower circuit) are given in figure 1.

|  | <i>Upper circuit</i>                    | <i>Lower circuit</i>                           |
|--|---|--|
| Technology                             | Capital-intensive                       | Labour-intensive                               |
| Organisation                           | Bureaucratic                            | Primitive                                      |
| Capital                                | Abundant                                | Limited  |
| Labour                                 | Limited                                 | Abundant                                       |
| Regular wages                          | Prevalent                               | Exceptionally                                  |
| Inventories                            | Large quantities and/or high quality    | Small quantities and poor quality              |
| Prices                                 | Generally fixed                         | Negotiable between buyer and seller (haggling) |
| Credit                                 | From banks, institutional               | Personal, non-institutional                    |
| Profit margin                          | Small per unit; but with large turnover | Large per unit; but small turnover             |
| Relations with customers               | Impersonal and/or on paper              | Direct, personalised                           |
| Fixed costs                            | Substantial                             | Negligible                                     |
| Advertisement                          | Necessary                               | None   |
| Reuse of goods                         | None (waste)                            | Frequent                                       |
| Overhead capital                       | Essential                               | Not essential                                  |
| Government aid                         | Extensive                               | None or almost none                            |
| Direct dependence on foreign countries | Great; externally orientated            | Small or none                                  |

Figure 1: The nature of the two circuits in the Third World urban economy  
Source: Pacione (2005, p. 503).

## 2.2 Transnationalism

Transnationalism influences the everyday lives of migrants and the actors around the migrant in multiple countries. In section 2.2.1 transnational networks and the way in which they manifest themselves in practice will be explained to understand how a migrant operates and how networks are spatially constructed. Transnational networks will also be related to transnational entrepreneurship to uncover the complexity of the concept of transnational entrepreneurship.

As explained in the introduction, transnationalism refers to persons that are connected to two countries in the shape of having houses or jobs in multiple countries, speaking two languages, making a living through regular connections and relations that traverse national borders. These aspects of the lives of migrants can be seen as cross-border activities and cross-border ties of people.

These transnational ties are part of a research field in transnational theories. Transnational theories describe migration as a continuous process whereby people maintain cross-border ties. According to Vertovec (1999, p. 447) transnationalism refers to "multiple ties and interactions linking people or institutions across the borders of nation-states". This means that the migrant can be present and act in multiple locations at the same time. Herewith, transnationalism should be seen as a ongoing flow of people, goods, ideas and money and influences the way people think, the way they act and the way in which their identity is formed.

In the contemporary world with advancing technologies and relatively diminishing distances maintaining transnational ties has become easier (Vertovec, 1999, p. 447). This means that transnationalism is still an emerging phenomenon. Distances do not matter anymore as they did before the technological advances and transportation possibilities. This means that transnational activities are widespread throughout the globe.

In the current academic field transnationalism is used in all sorts of disciplines to describe different phenomena. As Vertovec (1999, p. 448) states: “We have seen increasing numbers of studies on ‘transnational...’ communities, capital flows, trade, citizenship, corporations, inter-governmental agencies, non-governmental organizations, politics, services, social movements, social networks, families, migration circuits, identities, public spaces, public cultures”. This indicated that transnationalism is not just a geographical or sociological concept, but a concept that can be applied to a range of academic disciplines to explain different phenomena.

### 2.2.1 Transnational networks and transnational entrepreneurship

To understand how transnationalism affects the migrant and the surrounding actors in spatial sense, it is necessary to elaborate the concept of transnational networks. Transnational networks can explain how the life of a migrant is constructed on a social and spatial level. This means that the acts and the way in which a migrant organizes his life can be understood in this way. Castles & Miller (2009, p. 51) state that in a globalizing world transnational networks are key organizing structures of cross-border flows, which contain finance, trade, governance, products of culture and media, environmental pollutions and people. Smith (2005, p. 2) state that transnational networks are a set of complex interconnected multidimensional aspects of transnational activities in which economic, social, political, cultural, technological and interpersonal linkages.

Social networks are crucial for migrants in order to successfully find jobs, housing, services or goods (Vertovec, 2002, p. 3). Migration can be seen as a pattern that is created by social networks and that creates social networks. This means that social networks determine how a migrant acts through space and time. Connections determine how a migrant can position himself within a transnational field. This means that both in the country of origin as in the country of settlement a migrant has to establish his networks to successfully act within a transnational field. It differs from migrant to migrant how these networks manifest themselves in practice. “High occupational groups, for instance, rely more on networks of colleagues or organizations and less on kin-based networks than unskilled workers” (Vertovec, 2002, p. 4).

#### *Networks and transnational entrepreneurship*

Chen & Tan (2009, p. 1080) state that networks are one of the most important features of transnationalism. They add to this that transnational entrepreneurship is a new way to obtain insights in globalized networks because both migration and entrepreneurship are cross-border practices seen through a transnational lens. This means that these transnational networks both have connections on local and global scale. Chen & Tan (2009, p. 1080) continue that transnational entrepreneurship is a multi-faceted process whereby the migrant sees opportunities to start a business across national borders. In this respects social networks are crucial to successfully embed themselves within a framework of institutions on macro, meso and micro level. “Entrepreneurs rely on social networks to cope with uncertainty, acquire legitimacy, and offset the absence of formal institutional support. Dense networks can generate social control that reinforces in-group trust, collaboration, and obligations” (Chen & Tan, 2009, p. 1081). This means that social networks of transnational can be crucial in starting a business across the border and that trust is one of the most important factors in getting socially embedded in the country of settlement.

On macro level the institutional context in the home and the host country are important to understand “the larger institutional context” that influences transnational entrepreneurship, namely globalization, and market conditions and opportunities in the host country (Chen & Tan, 2009, p. 1081).

The micro level of transnational entrepreneurship is the aspect that explains transnational entrepreneurship on individual level and access to resources. Hereby networks have to be seen as the link between the demand side and the supply side of transnational entrepreneurship and the opportunities of the migrant in relation to the individual needs of the migrant at different levels (Chen & Tan, 2009, p. 1081). Chen & Tan (2009, p. 1081) aim at networks that function to access “instrumental resources such as information, capital, market, technology, and expressive resources such as emotional support”. This means that networks are valuable and give the migrant the possibility to use these networks as a surplus or a replacement of formal institutions. This is important because it can generate access to resources in different ways or faster ways than just through the formal institutional way.

Finally, the meso level of transnational entrepreneurship links the micro and the macro level of transnational entrepreneurship (Chen & Tan, 2009, p. 1082). This is why the term globalized networks is sufficient in relation to the meso level of transnational entrepreneurship. This indicates that global and local interact with each other and that global and local factors determine how a transnational entrepreneur acts. The fact that new technological advances have emerged in social networks, causes that networks have manifest themselves both global and local at the same time. Thus, technological advances, globalization and migration have made it possible for individuals to interact with multiple actors at the same time (Chen & Tan, 2009, p. 1083).

### *Social capital and trust*

Finally, in relation to transnational networks, it is necessary to explain the concept of social capital in relation to social or transnational networks. Social capital is needed to gain access to networks and resources. How networks work and how relations are manifesting themselves is determined by an institutional framework. Social capital relates the networks and institutions and shape this relation empirically. Social capital is defined by Baker (1990, p. 619) as “a resource that actors derive from specific social structures and then use to pursue their interests; it is created by changes in the relationship among actors”. This implies that social capital gain access to resources by using their relations. Bourdieu (1986, p. 248) adds an institutional component to the definition of social capital. He defines social capital as “the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition” (Bourdieu 1986, p. 248). This brings a contextual component to the definition of social capital and the way in which relations are formed and perceived. Herewith, social relations can be understood better. Thus, it can be relations, institutions and social capital are linked to each other.

There are two concepts that are important in relation to social capital and transnational networks. The first is that social capital can generate opportunities of embedding yourself as migrant within a transnational network or a society. This means that a migrant can use social capital for the purpose of looking after his interests and gain access to resources by using ties within his network. Social capital can also generate limitations regarding the way a transnational migrant acts due to expectations of actors within a transnational network of the migrant that cannot be granted because of a variety of reasons. Also expectations of the other actor can counter or slow down the development or progress of the migrant to reach certain goals. E.g. a transnational entrepreneur wants to borrow some money of a friend to make a small investment in his business, the friend of the entrepreneur could ask for participating in the business, while the entrepreneur think the business will grow faster when he operates alone. In this case, social capital has some benefits regarding the development of the business, but at the same time it slows down the development of the same business. A migrant, and the involved actors within the network of the migrant always have to balance costs and benefits of social relations and exchanges of services or forms of capital

Another important component in relation to transnational networks and social capital is trust. Trust can produce exchanges of services and goods. When a migrant trusts actors within his network and when the actors trust the migrant, there is potential for a good relation in which the migrant and the actor that is involved can benefit from each other. Without trust, this relation is more difficult to establish. Institutions affect the way in which these relations are shaped and provide a framework which determines the kind of relation and the extend of exchanges that can be done. Social capital affects relations and relations affect the way in which exchanges of services and goods are arranged. Thus, social capital affects social relations and social relations affect the forms of social capital and the outcomes in practice.

## **2.3 Embeddedness**

Embeddedness is a term that has been mainly used to describe the economic behaviour of immigrant entrepreneurs that start a small or medium-sized enterprise (SME) in a host country. The term refers to economic behaviour as a phenomenon that is not determined by universal values, but rather socio-cultural and institutional values that can be specific in time and space (Pacione, 2005, p. 669). This means that embeddedness tries to explain entrepreneurial behaviour not from a macro perspective, but rather a micro and qualitative perspective. Locality in this respect is an important component of the concept of embeddedness. Namely, embeddedness explains how a migrant acts local. The more global and macro component of economical behaviour of transnational entrepreneurs is explained the transnational dimension.

Social and institutional frameworks in forms of networks determine the success or failure of economic action and behaviour of entrepreneurs that start enterprises abroad. Hess (2004) states that embeddedness is conceived as a term that is used in a spatial sense whereby economic success can be related to ‘locally clustered networks of firms’. This means that economic and social relations are factors that determine whether an actor is local embedded or not and therewith can be successful or not. Local embeddedness leads to ‘institutional thickness’, which can lead to economic success in a region. Institutional thickness indicates the extent of embeddedness of a migrant in a region. It indicates that strength of the network of the migrant, which determines to what extent the migrant has the ability to use his networks, knowledge of a culture and economic resources in order to achieve running a sustainable and economic successful business. The ability of using the ties and networks and society in general that an entrepreneur has, determines if the relation that the entrepreneur has with a certain actor is recognized by both the entrepreneur as the actor that is involved. Trust and shared values in a relationship with an actor determine whether the relation between the entrepreneur and an actor is useful to utilize.

If a transnational entrepreneur is locally embedded, this means that he has the opportunity to use the ties and networks that he has successfully. This ensures the chance of economic success. On local and transnational level embeddedness should be analyzed. The network of a transnational entrepreneur can consist formal organizations, clients, friends, family, etc. in both the country of origin as the country of settlement and also experiences and knowledge of more than one country and culture can lead to sustainable entrepreneurship. Institutional thickness can consist both social networks as business networks. Networks can offer possibilities for the entrepreneur, but it can also be detrimental. E.g. a family member can offer you a friend's service, but at the same time the family member can assume that he will be actively involved in the business the entrepreneur is running. It is therefore important to analyze in what shape institutional thickness is manifesting itself and what choices a entrepreneur makes.

### 2.3.1 Mixed Embeddedness

Kloosterman et al. (1999) state that not only embeddedness in social networks is important for the socio-economic position of a migrant, but also "politico-institutional environment of the country of settlement". This is where mixed embeddedness becomes important. Kloosterman et al. (1999) argue that both sides of embeddedness, namely socio-economical and political institutional embeddedness, are important. It brings informal and formal together to provide a sufficient analysis of "processes of insertion of immigrants entrepreneurs". Mixed embeddedness focuses on integration of a migrant as an ongoing process and not as a determined success or failure and therewith it goes beyond just embeddedness within social networks.

Mixed embeddedness is open-ended on micro level because of constantly changing experiences of the migrant and it is influenced by actors and factors at both local and transnational level (Davids & van Houte, 2008, p. 174). Kloosterman et al. (2001) make a distinction between mixed embeddedness on a national, regional/urban and a neighbourhood level to explore opportunities of immigrants. On the regional/urban level Kloosterman et al. (2001, p. 196) argue that the importance and the function of cities have come increasingly to the fore. This influences the way in which an entrepreneur can explore his opportunities and in the way he makes strategic choices. This is important to understand how an entrepreneur acts and how he uses the city. This is also determined by the opportunities an urban region or city offer. The city or urban region has to be able to be part of a 'global mosaic of regional economies' in order to be successful. This is driven by technological advance, global competition and the changes of communication and telecommunication. These aspects influence the behaviour and strategic choices of entrepreneurs. Thus, local and regional economic and social activities and the possibility to act within a transnational framework on national and global level determine how entrepreneurs act on both local and global level.

#### *Social embeddedness*

Social embeddedness is a term that got great attention after an article of Granovetter introduced the term of social embeddedness in the mid-1980s. Social embeddedness is a term that tries to explain economical behaviour of individuals that are embedded into social networks which are constructed by social relations (Granovetter, 1983; Granovetter, 1985). Networks are one of the most important factors regarding embeddedness. The concept of embeddedness on local and transnational level consist personal networks, informal networks and formal networks. Thus, social networks are one of the key factors of analysis to understand in what ways social embeddedness influences economic behaviour. Edmonds (1999, p. 323) adds to this that agency and relations between actors play an important role to model and analyze social embeddedness and economic behaviour. The way in which an actor relates himself and interacts with different of actors determines to what extent an actor is socially embedded. In the case of transnational entrepreneurs this is given shape by both the perspective of the entrepreneur as the perspective of involved actors on their social relation. According to Granovetter (1983) social networks are the most important form of embeddedness because human behaviour is embedded in personal and structural social relations. Social capital, local relations and transnational relations are important in this respect. An entrepreneur can benefit from these social networks when he needs help when he runs his business. Ties with family, friends, other entrepreneurs or institutes can be useful in these cases. E.g. when an entrepreneur needs to arrange his business administration a friend or family member who is specialized in business administration could help him. In return, the entrepreneur can do a favor for his friend or family member.

#### *Economic embeddedness*

Next to social and politico-institutional embeddedness, the concept of mixed embeddedness includes economical embeddedness. Economic embeddedness refers to the economic capability of migrants to be embedded. The migrant has to be able to provide a sustainable livelihood in order to successfully integrate (van Houte & de Koning, 2008, p. 7). This means that a migrant has to have economical capital and resources to have the opportunity to imbed himself. Forms of economical capital are housing, stock, education and income and health care. Without those resources a migrant has difficulties to be embedded and actually perform successful economic sustainable behaviour.

Kloosterman et al. (2001, p. 190) argue that opportunities of migrants are partially determined by demand of the market system. This is closely related to economic embeddedness. This means that a transnational entrepreneur has to find an opportunity to start an enterprise in a part of the market system in which starting an enterprise could be sustainable. Namely, if there is a surplus of enterprises in a sector it will be more difficult to start up a successful enterprise. The opportunity must also be accessible by the entrepreneur. This means that the entrepreneur must have the opportunity to compete with other enterprises within the sector the entrepreneur wants to start an enterprise. When a small entrepreneur has to compete with a big transnational corporation (TNC), the competition is uneven. Also on cultural level the entrepreneur has to know how the market works, what the business climate is, what demands are within society, how society works and how the business climate works. Finally, the entrepreneur has to be able to generate an income that is sufficient for a living and sustainably maintain the enterprise and to be able to generate capital that can be invested into the business.

### 2.3.2 Re-embeddedness

When a Dutch-Moroccan migrant returns to Morocco to start a business in the country of origin this influences the identity and affinity with Morocco of the migrant. (Re)integration is one of the factors that influence the aspects of identity and affinity of the migrant with Morocco. This could influence the way in which the migrant acts in the country of origin. Re-embeddedness in this respect goes beyond the firm. This means that embeddedness does not only focus on the enterprise abroad but also on the social, economic and politico-institutional embeddedness of migrants in a country. Embeddedness is related to the integration of the migrant in this case. Embeddedness is a concept that is applied to analyze the integration of immigrant entrepreneurs in 'new' countries of settlement, but research about the integration and the concept of embeddedness in the return of a migrant is scant. The migrant is forced to re-embed when he wants to start a successful and sustainable enterprise in Morocco.

The way in which he uses institutions and social networks and the way in which these networks and institutions determine certain choices the transnational entrepreneur makes determine the process of starting and running an enterprise in Morocco.

Also the choices the transnational entrepreneur makes in relation to migration are determined by institutions and social networks. These could induce a shifting pattern of identity, affinity and eventually the binding with both Morocco and the Netherlands. This is never a deterministic pattern, but rather a dynamic pattern that changes over time. The way in which binding changes over time can be analyzed through a transnational lens that focuses on embeddedness. Davids & van Houte (2008, p. 174) state that the extent of sustainable return and embeddedness of a migrant is determined by economic, social dimensions and by identity.

## 2.4 Transnationalism and embeddedness

As became clear in the prior sections, transnationalism determines the way in which a transnational entrepreneur acts spatially, the way in which a migrant can embed himself within a society, the way in which his relations and network are shaped and the way in which there are opportunities for migrants to build up sustainable livelihoods or businesses. Another aspect that is influenced by transnationalism and the embeddedness of a migrant is the identity of a transnational entrepreneur. When a transnational entrepreneur returns to the country of origin and embeds himself there, this raises questions about integration and identity of the migrant. Thus, transnationalism and embeddedness within a society influence the identity of a migrant. In this section concepts and issues of integration and identity of transnational entrepreneurs will be discussed. Also the relation will be made with the choices of transnational migrants and the way in which they operate within a transnational field.

### 2.4.1 Integration and identity

In order to understand the strategic choices that a transnational entrepreneur makes it is necessary to know how he uses and how he is able to use his transnational identity in practice. This means that the way in which a transnational entrepreneur moves between places and how he uses place are important to understand the choices that he makes, e.g. if the entrepreneur identifies himself as cosmopolitan place has a different meaning for the migrant than when he emigrates to the country of origin or when he decides to stay in the country of settlement. Also place itself is important to understand. In an urban and economic viable environment an entrepreneur can use his transnational identity in another way than when he would start an enterprise in a rural region. The urban region of Casablanca could provide the opportunity for transnational entrepreneurs to act in a certain

form of anonymity within an urban economic environment. In this way, the entrepreneur could act differently in metropolitan regions, like Casablanca, than in rural regions. In this way it is easier to carry out the transnational identity of the entrepreneur than in rural contexts. Namely, the entrepreneur could have the ability to act more autonomously in an urban region than in rural regions because of the economic and metropolitan environment. This could mean that the entrepreneur uses his networks differently than he would do when he would settle himself in another region. The urban region could also create the opportunity for the transnational entrepreneur to act at different places at the same time. If a transnational entrepreneur starts an enterprise in an urban area the entrepreneur will be more mobile and traveling is easier and relative distances between the country of origin and the country of settlement are shorter than when the transnational entrepreneur starts an enterprise in a rural region. Thus, the function of the urban region of Casablanca in relation to the way in which a transnational entrepreneur acts is important to understand. The meaning or the function of Casablanca can be different for each entrepreneur.

To successfully integrate into a society a person has to be able to embed himself on different levels. Herewith, integration is a complex process whereby a person has to be able to embed himself on economic, social and political level. Integration also influences the identity a person has and the binding a person has with different places. There is also the question of when a person is fully integrated. A person can be embedded on economic, social and political level but this does not necessarily mean that a person is successfully integrated into a society. The person has to feel himself at home, but people around him or people on the street also have to feel that the immigrant is able to adjust himself to the society and that the immigrant has become 'one of them'. This makes the concept of embeddedness an indicator to determine whether a person has the resources to become integrated instead of a tool to determine whether a person is integrated or not.

### *Cosmopolitanism*

Since transnationalism and transnational entrepreneurship are phenomena of migration that contain an international dimension whereby the migrant has to struggle with multiple identities and cross-border relations, it is interesting to understand whether a migrant acts and identifies himself as a cosmopolitan migrant or not. Also in relation to this research, the cosmopolitan region of Casablanca is central, which makes it necessary to understand the concept of cosmopolitanism in relation to transnational entrepreneurship. "In everyday usage, the term developed a meaning of an attitude of open-mindedness, an interest in travel, and encountering difference as part of a particular lifestyle, as opposed to identification with a particular religious, political, or national affiliation" (Binnie et al., 2009, p. 307). This means that cosmopolitanism in this way is approached as a term to describe open-mindedness and affiliation with international places. However, the concept of cosmopolitanism also refers to a more conceptual and complex phenomenon which tries to explain behaviour and mindsets of (individual) migrants.

Cosmopolitanism is related to a sense of belonging (Haupt, 2007, p. 2). Herewith, it relates to identity of migrants and the way in which they embed themselves into societies. Cosmopolitanism can be defined as "a philosophy that urges us all to be citizens of the world, creating a world-wide moral community of humanity committed to universal values" (Haupt, 2007, p. 2). This means that cosmopolitanism in this way is defined as a mental and moral concept of migrants that live their lives across borders and that culture does not matter at all. Migrants who perceive themselves as cosmopolitans could think that they easily adjust themselves at different locations. Locality plays an important role in this respect, especially when we focus on transnational migrants. Haupt (2007, p. 2) also refers to a more socio-cultural dimension that focus on cosmopolitanism in practice. She defines the socio-cultural cosmopolitanism as "the mixing of cultural practices, tastes, images and ideas in an interconnected, globalising world" (Haupt, 2007, p.2). In this case, not only the focus is on the local practice of cosmopolitanism, but it is also related to the concept of globalization. From a transnational perspective it is important to understand both the moral cosmopolitanism as the cosmopolitanism in practice because it identifies and allows us to understand how cosmopolitanism is perceived by the migrant himself and how this perception manifests itself in practice. There can be a contradiction between the perception of cosmopolitanism of migrants and the way in which they operate locally in practice or vice versa.

Cosmopolitanism can also be used as a tool for migrants to exclude themselves from a certain society or culture. To understand how they do this, Landau & Freemantle (2010, p. 375) have come up with a term called 'tactical cosmopolitanism'. Tactical cosmopolitanism explains migrants as people who want to become partially included in a society without being bounded by it. Herewith, migrants do not completely become cosmopolitans, but they also do not completely adapt to the dominant culture in a country. The focus of this concept is not the philosophy behind cosmopolitanism, but rather the practice of it (Lansau & Freemantle, 2010, p. 375). It explores the concept of cosmopolitanism 'from below' from the perspective of the migrant. The concept of tactical cosmopolitanism gives transnational migrants the opportunity to selectively separate or include their position with respect to a certain culture or society. They can act global and local at once in this respect. When we focus on the transnational migrant, this could give the migrant the opportunity to tactically place himself within the transnational field between two countries, and benefit of more than one culture, identity or place at once. Also, it gives the migrant the opportunity to act as a bridge between two cultures in which he is involved.

## 2.5 Conceptual model

The prior sections explain the conceptual context of this research. It has become clear that different concepts are needed to understand transnational entrepreneurship as a whole. These concepts are in some ways overlapping and in some ways differing from each other. The concepts of transnationalism, embeddedness, identity and the concepts that are directly related to these themes can explain the strategic approach of transnational migrants and the way in which transnationality plays a role in transnational entrepreneurship. Thus, the link between the theoretical framework and the research objective is crucial to perform this research. In this section, the conceptual model will make the link between the research objective and the conceptual framework of this research in order to understand transnational entrepreneurship as a whole.

The following conceptual model follows out of the theory described in the prior sections.

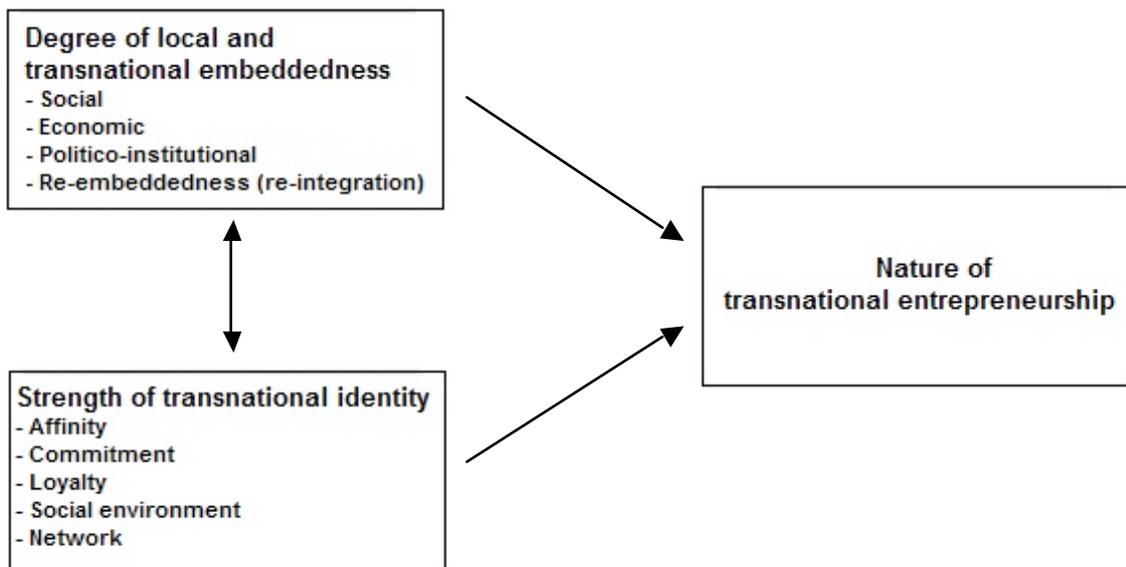


Figure 2: Conceptual model

This conceptual model provides a conceptual overview of this research. As became clear in the prior sections of this chapter, embeddedness and transnational identity and their components overlap each other and influence each other. When a transnational migrant tries to get embedded in the country of origin this influences his transnational identity and the transnational identity influences the way in which the transnational migrant is able to get embedded. The main difference is that the concept of embeddedness focuses on the practice of embeddedness of the migrant in relation to transnational entrepreneurship that is bounded to locality. Transnational identity is about the way the migrant perceives his position within the transnational field at the basis of his identity. This is a moral aspect which is part of the broader picture. But also this transnational identity influences transnational entrepreneurship and the choices the migrant makes. Thus, both the concepts and the components of embeddedness and the concept of transnational identity influence each other, and yet they determine how transnational entrepreneurship manifests itself in practice.

In this conceptual model there is a temporal dimension, which determines how a person gets embedded and how his identity is formed. This pattern changes over time and it is important to understand how this process changes over time to understand how and why transnational entrepreneurship manifests itself the way in practice.

## 2.6 Conclusion

In this chapter, theories are used to conceptualize the research objective that was provided in chapter 1. In the first section of this theoretical framework urbanization in the Global South has been conceptualized. It became clear that cities in the Global South, like Casablanca, are globalizing. This influences environments, economies and societies on local, regional, continental and global scale. One of the aspects of cities in the Global South is the presence of the informal economy and the formal economy within cities in the Global South. Without an informal economy cities in the Global South would not function. There is an interconnectedness between the formal and the informal economy, which is crucial for cities in the Global South to function.

Formal and informal institutions shape economies, interactions and relations between people and social and economic structures within society. In business, both formal and informal institutions determine how trade is done, and even if trade will be done at the first place. Institutions determine the way in which relations are shaped and practiced. E.g. friendships are differently institutionalized than business relations. Even different friendships are differently institutionalized.

The concepts of globalization and migration come to the fore in the transnational theories. To understand transnational entrepreneurship transnationalism as a concept has to be understood. Transnationalism, transnational actions and transnational ties determine how a migrant acts within a transnational field. To understand transnational entrepreneurship these ties are crucial to understand. Also the transnational networks of the migrant are important regarding the phenomenon of transnational entrepreneurship. This can explain how the social, economic and politico-institutional framework of the migrant is shaped and manifests itself in practice. Within these networks social capital and trust are the most important factors that determine whether the migrant has access to resources in order to reach benefit for his interests.

On local scale, the concept of embeddedness is needed to explain and understand the way in which the transnational entrepreneur embeds himself in the country where he wants to run his business by applying the concepts of social, economic, and politico-institutional embeddedness. Social embeddedness explains how the networks of the migrant are constructed and what the institutional framework is of the migrant and the way he operates. Economic embeddedness explains the way in which the migrant is able to set up a sustainable business within the market of an economy and the way in which the transnational entrepreneur provides himself economic capital and a livelihood. The concept of re-embeddedness explains the return of a transnational migrant to the country of origin. This is the reversed form of the original concept of mixed embeddedness. Namely, mixed embeddedness focuses on immigrant entrepreneurs and not their return.

Finally, transnationalism and embeddedness are concepts that raise questions about integration and identity of migrants on local and global scale. Identity influences the way in which a migrant operates in practice and how his mindset is formed. The transnational component gives an extra dimension to this concept, namely the international dimension. Transnational migrants have to place themselves within a transnational field whereby they can act as cosmopolitans strategically but they can also choose to adjust himself locally. There is a constant change of the use of identity of migrants in different situations.

In the conceptual model it became clear that the central concepts of embeddedness and transnational identity are related to each other and that they are connected to transnational entrepreneurship. In the conceptual model the research objective and the conceptual framework are linked together to understand how transnational entrepreneurship is approached by the migrant and how transnational identity influences the process of transnational entrepreneurship. This process changes over time and it is necessary to take this temporal dimension into account to understand how transnational entrepreneurship is manifested itself in practice.

## 3. Methodology

In this chapter the research question(s), research methods and methodological considerations will be discussed. This gives an insight in the way the research was performed and the way in which data was collected and analyzed. Different methods were used during the fieldwork in Morocco. In the following sub-sections the methodological considerations and the way in which they provide an answer on the research question and the sub-questions will be elaborated. Also a reflection on the methods that are used and the fieldwork will be discussed to understand what aspects of the fieldwork I would do differently in the future.

### 3.1 Research question

Based on the research objective and the conceptual elaboration of the theories and the conceptual model in the prior chapters, the following research question has been formulated: "What is the strategic approach of Dutch-Moroccan migrants who run a business in the region of Casablanca-Rabat and in what is the role of transnationality in the way the migrant acts?"

This research question implies that starting a business by Dutch-Moroccan migrants in the country of origin is a question of transnationalism, integration and identity. It is the question how the migrant embeds himself both local and transnational and how this process changes over time. These three concepts are assembled in this question and therewith the focus of analysis has to be about the possible interconnectedness and possible tensions between the concept of transnationalism, integration and identity.

In order to answer this question the following sub-questions have been formulated.

- How does the transnational entrepreneur deal with the connectedness between two countries on social, economic and politico-institutional level?
- This question focuses on the transnational identity of the transnational entrepreneur in a broader framework which is related to globalization and how the entrepreneur has the capability and opportunities to use his transnational identity to act within the transnational framework. This question also focuses on the way in which the transnational entrepreneur deals with on the one hand the Dutch identity the entrepreneur has and on the other hand the Moroccan identity he has. This means that the question also focuses on how he places himself between two nation-states on geopolitical level that determine how the identity of the entrepreneur is formed and how he deals with this in practice.
  - What is the shape of social networks that the transnational entrepreneur uses in both countries and how does the transnational entrepreneur make his choices about the use of his network?
- This question explicitly explores how the network of the entrepreneur is shaped and which choices the entrepreneur makes in using this network. It also questions the extent of rationality of the choices behind the use of the network of the entrepreneur. This gives insights in the awareness behind the usage of the entrepreneur's network both in the Netherlands as in Morocco. This also clarifies the transnational position of the migrant.
  - What is the shape of institutional networks that the transnational entrepreneur uses in both countries and how does the transnational entrepreneur deals with institutions? What are these institutions?
- This question elaborates the framework and the way in which relations in the network of the entrepreneur are manifesting itself in practice. It focuses on formal and informal institutions within networks that determine how the entrepreneur is supposed to act within a network. Therewith institutions can be seen as a set of written and unwritten rules that are resented within networks. Thus, this question deals with the intrinsic meaning of a relation between the entrepreneur and an actor in his network. This could explain the way in which the entrepreneur acts or makes choices consciously or unconsciously.
  - How do the choices and the way in which the transnational entrepreneur acts change over time?
- This question elaborates the temporality of the choices and actions of the transnational entrepreneur and the long term vision that the entrepreneur has. Also this question helps analyzing to what extent the long term vision of the entrepreneur change over time.

In appendix 1 the questionnaire that was used with additional questions can be found. In this questionnaire additional questions were formulated to provide an answer to the following sub-questions.

### 3.2 Methodological considerations

In this section the methodological considerations that are needed to perform this research will be elaborated and explained. In the first sub-section the research unit and sampling will be discussed. It will become clear that in this research the transnational entrepreneur is central and that the theories that are provided in the second chapter will be applied on transnational migrants that started up enterprises in the region of Casablanca-Rabat. Thus, the theories will be applied on transnational entrepreneurship in the region of Casablanca-Rabat. The region of Casablanca-Rabat is functioning as the case in a case study in this respect. In the second sub-section the location of the region Casablanca-Rabat will be explained.

#### 3.2.1 Research unit and sampling

In this research ten Dutch-Moroccan entrepreneurs that run a SME in the region of Casablanca-Rabat are the research unit. This means that the migrant will be central in this research. Since this research is about embeddedness and the transnational identity of transnational entrepreneurs, the way in which they approach their entrepreneurial activities has a central place in this research.

It was my goal to find as much Dutch-Moroccan migrants of the first and second generation as possible. This was necessary because Dutch-Moroccan entrepreneurs in the region of Casablanca-Rabat are difficult to find. This is the research strategy of snowball sampling. This strategy was chosen because a part of the Dutch-Moroccan entrepreneurs are not registered in administrations of organizations. This causes them to be 'off the radar' for me as researcher. This made me decide to choose for snowball sampling via leads that I did have. Via IntEnt Maroc, I was able to arrange meetings with four respondents. The rest I found via networking. In total I spoke with 10 respondents in the region of Casablanca-Morocco that fit within my research objective. In the reflection (section 3.4) I will focus on the problems this method caused in practice. I am aware of the fact that my results can be biased, but I am convinced that the responses of the respondents gave me enough universal data to provide a scientific and objective analysis in relation to the limited time that I had of doing my fieldwork.

The ten respondents who make the analysis in this research possible were sufficient to discover differences and structural commonalities between the respondents. This indicates that the insights and findings are valid and reliable.

#### 3.2.2 SMEs in the region of Casablanca-Rabat as case study approach

The reason why SMEs in the region of Casablanca-Rabat will be analyzed is that the individual transnational entrepreneur will be central in the research. Multinationals cannot be analyzed on individual level in the framework of this research. Mostly, individual transnational entrepreneur start a SME when they invest in a country. Also IntEnt and policies about return migration are focusing mainly on individual migrants that start a SME. This is why in this research SME will be analyzed.

The region of Casablanca-Rabat is chosen because nowadays the region of Casablanca-Rabat is the economic driving force of the Moroccan economy. The annual growth in GDP of Morocco was 3,7% in 2011 and 4,5% in 2012 (World Bank, 2013). This indicates that Morocco is a country that provides opportunities for foreign investors. Over the last 30 years, the economy in Morocco has transformed fundamentally due to changes in the political economy of ruling classes and global capitalism. "Key sectors of the economy include agriculture, tourism, phosphates, textiles, apparel, and subcomponents" (CIA, 2013). At present Casablanca can be considered as a metropolitan city which has been changed into a high-end urban development region where state, market and civil society interact (Zemni & Bogaert, 2011, p. 403). In economic respect, Casablanca is the capital of Morocco and it is the biggest city in Morocco (Marokko Info, 2013; Zemni & Bogaert, 2011, p. 407). Rabat is the capital of Morocco and can therefore be considered as the administrative capital of Morocco. Organizations like IntEnt Maroc, but also the Conseil de la Communauté Marocaine à l'Étranger (CCME) are located in the region of Casablanca-Rabat. The CCME approaches Moroccan diaspora communities and therewith tries to attract Moroccans abroad to invest in Morocco. They do this by pointing out their Moroccan identity and the meaning they could have to the development of the Moroccan economy and Morocco as a country. This indicates that different institutes located in both the Netherlands as Morocco try to attract and stimulate economic investments from abroad in Morocco. This is also the case for Dutch-Moroccan entrepreneurs that want to invest in their country of origin.

Both Casablanca as Rabat are located at the Atlantic coast and both cities are connected because of a good transportation system. For Dutch-Moroccans the region of Casablanca-Rabat is an interesting region to invest in or run a business. Also Casablanca, since it is a globalizing city in Africa, could provide the possibility for transnational entrepreneurs to act in a cosmopolitan way, which could provide anonymous forms of acting by the migrant. This means that he does not necessarily stand out in this urban environment and that he can act as one of the many in the urban region.

Within the range of time to perform this research it is also not realistic to analyze enterprises in all the regions of Morocco because this research should be conducted in a relatively short period of time. The region of Casablanca-Rabat is chosen because this coastal region is the region with the most economic activity, mainly around Casablanca, and IntEnt is located in Casablanca.

### 3.3 Research methods

In this research different kinds of methods will be used to provide an answer to the research questions of section 3.1. In this section it will be explained which methods were used in this research, how they were used and how they relate to the questions that are formed to conduct the analysis for this research. The diversity of methods that were used in this research were needed to perform a holistic analysis on transnational entrepreneurship. A holistic approach in this research is needed in order to be able to analyze transnational entrepreneurship following the objective given in chapter 1. In order to do this it is necessary to approach the concept of transnational entrepreneurship by means of a holistic approach. By triangulating between different research methods and data sources, a holistic analysis of the concept of transnational entrepreneurship can be made.

#### 3.3.1 Semi-structured interviews

The mostly used method during the fieldwork is the method of semi-structured interviews. Semi-structured interviews are a good method to understand how migrants embed themselves and how their identity is constructed. At the basis of a topic list and accompanying questions it is possible to get the information you want to receive from respondents but it also gives the opportunity to discover new facts or processes that are not taken into account in advance. The topic list and the questionnaire contains four topics, namely basic facts about the migrant and the business (which also provide information about economic embeddedness), (social) networks and institutions, transnational identity and culture, and the long-term prospects.

The basic facts of the migrant and the business are needed because they provide an overview and the context of the business and the migrant and how events of his life have developed over time. In short, their life story is provided. The second topic provides information about the social networks and the relations of the migrant and the institutional context in which these are manifesting themselves. The third topic, namely transnational identity and culture explain the relation between embeddedness and transnational identity and how they influence the life of the migrant and running the business. The cultural aspect is important because it gives insight in the way in which the Dutch and the Moroccan culture influence the actions of the migrant, problems or benefits of this in practice and his identity. The topic about long term expectations is a way to verify if every topic and question has come to the forth or not. In most of the times this topic was not sufficient because the long term perspective came to the forth automatically during the interview. The questionnaire of this method can be found in appendix 1.

Because of the diversity of stories that respondents told regarding their transnational lives and the start ups of their businesses in Morocco, this qualitative method is more useful than quantitative methods. It is the objective to understand a process of starting a business by a transnational migrant from different perspectives and dimensions and how they are (inter)connected to each other. The topic of this research is particularly delicate when it comes to integration and transnational identity that a qualitative research method like semi-structured interviews is most useful to obtain the data for analysis.

It was the goal to speak with respondents more than one time. With four of the ten respondents it was possible to arrange more than one meeting because they did have the time to speak with me more than one time. I have had one interview with the other remaining six respondents, both personally and also via Skype. Because I think it is important not to force respondents to give interviews I tried to build up a relation of trust and I just hoped that they would be able to meet more than once.

I developed a 'interview strategy'. Hereby I shortly explained what my research is about, which subjects are the most important for my research. After that I tried to encourage my respondents to tell the story of their lives over the past few years, how the idea arose to start a business in Morocco, how they run their business in Morocco and what their prospects of the future are. I expected that this approach would work with some respondents and with some respondents it would not. If it did not work my plan was to use the questionnaire as a guide to receive the information I was interested in. If the respondent spontaneously told his story I used the questionnaire to check if I received all the information that is needed to answer the sub-questions in this research. In practice this method worked great.

If I had some additional questions I asked if it is possible to meet the respondent in a second meeting. If there would not be a second meeting I asked if it was possible to call and ask a short question if necessary. By taking the interviews I was able to get information and answers to the sub-questions of this research that I needed.

### 3.3.2 Expert interviews

It is also necessary to take expert interviews for additional information about debates or topics around transnational entrepreneurship (see Appendix 2). These interviews provided expert information on subjects related to transnational entrepreneurship in the region of Casablanca-Rabat. One interview was held in Amsterdam with Redouan Boussaid, a consultant that also is involved with IntEnt a regular basis. I held this interview before I went to Casablanca for my fieldwork. This provided first thoughts and insights about transnational entrepreneurs in the region of Casablanca-Rabat. In Casablanca I held expert interviews with Hassan Berkani, the president of the Chamber of Commerce, who has also a Dutch-Moroccan background. He is also a member of the Senate of Morocco. I also spoke with an expert on SMEs and doing business in Casablanca, Saad Hamoumi, who is the representative of the interests of SMEs in Casablanca. He is the vice president of the organization named Confédération Générale des Entreprises du Maroc (CGEM). Finally, I also spoke with the president of IntEnt Maroc, who has had several SMEs too. He gave me insights in problems and challenges concerning transnational entrepreneurship in Morocco.

The expert interviews gave me additional information about the economy and business climate of Morocco and Casablanca. This gave me insights in the current status and structure of the economy of Morocco and Casablanca and doing business there. It was mainly useful for me to understand the local context and the local environment in which the transnational entrepreneurs are situated.

### 3.3.3 Observations

Finally, I made observations to understand how the Moroccan culture works and how transnational entrepreneurs live their daily lives. I did this by travelling through the city, especially in the weekends. I have taken petit taxi's, the tram or just walked around and observed how the people lived their everyday life. I also have been sitting at a few spots throughout the city and sat there to observe what people were doing and spending their time. This gave me better understanding of the life in Casablanca and the society of Casablanca. It is important to understand these aspects of the daily life in Casablanca because the way in which people live their lives show some important facets of economic, social and institutional dimensions within the Moroccan life and economy. This relates to the choices transnational entrepreneurs make regarding their business and their own lives and the way in which they act.

Next to observations in the city I was able to visit some of the SMEs that are run by the Dutch-Moroccan entrepreneurs I visited. It was of added value to see how they ran their business and to see what the places looked like and how they were organized. It gave me the opportunity to observe how a business is ran in practice by transnational entrepreneurs. This gave me insights in the context of doing business in Casablanca, but also it made clear in what environment the businesses were located both physical and social.

Sometimes actors within a network of the respondents came by during interviews. This gave me the opportunity to observe how relations of the respondents manifest themselves in practice. It was my intention to speak with the actors in the network of respondents if this was possible. E.g. some of the interviews were sometimes interrupted because somebody the entrepreneur knew came by or something in relation to the business had to be arranged. During these interruptions I was able to observe how the social networks of the entrepreneurs manifested themselves in practice, which was an added value to the interviews and the research in general. I was also able to observe how relations between the entrepreneur and the people in the networks of the respondent were given shape and how the respondent lived his daily life. Inter alia this gave me insights and answers on sub-question two and three because I was able to observe how networks of the respondent manifested themselves in practice.

Finally, I have also hung out with one of the respondents in the city. I asked him if he would take me to some places he regularly visits in order to understand how his daily life was constructed and which places are important for him. This gave me insights in the daily life of the respondent.

### 3.4 Reflections

There are a few critical reflections that I think are necessary to make when I look back at the methodology I used during my fieldwork. In this section I will critically reflect on my methodology and fieldwork.

The first reflection is that during the first week in Casablanca it became clear that the preparations that were undertaken before the fieldwork in the region of Casablanca were not sufficient. It became clear that doing fieldwork abroad in another country with another culture demands flexibility and reflection on the plans that are made. It was important to constantly reflect on the progress that was made. This proved that doing research and fieldwork is an iterative process.

The second important critique I have on my methodology is that five weeks of data collection in Casablanca and finding entrepreneurs was too short to successfully complete my fieldwork. Two or three months of research in Casablanca would be more sufficient. Unfortunately, due to practical (financial) reasons it was only possible for me to stay for five weeks in Casablanca. It was difficult to start off with my fieldwork because of cultural factors. In Morocco contacting people, arranging interviews, and planning takes more time and is more difficult than in the Netherlands. It became also clear that I was able to arrange less meetings and interviews with contacts in the network of IntEnt Maroc than I expected. This forced me to think of other ways of finding potential respondents that would be of added value as cases in this research. One of the methods in order to accomplish this is the snowball sampling strategy that I used during the fieldwork in Casablanca.

Notwithstanding that I visited Morocco two times before I did my fieldwork in Casablanca, I was still surprised that it was this hard to arrange all meetings. If I would have had an additional two, three or four weeks, I think my data and the results of my fieldwork would have been of more value.

A third aspect of my research strategy that can be critically reflected are the preparations. I did not manage to find and contact respondents before I went to Casablanca. I did not realize in advance that there are so few Dutch-Moroccan entrepreneurs in the region of Casablanca-Rabat. Notwithstanding the fact that it is way more easy to contact respondents when you are present in Morocco, there are some things that could have been done better. I should have started searching and contacting potential respondents earlier and I also could have contacted IntEnt Maroc about this earlier. This does not necessarily mean that I would have arranged interviews at once, but at least I could have gained some trust by just letting know that I would come to Casablanca to do my fieldwork. I think this would have cost me less time to arrange the interviews.

Nonetheless, despite the issues and limitations discussed above, the data that could be collected is sufficient to perform an analysis that provides insights in how transnational entrepreneurs strategically approach starting up businesses in their country of origin and the way in which transnationality influences this process. In this research the research question can be answered sufficiently because of patterns that are visible in the data.

## 4. Entrepreneurship in Morocco and the region of Casablanca-Rabat

### 4.1 Introduction

In this chapter the geographical context of entrepreneurship in Morocco and the region of Casablanca-Rabat will be elaborated<sup>5</sup>. This provides a view of the business climate, the economic developments, and the socio-political context of entrepreneurship in Morocco and the Region of Casablanca-Rabat in order to understand in which setting a transnational entrepreneur will find himself when he wants to start up a SME in Morocco. In order to explain the geographical context of entrepreneurship in Morocco and the region of Casablanca, the context in which this research is performed and the context in which transnational entrepreneurs find themselves in Morocco – and in particular in the region of Casablanca – becomes clear. This is necessary to understand how Morocco and the region of Casablanca have been developing over the last decade, what the situation on geographical level is at the moment, and in what context this research has been performed. Entrepreneurship is not a neutral phenomenon, but is influenced by economic, technological and cultural aspects. This makes context of doing business in a certain country or region important.

In this chapter, relevant developments and aspects of Morocco and the region of Grand Casablanca will be discussed on economic, socio-cultural and political level. By this, only the relevant aspects of the geography of Morocco within this research are pinned out, such as economic developments, socio-economic developments, political developments in Morocco and the region of Casablanca in order to understand the setting of doing business in Morocco. In this section background information about Morocco will be given in the form of a short country profile. In section 4.2 the economic geography of Morocco will be explained. This provides an economic profile of Morocco and the developments over the past decade. Eventually, in the last section the region of Casablanca-Rabat will be described and linked to migration and transnational entrepreneurship.

#### 4.1.1 Country profile of Morocco

Morocco is the most northwesterly country of Africa, adjacent to the Atlantic Ocean and the Mediterranean Sea and only on 14 km south of Europe. The kingdom of Morocco lies between Europe and sub-Saharan Africa at the entrance of the Mediterranean Sea, making it a geo-strategic country. Also, Morocco places itself at the crossroad of international trade between the Middle East and North and South America (Moroccan Investment Development Agency, 2010, p.10). This makes Morocco a hub when it comes to trade. The country is a former colony of France that became independent in 1956. Since the Moroccan independence, it developed strong relations with western countries, in particular the European Union (Bilgili & Weyel, 2009, p. 7).

In 2012, Morocco counted 32.5 million inhabitants of Arab and Berber ethnicity (World Bank, 2013; Doing Business in Morocco, 2013; CIA, 2013; UN Data, 2013). The common languages that are spoken are Moroccan Arabic (Darija Maghrebica), French and Tamazight – the Berber language - in the rural areas and in the mountains. The official religion of Morocco is the Islam. 99% of the population is Muslim and about 1% is Christian or Jewish (CIA, 2013; Morocco Business News, 2013; BBC, 2013).

Geographically, Morocco can be divided in four parts (see Appendix 3). The northern part consist the Rif Mountains near the Atlantic coast. Most Moroccan migrants that migrated to Europe in the 1960s and 1970s are originally from this region (Bilgili & Weyel, 2009, p.16). The central part of Morocco is characterized by the Atlas, a mountain range that crosses Morocco from the North to the South. The eastern part is the part that lies east of the Atlas. This part of Morocco is characterized by stone and sand deserts. Finally, the western part of Morocco is the area west of the Atlas that extends to the Atlantic coast. Every part has its own climate, culture and habits. This makes Morocco a country with a lot of variety on geographic and cultural level within relatively short distances.

Morocco counts 16 administrative regions (Moroccan Invest Development Agency, 2013). Rabat is the official capital of Morocco. However, Casablanca is the economic capital and by far the biggest city of Morocco. Other main cities (See Appendix 3) are Fes, Marrakech, Tangier, Oujda and Agadir (Moroccan Investment Development Agency, 2010; Morocco Business News, 2013).

### 4.2 Geography of Morocco

In order to understand the socio-economic and political developments in Morocco over the past decade, in this section most important developments on economic, political and socio-cultural level will be set out. The information that is given will always be related to or be relevant to entrepreneurship in Morocco. A macroeconomic meaning to this research will be given in this section and a socio-cultural significance to entrepreneurship in Morocco by analyzing technologic and economic developments.

<sup>5</sup> The region of Casablanca-Rabat in this thesis is defined as the economic region in Morocco located at the Atlantic coast that extends between Casablanca and Kenitra. This region includes three of the sixteen provinces of Morocco, namely: Gharb-Chrarda-Béni Hssn, Rabat-Salé-Zemmour-Zaer, and Grand Casablanca (see appendix 3, map 6).

In the first sub-section the economy of Morocco will be elaborated and the developments that have been occurring over the past decade. Then, background information about migration and starting SMEs in Morocco will be discussed. Following on this, the political structures of Morocco and the recent political reforms – which also importantly effect the economy and investments – will be explained.

#### 4.2.1 Economy and developments

The currency of Morocco is the Moroccan Dirham (MAD or DH). The economy of Morocco has been rapidly growing over the past decade. In 2012, Morocco had a GDP of 835 billion MAD (about 100 billion US dollars) and a GDP per capita of 2.940 US dollars (AMDI, 2013a, p. 1; World Bank & IFC, 2013, p. 5; UN Data, 2013). Morocco had a GDP of Over the last five years the Moroccan GDP grew with an average of 4,9% and in 2012 – in the middle of the worldwide crisis -the GDP of Morocco grew with 2,7% (AMDI, 2013a, p.1;). This means that despite the global economic crisis, Morocco is still growing steadily.

In Morocco, the biggest sector that contributes to the GDP is the service sector with 53,2% of the GDP. Industry is the second biggest sector and contributes to the GDP with 31,7% and thirdly agriculture with 15,1% in 2012 (CIA, 2013; AMDI, 2013a, p.1). In the field of labor forces, the agricultural sector was the biggest sector and consisted in 2006 44,6% of the labor market. Industry consisted 35,5% of the labor market and industry 19,8% (CIA, 2013).

The primary industries of Morocco are phosphate rock mining and processing, agro (food), textiles, tourism, construction and (clean) energy (CIA, 2013; Morocco On The Move 2013a; Morocco Business News, 2013). The investments of business start ups by the Dutch-Moroccan entrepreneurs that are central in this research are all in the two largest sectors of the Moroccan economy, namely services, tourism, clean energy, construction and textiles.

##### Infrastructure

There have been a lot of developments in the field of telecommunications and infrastructure in Morocco over the past decade. In the field of infrastructure major projects have been set up to improve the quality and expand the network and trajectories of roads, railways ports and airports.

Between 2010 and 2012 Morocco's highway network has increased from 1100km to 1630km of roads and in 2015 it has to be 18000km of highway (AMDI, 2013b; Morocco On The Move, 2013a). Between 1989 and 2012 Morocco invested 4,4 billion US dollars in its highways and between 2012 and 2015 another 1,7 billion US dollars is invested (Morocco On The Move, 2013b). In 2015, the main cities of Morocco have to be connected by highways for vehicular traffic (see Appendix 3) (AMDI, 2013b).

Also the railways have improved and extended, both in quality and in quantity. In total at the end of 2012, the railway network consisted 2110km of railways (AMDI, 2013a). The trains are connecting the main cities of Morocco from Tanger in the northwest to Marrakech in the south (AMDI, 2013b, p. 3). This means that there will be infrastructural connections within Morocco that have not existed before. The economically most important cities of Morocco will be connected by highways and railways, which influence the economy of these cities. On the level of logistics it will be easier and faster to transport people and goods. This makes it more attractive to invest in Morocco as a whole, but also to invest in other parts of Morocco than has been the case over the past decades.

At the moment, there is also a project going on to construct the first high speed train connection in Africa. "By 2015, the first 200km strip will connect Tanger and Kenitra" (AMDI, 2013b, p.3). In 2030, 1500km of high speed railways should connect Tanger in the northwest and Agadir in the southeast in less than 4 hours with stops in Rabat, Casablanca, Essaouira and Marrakech. That will be a distance of more than 900km in just about 4 hours of traveling. Another route of high speed railways will connect Casablanca at the Atlantic coast and Oujda in the northeast in less than 3 hours with stops in Meknes and Fes. That will be a distance of more than 600km in less than 3 hours.

Thirdly, in the field of infrastructures Morocco counts several airports, that are also linked together through a networks of airports. Today, Morocco counts 15 international airports (see Appendix 3). After Morocco signed the Open Sky agreement in 2006 - which is a treaty that makes it easier to transport people and goods to international destinations - the country is connected to the main economic capitals in the world (AMDI, 2013b, p. 1). Since then, the number of international passengers has increased rapidly (see figure 3). Over the last three years the amount of passengers stabilized with an amount of 15 million people a year. The Mohammed V Airport in Casablanca has become one of the central hubs between Europe, America and Africa. This means that Morocco is connected by air to different countries and different continents (AMDI, 2013, p.1):

- America: 2 direct and 6 indirect connections
- Europe: 32 direct connections
- Africa: 18 direct connections
- Middle East: 4 direct connections

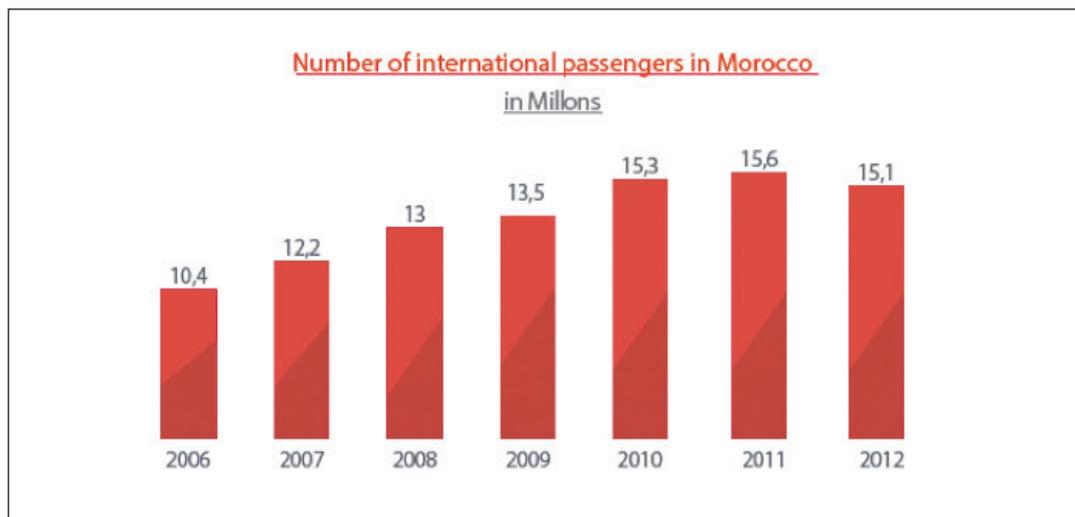


Figure 3: Number of international passengers in Morocco. Source: AMDI, 2013, p.2.

Finally, the last way of transportation that has been developing rapidly over the last years are the ports of the country. In total, Morocco has 13 ports for international trade (see Appendix 3). The ports of Casablanca and Tanger Med are by far the biggest ports of Morocco.

The Tanger Med port is a port that is operational since 2007 and still under construction. It is considered to be the largest port of the Mediterranean Sea and Africa. It is located at the Street of Gibraltar, where all ships enter the Mediterranean Sea. This is a geographically strategic location with access to Europe and a position at the large East/West maritime routes (AMDI, 2013, p.2). Tanger Med is connected to 120 ports worldwide. Of these ports, 37 are located in Europe, 31 in Asia, 30 in Africa, 16 in South America and 6 in North America (AMDI, 2013, p. 2). In fact, Tanger Med consists three ports, namely: Tanger Med I and Tanger Med Passengers, which began to operate in 2012, and Tanger Med II that will be operational in 2014 (AMDI, 2013, p.2).

The increasing amount of ports in Morocco make it more attractive for foreign investors to invest in Morocco or trade with Morocco in forms of goods. This means that Morocco is becoming a more important international player on the trade market, close to Europe. This could provide the possibility for Morocco to be a bridge between Europe and Sub-Sahara Africa.

#### *The meaning of developments in transportation possibilities*

The fact that the transportation possibilities, both on transportation of people and of logistics and trade, mean that Morocco is becoming more international. This influences the way in which the economy is developing and the way in which international investments become involved in economic and socio-cultural Morocco. The increase of transportation possibilities shows that the prosperity of Morocco compared to a decade ago has increased due to the explosive increase of flights and shipments from and to Morocco. A part of the airplanes and ships that travel to Morocco is filled with diaspora and migrants, but the increase of numbers of shipments and flights to Morocco imply that there are also coming more investors and/or tourists to Morocco.

Additionally, the fact that there are more connections to Europe than other continents shows that the Moroccan economy is connected more intensive with Europe than other continents, which implies that trade with Europe is the more important for the Moroccan economy than trade with other continents. Reasons for this could be found in historical and geographical connections that Morocco has with Europe. This also could explain that there occurs more migration from Europe to Morocco and vice versa.

#### *The telecommunications market*

Not only in terms of transportation the infrastructure of Morocco has been developing. In the field of telecommunications there have been a lot of developments over the past decade. Mobile phone use and internet has become common, especially in urban areas.

AMDI (2013c, p.1) states that “thanks to the liberalization of the telecommunications industry, Morocco has made important progress in the installation of new information technologies, for both individual and business use”. The developments that the telecommunications industry of Morocco has made, results in a telecom infrastructure that is in line with international standards.

Mobile phone use is growing rapidly, while the amount of fixed phone lines is decreasing. The registered subscribers on fixed phone lines declined with 8,05% in 2012. At the end of 2012, 3.27 million people were connected via a fixed phone line. At the end of 2012, there were 39 million registered subscribers to mobile phones (AMDI, 2013c, p.1). That is 6.5 million subscribers more than there are inhabitants in Morocco. This means that mobile phones are socio-economically more important than fixed phone lines, and that fixed phone lines are becoming less important in Morocco. In figure 4 the increased use and subscriptions of mobile phone users is clearly visible.

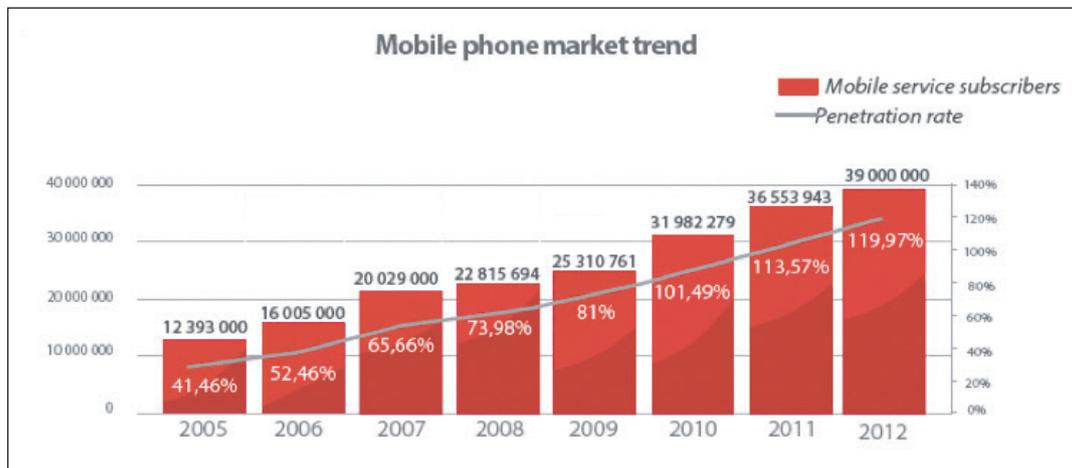


Figure 4: Registered mobile phone subscriptions. Source: AMDI, 2013, p.1

Focusing on internet users there are also developments going on, although a significant majority of the population does not have an internet connection yet. At the end of 2012, there were 3.95 million internet connections in Morocco (AMDI, 2013c, p.2). Nevertheless, at the end of 2007 only around 500.000 internet connections existed. This means that also the use of internet has been growing extensively over the last few years. AMDI (2013c, p.2) states that at this moment internet use in Morocco has an annual growth rate of 24.35%. In urban areas relatively more people will probably be connected to the internet than in rural areas of Morocco because of the facilities of being connected are more available there. Thus, probably the majority of the 3.95 million households that are connected to the internet in Morocco will be located in urban areas. In total, at the end of 2012, 16.5 million people in Morocco had access to the internet (AMDI, 2013a, p.3).

#### *The meaning of developments in the telecommunications market*

The developments on the telecommunications market, both mobile phones and internet, imply that Morocco is becoming more connected to the rest of the world, not only on business level but also on socio-cultural level. This has influence on the way in which Morocco develops itself on economic scale and on socio-political level. Morocco is becoming increasingly part of the global market and global networks, which means that it is developing towards Western economies. This has influence on the everyday life of Moroccans, especially in urban areas. During the fieldwork in Casablanca I noticed advertisements concerning mobile phone subscriptions and internet everywhere on the streets. When I visited Morocco in 2010, this phenomenon was not visible as prominent in Casablanca as during the fieldwork in 2013. This means that on socio-economic level, the telecommunications market is influencing the urban areas of Morocco.

#### *Trade and the economic position of Morocco*

The economic position characterizes the growing international orientation of the Moroccan economy. Since January 1st of 1995, Morocco is a member of the WTO (WTO, 2013). Morocco has also several free trade agreements with i.e. MENA (Middle East and North Africa), the EU and the USA. While Morocco has trade agreements with MENA, the EU and the USA, Morocco is not a part of the African Union. This is because there is a conflict about the Western Sahara.

In 2012, Morocco has imported 381,7 billion DH (about 46,5 billion US dollars) of goods and services. It exported 183,2 billion DH (about 22,3 billion US dollars) of goods and services (AMDI, 2013a, p.2). This means that Morocco is a real import country, with import rates that are twice as high as export rates. The main trade partner of Morocco is the EU with the most important sectors of raw materials, textiles and agricultural goods (European Commission, 2013; AMDI, 2013a,

p.2; Saad Hamoumi, vice president of CGEM, 30th of May 2013). This also means that Morocco is affected by the crisis in Europe, “but the country still has stable economic growth and the economy is still in good shape” (Saad Hamoumi, 30th of May 2013).

The biggest import countries are France (21%), Spain (18%), India (7%), Brazil (5%), and the USA (4%). The biggest exports countries are France (14%), Spain (11%), the USA (8%), Saudi-Arabia (7%) and China (6%) (AMDI, 2013a, p.2).

When focusing on FDI (Foreign Direct Investments), an annual 29.2 billion DH (about 3.6 billion US dollar) is invested in Morocco (AMDI, 2013a, p.2). France is with 48,2% by far the biggest investing country in Morocco. The other biggest investing countries are Spain, the United Arab Emirates, Switzerland and the United Kingdom. The sectors FDI go to are mainly telecommunications, industry, real estate, tourism and banking services.

Finally, as mentioned in section 1.1, remittances are playing a significant role in transnational relations of Morocco with the diaspora countries (De Haas, 2009, p.8). Since 2000, the total amount of remittances has been steadily growing (see figure 5). In 2000, only about 2 billion US dollars were sent, but in 2011 this was over 7 billion. So in 11 years the amount of money that has been sent home from diaspora countries to Morocco has more than tripled.

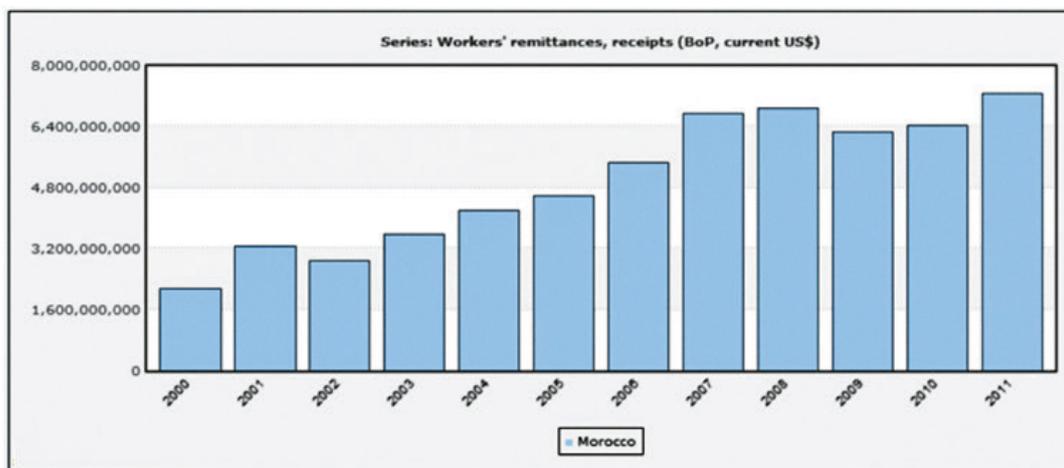


Figure 5: Remittances sent back to Morocco (in US dollar). Source: Morocco On The Move, 2013b, p.22.

#### 4.2.2 Politics and reforms

Since the independency of Morocco in 1956 it became the Kingdom of Morocco. Thus, since then Morocco has had a king. Not only on economic scale the European Union is the most important partner. Since the independence of Morocco, the European Union has also been an important partner on the level of politics (Bilgili & Weyel, 2009, p. 7). Nowadays Morocco has a constitutional monarchy with a democratic elected Parliament and an independent judiciary. There are 30 parties in Morocco, of which the socialist USFP, the nationalist PI, the Islamist party PJD and the party of independent candidates RNI are the most important parties (Morocco Business News, 2013).

In 1999 the current king of Morocco, King Mohammed VI, became monarch after his father, King Hassan II died. The current Prime minister is Abdelilah Benkirane. King Mohammed VI is known for his relatively progressive political and economic reforms and his intentions to improve the situation on human rights (BBC, 2013). Especially his economic liberalization reforms has increased the attractiveness for foreign investors to invest in Morocco. Also after the Arab Spring the king announced different (political) reforms and improvement in human rights. But there is discussion amongst (non-governmental) organizations and groups within the Moroccan society that little has changed on social, political or economic level.

Since the 1980s Morocco has been pursuing economic reforms in order to create opportunities for economic growth and development (Bilgili & Weyel, 2009, p.9). On economic level, it can be concluded that reforms have led to an increase of growth of the GDP and the GDP per capita compared to the economic situation in the 1970s (Bilgili & Weyel, 2009, p. 9).

### 4.3 Geography of (the region of) Casablanca and entrepreneurship

In this section the position of Casablanca and the region of Casablanca within Morocco will be related to entrepreneurship within the region. This means that economic and socio-cultural structures and developments will be pointed out on a local scale. The importance of the region for the economy of the country will become clear and the developments and changes that have occurred regarding (transnational) entrepreneurship will be pointed out. Also the fact that the region is modernizing, e.g. by innovation projects, will be illustrated through some examples. On the other hand, extremes and inequalities will be pointed out. This is important because this also shows the Casablanca of today and the way in which the city and the region is constructed socially and economically. It will become clear that (the region of) Casablanca is a globally important region which contains both extreme wealth and poverty. These extremes are shaping the city providing contrasts within the structure of the city and the region of Casablanca.

The region of Casablanca-Rabat is economically the most important region of Morocco (Barbanente et al., 2007, p. 769; Saad Hamoumi, , vice president of CGEM, 30th of May 2013). Casablanca is the economic capital of Morocco, while Rabat is the administrative capital of the country. There are no official numbers regarding inhabitants of the Casablanca, but estimates say that at least between 3 million and 5.5 million people live in the city of Casablanca (Agence Urbaine de Casablanca, 2013; Demographia, 2013, p.77; Index Mundi, 2013; Morocco.com; 2013; Nations Online, 2013). This number excludes commuters and unregistered people who live in one of the about 1000 slums in Casablanca. These slums contained an estimated 146.777 households in 2007 (Daphins, Carliez & Jenkins, 2008, p. 56). The fact that Casablanca is economically thriving means that the region of this city, including the administrative capital of Rabat and the industrial cities of Kenitra and Mohammedia, is an economical vital and important region for Morocco. It is expected that in 2020 the annual consumption of people in Casablanca will be between 23 billion US dollars. This makes Casablanca part of the 6th biggest consuming markets of Africa (McKinsey Global Institute, 2010, p.7). Also Rabat will be in the top 15 of biggest consuming markets in Africa with 13 billion US dollars a year (McKinsey Global Institute, 2010, p.7). Combined, the consumption markets of these two cities are contributing to more than 20% of the current GDP of Morocco.

Casablanca is the dynamic industrial and commercial centre of Morocco containing different high-tech industries and many multinational business establishments. Thereby, Casablanca has a big international airport and the largest port of Africa (Barbanente et al., 2007, p.769). This means that the region of Casablanca-Rabat is the economic and political centre of Morocco. This is also illustrated in the amount of international visitors that visit the city of Casablanca. An international visitor can be i.e. a business man, a tourist, or a diplomat. In 2012, 2.1 million international visitors visited Casablanca, making the city the sixth most visited city in the Middle East and Africa by international people. In total, they spend 1.9 billion US dollars together (MasterCard, 2012, p. 12-13). This means that Casablanca and the region of Casablanca/Rabat is a metropolis region with global importance.

The economic importance of the regional also becomes clear when looking at investments and trade. 60 % of the Moroccan trade is located in Casablanca and its port. Also one third of the total industrial establishments and 30% of the banking sector of the country are located in Casablanca alone (CRI, 2013). Thereby, 46% of the labour market is located in the city. The key sectors that drive the economy of the region of Casablanca/Rabat are offshoring, agro-businesses, telecommunications, corporate real estate, aero-space industries, (renewable) energy, textile, automotive, logistics, textiles, tourism and franchise/organized trade (CRI, 2013).

#### *Modernization and developments in the region of Casablanca-Rabat*

Currently, Casablanca and its region are modernizing rapidly. Casablanca is a dynamic city that is always developing. Over the past decade and in the near future, there many projects have been and will be developed that modernize the city and its region. Especially projects concerning infrastructure, and building projects. These developments of modernization are visible everywhere.

Besides the major national infrastructural projects as described in section 4.2, also projects are implemented on local scale, mainly in Casablanca. In 2012, a modern tram route was opened that runs through the whole city and connects the eastern outskirts of the city to the western part of the city through the city centre (Casatram, 2013). There are plans to expand the current tram route with other routes in the near future. Also in Rabat-Salé, 4 different tram routes have been created. The first route opened in 2011 and at this moment all routes are build (Tram-way, 2013). In the picture below the tram of Casablanca is shown.



Figure 6: The recently opened tram line in Casablanca next to the road (middle) and the cycling lane (right).  
Picture taken on the 5th of May 2013 by Bas Boselie

Not only infrastructural projects are implemented to modernize Casablanca. According to Agence Urbaine de Casablanca (2013), there are many projects to upgrade districts in Casablanca. These projects aim to solve infrastructural problems, improve the environment and the quality of public spaces. This indicated that the government of Casablanca is constructively trying to reshape the city in a positive way and at the same time make the city more attractive.

A few other major projects have been developed to give Casablanca a more international and cosmopolitan attitude. In 2012, two major shopping areas/shopping malls have been completed; namely, the Morocco Mall and the Anfa Place shopping centre/area. The Morocco Mall is the biggest shopping mall in Africa. 2 billion Dirhams (about 200 million US dollars) have been invested to create this huge mall (Morocco Mall, 2013). It is estimated that every year about 14 million people visit the mall (Morocco Mall, 2013). It consists 250.000m<sup>2</sup> of space and all the famous brand that are known in the world are located in this mall, including one of the world's largest Galleries Lafayette (Rijksdienst voor Ondernemend Nederland, 2013b). When you walk here, it is easy to observe that the wealthy people of Morocco shop here and that the less rich people from Morocco go on a daytrip to see the mall and amaze themselves of the greatness of the place, such as I did. The mall includes an aquapark and a big aquarium which contains more than 1.000.000 liters of water and over 40 species of fish (Morocco Mall, 2013). Also the first IMAX theatre of Morocco has been built next to the mall. This area is one of the best places in Casablanca to observe the impact of globalization that struck Morocco and Casablanca in particular. Anfa place is a smaller, but still big, shopping mall that has been built under the ground next to expensive apartments and penthouses that can be bought or rented. It is located near the sea and public accessible but in private ownership. People from Casablanca come here to enjoy the view on the sea and do their bigger shopping at the big supermarket or stores like H&M and other international chain stores. Of course, the Burger King and Mc Donald's are also located in this area. These two small examples of globalization in Morocco show how the culture and the spaces are changing rapidly from a local and cultural values in the street life of Casablanca into more and more external influences in street views due to globalization. Rijksdienst voor Ondernemend Nederland (2013b) states that due to the modernization of Morocco (and thus Casablanca) the consumption patterns of the Moroccan urban society has been changing dramatically. The consuming patterns are more western due to globalization and the new products that are introduced. Figure 7 shows an impression of Morocco Mall and Anfa place.



Figure 7: The recently opened Morocco Mall (left) and Anfa place (right).  
Pictures taken on the 9th of May 2013 by Bas Boselie

Finally, a development of importance that shows that Casablanca is modernizing is the construction of Casablanca Marina. This is a big project where a complete new marina of 26 hectares will be built. 125.000m<sup>2</sup> of houses will be built here, 130.000m<sup>2</sup> of offices, 60.000m<sup>2</sup> of shopping centre, 47.500m<sup>2</sup> of stores, 52.000m<sup>2</sup> of houses, 32.276m<sup>2</sup> of green places, and a palace of 15.000m<sup>2</sup>. This indicated that Casablanca will be expanded with a complete new city. At the moment of research, the construction was still in progress, but Casablanca Marina will be completed soon.

All these examples of projects within the city are pointed out to show that Casablanca has to receive a more international character and image. In this way, a cosmopolitan life in a globalized and economically thriving city is possible, not only for rich Moroccan people, but also international business people. Thus, Casablanca is clearly focusing on the international world and international markets. This also brings influences of globalization into the city and the whole region.

#### *Inequalities in Casablanca*

Morocco is a country with many inequalities on different scales even within different dimensions. On economic scale people live different lives as well as on socio-cultural aspect. Casablanca is a city in which this is visible in its most extreme way. It is important to understand how these inequalities manifest themselves and the way in which they determine the life in Morocco in order to understand how business and life in Morocco, especially in Casablanca, works. The richest people of Morocco live in Casablanca, but also the poorest. They live next to each other in a interwoven system of formal and informal activities. In the city center the price of buying or renting houses is high. As further you move to peripheries the prices will drop. Eventually, in the outskirts of the periphery there are located areas with slums (Daphins et al., 2008, p. 52). Also in the center there are some, but a vast majority is located in the periphery of Casablanca. In 2005, the Moroccan government launched a program that aimed to eradicate slums, reduce poverty and improve the livelihoods of its inhabitants. The program was created by the National Initiative for Human Development (INDH) (Daphins et al., 2008, p.52) It is obvious that the business district is located in the city centre. This is where all the multinationals and big banks are located. The middleclass society of Casablanca lives around the city center and the business district. Eventually in the periphery low housing and slums will determine the street views. This is the general build-up of Casablanca. However, it must be noted that also poor people live in slums within the city center. E.g. it is possible that you will see a slum near an area with many villa's at the region of Anfa or boulevard de Corniche. Thus, rich and poor live side by side within a complex urban system where wealth and poverty are interwoven in the street views and the daily lives of people.

This is also the case when focusing on the economy itself. The economy of Casablanca depends on both a formal and an informal sector that interact with each other. This leads to economic activities where e.g. products that have been bought at the formal market are sold or repaired on the informal market. The informal economy is just as important as the formal economy to keep Casablanca a viable city. It is necessary to keep this in mind, while reading this research.

Regarding the multinationals and FDI that trigger influences of globalization within Casablanca or the region of Casablanca-Rabat as a whole, the formal market is the stepping stone to the Moroccan market. But also these companies are influencing the informal markets. E.g. in Derb Ghalef, an informal market that focuses on electronic devices, this becomes visible. Derb Ghalef is located between the registered built-up part of Casablanca and a few slums. It can be seen as a place where goods of Samsung, Apple, Microsoft and other multinationals, bought at the formal market, are entering (or circling within) the informal market where they are copied or adjusted so that they are not 'official goods' anymore. This means that there arises a grey area where you cannot determine anymore whether a product is legal or not.

This small example of how the formal and informal economy is linked in Casablanca explains that the economy of Casablanca and doing business in Casablanca is complex and that it cannot be distinguished in black and white. Although there are formal institutions in Morocco there are also a lot of informal institutions that determine the way in which entrepreneurs or consumers must operate and live. This is important to keep in mind.

Figure 8 shows the extremes between wealth and relative poverty. The first picture shows the new Casablanca Marina and on the other side of the road the poor part of the old Medina. The second picture shows the informal market of Derb Ghalef with a billboard of a big multinational on the background on a building.



Figure 8: Casablanca Marina and the old Medina (left) and Derb Ghalef (right).  
Pictures taken on the 29th of May and 1st of June 2013 by Bas Boselie

## 5. Portraits of transnational entrepreneurs in the region of Casablanca

*We are a Dutch people with a Moroccan appearance. ~ Gribi, 16th of May 2013*

After conceptualizing transnational entrepreneurship and providing the geographical context of entrepreneurship in Morocco and the region of Casablanca in the previous chapters, it is now possible to embark the empirical analysis of this research. Before I want to start with the empirical analysis of the data that I obtained during this research, I first want to provide information about the respondents in order to understand the background information of the respondents and the businesses they run or that they are starting up. This provides background information about the respondents and the context of their stories of how and why they became transnational entrepreneurs.

In section 5.1 an overview of the respondents that are central in this thesis will be given. In this section basic information about the respondents like age, where they live right now, and their arrival in the Netherlands and Morocco will be discussed in order to provide an image about when they migrated and whether they are first or second generation Moroccans. This is important because these two aspects can explain why and how they made certain decisions throughout their lives and how they act concerning their business startups. In section 5.2 the dimensions of analysis will be elaborated. In this section the choice of the dimension generation and the temporal dimension as dimensions of analysis in the next two chapters will be explained and underpinned. In section 5.3 the profiles of the respondents will be provided. This gives insights in the background stories of the respondents in order to understand why they act in a certain way and how they made choices regarding their business startups and migration in the analysis.

### 5.1 An overview of the transnational entrepreneurs that are central in the analysis

In this section, a brief overview with general information about the respondents is provided. There are nine transnational entrepreneurs that are included in the overview.

| Generation | Name              | Gender | Age    | Living in NL/Morocco | Year of arrival in NL | Year of arrival in Morocco |
|------------|-------------------|--------|--------|----------------------|-----------------------|----------------------------|
| 1st        | Abdelilah Arrad   | M      | 55     | Morocco              | 1980                  | 2011                       |
|            | Nourradine Gribi  | M      | 44     | Morocco              | 1971                  | 2008                       |
|            | Laila Qottaya     | F      | 34     | Morocco              | 2002                  | 2011                       |
|            | Sahl Raffali      | M      | 47     | Morocco              | 1990                  | 1998                       |
| 2nd        | Ismail Abousalama | M      | 38     | Netherlands          | Inapplicable          | Inapplicable               |
|            | Michel Alexander  | M      | 34     | Morocco              | Inapplicable          | 2009                       |
|            | Ilhame Charif     | F      | 28     | Morocco              | Inapplicable          | 2012                       |
|            | Hakim Jouahri     | M      | 35     | Morocco              | Inapplicable          | 2010                       |
|            | Mohammed          | M      | +/- 35 | Netherlands          | Inapplicable          | Inapplicable               |

Figure 9: Table with information about the respondents

In figure 9 general information about the individual respondents are provided in order to get an image of the background of the respondents. At first, it becomes clear that a distinction is made between first generation Dutch-Moroccan respondents and second generation Dutch-Moroccans. In section 5.2 the choice between this distinction will be explained. The age of respondents does not differ much between the first and second generation Dutch-Moroccans (about 10 years). Yet, there is an important difference between the first and second generation Dutch-Moroccan respondents. The second generation Dutch-Moroccan respondents is born in the Netherlands. This explains why year of arrival in the Netherlands is inapplicable for this group. The first generation Dutch-Moroccans are born in Morocco. They lived between ten and thirty years in the Netherlands and then moved back to Morocco.

The last column of the table shows when the respondents arrived in Morocco to live there and eventually start a business. For Abousalama and Mohammed this is inapplicable because they do not live in Morocco (yet). This does not mean that they are not transnational migrants. They are traveling to and fro between the Netherlands and Morocco concerning their business startup. This makes them transnational migrants too.

| Generation | Name               | Business name               | Sector                     | Exists since | Number of employees       | Location   |
|------------|--------------------|-----------------------------|----------------------------|--------------|---------------------------|------------|
| 1st        | Abdelilah Arrad    | La Grange Aux Fromages      | Food                       | 2011         | 2                         | Casablanca |
|            | Nourradine Gribi   | L&N International           | Consultancy + Clean Energy | 2010         | 1                         | Kenitra    |
|            | Laila Qottaya      | Maxima Car                  | Tourism                    | 2010         | 7                         | Casablanca |
|            | Sahl Raffali       | Utess Voyages               | Tourism                    | 1973         | > 10                      | Casablanca |
| 2nd        | Ismail Abousalama* | Skylight4U                  | Construction               | -            | 3                         | Casablanca |
|            | Michel Alexander   | Brainworx + Marokkowerkt.nl | Service                    | 2012         | 1                         | Casablanca |
|            | Ilhame Charif      | Mena Transport & Conseils   | Logistics + Consultancy    | 2012         | 2, (Charif and a partner) | Casablanca |
|            | Hakim Jouahri      | Club Costume                | Textiles                   | 2010         | 5                         | Casablanca |
|            | Mohammed**         | -                           | Construction               | -            | 1                         | Casablanca |

\* Abousalama is still starting up a SME. Abousalama and his two partners are the owners and employees.  
\*\* Mohammed is still starting up a SME. He is starting a business in plumbing and floors.

Figure 10: Table with information about the businesses of the respondents

The table in figure 10 provides information about the businesses of the respondents in order to understand what kind of businesses they started or the kind of businesses they are still starting up. This table also provides a better insight and understanding of the empirical analysis that will be provided in the next two chapters.

The first thing that is striking is that the sectors that the sectors of the SMEs of the respondents are businesses in the traditional sectors mentioned in section 4.2.1, like tourism, construction, services, textiles, food and consultancy. The second thing that is striking is that except for Raffali, all respondents have started their businesses in the beginning of this decennium or that they are still starting up. This means that the businesses are relatively young. This could be explained by the return of the respondents. But still, it is striking that no more than one business exists more than five years. The number of employees could be an indicator of the growth of the business since the startup of the business, so that is something that has to be taken into account in the analysis too. Finally, although this research primarily was focusing on the urban region of Casablanca-Rabat, only one business of the respondents is located outside of Casablanca. This could explain the importance of Casablanca as city for these respondents, so that will also be a point of analysis.

## 5.2 Focusing on generation and phase of the business regarding the analysis

In the previous section the general background information about the respondents was given. In this section will be explained why there is chosen for generation and the phase of the business during the analysis in the next two chapters as shown in the next table;

| Name                                  | Generation |     | Temporal dimension / phase of business |              |
|---------------------------------------|------------|-----|--|--------------|
|                                       | 1st        | 2nd | Conceiving                             | Consolidated |
| Abousalama – Skylight4u               |            | X   | X                                      |              |
| Michel Alexander –<br>Marokkowerkt.nl |            | X   |  | X            |
| Arrad – La Grange Aux Fromages        | X          |     |  | X            |
| Charif – Mena TC                      |            | X   |  | X            |
| Gribi – L&N International             | X          |     |  | X            |
| Jouahri – Club Costume                |            | X   |  | X            |
| Mohamed – Plumbing & Floors           |            | X   | X                                      |              |
| Qottaya – Maxima Car                  | X          |     |  | X            |
| Raffali – Utess Voyages               | X          |     |  | X            |

Figure 11: Generation and phase of the business as dimensions of analysis

In chapter 6 and chapter 7 an empirical analysis will be made on the responses of the respondents in order to explain what the strategic approach of transnational entrepreneurs is who start a business in the region of Casablanca. Also the role of identity will be linked to the process of starting up a business. This provides an analysis on integration, identity, (transnational) entrepreneurship and embeddedness. A temporal dimension will be given to the analysis in order to understand how this process changes through time, what choices determine how the entrepreneur acts and how his thoughts regarding the business and identity change over time. The dimension of generation will be added to explain and understand the differences and commonalities between respondents of different generations in order to explain how their identity is formed and how they act and make choices regarding their businesses.

In order to understand through a holistic perspective how transnational entrepreneurs embed themselves in the region of Casablanca both economically, socially, and politico-institutionally and to understand how their identity is formed and changes over time, it is necessary to explain the process of doing business from the beginning, the conception phase or conceiving phase, to the end, namely the present and their current thoughts about the future. This makes that the temporal dimension of analysis provide a transnational dimension within this research.

Although it is difficult to clearly determine whether a business is in a conceiving phase, there has been made a division between businesses that are in the conceiving phase and the businesses that are in the consolidation phase. In this analysis, the division between businesses that have an office or a store and those who do not. Within these groups there exist still heterogeneity, but this does not mean that it is not possible to make an analysis between businesses in the conceiving phase and businesses in the consolidation phase. Especially within the group of consolidating businesses there is heterogeneity, namely one business can be consolidated developed more than another. This will also be a focus ad point of consideration within the analysis.

Differences in generations can explain the way in which a first generation Dutch-Moroccan entrepreneur approaches doing business differently from second generation Dutch-Moroccan entrepreneurs. Also when commonalities between the generations occur explanations for these commonalities can be sought. This in combination with the temporal dimension that is added to the empirical analysis of transnational entrepreneurship provides a holistic analysis within this research.

### 5.3 Profiles of the respondents and their businesses

In this section profiles of the nine respondents and their businesses that are listed in the overview of the previous section are provided. This gives additional background information and the story of each respondent will become clear in order to understand how they ended up running or starting a business in the region of Casablanca. The story of each respondent will be summarized and I will provide information about their business. First the background stories of the first generation Dutch-Moroccan respondents will be provided. Afterwards, the background stories of the second generation Dutch-Moroccans will be described.

### 5.3.1 Abdelilah Arrad – La Grange Aux Fromages



Figure 12: Arrad in the Dutch cheese store in the middle of a district just outside the center of Casablanca.

Abdelilah Arrad is a first generation Dutch-Moroccan man of 55 years old. In 1980, he arrived in the Netherlands, in Bodegraven, by coincidence. After that he moved to Gouda, where he got married and got children. Nowadays he is divorced and he has a relation with a woman who lives in Casablanca. At first, Arrad worked in a nursing home as a warehouse worker. Besides that job he traded with people he got in touch with from Morocco. People called from Morocco if they needed something and he provided them the goods to send them off to Morocco.

After working for eighteen years in the nursing house he decided to begin something for his own in the Netherlands but he did not have the financial tools to make such investment. That is why at the tennis club some friends invested in his business. With that money Arrad started a fishmonger in Gouda. In the meantime he got to know Tunisian, Libian and Moroccan people who wanted different products like fish, butter, milk and cheese. By exporting these goods he earned some extra money.

Via Campina and Westland Kaas he exported cheese and other dairy produce to Libya, Tunisia and Morocco and he got brokerage for it. Because this went so well, Westland Kaas approached Arrad with the question if he wanted to export cheese permanently as a broker. About 4 years ago he started this in Morocco, where he already had a clientele. This first customer was Margane, the second one Acima. Both are supermarket franchises in Morocco. When 1,5 years ago trade went less well with Margane, the idea arose to start a cheese store in Casablanca.

With the support of Westland Kaas and the confidence in Arrad, he was able to start up a cheese store in Casablanca. The business exists for 1,5 years now.

In the beginning, Westland Kaas helped Arrad with promoting his store and deliver a loan in kind by sending cheese to Arrad. In return for this, he has to pay the cheese back and keep the profit he makes. Besides the store, Arrad has a small storage room to store the cheeses he receives from Westland Kaas. He can also send big orders to customers from there.

Arrad lives mostly with his wife in Casablanca, but still travels a lot across borders. He visits the Netherlands regularly, because he has his social life there too since he lived in the Netherlands since 1980. His children also still live there and he has appointments with Westland Kaas in the Netherlands.

I have a wife here in Casablanca who works. But I also have my life in the Netherlands in Gouda, since I lived there since 1980. Thus, I travel back and forth most of the time. Next to my social relations, I also have business obligations in the Netherlands. Once or twice a month I have an appointment with Westland Kaas and my trade that is focused on Libya and Tunisia is also dependent on contacts in the Netherlands. ~ Arrad, 20th of May 2013

The cheese store of Arrad is located in the area I lived for six weeks in Casablanca. It was a ten minute walk and it was within a small indoor shopping mall. It was amusing to see a Dutch cheese store in the middle of Casablanca, at a distance of thousands of kilometers from the Netherlands. When I visited the store it felt like being in a small piece of Dutch territory and it felt like home a bit. It made me realize that having a place where you can experience your own culture in a strange environment is a natural emerging feeling of desire to have a place where you can relate to your home. It made me understand integration is not only about participating in a society and adjusting to a society and developing a feeling of identity or affinity to a country of settlement alone. The affinity with another place you identify yourself with, that is also part of a transnational identity, also influence the way you act and feel in other parts of the world.

### 5.3.2 Nourradine Gribi – L&N International

Nourradine Gribi is 44 years old and born in Kenitra in 1969. In 1971 he went to Den Bosch in the Netherlands with his parents so he grew up in the Netherlands most of his childhood. His brother and sister stayed behind to finish their education in Morocco first. Gribi had a good childhood in Den Bosch. He always felt different when he came to Morocco because he always felt like being watched by Moroccans and he felt that he was more blessed with luxury than the people in Morocco, especially when he was with family.

His parents were always energetic and excited when they visited Morocco and they were caring about their family in Morocco, while on the other hand they were living a sober life in the Netherlands. This had a big impression on the life of Gribi. Gribi loved growing up in the Netherlands, was mainly focused on the life there. He met a Dutch-Moroccan woman with whom he married. He got three children with her.

Gribi always felt like an entrepreneur. Before he was enterprising he worked as an employee but he felt that it was not what he wanted. He had a good job but he felt something was missing. When he was involved in a big project he realizes that he wanted to do projects on his own but he did not have the possibility in the Netherlands. The reason for this was that he often heard that he was Dutch-Moroccan and that this limited his possibilities regarding his career. This resulted in the feeling that he was misunderstood in the Dutch society. This made him to think about migrating to another country. In 2002 he eventually migrated back to Kenitra in Morocco. Gribi states;

I felt I was limited in my career, angry, misunderstood. I felt Dutch, and I still do, but I did not have the feeling the society saw me this way. I am a Dutch person with a Moroccan appearance. I think and I talk Dutch, I even eat Dutch, but I look like a Moroccan person. After the misery in the Netherlands with Pim Fortuyn<sup>5</sup> and other right winged parties, I was thinking about moving to another country where I could develop myself. The first thing I thought about was of course Morocco. ~ 16th of May 2013

When Gribi arrived in Kenitra he invested in research projects about sustainable energy. This resulted in an experiment, in cooperation with the Moroccan Ministry of Agriculture of growing jatropha. This project lasted three years. After that he tried to encourage that European organizations started projects on sustainable energy in Morocco, especially wind and solar energy in the Sahara. At the end of 2008 the crisis struck the world and the project had to be defunct. This made him decide to start projects on his own with the help of investors. This resulted in the start up of his business in 2010. The reason for this was that Gribi noticed that he could act as a bridge between the Netherlands and Morocco by getting projects on sustainable energy as investments from the Netherlands to Morocco. Gribi explains;

In the years I lived in Kenitra, I noticed a sounding board between the Netherlands and Morocco is absent. People here speak French, there are laws in French and the only barrier for Dutch businesses to start here is the knowledge about each other. Morocco and the Netherlands are not familiar with each other. We do not understand how our cultures work, despite we already live 30 years together in the same cities. ~ Gribi, 16th of May 2013

<sup>5</sup> Pim Fortuyn was a right-winged politician who was killed by a left-winged environmentalist in May 2002.

According to Gribi, networks and understanding each other is essential to communicate and do international business between the Netherlands and Morocco, since Morocco is growing to become a bigger player in the international economy. This is why Gribi started a consultancy agency in sustainable energy. By doing this he wants to promote sustainable energy and the products that make this possible in Morocco.



Figure 13: Nourradine Gribi and me at a coffee house in Kenitra.

### 5.3.3 Laila Qottaya - Maxima Car

Laila Qottaya is a first generation Dutch-Moroccan woman of 34 years old who lived in the Netherlands between 2002 and 2011. When she worked at the airports of Casablanca she met a Dutch-Moroccan man with whom she married and lived in the Netherlands for almost ten years. This means that she knows how it is to integrate in the Dutch society of the 21st century. She states that it was hard to integrate as a Moroccan woman but that she was willing to do everything to succeed and take the opportunities that the Netherlands provide by successfully participating within the Dutch society. As Qottaya explains;

Everything was new for me in the Netherlands. The language, the culture, the life. Integrating was not easy. I spoke Moroccan Arabic, French and a little bit of English, but no Dutch. So language was a big obstacle for me, especially in the beginning when I had to wait for two months to be able to start the study for the integration course. After a year I was allowed to search for an internship. I did everything to find one and because I speak French fluidly, I had an advantage by doing an internship in Management and Economics where my French skills were needed. At the internship I was able to learn more Dutch. Expressions, sayings and jokes are aspects of a language that you can only learn by interactions with natives. This helped me a lot learning Dutch. ~ Qottaya, 21st of May 2013



Figure 14: Laila Qottaya (on the right) and a part of her personnel in front of Maxima Car.

After the internship it was not hard for Qottaya to find a job where she could use her French and Dutch language skills, because there was a lot of labor demand for people who fluidly speak French at that time. Working in the Netherlands gave her a lot of courage and energy.

Qottaya does not have negative experiences or negative thoughts about the Netherlands. She feels that she has had a fair opportunity to develop herself personally and also in the field of career. She thinks the Dutch system is better and fairer than the Moroccan system because in the Netherlands quality is more important than networks and family relations.

In Morocco, people who speak French or Arabic with a good education are not selected on the basis of quality, but on family relations, friends you know etc. You have to know people to get a good job or enter within a certain group of people. You have to have a good network in order to get things done. In the Netherlands a person has good chances because of his qualities. I was even able to negotiate about the height of my salary and people were really happy with me. Here in Morocco this does not happen this way. That is why I appreciate the Netherlands so much. ~ Qottaya, 13th of May 2013

After six years of work Qottaya became pregnant. This was the moment she decided to apply for naturalization. After passing five tests she became a Dutch citizen. That gave Qottaya a special feeling. There was a meeting in Spijkernisse where graduates received their citizenship in the presence of the Major. She still has the photo of that day. The family of Qottaya was allowed to attend the meeting and it gave her a special feeling to welcome her own Moroccan family in the Netherlands. Two years after Qottaya received her Dutch passport she got her second child. After receiving the Dutch nationality Qottaya became involved as volunteer in TANS – an organization that is a platform for Moroccans in the Netherlands - and HIC Marokko, which was an organization at that time for Dutch investments in Morocco.

When she volunteered for these organizations the idea arose to start a business for her own in Morocco. She decided to go back to Morocco and start her business there. In the beginning, in 2010, she traveled between the Netherlands and Morocco, but in 2011 she decided to migrate back to Casablanca. She started a holding named "Maxima Holding" whereby Maxima Car, a car rental business became the main business within the holding. Beside that Qottaya planned to start a travel agency and a consultancy business for foreign people that want to invest in Morocco. The travel agency is still in the conceptual phase because Maxima Car demands a lot of time. To date, consultancy has always been for free. Maxima Car started in 2010 with two people outside the city centre of Casablanca. Qottaya started with the help of her brother the company, although she does not want to involve her family in the business too much. Her brother is the only one that is involved in the business and the only one who will ever be involved. He studied in the Netherlands too and has knowledge about cars and experience in this sector. That is why she wanted to start a car rental agency.

To start the business, the Moroccan Ministry of Transport demanded a minimum of €50.000-, in order to be allowed to start a car rental agency. Qottaya arranged the money to borrow it for a part from the bank in the Netherlands and used her savings for the other part. After a while, she was able to pay the borrowed money completely back to the bank.

Over the past years Maxima Car has been growing and nowadays it is located in the city center of Casablanca and the personnel consists 7 people. Qottaya chose for Casablanca because she grew up there, went to school there and she has her kin living there. Besides that Casablanca is the main economic capital, which also means that there are chances to develop a business. Tourists and business men are present in the city, which means that there are enough people that potentially want to rent a car.

### 5.3.4 Sahl Raffali – Utess Voyages

Sahl Raffali is a first generation Dutch-Moroccan of 47 years old. Until he was eighteen years old he lived in Casablanca. After that, he started a study in the USA and France. He graduated eventually in the Netherlands for a Dutch company. He worked for eight years in engineering in the Netherlands, between 1990 and 1998. After that, he migrated to Luxemburg to work. Raffali started a business in Luxemburg and is developed rapidly. After a while, despite the success of the business in Luxemburg to return back to Morocco to return to his family and his parents in Casablanca. The distance between Luxemburg and Morocco became too much regarding the need for Raffali to spend time with his family after many years of living abroad.

The purpose for Raffali was to start a business in Morocco. He found a partner with whom he could do an investment to start a business. After the terrorist attacks on 9/11 the sector his business was in collapsed and Raffali decided to stop with his project. He became involved in the business of his parents. This business is Utess Voyages, a travel agency which exists for 40 years now. His parents wanted to pass it on his son. Between 2001 and 2004 he learned everything about the business and in 2004 he was ready to take it over.

The whole sector that focuses on traveling changed after 9/11 in 2001 and the developments within the travel market were developing too fast to keep up with for Raffali's parents. Also technology influenced this process.

Because I was still energetic with a technical mindset it was possible for me to take over the business. I was more capable to adapt myself to the changing market. ~ Raffali, 28th of May 2013

Nowadays, Raffali travels once a month to Europe for business concerning his travel agency. The main partners of Raffali are Royal Air Maroc and Air France/KLM. At the moment Raffali is planning to open stores on two other locations. The future decides when the other locations will be opened. But at least there are some concrete plans to expand in the near future.

### 5.3.5 Ismail Abousalama – Skylight4u

Ismail Abousalama is a second generation Dutch-Moroccan man who is 38 years old that lives in Amsterdam. His family in Morocco is originally from Al Hoceima in the Rif Mountains. Abousalama graduated in electrical engineering and after that he started a study on the social academy. Besides that he had a project, which was an event agency, with his friends. After a period of time he decided with one of his friends to start up a business in Morocco. When they had a leak in the roof in a house in Morocco they own, they wanted to place a dome which let through natural sunlight, just as some houses in the Netherlands have. But when they looked for this product and came to the conclusion it did not exist in Morocco, they thought about the idea to import them to Morocco and sell them there. They both always wanted to start a business in Morocco because of their affinity with Morocco and this idea helped them to realize this concept.

Abousalama and his friend also saw opportunities within the Moroccan market because the “country is developing rapidly and a lot is happening on economic scale”.

The business is registered for one year now and everything is developing slowly. Abousalama considers the business to be still in the concept phase. They do have some projects concerning private individuals now and then, but everything is still in the concept phase. Abousalama and his friend in the Netherlands approached a member of the family of one of them in Morocco who is contractor. Eventually they started up the business with the three of them. He is a local so he can arrange practical things in Morocco and be present there. Abousalama and his friend in the Netherlands can arrange administrative things.

The business does not have an office yet, but they only sell little amounts of products in different cities in the country, including Casablanca and Rabat. They chose to start quietly with small amounts of products because this decreases the risk that their stock would not be completely sold. If the business will grow and be more successful importing containers would be an option, but not for the moment. Via the network of the constructor they try to become better known on the Moroccan construction market.

### 5.3.6 Michel Alexander – Brainworx & Marokkowerkt.nl

Michel Alexander is a man of 34 years with a Dutch mother and a Moroccan father. He was born and grew up with his family in Rotterdam in the Netherlands. Nowadays, his father lives in Casablanca and his mother still lives in Rotterdam. The intention of Michel was to go on a holiday to Morocco for an undetermined period of time. In the first half of 2009 he went to Morocco for a holiday after a stressful time, both socially as on the level of business. He wanted to leave the Netherlands behind for a while and start learning Arabic and French and about his Moroccan roots during a holiday there.

Michel went to a friend in Morocco and enjoyed the time there. After two months it was July of 2009 and Michel almost had to return because he did not have much money anymore. At that point, a friend of him said to him that he knew a place where Michel could work. He spoke about a call center in Casablanca where they ask for people who speak Dutch for marketing. He would earn 10.000 DH per month (about €1.000-, per month). In Morocco it is possible to live well with that amount of money. Michel agreed to start working there, at least temporarily.

When Michel started working at the call center he noticed that the people there who spoke Dutch did not know anything about the Dutch culture and Dutch communications. He explained that the reason for this is because most of them only spent a few years in the Netherlands and then returned to Morocco. This was a thing that bothered Michel. He explains;

My colleagues at the call center did not have any communication skills. They did not have the skills to listen to people on the other side of the phone line in the Netherlands, they knew little about talking to people in Dutch, respond on people, certain Dutch sayings, and have a normal conversation. This was the first thing that I found annoying. Beside that it was difficult to be in Morocco because I did not speak sufficient French or Moroccan Arabic. So while I was there amongst my own people, Dutch-Moroccan people, they did not understand what I said or what I meant. They did not understand my thoughts, my sarcasm, my jokes, nothing. That is really frustrating. ~ Michel Alexander, 21st of May 2013

After a few months Michel quits with working for the call center. He became unemployed for about three months but he refused to go back to the Netherlands. He did not want to be seen as a person who did not have the strength to survive in Morocco and who quits when he would have returned to the Netherlands. It was a hard period at that time.

I have been crying on the streets of Casablanca, thinking to myself: What am I doing here? At this moment it became clear to me that in the Netherlands everything is arranged for you. If you become unemployed, you will get payment from the government. If you are unemployed here and if you do not undertake action, you will end up in the drain. I was wondering to myself how somebody with so much knowledge, energy, perseverance, help and love from people around him could end up with zero Dirhams in Morocco. It made me realize that I did something wrong. [...] I realized that I was not as good as I thought. ~ Michel Alexander, 21st of May 2013

Eventually it made Michel realize that in Morocco there is nothing to relapse to when you are in a difficult situation. It made the respect of Michel grow for Moroccan people who are working hard every day to maintain a livelihood.

After the three months of unemployment, a friend of Michel told him that an IT-business had started in Rabat and that they needed somebody who spoke Dutch for IT-support. The interests and expertise of Michel lies in that sector, hence he accepted the job. It was a multinational with a strict hierarchy. In July 2010 Michel started there. After 1,5 year he quit because he did not abide the hierarchical structure of the company. After that, Michel was able to take over another call center in Rabat in 2012, called Webhelp. This did not work for him because of a lack of experience and because he was not able to concentrate all his time and energy on the company. After three months the call center was bankrupt.

After the bankruptcy, Michel returned to Casablanca, where he could live with his father. There he had the time to think over everything that happened and focus himself on some hobbies like developing his website. During the time he lived in Rabat he made a website named marokkowerkt.nl. This website was part of a think tank put together in a holding named Brainworx, that was started by Michel. On this website, people from the Netherlands that wanted to work in Morocco could send their résumé. After that, Michel provided some information and job applications that were possibly interesting for that person.

After a period of time, Michel decided that he wanted to find a job again. He discovered that there existed job applications in French that he did not notice before. Michel decided to tell Moroccan companies who seek for Dutch employees about his website and ask brokerage for his service from the companies with the job applications, but he did not receive much comments from companies because it was not interesting for them.

Michel decided to learn more about search optimization on Google, communication and social media like Facebook. In June 2012, his new website was finished and online. When a friend posted a message about the website on Facebook, the amount of visitors of the website rose quickly from about ten per day to two hundred in one day. After that, the amount of visitors stabilized to 25 a day. He received too many CVs from potential employees from the Netherlands so he was not able to respond quickly enough and he did not earn much brokerage for it. Besides that, Michel received complaints from people who were seeking work in Morocco because he was not able to respond quickly. In the beginning of 2013, he decided to quit and open all job applications on the website for free. This made the website instantly a success.

In the beginning of 2013, I opened all job applications for free and I took my hands off the project. It was the best thing I could have done. The amount of visitors rose from 25 a day to 150 a day. I receive more income from advertisements of Google because I have more visitors every day. [...] I also receive more specific questions for advise and solicitations. Now I can specifically search for jobs for people and earn brokerage for it from the companies, next to the advertising incomes. I help people through the trajectory of job application and people are satisfied. 21st of May 2013

Michel has the opinion that his knowledge about the Netherlands and Morocco are worth money and that in this way, by providing a free service to Dutch people who want to work in Morocco and providing a paid service to the companies who receive employees, he creates work in Morocco

### 5.3.7 Ilhame Charif – Mena Transport & Conseils

Ilhame Charif is 28 years old and was born in Leiden in the Netherlands. Her parents are both originally Moroccan, hence she is a second generation Dutch-Moroccan woman. After Charif finished her Bachelor degree in Management & law she started a Bachelor in the Arabic language and culture. When she finished this study she became involved for three years in Handels- en Investeringscentrum Marokko (HIC Marokko), a Dutch organization which became defunct. HIC Marokko coordinated trade missions from the Netherlands to Morocco and consulted and supported in business development in Morocco for Dutch entrepreneurs. Personally, she always felt strongly connected to Morocco and spent many holidays there. When HIC Morocco was defunct, Charif did not have a job anymore, so she decided to apply for jobs that related to Morocco. After a period of applying for jobs, she met a person who wanted to start a business in Morocco in the transport sector. Because of the experience with guiding business start ups and her affinity with Morocco Charif decided immediately to take her bags and travel to Casablanca. Her business partner stayed in Amsterdam in the Netherlands. Now they travel from and to Casablanca and the Netherlands and they run a business in logistics. Charif is able to live in the house of her parents in Casablanca, but originally her family comes from Beni Mellal. Beni Mellal is located near the Atlas mountains (see appendix 3, map 2), but nowadays she has a lot of family that lives in Casablanca.

The business of Charif and her business partner, named Mena Transport & Conseils, started up in 2012. It is a business that focuses on international transport and logistics, mainly between the Netherlands and Belgium and Morocco. The office of the business is registered in Casablanca, and after a year business is going well. Charif and her partner chose for Casablanca because it has the most economic activity and the largest port and airport of the country. Besides that, Charif was able to live in the house of her parents in Casablanca and family of her live in the city.

### 5.3.8 Hakim Jouahri – Club Costume

Hakim Jouahri is a man of 35 years old who is born in Rotterdam in the Netherlands. He lives in both the Netherlands as Morocco, but mainly in Morocco. His family is originally from Fes. Jouahri studied commercial economics and has always worked in fashion. In the Netherlands the clothing industry was a difficult sector during the crisis. In Casablanca this sector was relatively new and little and that is why Jouahri decided to attempt starting a clothing store in Casablanca. The idea of starting a business in Morocco already existed in his mind for a while when he decided to move to Morocco and start a business there because he saw economic chances in opening a clothing store with suits for men. Another reason Jouahri left is that he wanted to enjoy life besides work and he thought he would reach that goal in Morocco.

I worked as an independent in the Netherlands before I left to Casablanca. Business did not go well at a certain moment because of the economic situation in the Netherlands and the idea to start a business in Morocco already existed in my mind for a while. That is why I left to Casablanca. I wanted to move to the sun and really enjoy life besides my work. In the Netherlands it rains or it is already dark when you arrive home from work, here this is not the case. 22nd of May 2013

He chose for Casablanca because it is the economic capital of Morocco and it is the city where money is spent the most. In Casablanca the business people are also located, which is the biggest target group that buys his products. Since 2010, Club Costume exists. The store is selling men's clothes only because Jouahri saw that there are not many opportunities for (business) men to buy suits in Casablanca at the time he began with his store.

In the Netherlands it is difficult to distinguish yourself from the rest and the big franchises. Here in Morocco the market is still empty. If a customer needs a suit he is able to choose out of three stores in the whole of Casablanca and that is all. Thus, this makes it easier to distinguish yourself from the rest. ~ Jouahri, 22nd of May 2013

The personnel counted three people in the beginning, namely the president (Jouahri), a manager and a tailor. Nowadays the business counts five people of personnel. The personnel has been expanded with a seller and a part time employee. The suits he sells are imported from Europe, mainly from the Netherlands and Italy. He travels regularly to these countries.

Jouahri was able to start his store with the money he saved in the Netherlands. Besides that, he found an investor that wanted to invest money in him and his store. This is the reason why the store was started up with a dormant partner. Concerning the substantive choices he has to make regarding the store, Jouahri is still independent.

### 5.3.9 Mohamed – Business in plumbing and floors

Mohamed is a friend of Hakim Jouahri. He is a second generation Dutch-Moroccan and is starting up a business in plumbing and floors for the upper segment. For 1,5 years, Mohamed has been busy making preparations to start his business, but still the business is in the conceptual phase. Once in the 6 weeks he travels back and forth to the Netherlands for private reasons and business reasons. He spends more time in Morocco than in the Netherlands at the moment. There are a few small projects for private individuals that are already running, but the business itself still has to be officially started up. Mohamed imports his products from the Netherlands.

There are multiple reasons why Mohamed wants to start a business in Morocco. The first reason is that he does not see an opportunity in Europe to start because of the crisis. The second reason is that the life in the Netherlands does not satisfy Mohamed. He explains that the life in the Netherlands is too stressful and he thinks that the life in Morocco is better. He also has the feeling that no matter what people will always be looking at him and approach him as a Moroccan person instead of a Dutch person. This has both societal reasons and political reasons according to Mohamed. He says the following about life in Morocco in comparison with life in the Netherlands;

In the Netherlands you are being lived (by your agenda and expectations from others), here you live life. ~ Mohamed, 16th of May 2013

## 6. Conceiving transnational entrepreneurship in the region of Casablanca

I always felt connected to Morocco and I already knew as a little child that I wanted to move there someday. Therewith it did not come as a surprise for my parents that I wanted to move to Casablanca and start a business there. ~ Charif, 14th of May 2013

In this chapter the first phases of starting a business in the region of Casablanca will be analyzed. When a migrant decides to start a business, this is the beginning part of conceiving entrepreneurship in Morocco. In the case of Dutch-Moroccan migrants, a transnational dimension is added to the question of starting a business. This implies that conceiving transnational entrepreneurship in the region of Casablanca is a question of integration, identity, mixed embeddedness.

In a set of empirical examples, an analysis will be made on choices of transnational entrepreneurs in order to understand why they wanted to start a business in the region of Casablanca and in order to understand how they make choices in the concept phase of starting a business in the region of Casablanca. It will become clear that the process of conceiving transnationalism influences the whole process of running a SME in the region of Casablanca. It is important to analyze how the transnational entrepreneur conceives the idea of starting a business in order to understand how he successfully consolidates the concept of starting a business in this respect.

### 6.1 The emerging idea to migrate to the region of Casablanca

Dutch-Moroccan entrepreneurs have a transnational identity and background that binds them to both the Netherlands and their roots in Morocco. They have been growing up in the Netherlands or they have immigrated to the country, which makes them connected to the Netherlands and part of the Dutch society. On the other hand, the roots of the entrepreneurs lie in Morocco, which gives an awareness of their origin. First generation Dutch-Moroccans feel more connected to Morocco than second generation Dutch-Moroccans because they lived in Morocco for a period of time.

When the idea arises to start a business in Morocco, the connection and binding with Morocco gets reshaped. The entrepreneur becomes connected to Morocco differently. There are different reasons why a transnational migrant decides to start a business in Morocco and different factors have influence on the emerging idea of starting up the business there. The emerging idea to start a business in Morocco is the phase where the transnational entrepreneur is conceiving the concept of doing business in the country of origin. It differs from person to person why they want to invest in the country but they all have in common that their affinity with the country drives them to focus on Morocco. Local factors in the Netherlands play a role in this respect but also indifference of not looking across the border of Morocco to invest in other countries.

From the indicated reasons to invest in Morocco given transnational entrepreneurs, it can be seen that there are clear economic, political, social and altruistic motives to start a business in Morocco. The following quotes of the respondents central in this research confirm that there are multiple reasons to invest in Morocco. The fact that often multiple reasons are given to run a business in Morocco implies that it is an emerging process that is also determined by personal circumstances of the transnational entrepreneur. Yet, cultural binding with Morocco seems to be the factor that explains most why the Dutch-Moroccan migrants invest in Morocco instead of looking to invest in other countries. E.g. Jouahri had a business in the Netherlands that was not going well anymore because of the crisis in the Netherlands and he wanted to try something new in life. His emerging idea to invest in Morocco, his affinity with the country and his adventurous attitude made him eventually decide to migrate to Casablanca and start a business there.

There are different reasons why the Dutch-Moroccan entrepreneurs went to start an enterprise in the region of Casablanca-Rabat are different. There is much heterogeneity in the combination of reasons to start a business there. The personal circumstances of the Dutch-Moroccan migrants determine why the idea arises to start a business in Morocco. Besides that there are economic, social and political reasons. There often is a dominant reason, but most of the time there is more than one reason to start a business in Morocco:

- Economic growth and chances in Morocco and the crisis in Europe

Because of the affinity and the connection with Morocco, I always wanted to do something there. When we (Abousalama and a friend) discovered that domes on the roofs of buildings that infiltrate light into houses are not existing in Morocco, the idea arose to start a business in Morocco. ~ Abousalama, 15th of May 2013

The crisis in Europe, and the stressful life in the Netherlands induced my growing desire to start a life in Morocco. There (in the Netherlands) you will always be seen as a Moroccan person, although I am Dutch an born in the Netherlands. Politics in the Netherlands accumulate this image about Moroccan people in the Netherlands. In Morocco, there are economic chances and I want to try to build up a life there. In the Netherlands you are being lived (by your agenda and expectations from others), here in Morocco you live life.

~ Mohamed, 23rd of May 2013

I worked as an independent in the Netherland before I left to Casablanca. Business did not went well at a certain moment and the idea to start a business in Morocco existed in my mind for a while. That is why I left to Casablanca. I wanted to move to the sun and really enjoy life besides my work. In the Netherlands it rains or it is already dark when you arrive home from work, here this is not the case. ~ Jouahri, 22nd of May 2013

- It is a country which feels familiar and migrants feel connected to it (affinity with the country of origin)

I always felt connected to Morocco and I already knew as a little child that I wanted to move there someday. Therewith it did not came as a surprise for my parents that I wanted to move to Casablanca and start a business there. [...] My affinity with Morocco is stronger than my entrepreneurship. I never saw myself as an entrepreneurs before I went to Morocco, but actually it feels quite good. ~ Charif, 14th of May 2013

- Adventure

When I was involved in HIC [...] I saw people invest in Morocco. Some of them were successful, others returned. At that point I decided to invest in Morocco on my own. I was always optimistic that I would succeed and I sowed initiative. My life in the Netherlands was a great experience. Returning to Morocco is a new experience in my life. ~ Qottaya

- The political situation in the Netherlands

I did not feel accepted in Morocco because of the political situation there and the societal problems concerning Dutch-Moroccans and the way in which they are seen by society. I did not feel accepted and I did not think I was able to develop my career in the Netherlands, although I felt like I was Dutch. And I still do. In Morocco I saw economic and social chances to develop myself. ~ Gribi, 16th of May 2013

- Coincidence

I was on a holiday in Morocco for a few months in Morocco. I never returned ever since although I have been born in Rotterdam. ~ Michel Alexander, 21st of May 2013

#### *The idea to start in Casablanca*

The respondents were rather unanimous in the reasons why they decided to start up a business in the region of Casablanca. There are three main motives to invest in the region of Casablanca.

The first reason is that Casablanca is economically the most important city by far. Every respondent mentioned the economic status of Casablanca in Morocco. They meant the function of Casablanca and its region as the most important region of the Moroccan economy and that it is the best place to do business because of the economic importance of the region. Casablanca is still considered to be the economic capital and the most interesting city in Morocco to invest in. As Raffalli and Charif stated;

It was logical for us (Charif and her business partner) that we invested in Casablanca. Economically it is the most important city, especially in the transport sector. Besides that, my family lives there. ~ Charif, 14th of May 2013

If I would have my roots in Fes, I would invest there, but I am from Casablanca. And this is still the economic capital of Morocco. This is the place where economically everything is happening. ~ Raffali

The second reason to invest in the region of Casablanca is because the respondents have family that is living in the region of Casablanca. This provides the chance to fall back on family if necessary. E.g. Charif is staying in the house of her parents and Michel Alexander has been living with his father in Casablanca for a while when his father offered him this opportunity so that he could look for an own house. So on social level family can play a role in starting up a business by providing social assistance if needed.

Finally, the third main reason why transnational entrepreneur chose or are still deciding to invest in the region of Casablanca is the infrastructure that is present. International ports and airports make it easy to travel people and goods from and to Europe. This makes acting within a transnational field easier. Social and business trips can be done easily. Relative distances are short. In a few hours you can travel between the Netherlands and Morocco by plane. This creates possibilities to live an international (and therewith transnational) life across borders between Morocco and Europe. As Abousalama, Jouahri and Charif explain;

One of the things that was a pleasant surprise was the presents of newly constructed infrastructures of good quality. Railroads, highways, ports and airports are all modern and of good quality. This was an unexpected surprise for us. ~ Abousalama, 16th of May 2013

It is easy to travel to Europe because of the many possibilities of traveling. Within a few hours you can fly to Barcelona or other destinations in Europe. This makes traveling easy. ~ Jouahri, 23rd of May 2013

Since we run a business that is focusing on logistics, the near presence of big airports and ports are crucial for us. This is why Casablanca is the ideal city to locate our business for us. ~ Charif, 14th of May 2013

## 6.2 Becoming economically embedded

In Morocco, it is necessary to invest a relatively huge amount of money into a business to make the business a success compared to the Netherlands. Therefore, getting economically embedded begins before the business has been created.

Except for Abousalama, who is still in the conceiving phase of his business, everybody settled themselves in Morocco in order to successfully start up the business. But although Abousalama does not have the possibility to be present in Morocco all the time, he realizes that it is best to be present in Morocco to successfully start and run a business there.

I think you have to have direct contact with other actors in Morocco to arrange things concerning a business. Unfortunately, I do not have this possibility and that is why I still live in the Netherlands. If I ever get the opportunity to travel more to Morocco both socially and economically, than I will do that definitely in the future. ~ Abousalama, 15th of May 2013

The transnational entrepreneurs first lived in the region of Casablanca-Rabat for a while to learn the culture, language, habits, business life etc. The reasons why they do this will come to the forth later in this chapter. A consequence of this is that they already invest money in the conception phase before it is sure their business will be created eventually. To pay for this 'preparation phase' the respondents used two strategies, namely saving money to be able to live for a certain period of time in Morocco or start working in Morocco to earn a wage and pay the costs for a livelihood. The phase of preparation is an investment in both time and money.

Eventually, when the business has started there are a few strategies to help making enterprising easier and less expensive. There are four different approaches regarding arranging finances of the SME and investments concerning the business that of course can also be combined.

- Use savings to invest
- Find an investor, like a sleeping partner or an investor that is not involved in the business but provides credit in the form of financial capital or in kind
- Finance the business with partners
- Borrow money, e.g. from a bank or people in the network of the entrepreneur

Using savings to invest is the most reliable form of investments with minimal risk of financial damage in forms of debts, like Qottaya did in the beginning her business started and Abousalama does at the moment in the conceiving phase.

It is really difficult to start here with a loan. You have to have your own capital to invest or else you will take too much risk. I only rent a little bit from a bank in the Netherlands, the rest I paid with my own capital. ~ Qottaya, 13th of May 2013

We have chosen to start up our business quietly. At the moment we only export orders in small amounts to Morocco. When there is demand for our products by individuals, we send the order to them. We also have a small stock in Morocco. If everything concerning the business grows we can think about expanding, but now it is not the time for that. [...] We started with a starting capital and split the costs between the three of us. If we know our business concept is a success we might be willing to take a loan, but not for now. ~Abousalama, 15th of May 2013

The second option has been used by two respondents. Jouahri found a silent partner in the Netherlands that is not involved in the business as an associate, but rather as an actor that co-finances the business and takes a part of the share. Arrad found an investor that wanted to invest in the Dutch cheese store in Casablanca, namely Westland Kaas. This is a Dutch cheese company that gave Arrad credit in forms of financial capital and investments in kind, namely cheese. The investors basically invested in the business to share in the profit of the company.

The third option is to finance and run the business with partners in order to split the costs, and the risks, of starting a business in the region of Casablanca. This is e.g. applicable to Abousalama, who runs and owns the business with two partners (one in the Netherlands and one in Morocco) and Charif, who runs and owns the business with one partner in the Netherlands.

One thing these Dutch-Moroccan entrepreneurs all have in common is that they want to avoid taking out loans. They think this carries a risk that, when the business would not be sustainable and eventually close down again, huge debts remain. All respondents are conscious of this risk and they want to avoid the risk as much as possible. If their business start up would fail they would not suffer major financial consequences.

### 6.3 Doing business in Morocco

In the Netherlands a business can be formally started quickly and easily without investing much money in it. In the region of Casablanca-Rabat this is different, although it does not take very long to register a business due to the legislations and procedures that have been created by the Moroccan government. In less than 48 hours it is possible to create a SME in Morocco (Berkani, president of the Chambre of Commerce Casablanca, 27th of May 2013).

In Morocco 95% of the economy consists SMEs and about 70% of the Moroccan economic activity is based in the region of Casablanca-Rabat, between Casablanca and Kenitra (Saad Hamoumi, vice president of CGEM, 30th of May 2013). This means that economic activity in the region of Casablanca and SMEs play an important role in the economy of Morocco as a whole. The past decade the government of Morocco has focusing its policies on reforming the economy and starting businesses for international entrepreneurs easier and more attractive says Berkani (27th of May 2013). "The new constitution in Morocco regarding economic reforms changed a lot in the country" (Berkani, 27th of May 2013). This means that economic reforms should make it easier and more attractive to start an enterprise in Morocco. But there is also criticism on the new constitution. According to Anonymous (transnational entrepreneur, May 2013) the new constitution is just a cosmetically constructed image that does not represent reality. Anonymous (transnational entrepreneur, May 2013) adds that the new reforms and laws are set up, but that they are not controlled so that nothing changes in practice.

According to Berkani (27th of May 2013) the constitution resulted in a growth of the Moroccan economy and policies that make it easier for entrepreneurs who want to invest in Morocco. In 2013, the overall rank of the doing business in Morocco was 95th in the world. This will be 87th in 2014 (World Bank & IFC, 2013, p.5). Thus, this indicates that it is becoming easier to start a business in Morocco. Berkani (27th of May 2013) adds that the current stable political situation in the country makes it easier and more attractive for foreign entrepreneurs to invest in Morocco, especially compared to other countries in the Magreb. As Berkani (27th of May 2013) states; "the doors are wide open for foreign investors". Berkani did not speak about the informal economy. But it is likely that migrants will prefer starting a business in the formal economy better than starting within the informal economy. This has to do with the business climate that the migrants will face. In the formal economy it is a challenge to build up a sustainable business. Likely this is even more a challenge in the informal economy as someone from abroad.

The Confédération Générale des Entreprises du Maroc (CGEM) is an official organization that represents SMEs. The objective of the CGEM is to create a good business atmosphere, legislations, judicial laws, administration laws regarding doing business in Morocco (Saad Hamoumi, 30th of May 2013).

Regarding Dutch entrepreneurial activities, the Netherlands are not an important player in comparison to other countries like France, Spain, Turkey and China, but the Netherlands has a potential in doing business with Morocco (Saad Hamoumi, 30th of May 2013). For foreign investors, the most business opportunities in Morocco lie in the sectors of water, agro, environment (waste disposal) and (clean) energy. Other interesting sectors are textile, electronics, offshore, services, building and infrastructure and tourism (Rijksdienst voor Ondernemend Nederland, 2013c). Barbanente et al. (2013, p. 768) add that privatization helped attracting foreign investments especially in the telecommunication sector.

#### *Starting a business in Morocco*

Doing business in Morocco has become easier the past years for people who want to start a SME. Morocco ranks overall at place 87 in the world concerning doing business (World Bank & IFC, 2013, p. 8). Morocco scores relatively high in the ease to start a business, namely place 39 (see figure 15). This means that it can be interesting for entrepreneurs to invest in Morocco in the form of a business. Also trading across borders scores high at place 37 in the world according to (World Bank & IFC, 2013, p. 8). This is interesting for businesses that are focusing on the transport sector. Figure 15 shows the world ranking of Morocco in 2014 of doing business per aspect of setting up a new business. It provides an overview of aspects of starting businesses in Morocco that are potentially problematic, like getting credit or registering property and the aspects that are considered as well arranged like starting the business itself or trading across borders.

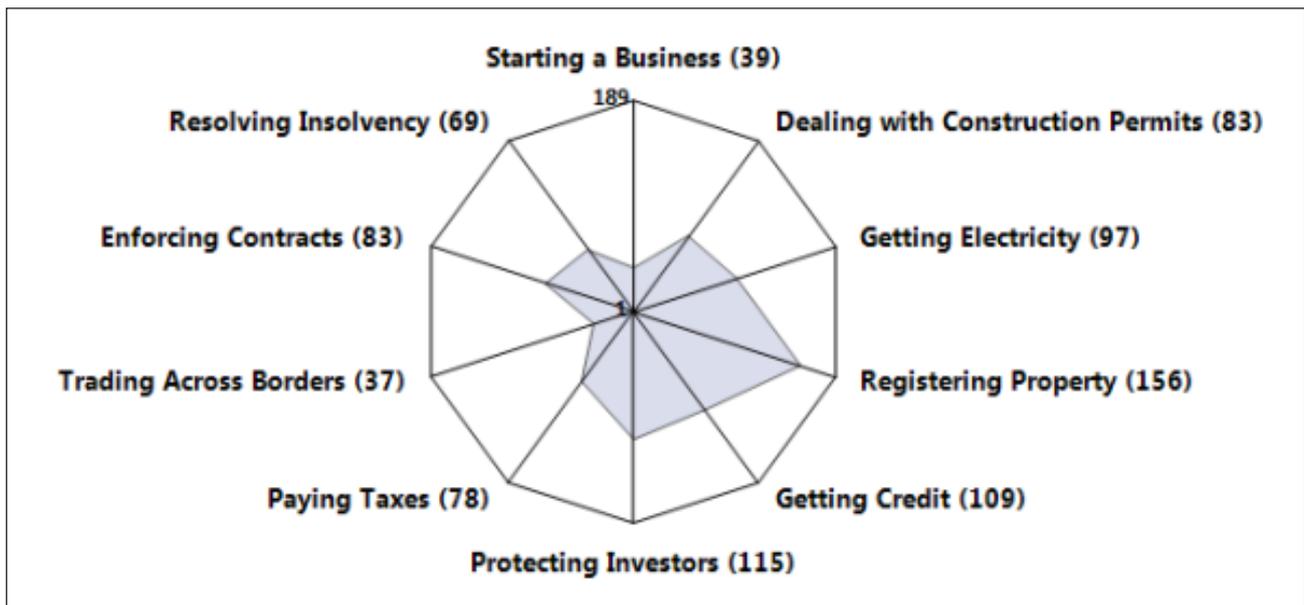


Figure 15: Starting a business in Morocco per doing business topic. Source: World Bank & IFC, 2013, p. 8.

Regarding figure 15 it can be concluded that starting a business may be easy in Morocco, but that other aspects of running a business are lacking behind. These are aspects that should be taken into account when a foreign entrepreneur wants to invest in Morocco.

There are some measures that should make it more attractive for foreign investors to start a SME in Morocco. Rijksdienst voor Ondernemend Nederland, (2013a) point out a few incentives for foreign entrepreneurs who want to invest in Morocco:

- Reduction of import duties of capital goods
- Reduction/temporary exemption from corporation taxes
- Currency transfers abroad without prior approval
- Repatriation of profits

This set of measurements to make it more attractive to invest in Morocco provide circumstances for investors that make it more beneficial to start a SME in Morocco. It makes it easier to start a business. For example, Temporary reduction from corporation taxes provide the opportunity for entrepreneurs to be spared from economic pressure concerning the business. The money that is saved because no taxes have to be paid in the beginning therewith can be invested in the business in order to improve the chances the business will be sustainable and exist in the future. Each of the measures described above contribute to the attractiveness of doing business in Morocco, which might convince people to make the step of deciding to invest in Morocco and start a business there.

#### *Starting a business in the region of Casablanca with the help of institutes*

There are different institutes that assist in starting businesses for all Dutch entrepreneurs that want to invest in Casablanca are meant to provide assistance in starting an enterprise in the region of Casablanca. These institutions could facilitate in the process of setting up a SME for Dutch entrepreneurs. The following organizations are involved in starting businesses in the region of Casablanca;

- The Centre Regional d'Investissement (CRI)
- The Chamber of Commerce in Casablanca (CCISC)
- The Confédération Générale des Entreprises du Maroc (CGEM)
- The Dutch embassy in Rabat and the Dutch Consulate in Casablanca
- IntEnt Maroc
- The Dutch Institute Morocco (NIMAR)

The role of these organizations is to consult in starting a business, to provide a network, to advertize and to be involved and interested in the developments concerning the business. As Charif (14th of May 2013) explains;

I was able to use the contacts and networks of the HIC an organization that guided and promoted investments in Morocco when it was still existing<sup>7</sup>. I also have strong connections with the Dutch consulate in Casablanca and the embassy in Rabat and I want to keep these connections strong.

The CRI is an organization that provides information about investing in the region of Casablanca. Besides that, they help starting up and registering businesses. The same can be said about the CCISC. Secondly, the CGEM is an organization that is standing up for the interests of SMEs. They also help giving information to people who want to start a business. The Dutch embassy in Rabat and the Dutch Consulate in Casablanca are looking after the interests and questions of Dutch entrepreneurs. They can help providing information, contact concerning a network, and tell others about the business a certain entrepreneur started or runs. The NIMAR is also an organization that provides information about Morocco and that provides contacts to entrepreneurs. Finally, IntEnt Maroc is an organization which is guiding entrepreneurs from Europe that want to start a business in Morocco from the beginning until the actual start up. They also provide network contacts for entrepreneurs that they can use to arrange things concerning their business.

Finally, there is a group of Dutch-Moroccan entrepreneurs that is already present in the region of Casablanca, like Michel Alexander, Charif, Qottaya and Gribi. They are all part of a transnational Dutch-Moroccan network which is present in the region of Casablanca. They know each other via internet (LinkedIn, online Moroccan/African business platforms, Facebook, forums). They help people from the Netherlands who want to start a business in the region of Casablanca. They do this by providing information about moving to Morocco, about starting a business there and providing names of people who can help them in order to expand their network in Casablanca. More about this will be elaborated in chapter 7.

#### 6.4 Starting up a business in the region of Casablanca: From conceiving to consolidating

Starting a business in the region of Casablanca-Rabat is a big challenge for migrants with a Dutch-Moroccan background. First generation Dutch-Moroccans have been growing up in Morocco but return back to a country that has been changing over time and second generation Dutch-Moroccans have been growing up in a western country with totally different norms, values, habits, living standards and ways of thinking. This makes that starting an enterprise in Morocco is more complex than it first seems. Of course, the migrants know Morocco because they lived there before or when they went on holidays to visit family and friends that live in Morocco and most people know the basics of the Moroccan Arabic language. But that does not mean that this is sufficient to go to Morocco and immediately start a business there. This approach is too limited to start up a sustainable business in Morocco as a migrant and successfully migrate to the country.

All respondents have in a Dutch and a Moroccan background and a Dutch and Moroccan identity. This also feels this way for each one of them. Migrating (back) to Morocco puts up a question of integration within a complex transnational context in which background, space, place and time are interconnected within different dimensions, like e.g. culture, a sense of belonging and habits within an international field between two worlds. Whether it is Charif or Qottaya, they both feel Dutch in some way, they both have been living in the Netherlands for some time and they both returned in about the same year. In the period they both lived in the Netherlands Morocco has been changing and both respondents had a certain sense of belonging and feeling of being home in the Netherlands.

Charif is born there and has always been living in the Netherlands until 2012, when she moved to Casablanca. Qottaya came to the Netherlands in 2002 and returned to Casablanca in 2011. They both decided to start an enterprise in Casablanca and moved there. This means that they had to adapt themselves within a world and a city that is totally different from the world they left. They had to become Moroccan (again) when they left the Netherlands by integrating in the society of Casablanca. This story is representative for every respondent that has been interviewed.

As Gribi ( 16th of May 2013) witty described;

We are Dutch people with a Moroccan appearance.

Every respondent is aware of both the Dutch as the Moroccan background they have. This results in a process of integrating in a society that is linked to their background, but not necessarily their identity. As Michel Alexander ( 21st of May 2013) says;

<sup>7</sup> Nowadays, the HIC Marokko is defunct.

I had to learn to become Moroccan as a typical boy that grew up in Rotterdam. You cannot find a guy that is more Dutch than I am. I have been born in Rotterdam, raised there by my Dutch mother and there I arrived in Morocco, a country that was just as foreign for me as for you (Bas Boselie) now.

During the fieldwork in Morocco it became clear that every respondent emphasized that it is important to get to know Morocco first before actually starting up a business. Because of the Moroccan background of the Dutch-Moroccan entrepreneurs the feeling arises that they know the country and the culture, but the opposite is true. Many (return) migrants underestimate the impact and the process of starting a sustainable business in Morocco, the business environment, and the things that are needed to (re)integrate. This is why it can be claimed that short trade missions or market explorations are insufficient to successfully start a business in the region of Casablanca-Rabat. More is needed to successfully accomplish these things than knowing the habits of the country a speaking basic Moroccan Arabic. This indicates that the institutions in Morocco are more than just a set of informal cultural habits or a set of formal laws, like e.g. making verbal agreements or formal regulations regarding businesses about what is allowed and what is not.

Institutions in Morocco determine how a migrant is supposed to act in order to be a successful entrepreneur. E.g. the business climate and the way of doing business in Morocco differs from doing business in Europe because of differences in social intercourse in how business is done. If the transnational entrepreneur does not succeed in adjusting himself in doing business and in the everyday life of Morocco, the business will not be sustainable or successful. It is about getting embedded in Moroccan society with the business that has been started up, but also as a person. Jouahri (22nd of May 2013) described the example of a friend of him that was not able to embed himself in Moroccan society;

A friend of mine decided to migrate to Morocco. He was not able and willing to adapt himself to the Moroccan society with his Dutch mindset. He became very unhappy and decided to go back full of frustration.

It is crucial for the migrant to find out what the formal and informal institutions (like laws, permits, language, social interactions, culture) are in Morocco and how to deal with them concerning the everyday life and concerning the business he runs.

Jouahri (23th of May 2013) explained this by saying;

When you arrive in Morocco from the Netherlands, you think you know the country. But the opposite is true. I think you can better come here as a French guy with blonde hair than as a Dutch-Moroccan person. Then you speak the same language and the mentality is more the same. This makes it easier to adjust. [...] I have lived in Casablanca and walked around here for a period of time before I opened my store. I learned the get to know the city and the Moroccan society. It was also a good opportunity to do research about locations where I could open my store.

Institutions in Morocco are a complex set of formal and informal rules that the migrant has to follow to embed himself. E.g. a migrant must inform that he has arrived to the porter when he enters a bank.

If an entrepreneur does not know what the cultural habits are in Morocco concerning doing business, it will be more difficult for him to do business with e.g. a bank, although he formally did not do anything wrong (Boussaid, consultant, 28th of March 2013).

Focusing on Casablanca, getting embedded is difficult due to a few aspects. First of all, Casablanca is a metropolitan city which is complex in itself. The city is socially, culturally and economic built up complicated. Casablanca and its region contain a formal and informal market that are interconnected, a diversity of social classes, an own culture and the presence of many different companies of different sizes in different sectors. Basically, the life and the way Casablanca functions is not comparable to the rest of Morocco. The migrant has to learn about the life in the city and its region, get used to the life there, and get to know how the city works both socially and economically.

Secondly, the migrants have to (re)learn what the culture of Casablanca and its region is really about. The Dutch-Moroccan entrepreneurs do have a Moroccan background and knowledge about religion, cultural habits and the country, but in practice it becomes clear that more is needed.

This applies especially to the second generation Dutch-Moroccans who have been growing up in the Netherlands. This group of people are acting as Dutch people because they have always been living in a Dutch environment. For them it is crucial to learn to adapt to the Moroccan life in order to successfully embed themselves in Moroccan society. This requires an open mind when it comes to adjusting to 'another way of life' and adapting to the life in the region of Casablanca-Rabat.

Jouahri and Abousalama mention the mentality of them as second generation Dutch-Moroccans with a Dutch childhood and growing up with a Dutch mentality. It is necessary to be able to have an open mindset in order to adjust to Moroccan society and the Moroccan business environment.

My social environment said I was crazy that I wanted to begin a clothing store in Casablanca. I did not speak the languages fluidly and there is a totally different mentality here in comparison to the Netherlands where I was born. It was almost if I said I was going to start a business in China. ~ Jouahri, 22nd of May 2013

My father thinks that I am completely out of my mind because I am starting up a business in Morocco. He thinks I am crazy because I want to do business with Moroccan people with my Dutch mentality. He tells me that I have to learn to think with a Moroccan mentality because Moroccans are not the easiest people to do business with. My mother, brothers, sisters and friends think it is exciting fun me. ~ Abousalama, 15th of May 2013

First generation Dutch-Moroccans also have to adapt to Moroccan society. They have less trouble with this because they already lived there, although the Moroccan society and country as a whole have changed too in the period they lived abroad. Due to reforms and cultural shifts and different ways of how society is constructed and works in the region of Casablanca-Rabat, they also have to adjust themselves to the new environment they enter.

Thirdly, language is one of the most crucial things for Dutch-Moroccan migrants to successfully embed themselves within the region of Casablanca-Rabat when they start up and run a business. Language concerning doing business is different than language in the everyday life in Morocco. The respondents all claimed that this is one of the most crucial things to be successful as an entrepreneur in Morocco. In the business environment French is the common language. On the streets in the region of Casablanca Moroccan Arabic and French are the commonly spoken languages. Especially the second generation respondents underestimated the role of language and the level of the languages that they speak. E.g. Michel Alexander, Abousalama and Jouahri concluded that their own level of the Moroccan Arabic language and French. This means that they had a limited knowledge of the Moroccan language and a basic or no knowledge of the French language. For Charif this was different. She studied the Moroccan Arabic language in the Netherlands. She only had some trouble with speaking French in the business environment in the beginning. Michel Alexander, Abousalama and Jouahri state;

It is important to understand language to successfully integrate and function within a society. When you understand jokes and sayings, you are on the right track. ~ Michel Alexander, 21st of May 2013

I think the Moroccan people see us as Dutch people, because we do not speak French fluidly and we also do not speak Moroccan Arabic as perfect as a Moroccan person who has been living in Morocco all his life. Every architect I spoke with speaks French in business. Some of them were not even able to get the words out in Moroccan Arabic. ~ Abousalama, 16th of May 2013

I came here as a Dutch-Moroccan person that deficiently spoke Moroccan Arabic and not a word of French. Nowadays I know these languages pretty well, but in the beginning it was difficult. ~ Jouahri, 23th of May 2013

Sufficiently speaking a language is crucial to embed into a society, whether this is on street level or on the level of business. For the first generation Dutch-Moroccan respondents the subject of language is not an issue, because they already lived within the Moroccan society. They all speak Moroccan Arabic fluently and they also speak French, because it is the second language of Morocco.

Entrepreneurship in the region of Casablanca-Rabat itself has been underestimated by respondents in this research, e.g. for Jouahri, Abousalama, Michel Alexander or Arrad. This is something that I did not expect on forehand. For them, it was a process of learning and trial and error. This can be partly explained by the circumstances of doing business in Morocco and partly by the challenges that Dutch-Moroccan entrepreneurs have to face described above.

Business in Morocco is different from business in western countries, e.g. in Europe. This is caused by cultural differences and bureaucratic differences between Morocco and Europe which will be pointed out later in this chapter, but also because of a lack of experience when they started. This resulted in a process of trial and error, which costs money and time. The respondents who experienced this saw this as an investment in themselves and their eventually sustainable business.

A reason for this can be found in two aspects of their migration to Morocco. The first reason is that some of the respondents have not been entrepreneur before they went to Morocco. When you enter the business world of Morocco without any experience it is even harder to start up successfully without any trouble. The second reason can be found in the reasons why some respondents became entrepreneur. Some of the respondents did not plan to become an entrepreneur or they see it as an adventure or experiment for themselves. Both indicate that few experience with entrepreneurship is making the process of starting a business harder. To overcome these struggles is to be patient, flexible, and being able-bodied concerning trial and errors.

Another reason why starting a business in the region of Casablanca-Rabat costs money is the perception of transnational entrepreneurs that they are just being a migrant from Europe that invests in Morocco. When a Dutch-Moroccan migrant comes to Morocco to invest in his business the Moroccan entrepreneurs see the Dutch-Moroccan migrant as a person who has a lot of money to invest in Morocco (Aarfan, president of IntEnt Maroc, 1st of June 2013). Michel Alexander (21st of May 2013) describes this as;

When Moroccan entrepreneurs see a European migrant, they see a bag of money”.

This gives the feeling to Moroccan entrepreneurs that they can have a ‘slice of the pie’. They will try to get involved in your business or just do business with you with the objective to make some quick money. This characterizes the mindset of Moroccan entrepreneurs. They mainly think on the short term and short term opportunities, while the Dutch-Moroccan migrants think on the long term and want to create sustainable businesses (Aarfan, 1st of June 2013).

When a business has been started up it is necessary to be present as much as possible, especially in the beginning. The reasons for this are that it takes a lot of time and effort to arrange things practically and administratively. More of this will be explained later in this section. E.g. Arrad and Abousalama said;

You have to be physically present in Morocco in order to run a successful business. I am constantly busy making talks and arranging things. Calling and e-mailing does not work here. It can take days before you will get a response. That is why it is necessary to be present in Casablanca. ~ Arrad, 20th of May 2013

I think you have to have direct contact with other actors in Morocco to arrange things concerning a business. Unfortunately, I do not have this possibility and that is why I still live in the Netherlands. If I ever get the opportunity to travel more to Morocco both socially and economically, than I will do that definitely in the future. ~Abousalama, 15th of May 2013

The other aspects that are important regarding being present when a business has just started are controlling the developments, to arrange everything on your own to not relinquish anything (more of this in section 7.2), to have direct contact with involved actors and being on top of all activities concerning the start up of the business. Jouahri (23th of May 2013) says the following about this;

When eventually everything is running sustainably, it is possible to leave things to personnel and be less present at the business. Then you can focus on other projects next to the business that is already running.

#### 6.4.1 Administration and payments in Morocco

In Morocco, appointments are hard to make because people in Morocco often come late at an appointment or they are flexible with their agenda. This means that it is necessary to stay in contact with e.g. business partners or that it is necessary to frequently visit administrative offices to get something arranged. It is difficult to stay in touch with these actors by calling or using the internet. Personal contact is still important in the business world of Morocco.

Administration in Morocco is considered to be a disaster according to the respondents because of bureaucracy. It is not always clear what permits are needed and how it is possible to receive all the documents that are necessary to e.g. import goods or other business activities. Besides that Morocco is known for the long time it takes to get a certain paper or a certain stamp. There is a lot of bureaucracy and it can take up to days before a simple permit has been granted, e.g. when someone wants to import goods or when a bill has to be paid. This is a challenge for Dutch-Moroccan entrepreneurs that are doing business in Morocco. It demands planning and patience. There are three ways to get a permit. The first one is by doing it the legal way according to the prescriptions. This has the disadvantage that it just takes a lot of time. Nevertheless, the papers that are necessary to complete a business activity will be arranged eventually. Most of the respondents indicated that they use this way to get their papers fixed. Two other possibilities are using the network of the entrepreneur or giving money to the official that has to grant the stamps or papers. Using the network implies that a person knows somebody in his network that works as an official in an office that has to process documents and permits. When a person that visits the office he can give a sign to the official, begin chatting and eventually get the document or the stamp that is needed easily. Another option is that a person gives a certain extra amount of money, that is meant for the official behind the desk. In exchange he will make sure everything is arranged quickly. When an entrepreneur chooses to do administration concerning a business via the legal way, this has to be taken into account concerning planning of logistics or refunds. This can sometimes be really frustrating for entrepreneurs.

Another frustrating aspect of doing business in the region of Casablanca-Rabat for Dutch-Moroccan entrepreneurs is that payments in Morocco are not well regulated. It often takes long before customers or business partners pay their bills to the entrepreneur. This provides irregular income flows, which makes entrepreneurship more difficult. Also the entrepreneurs often have to go after the money that they earn and this often takes a lot of time before they eventually get it. This is also why they try to avoid checks as much as they can because when a check is not covered this gives a lot of trouble and uncertainty in getting the money back. Additionally, the Dutch-Moroccan entrepreneurs try to arrange that agreements concerning payment of big business deals and sales are written down on paper as well to avoid the risk of being scammed. It also contributes to a certain creation of trust when a deal is done. The struggles with administration and payments are an obstacle in the beginning of starting up the business, but this stays an obstacle throughout the whole process of running a SME in Morocco.

## 6.5 Conclusion

In this chapter, the conceiving transnational entrepreneurship in the region Casablanca-Rabat is discussed. There are different reasons why the idea to start a SME in the region of Casablanca emerges and what intentions are behind the idea to start a business. Personal circumstances and the personal context determines what the reasons to start a business are. There are economic, social and political reasons to start a business in Morocco by Dutch-Moroccan entrepreneurs. Economic growth in Morocco, the crisis in Europe, affinity with Morocco, adventure, politics and social debates in the Netherlands and coincidence are all aspects that could influence the arising idea and the decision of Dutch-Moroccan people that want to start a business in Morocco. Often there is more than one reason for a transnational migrant to start a business in Morocco, but the Dutch-Moroccan respondents all had in common that affinity was one of the most important factors to chose to do business in Morocco.

There are three important factors that determine the choice for the region of Casablanca regarding the transnational entrepreneurs. First of all the region of Casablanca is economically the most important city. This makes Casablanca and its region interesting to invest in. Secondly, the infrastructure is good. This makes it easy to travel to and from Casablanca because all forms of infrastructure are present. Thirdly, family could play a role because they live there. They could provide help in housing or other forms of social help if needed. In this way family can be seen as a tool to fall back on if needed. Another reasons that mainly plays a role for first generation Dutch-Moroccans is the binding with the region of Casablanca because they lived there before they migrated to the Netherlands.

It is necessary to be present in Morocco as much as possible to ensure the start up of a business is successful. Direct contact with different actors concerning the business is crucial in the sustainability of the business. In the conceiving phase of starting the business, the transnational entrepreneurs first live in the region of Casablanca to learn the habits, the culture, language and to learn about the business life. In this way they already invest before the business has started. They pay for their livelihood with savings or they work in the region of Casablanca for a wage. When the business has been registered, there are four ways to invest in the business. Using savings to invest, findings an investor, run the business with partner(s), or take a loan are different options to finance and invest in the business. Dutch-Moroccan entrepreneurs want to try to avoid taking loans as much as possible because it is seen as a risk when the business would not be sustainable eventually.

Over the past years, doing business in Morocco has become easier for investors from abroad. There are also different institutions for Dutch entrepreneurs that focus on registering and assisting in the start up of a business in Morocco. These institutions can help in providing information about investing in Morocco, getting the right permits, providing contacts that are useful for the network of the entrepreneur, and tell others about the existence of the business.

Starting a sustainable business in the region of Casablanca-Rabat is a challenge for Dutch-Moroccan entrepreneurs. First generation Dutch-Moroccans return to a country and the city of Casablanca that have been changing rapidly over the past decade(s) and second generation Dutch-Moroccans find themselves in a country that is in contrast with the Netherlands, the country in which they are born. There is a contrast in the everyday life and the business life on norms, values, habits, living standards and the way of thinking. They transnational entrepreneurs have to deal with these differences and try to embed themselves into the Moroccan society and the Moroccan business market.

Migrating (back) to Morocco puts up a question of integration of transnational entrepreneurs. This is a complex process whereby space, place and time are interconnected in a complex transnational setting where culture, a sense of belonging and habits within the transnational field interact. The way in which this affects the lives and the developments of the transnational entrepreneurs differs from person to person and from generation to generation. Namely, a first generation Dutch-Moroccan entrepreneur will adjust himself differently than a second generation Dutch-Moroccan entrepreneur because the first generation Dutch-Moroccan has been born in Morocco and already lived there. This gives less challenges in integrating into the Moroccan society than for second generation Dutch-Moroccan entrepreneurs, who have been born in the Netherlands.

For transnational entrepreneurs it is important to know Morocco before they actually start a business because of the differences between the Netherlands and Morocco and the developments that changed Morocco, and the region of Casablanca in particular over the past decade(s). Many (return) migrants underestimate what is needed to (re)integrate in the Moroccan society and to adjust to the business climate in Morocco. The institutional setting is different on economic, social and political level. Thus, to embed successfully within the Moroccan society and the Moroccan business market it is crucial for the transnational entrepreneurs to find out what the formal and informal institutional settings are.

Getting embedded in Casablanca is difficult for a few reasons. First of all, Casablanca is a metropolitan city which is complex in itself on social, cultural and economic level. It differs from the rest of Morocco which makes it even more difficult for Dutch-Moroccan people who already knew a bit of Morocco. The migrant has to learn about the life in the city, how the city economically and socially is constructed, and eventually learn to get used there. Also the transnational entrepreneur has to learn what the culture of metropolitan Casablanca and its region is about. This is the case especially for second generation Dutch-Moroccans. They grew up in the Netherlands in a totally different environment and for them it is crucial to be able to adapt to the Moroccan society in Casablanca and its region. First generation Dutch-Moroccans will have less trouble with this because they already lived in Morocco.

Thirdly, language is of importance to embed into the Moroccan society and the business market. Language in the everyday life in Morocco is Moroccan Arabic or French. In the business environment only French is spoken. The Dutch-Moroccans, mainly the second generation, underestimated the role of language and the capacity to sufficiently speak the languages of French and Moroccan Arabic.

Another aspect that was more difficult than respondents expected is that entrepreneurship itself in the region of Casablanca is more difficult than they thought. Becoming a transnational entrepreneur is a process of learning and trial and error. It is crucial to be present and have personal contact with actors concerning the business, whether it is an employee, a business partner or a client. Especially in the start up phase of the business.

Administration and getting permits in Morocco is a disaster according to the respondents. E.g. it takes a long time to get a simple stamp to import some goods. According to the transnational entrepreneurs there is a lot of bureaucracy when an entrepreneur wants to get something arranged via the legal way. There is a possibility of giving a bit of money to administrative personnel that have to give you the stamp. This could accelerate the process of bureaucracy. Also when a person knows someone in his network that provides administrative services to arrange e.g. a stamp this could be helpful. A last frustrating aspect for transnational entrepreneurs is that the payments in Morocco are not arranged well. Often it takes long before a customer pays his bills. This provides irregular income flows, which makes doing business more challenging. This is also the reason that checks often are refused because there is a chance that they are not covered. It costs a lot of time and effort to eventually get the money the entrepreneur deserves. Administration and payments are a problem throughout the whole process of conceiving and consolidated entrepreneurship in Morocco.

## 7. Consolidating transnational entrepreneurship: Running a SME in the region of Casablanca

*“Wherever I lay my hat, that is my home [...] and I like it that way”. ~ Raffali, 28th of May 2013*

In this chapter the consolidation phase of running a SME in Morocco will be analyzed. It will focus on the process of embeddedness as a transnational entrepreneur in Morocco and how the identity of the transnational entrepreneur is shaped. Questions about integration, mixed embeddedness, entrepreneurship, culture and identity will be related to the concept of transnational entrepreneurship in order to understand the way in which the entrepreneurs act. The quote of Raffali provided above describes nicely how the migrants act within the transnational field, as will become clear in this chapter.

### 7.1 Becoming Moroccan again as transnational entrepreneur

This section deals with the question of (re)integration of Dutch-Moroccan entrepreneurs that migrate to Morocco to start a business there. The transnational entrepreneurs who were interviewed during the research all have a Dutch and a Moroccan background. The first generation Dutch-Moroccans have lived both in Morocco and later on in the Netherlands for a certain period and the second generation Dutch-Moroccans grew up in the Netherlands with a Moroccan background. This influences the way in which their identity is formed. In some ways this is different between the respondents, in some ways this overlaps. It became clear that the amount of time that a person has lived in the Netherlands and the fact whether the respondent was first or second generation determined the way in which their identity is expressed today. This means that e.g. Charif who is born in the Netherlands and now lives in Casablanca for 1 year will perceive identity and the Dutch-Moroccan background differently than Qottaya who has been born in Casablanca and who lived in the Netherlands for 9 years. These given facts also determine the ease of the transnational entrepreneur of integrating (or reintegrating) into the society of Casablanca. Thus, every story of every respondent tells a different story about identity and integration. This does not mean that it does not provide common insights in how the identity of these transnational entrepreneurs influence their transnational behaviour and the process of integration in Casablanca.

Living in Morocco, integrate and become part of society is a different thing than visiting the country as a tourist (Michel Alexander, 21st of May 2013). Michel Alexander says that as a transnational migrant you have to learn to become Moroccan. The only way to accomplish that, is to live there amongst the Moroccan people in the Moroccan streets with their Moroccan lives. You literally have to become part of society. You have to learn about the habits, the culture, religion and the daily lives of the people in the city. The issues that a second generation Dutch-Moroccan deals with when it comes to integration in Morocco are expressed well in the story of Michel Alexander. For Michel Alexander, integration was a struggle. There were moments when he was thinking by himself what he was doing there in that strange country working with strangers, nothing arranged in comparison to the Netherlands. When you have problems of finding a job in the Netherlands, you get a monthly payment. In Morocco these things do not exist that way. The Netherlands is a country that is known as a welfare state. In Morocco these facilities are absent. These kinds of things made clear for Michel Alexander how hard it is to leave everything behind that felt safe and jump into a world without any safety net, except family. He was also surprised how people can live of a few Euro's a day, provide themselves a livelihood and be happy, while he, with all his money and European prosperity, could not. He began to think why somebody like him, from Europe, with all the knowledge, perseverance, and help of his family ended up in the streets with zero dirhams in his pocket. He realized that something in his behaviour was wrong. He did not understand how a guy with clothes worth hundreds of Euro's ended up at the street, while somebody who cleans shoes can provide a sustainable livelihood. This is one of the moments he realized that to become a Moroccan you have to understand the Moroccan society, that of Casablanca in special. This was a turning point for him. He began thinking about what is needed to integrate into Moroccan society. One of the hardest parts for Michel Alexander (21st of May 2013) was language;

Language is crucial to integrate into a society. When you understand the language, the jokes and the proverbs and sayings it is a sign that you are integrating and it will make the whole process of integration easier.

Besides language, Michel Alexander thought about other ways of integrating in the society of Casablanca. As he said;

If you can eat your tagine everywhere, in every street, in every district, amongst all different layers of society, then you can begin to understand the Moroccan culture. ~ Michel Alexander, 21st of May 2013

Finally he mentions the attitude that is important to integrate. It is important to be open to e.g. culture, religion, habits and knowledge instead of acting like the arrogant Dutch migrant from Europe that knows everything better than the residents in Casablanca. This does not only apply to the attitude of people, but also to the mindset they have. Jouahri (22nd of May 2013) emphasized on this aspect of starting a business referring to his friend that eventually returned as a result of the fact that he was not able to adapt himself because of his Dutch mentality.

A friend of mine decided to migrate to Morocco. He was not able and willing to adapt himself to the Moroccan society with his Dutch mindset. He became very unhappy and decided to go back full of frustration. ~ Jouahri, 22nd of May 2013

In short, it can be stated that the transition from non-cultural knowledge into cultural knowledge and understandings in combination with learning the right languages and having the right attitude can stimulate the process of integration within Casablanca.

Not every Dutch-Moroccan entrepreneur struggles with integration in the region of Casablanca. There are also respondents who found it rather easy to (re)integrate into the Moroccan society and the business market. This does not mean that they did not have to deal with the same challenges of integration. They too had to adapt to the city of Casablanca and the changes that have occurred over the past decades. Particularly 2nd generation Dutch-Moroccans had to face the challenges of integrating socially in the region of Casablanca-Rabat. The main issues that came to the forth every time is learning the languages, understand and adapt to the habits, the way of life and the culture and the differences with Dutch society. Especially in the beginning when the migrant arrives in the region of Casablanca for the first time this is the case. The longer the transnational migrant is building a livelihood and learning about Morocco and the region of Casablanca, the less these issues play a role because the migrant learns to become Moroccan in adjusting himself to the Moroccan society and eventually the Moroccan business market.

Some of these cultural differences are the mindset of people in the region of Casablanca compared to the mindset of Dutch people. This contains e.g. differences regarding planning. In the Netherlands, every appointment has to be planned strictly. In Morocco this is different. People do not add as much value to their agenda as Dutch people do. When somebody makes an appointment at 12 o'clock, it is possible that he will show up at half past 2. Another example is that of the direct language of Dutch people in comparison to the language of Moroccans, that want to tell all kinds of stories without coming to the point (Michel Alexander, 21st of May 2013 & Arrad, 20th of May 2013). All these cultural aspects of a culture have to be taken into account when a Dutch-Moroccan migrant wants to integrate into the society of the region of Casablanca. The longer the Dutch-Moroccan entrepreneurs stay within the region of Casablanca-Rabat and adapt to the society, the more they can identify themselves with Morocco. Despite this, they also feel that they stay connected to the Netherlands.

## 7.2 Networks and trust

In this section the importance of networks regarding social and economic embeddedness will be analyzed. According to all respondents networks are the most crucial factor that determines whether a business in the region of Casablanca-Rabat is sustainable or not.

Networks are crucial in order to successfully start and sustainably run a business in Morocco. ~ Jouahri, 23th of May 2013

In Morocco networks are necessary to embed, both socially and economically, in the local market and the society of the region of Casablanca-Rabat. It is important to know people that can help you with your business in different ways and that can promote your business. This is also the case in entrepreneurship in general but in Morocco without a network none of the aspects of entrepreneurship will work out and a business will eventually fall. Networks are one of the most important things in the everyday life and the business life in the region of Casablanca. It is part of the culture and without a network it is impossible to get embedded. You have to know people that can help you in building up a livelihood, starting a business or getting people to know about the existence of the business.

In the start up phase of a business it is important that the Dutch-Moroccan entrepreneur has a network that can help with arrangements concerning practicalities. E.g. an actor within the network of the entrepreneur can help searching or assisting in finding the right documents and demands that are necessary to start a business. The network of the migrant consists friends, family, business relations and organizations/institutes.

The most important part of networking in Morocco is mouth to mouth networking. This means that actors within the network of an entrepreneur tell about the entrepreneur, his background and his activities. Also, when a person within the network of the actor needs something, he can tell that he has a friend or a cousin who is an entrepreneurs and is running a business that sells the product the person within the network of the actor needs. The actor gives the phone number or the address of the entrepreneur to the person that needs a product and eventually the person who needs the product will visit the entrepreneur and buy the product he needs. This is one of the key aspects of entrepreneurship in Morocco. It is institutionalized by a set of informal rules and habits of helping each other as efficiently and effectively as possible. The other way around, the entrepreneur that sold the product and the person who bought the product will help the actor that arranged everything in return when the actor needs something. This is a form of social capital whereby two people who did not know each other in advance are linked by a single actor that knows both parties in the arrangement. The actor who arranged everything gains two times a favor in the future and the entrepreneur and the buyer are both satisfied.

When the deal between the entrepreneur and the buyer went well, there is a potential that the buyer will approve the entrepreneur to other people, which gives him more customers. ~ Jouahri, 23rd of May 2013

By doing this, the network of the entrepreneur expands. If an entrepreneur accomplishes this, the chances of a sustainable business are higher.

However, all respondents noted that social relations like family and friends will never be involved directly into the business as e.g. as a co-investor or employee. The reason for this is that social relations, like family and friends, are so important that the respondents do not want to put any pressure on the social relations. This can potentially lead to unsolved quarrels or conflicts. There are different reasons for this. The first is that it is hard to make tight arrangements on paper with social relations within the Moroccan culture. This can result in verbal agreements which are misinterpreted or abused by one of the actors. The second is that it is hard for Moroccans to be strict to social relations because they appreciate these social relations so much. The third reason is that when quarrels and conflicts within families exist, there is a chance that they will not be solved because involved actors do not speak about it. The way in which the family thinks about you and vice versa, respect for each other within a family and the way in which family plays a role in the everyday life of Moroccan people indicate that family is too important in the Moroccan culture that it is not desirable to pressurize the relations between members of a family. Thus it can be argued that the social relations of Dutch-Moroccan entrepreneurs are institutionalized in some way.

#### *Social capital and brokers*

It has become clear that social networks are important regarding to embeddedness of transnational entrepreneurs in the region of Casablanca-Rabat. Social capital and exchange of information and social goods between the entrepreneur and actors in his networks play a vital role in the sustainability and the start up of a SME. This is social capital within networks of tight relations without interference of brokers. Burt (2000, p.5) mentions brokers within structures of social networks where people act as an actor that has information of value for another person that can help the person to achieve a certain objective. The person who wants to achieve a certain objective misses some information that is needed to achieve this objective. The broker can offer his knowledge and information in return for a form of capital, whether this is financial capital, human capital or social capital. The broker is trusted by the person with the objective and allows him to help.

In the case of the Dutch-Moroccan entrepreneurs people only ask help of official organizations, like e.g. the Dutch consulate, or people/actors within their network who they really trust. These are often people who are closely related to the entrepreneur like friends, family, acquaintances who are also engaged in running a SME as a transnational entrepreneur. But the Dutch-Moroccan entrepreneurs build up their networks over time by living in the region where they want to start their business and create their own network. This means that when the migrant eventually wants to start his business he can be pretty sure who he can trust in his network and who he cannot trust. Thus, by living in the region of Casablanca-Rabat and developing a livelihood and a network the migrant can already prepare himself by knowing with whom he can exchange information or goods and with whom he cannot. Besides that the migrant can also gather information in which ways he can use an actor within his network regarding the start up of a business or doing business when the SME has already been started up.

It differs from actor to actor within a network of a migrant how the migrant finds out what an actor can provide him and if he is trustworthy. In the case of close friends or family he will discover this faster than when he meets someone he knows via via for the first time during his stay in Morocco. Trust is an important feature concerning networks in the region of Casablanca-Rabat. Not only within networks itself trust is important but also trust regarding doing business in general. This is why the Dutch-Moroccan entrepreneurs prefer to capture all arrangements and deals they make on paper. This is something that looks typical Dutch or western, but according to the respondents this is necessary to ensure that important agreements are complied by all involved actors. This creates a safety net and therewith a certain amount of trust. Without these compliances it is difficult to make sure e.g. a business deal will be carried out as agreed.

Moroccans have an underlying thought in everything they do. ~ Michel Alexander, 21st of May 2013

This means that they want to profit as much as they can and that they will do everything to accomplish that. Besides this, an agreement on paper ensures there will be no mistakes in communication.

Another aspect of trust regarding networks is that it is really difficult to enter into existing networks. Jouahri mentioned that it was really difficult to get embedded in networks and certain groups of people. Reasons for this can be found in the fact that people first want to know you well before they will do business with you or help you.

It is really difficult to get part of a network in Morocco. The people within the network want to trust and know you before well they will accept you as a part of the network. Especially in the beginning when your network is not big this is difficult. ~ Jouahri, 23rd of May 2013

First there has to be created a certain bond of trust before it is possible to embedding into and becoming part of a network. A possible explanation for this could be again the anonymity and the amount of swindlers in a global urban region, like the region of Casablanca-Rabat.

Experience is an important feature concerning the last group. Before the Dutch-Moroccan entrepreneur will arrange big business deals the Dutch-Moroccan respondents often tried to make small deals first in order to learn if the person with whom does business is trustworthy. If everything goes as hoped, a bit more trust can be given. Eventually the entrepreneur will know if the person with whom he does business is trustworthy. This approach has also disadvantages. Namely, it can be that someone arranges a small deal with an entrepreneur and after that he will swindle and disappear. Then the entrepreneur has a loss and the swindler has its gain. A good example of this is of Arrad, who runs a store in Casablanca where he sells Dutch cheese. Arrad (20th of May 2013) explained that there were cases where a customer tried to buy a certain amount of cheese as in Morocco it is common to pay in check. Thus, Arrad receives a check that should cover a small amount of money to pay for the cheese. When Arrad finds out the check is not covered and the person who bought the cheese cannot be reached on his mobile phone he has to accept that he lost a small amount of his cheese without being paid for it. Casablanca and its region are a big economy with many people. This makes it easy to fall back into anonymity. This is a risk every entrepreneur has to realize it is there. Nowadays, Arrad still uses the same strategy to find out whether a new customer is reliable or not.

When it comes to the network and the most important actors within the network of the Dutch-Moroccan entrepreneur and the help he wants regarding big issues than are linked to his SME, the entrepreneur will try to approach people who are closest to the person because he has the feeling that these are actors that he can trust. An relatively distant and unrelated actor within a network that the Dutch-Moroccan entrepreneur knows vague can be passed despite the possible knowledge he has. This is because the entrepreneur wants to make sure he can trust the actor before he asks him for help.

#### *Networks of Dutch-Moroccan entrepreneurs in the region of Casablanca-Rabat*

In the region of Casablanca-Rabat there exists a network of Dutch-Moroccan entrepreneurs that know each other. Actually, all respondents knew each other by name or personally. During the interviews it became clear that the respondents noticed the same names of other Dutch-Moroccan entrepreneurs at the end of the interview when I asked them if they knew other Dutch-Moroccan entrepreneurs or spontaneous during an interview. This means that there is a small group of Dutch-Moroccan entrepreneurs who are also parts of each other's network. The respondents explained that they knew each other via internet or when they heard from contacts within their network that a new Dutch person was starting a business in the region of Casablanca. This network of transnational entrepreneurs that know each other extends from Casablanca to Kenitra, about 150km north of Casablanca. They help each other and newly starting entrepreneurs by learning from each other's mistakes, setbacks and experiences. Also when they know somebody within their network that needs something and another Dutch-Moroccan entrepreneur can help the person, they will mention the other Dutch-Moroccan entrepreneur. Besides the network of Dutch-Moroccan entrepreneurs that know each other in the region of Casablanca-Rabat, organizations are also part of the networks of the Dutch-Moroccan entrepreneurs. Organizations and institutes like the Dutch Embassy in Rabat, the Dutch Consulate in Casablanca, the Dutch Institute Morocco (NIMAR), IntEnt Maroc, CGEM, the Center for Regional Investment (CRI) and the institute that promotes the interests of SMEs (the CGEM) are organizations that can be approached to gain help, information and access to networks.

The Dutch Embassy in Rabat, the Dutch Consulate in Casablanca and NIMAR can provide information and contacts for networking for all Dutch entrepreneurs in the region of Casablanca. The CGEM and CRI are focusing on interests of all investors and entrepreneurs that run or start up a SME. IntEnt Maroc focuses on migrants that want to start a business in Morocco from all over Europe. They assists in the technical aspects of starting businesses, finance, and providing contacts that could be useful for the network of the transnational entrepreneur.

### 7.3 Using a transnational identity for economic opportunism

The fact that Dutch-Moroccan entrepreneurs have both a Dutch and a Moroccan background can bring challenges and issues with entrepreneurship in Morocco as discussed before. The fact that they also have a basic knowledge of two cultures and that they have contacts and lives in two countries determines that they are in a unique position between two worlds and that they can make use of this position. As a Dutch-Moroccan entrepreneur, at moments in Casablanca it is best to profile yourself as a Moroccan that knows the culture, the habits and the way of life, and sometimes it is best to say that you are European and that you have a certain western point of view and mindset when it e.g. comes to business and credibility. In fact, both of these claims are true.

The identity of Dutch-Moroccan entrepreneurs is constructed out of two different origins that together determine the identity of the Dutch-Moroccan migrant. There are situations where it is easier and prudent to emphasize that you are Moroccan or that you are European. This depends on the context and the situation that the Dutch-Moroccan entrepreneur is involved in. The transnational entrepreneur is capable of pointing out one of the cultural backgrounds selectively to gain profit out of a situation.

In the context of doing business sometimes you are more interesting when you say that you are from the Netherlands, that you have contacts and customers there. On the other hand, when you try to bargain for a good price, you want to make sure that your Dutch background is not mentioned at all. ~ Charif, 14th of May 2013

This means that Dutch-Moroccan entrepreneurs are in the unique positions to selectively use their background to get things done or to make more profit out of a certain situation. Charif (14th of May 2013) states;

It is a game you play, and it is something that goes without saying, at least in my case.

Transnational entrepreneurs are on a constant moving field of cultural background and knowledge and they are constantly approached in different ways by different actors within their lives and businesses. A local Moroccan person will approach a transnational entrepreneur as a Moroccan person. But in a totally different situation, e.g. in a business meeting or when the transnational entrepreneur is in the Netherlands this can be different again. This means that the transnational entrepreneur has to be constantly aware of the situation he is in and that he has to act according to what is in the best interest of the transnational entrepreneur at that moment. By doing this, having two totally different backgrounds can be an advantage and be of use. A good empirical example is the advertisement of sky domes at the website of Abousalama. On the website is advertised with products that are imported from the Netherlands. The advertisement on the website (2014) states;

Our skylights are made in the Netherlands and meet the stringent quality requirements of European industry standards (EN 14963). These requirements entail that you have a 10 year guarantee on all our products.

This means that in relation to business and sells the EU and the background of the product is used in order to try to sell more products. This is a way of marketing by using the EU. The transnational background of entrepreneurs, in this case Abousalama, can be used in this way to guarantee that the product he sells is of good quality. By doing this, he can try to ensure the Moroccan customer can put his trust in the product. By pointing out the European quality standards, Abousalama implicitly tries to gain trust with his customer.

### 7.4 A transnational bridge between the Netherlands and Morocco

In this section the attention will be on the way in which the transnational entrepreneurs deal with their Dutch and Moroccan backgrounds. Dutch-Moroccan entrepreneurs literally live between two worlds. In the Netherlands they are often seen as Moroccans, while in Morocco they are often approached as Moroccans by locals and as Europeans by business people. The formation of identity has many dimensions and determines when and how a transnational entrepreneur will act at a certain moment at a certain location. The formation identity and the way in which the transnational entrepreneur deals with this is crucial to know how they must invest and how they can be the most successful in doing business.

The term transnational entrepreneurship already implies that it contains an international dimension. The way in which relations and contacts are maintained across borders and how they influence the everyday lives of the migrants determine how the migrant will act within a transnational field. These transnational components influence the choices and the behaviour a migrant makes both in physical as in social respect. This means that choices and behaviour can be related to traveling and to cross border activities without physically moving, e.g. through communications. Regarding the Dutch-Moroccan entrepreneurship traveling and cross border activities determine the way in which choices are made concerning contacts across the borders and choices concerning the business and the everyday lives of the migrants.

The respondents have social and business lives in both the Netherlands as Morocco. This results in the fact that the migrants physically move across borders by taking e.g. an airplane. Because of technological innovations and improving infrastructures it is easy nowadays to travel between Morocco and the Netherlands. Tickets are relatively cheap and the traveling distances in terms of time have become shorter throughout time over the past decades. Also planes fly more frequently from more locations in both Morocco and various airports in the Netherlands. Due to the well developed infrastructures of Morocco and the many airports the country has nowadays it is easier for migrants to quickly travel to Morocco from the Netherlands and vice versa. In less than 3.5 hours it is possible to travel from the one country to the other. This makes travel distances relatively short. This provides the possibility for migrants to visit different places that he is connected to at regular bases and it gives the opportunity for the Dutch-Moroccan entrepreneurs to live an international life across the border. All of the respondents frequently commute between Morocco and the Netherlands for business or for social matters. This could be explained by the fact that recent developments regarding the ease of traveling across borders by plane have made transnational entrepreneurship in Morocco more accessible.

The second form of transnational activities are the relations that are maintained via telecommunications. Before the rise of the internet people could only rely on calling each other or sending a letter. Nowadays it is much easier to stay in touch with people in another country. This does also influence the sense of belonging of a person. For example, Michel Alexander states that when he calls to the Netherlands he has the feeling he is a little bit in the Netherlands.

I was calling in Morocco to my family. At that moment, I was also a little bit at home. ~ Michel Alexander, 21st of May 2013

Maintaining contact via telecommunications does not only mean that a transnational entrepreneur can stay connected to another country, it also influences the sense of belonging and the affinity a person has with certain countries.

Over the past decade communications have changed dramatically. With the rise of the internet and mobile phones it has become easier to stay in touch with more than one place at the same times and actually virtually being present in more than one location. Dutch-Moroccan migrants are able to call a relative, a business partner or a friend without any trouble. But the real innovation that triggered change is the internet. Via Skype, e-mail WhatsApp and other forms of digital communications it is possible to be directly connected to another country and even be virtually present in that country. This provides the opportunity to arrange matters in e.g. Amsterdam with a chair in Casablanca. Dutch-Moroccan entrepreneurs maintain ties with the Netherlands or Morocco via internet or telephone, dependent on where they are. These telecommunications make it easy nowadays to stay in touch with social contacts all over the world. This makes it easier for Dutch-Moroccan migrants to be present at two locations at the same time and stay connected to both places at once. This provides the possibility for the migrant to focus himself on the business in Morocco.

Distances regarding physical traveling have become relatively short, but the internet have diminished distances between places in some way by providing a virtual world where people can meet. Morocco, and especially the region of Casablanca-Rabat has all the innovations and possibilities to facilitate this form of transnational activity. There is one respondent, Abousalama, who has a Moroccan partner that is directly involved in his business. He arranges practical things in Morocco, while Abousalama and a partner in the Netherlands arrange administrative things. The other way around, Charif has a partner living in the Netherlands, while she lives in Casablanca. They are all directly in contact via telecommunications, providing a transnational dimension in the way of enterprising besides travelling occasionally.

#### *Behaviour and transnational identity*

Because of the Dutch-Moroccan background and the transnational activities of migrants in the region of Casablanca-Rabat it can be stated that the migrants operate and function as a bridge between two different worlds. They connect Europe with Morocco in socially and economically. The knowledge of two cultures and the affinity with both countries cause that the Dutch-Moroccan entrepreneurs are acting within a transnational field. They have learned to adapt themselves to a situation whereby they constantly move and shift their identity towards a location or situation. Their lives are still rooted in two countries because of their relations or the experiences from the past that are still present in the everyday lives of the migrants. The story of Qottaya is a good example in this respect. She loves the Netherlands, but decided to live in Casablanca. Now she feels herself mainly a Moroccan woman, but a part of her will always link back to the Netherlands because of the years she spend here. Besides that she also still has relatives that live in the Netherlands that she visits occasionally. Thus, her transnational life is both social, as mental, as physical.

Also the experiences and the knowledge she gained when she lived in the Netherlands still influence her everyday life. For example, her biggest role model and example is Maxima, the current queen of the Netherlands. She even named her business after her namely Maxima Car, a car rental agency. Beside that the identity of Qottaya has also been formed when she lived in the Netherlands. This indicates that not only Casablanca changed over time, but also the migrant herself. E.g. her colleagues call Qottaya strict and direct in managing the business. Qottaya says that this is one of the Dutch features that shaped her current identity. It also made her to reintegrate in Casablanca, while she lived there for most of her life. Moreover, this characteristic has a less prominent role in her life in Morocco as times passes by. This means that she is still strict and direct but this characteristic is changing over time as she has become part of the society of Casablanca again.

Constantly being on the move between two world on physical and virtual domain, the transnational entrepreneurs have learned to adapt and switch from identity and behaviour when the migrant has contact or is present with or in Morocco of the Netherlands. They have relations in both countries and literally two lives that are separated by borders, but interwoven at the same time due to technological innovations on telecommunications. This indicates that they can adjust themselves and become embedded within the international dimension of transnational activities. Gribi states;

We are familiar with two worlds and that is why we can adapt easily. ~ Gribi, 16th of May 2013

### 7.5 Thoughts about the future?

In this section the focus will be on the prospects about the future in relation to the sustainability of investments and the businesses that have been started by the transnational entrepreneurs. It became clear all respondents do not have a concrete plan for the future. They are all indifferent about what they expect to accomplish and how they expect their business will evolve. This is parallel to the expectations they had in advance, before they migrated to Morocco when the idea of starting a business arose. The respondents do not have an idea about what will happen in the future, which creates uncertainty.

I do not know what will happen in the future. At the moment everything is working out great and I am satisfied and that is what I find most important at the time. ~ Charif, 14th of May 2013

I do not know how everything will develop and if my business will grow further, we will see. ~ Abousalama, 16th of May 2013

Location is one of the factors that plays a role in this. Namely, in Morocco it is difficult to calculate future developments regarding social life, finances, economic developments, and social developments within the Moroccan society. If an entrepreneur would have to deal with a few setbacks in a short period of time, this could lead to a radical change concerning business or the life of the entrepreneur in general. This is especially the case for migrant who just started their business.

But also the mindset of the entrepreneurs explains why they do not have prospects about the future. For entrepreneurs like Charif, Abousalama Michel Alexander and Arrad running a business is something they like and wish to do, but they are not dependent on the businesses concerning livelihoods.

If their businesses would appear not to be sustainable, they can easily fall back in their old lives and move on. This is the case for all respondents. The following statement of Charif (14th of May 2013) explains the day-to-day mentality of the transnational entrepreneurs well;

If it (the business) works, it works. If it does not, then at least I have tried it and then I will return. Now I have the chance to do what I always wanted to do. If it does not work I can say that I have learned of this experience and I can say I tried it.

Abousalama states that he want to be more present in Morocco in the future. He thinks this is necessary to be successful in Morocco concerning the start up of his business. If his business would grow further he would think about moving to Morocco. Abousalama (16th of May 2013) states;

I want to be present in Morocco more often. I think that is necessary in order to be successful and run my business successfully. If everything is growing further concerning the business I would even think about moving to Morocco. But now this is not the case and it is not possible for me. I would only think about it if it is financially doable.

## 7.6 Conclusion

In this chapter, the consolidation phase of transnational entrepreneurship in the region Casablanca-Rabat is discussed. It became clear that settling in the region of Casablanca as a transnational entrepreneur is a question of (re)integration, (sustainable) entrepreneurship, mixed embeddedness, social networks and transnational identity.

The Dutch and Moroccan background of the transnational entrepreneurs influence the way in which their identity is expressed. There is a difference between first and second generation Dutch-Moroccans and the period of time that they have lived in the Netherlands or in Morocco. First generation Dutch-Moroccans have lived in Morocco and the Netherlands before they went back to start up a business. Second generation Dutch-Moroccans were born in the Netherlands and grew up there until the moment they decided to start a business in Morocco. Although Morocco, and Casablanca in particular, have changed throughout the past decades first generation Dutch-Moroccans have relatively little problems with integrating in the Moroccan society. For second generation Dutch-Moroccans this is more challenging because of their life in the Netherlands with the Dutch norms, values and habits. In Morocco they have to adapt into another culture and society with other norms, values and habits. This is one of the reasons why it is important for transnational entrepreneurs to first live in the region of Casablanca for a while and learn the culture, the languages and the Moroccan way of life. With an open attitude towards the Moroccan culture and their habits.

One of the hardest parts for second generation Dutch-Moroccans in integrating into the Moroccan society and the business life is language. The second generation Dutch-Moroccans often speak a bit Moroccan Arabic and no French at all. Language is something they underestimate when they move to Morocco. In the business life French is the dominant language and in the everyday life Moroccan Arabic and French are commonly used. The level of Moroccan Arabic and French are not sufficient enough to integrate into the Moroccan society when the second generation transnational entrepreneurs move to Morocco. This is one of the biggest issues during the integration process. Also cultural differences like e.g. the way of planning, making appointments, or the direct approach and the direct language that the Dutch-Moroccan entrepreneurs are used to are struggles for them.

Besides integration before and during the business start up networks play an important role in the success of starting a sustainable business in the region of Casablanca. To get embedded economically and socially, networks are crucial. A network of a transnational entrepreneur consist friends, family, business relations and organizations/institutes. In the start up phase of a business it is important that the Dutch-Moroccan entrepreneur has a network that can help with arrangements concerning practicalities. The most important part of a network in Morocco is mouth to mouth networking. This can help people getting to know a business of an entrepreneur. Networks are institutionalized by a set of informal rules and habits of helping each other as effectively and efficiently as possible.

However social networks are useful to arrange practical matters for (transnational) entrepreneurs, family and friends will never be directly involved in business as a co-investor or an employee. This is because the importance of relations with family and friends of the Dutch-Moroccan entrepreneurs. Avoiding conflicts and the presence and preservation of strong family ties and mutual respect are reasons to avoid unnecessary pressurize these relations. Social networks are mainly tools to arrange practical things or when a person needs help. In that case they have family and friends to fall back to.

Social capital in forms of exchange in information or social goods play a vital role in the sustainability and the start up of a business in the region of Casablanca. Dutch-Moroccan entrepreneurs approach actors who they really trust and official organizations and institutes, like the Dutch Consulate in Casablanca. There is no interference of brokers, because personal trust is important for the transnational entrepreneurs in networking and social or business relations. In the time the Dutch-Moroccans live in the region of Casablanca and learn about the culture and the daily life, they also start building a network. When eventually the business starts the migrant already has a network in which he can determine who is trustworthy and who is not. Over time, this network grows. It differs from actor to actor within a network what the actor can provide the migrant and whether he is trustworthy. In the case of close ties, like family and friends he will discover sooner what he can expect than in the case of someone he knows via someone else.

In the region of Casablanca there exists a network of Dutch-Moroccan entrepreneurs. They know each other personally or by name. Through the internet on e.g. LinkedIn, Facebook and forums they have contact with each other. They also help people who want to migrate to Morocco and start a business there or who want to work in Morocco. Besides this networks of transnational entrepreneurs in Casablanca, organizations and institutes like the Dutch Embassy, the Dutch Consulate, the Dutch Institute in Morocco (NIMAR), Center for Regional Investment (CRI), and the institute that promotes the interests of SMEs in the region Casablanca (CGEM) are present. They can assist migrants who want to start a business in the region of Casablanca by providing information about permits and business sectors and they can provide contacts that could be useful to the networks of the entrepreneur.

The Dutch and Moroccan background of transnational entrepreneurs brings them in a unique position between two countries. They can make use of this position by using their backgrounds selectively. Sometimes it is best for a transnational entrepreneur to present yourself as Moroccan that knows about the culture, the habits and the way of life in Casablanca and sometimes it is best to emphasize on the Dutch or European background, e.g. when it comes to trust or credibility. Charif called this a game that the transnational entrepreneur has to play in order to make use of both backgrounds.

Transnational entrepreneurs are constantly moving within a dynamic field where identity, culture and backgrounds interact. This is why the transnational entrepreneur has to be constantly aware of the situation he is in and the actors he has to deal with in order to gain as much interest as possible out of a (business) situation. If the transnational entrepreneur knows how to deal with both backgrounds, this can be an advantage. The other way around, if he does not know how to make use of his Dutch and Moroccan background, it can be a disadvantage. Dutch-Moroccan entrepreneurs literally live between two worlds in this respect. In the Netherlands they are often approached as Moroccans and in Morocco in the business environment they are approached as Europeans. On the streets of Casablanca they will be approached as Moroccans again because of their Moroccan appearance.

The term transnational entrepreneurship already implies that it contains an international dimension. The way in which relations and contacts are maintained across borders and how they influence the everyday lives of the migrants determine how the migrant will act within a transnational field. These transnational components influence the choices and the behaviour a migrant makes both in physical as in social respect. This means that choices and behaviour can be related to traveling and to cross border activities without physically moving, e.g. through telecommunications. Because the transnational entrepreneurs have social and business lives in both Morocco as abroad, traveling and communicating across border becomes important in the lives of those transnational entrepreneurs. Nowadays it is easy to travel from and to Casablanca physically and via telecommunications. This also influences the sense of belonging of the transnational entrepreneur.

Because of the Dutch-Moroccan background and the transnational activities of migrants in the region of Casablanca-Rabat it can be stated that the migrants operate and function as a bridge between two different worlds. They connect Europe with Morocco in socially and economically. The knowledge of two cultures and the affinity with both countries cause that the Dutch-Moroccan entrepreneurs are acting within a transnational field. They have learned to adapt themselves to a situation whereby they constantly move and shift their identity towards a location or situation. Their lives are still rooted in two countries because of their relations or the experiences from the past that are still preset in the everyday lives of the migrants.

When it comes to thoughts about the future of the lives and the sustainability of the businesses of the transnational entrepreneurs, a day to day mindset is the dominant approach. They are all indifferent about what they expect to accomplish and how they expect their business will evolve. This is parallel to the expectations they had in advance, before they migrated to Morocco when the idea of starting a business arose. This indicates that they do not think about what will happen on the long term but they are focusing on the things that are happening now and they try to maintain the situation as it is or improve it. When eventually a business or a livelihood appears not to be sustainable (anymore), the transnational entrepreneurs ensure that they can fall back to their old lives again by not having any debts or other obligations.

## 8. Conclusion and recommendations

### 8.1 Conclusion

This research focused on Dutch-Moroccan entrepreneurs who started a SME in the region of Casablanca-Rabat by looking beyond the firm in the process of starting a business. Integration and identity were central concepts in relation to entrepreneurship in a transnational dimension. In a holistic approach the process of starting and running a SME was analyzed via a temporal dimension in order to answer my research questions set out in the methodology chapter. This means that not only the firm itself was analyzed, but rather the way in which the migrant deals with choices, changing patterns of identity, and possibilities in a social, economic and politico-institutional framework. In order to understand through a holistic perspective how transnational entrepreneurs embed themselves in the region of Casablanca both economically, socially, and politico-institutionally and to understand how their identity is formed and changes over time, it was necessary to explain the process of doing business from the beginning, the conception phase or conceiving phase, to the end, namely the present and their current thoughts about the future. This makes that the temporal dimension of analysis provide a transnational dimension within this research. In the analysis differences between generations were taken into account.

It was the objective to get insights in what the strategic approach of the transnational entrepreneur is in running a successful sustainable enterprise in the country of origin and how their identity influences this process. By adding a temporal dimension to this, it became visible how choices and the way in which the migrant acts change through time and how the process of integration developed.

The objective of this research lead to the following research question;

What is the strategic approach of Dutch-Moroccan migrants who run a business in the region of Casablanca-Rabat and what is the role of transnationality in the way the migrant acts?

To answer this questions I will explain the mutual connectedness of some key issues and dimensions regarding transnational entrepreneurship in a temporal view. This means that the process of starting and running a sustainable business are approached through the processes of conceiving transnational entrepreneurship, the consolidation phase and the prospects about the future. These phases will be discussed by explaining how and why transnational migrants, entrepreneurship, transnationalism, mixed embeddedness and identity are paying a role in the process of starting and running a business in the region of Casablanca by the transnational entrepreneur develops throughout time. It will become clear that the process of embeddedness of the social life and the business of the transnational entrepreneur changes over time and that there are different key issues that explain these changes.

In this research through a transnational lens, entrepreneurship of Dutch-Moroccan migrants that start a business in the region of Casablanca has been analyzed. In the first part of the conceiving phase the migrant comes up with the idea to invest in Morocco by starting a business there. A combination of personal circumstances and economic, social and political reasons determine why the transnational migrant wants to start a business in Morocco. The motives to invest in Morocco can be a combination of affinity with the country because of the Moroccan background of the transnational migrants, the economic crisis in Europe, the economic opportunities in Morocco, politics and public debates about people with a Moroccan background in the Netherlands, adventure, or coincidence.

There are four main reasons why the transnational migrants decide to invest in the region of Casablanca. First of all, the region of Casablanca is economically the most important region in Morocco, which means there is a lot of economic activity in the region. Secondly, all forms of infrastructure are present. This makes travelling and communicating relatively easy. Thirdly, family of the transnational migrants that live in the region of Casablanca can play a role by helping out the transnational migrant if needed e.g. when he needs housing, contacts for his network, or other forms of social help. This makes family a tool to ensure that the transnational migrant can embed himself socially when he arrives in Casablanca to invest. The last reason is the presence of organizations and institutes in the region of Casablanca that can provide help in starting a business by providing information, contacts for the network of the transnational migrant, and getting the right permits. In this point of view, these organizations and institutes provide the possibility for the transnational migrant to have a basis regarding social embeddedness when the migrant wants to start his business.

When the transnational migrant arrives in Morocco, he will conclude that there are many differences between the Netherlands and Morocco on societal, economic and political level. There is a different institutional context where the migrant find himself in and this means that the migrant has to adjust himself to the everyday life in the region of Casablanca. The migrant has to find out what the formal and informal institutional context of Morocco is on social level and on business level, i.e. what is needed to integrate into the Moroccan society and the Moroccan business life.

When the Dutch-Moroccan migrant arrives in the region of Casablanca there is a difference in the sense of belonging and the identity of first and second generation Dutch-Moroccans. The second generation Dutch-Moroccan migrants are born in the Netherlands and grew up there. This means that they have a Dutch-European mindset with Dutch norms, values and habits although they are aware of their Moroccan background. The first generation Dutch-Moroccan migrants have already lived in Morocco before they went to the Netherlands. This makes it easier for them to adjust and feel home in Morocco, even though Morocco has changed since they left the country when they migrated to the Netherlands. So there is a difference in sense of belonging and the transnational identity between these groups. This leads to differences in the way in which the first and second generation Dutch-Moroccan migrants embed themselves into the Moroccan society.

Before the migrants start their businesses they first live in the region of Casablanca to learn about the culture, the habits, the languages and the business life of Morocco. For the second generation Dutch-Moroccans this process takes longer than for first generation Dutch-Moroccan migrants. E.g. regarding languages, the second generation Dutch-Moroccans do not speak fluidly Moroccan Arabic and French, which is the common language in the business environment. So they have to learn the language to successfully integrate into the Moroccan society and the business environment. Becoming embedded in Casablanca is challenging for transnational migrants. The migrant has to learn about the life in the city, how the city is economically and socially constructed, what the metropolitan culture of Casablanca is about and he has to learn to get used to this environment. The first and the second generation Dutch-Moroccan migrants both have issues in adjusting to the Moroccan culture when it comes to planning, making appointments, the direct approach and the direct language that they were used to in the Netherlands are examples of issues that struggle them in integrating into the Moroccan society.

When the Dutch-Moroccan migrants live the everyday life in Casablanca the migrant has to be economically embedded. He uses savings to live in the region of Casablanca or he starts working for a wage to overcome the period before the business will be started up. This means that the migrants are already investing before their businesses have even started up. They also become socially embedded by building a network in the same period when they live and learn about the Moroccan way of life. This can be an advantage when eventually the business will be started up because the migrant already has people he can use in order to exchange social capital that will help in a successful start up of the business.

When eventually the transnational migrant has started the process of setting up his business this means that he also has to think as a Moroccan entrepreneur to become a successful transnational entrepreneur in the region of Casablanca. Entrepreneurship in Europe is different from entrepreneurship in Morocco in different ways. The mindset of actors like customers or business relations is different and the way of doing business concerning making appointments, business deals, payments and the mindset of entrepreneurs in Morocco differs from these aspects of doing business in Europe. This means that the transnational entrepreneurs have to change their own mindset in order to adjust themselves to the Moroccan business life. This process and the process of successfully starting a business goes with trial and error. It is a learning process, despite the preparations that are undertaken, which costs time and money.

When a business is registered, there is occurring a shift from becoming embedded as a transnational migrant in Morocco to becoming embedded as a transnational entrepreneur. This means that the transnational entrepreneur is not only focusing anymore on becoming embedded in the Moroccan society as a person, but also as an entrepreneur. This changes the way in which the transnational entrepreneur lives his daily life in Morocco and the way in which he thinks or acts.

There are four ways to invest in the business. This ensures that the transnational entrepreneur becomes economically embedded concerning the business. The first form of investment is using savings to invest in the business. This means that when the start up of the business would not be sustainable the transnational entrepreneur lost money, but is still financially independent. The second way to invest is finding a (co)investor. This means that the risk of financial damage after an unsuccessful business start up is less a risk for the transnational entrepreneur. The third way of investment is investing with business partner(s). This ensures that the risks of financial damage are split into pieces. The last option is to take a loan to invest in the business. This is the least preferred option by transnational migrants because when their business is not sustainable they are left with debts that have to be paid back.

An important aspect of entrepreneurship that is perceived as difficult by the transnational entrepreneurs is entrepreneurship in the region of Casablanca itself. The business environment is tough and it is crucial to be present and have personal contact with actors that are involved in the business, especially in the beginning a business has been started up. These actors can be employees, a business relation, a bank, a client or a customer. Personal contact is important to become socially embedded and to ensure a successful start up of the business because planning and making appointments is difficult, contact with actors concerning the business is difficult without actually being present. Communication in the region of Casablanca in the business environment mainly goes via personal contact and not via internet or such mediums.

Another difficult issue regarding entrepreneurship are administration and payments in Morocco according to the transnational entrepreneurs. It takes a long time before simple practical matters can be arranged concerning business. E.g. getting a stamp to import goods can take up to days. When an entrepreneur wants to arrange something via the legal way he will face a lot of bureaucracy. This means that the transnational entrepreneur has to be aware of this when he is doing business. When an entrepreneur knows somebody that can provide the right stamp or permits he can make use of his network by approaching that person and arrange his things faster. There is also an option to give a small amount of money to the functionary in order to arrange things faster.

Concerning economic embeddedness, payments are also a frustration aspects for the transnational entrepreneurs when it comes to do business in the region of Casablanca. Often it takes long before a customer or other business relation pays his bills. This leads to irregular income flows. It is hard for the transnational entrepreneur to deal with this. One of the options is to arrange everything on paper so that there is prove of the arrangement between a client and the entrepreneur. Yet, this is not common in the business environment of Morocco. It is a typical Dutch approach of doing business. The typical Moroccan way of doing business is making spoken arrangements. The risk of this is that there arises a conflict between the entrepreneur and the customer because they think they agreed something else than the other person. Often the Dutch approach of arranging things on paper is accepted by the actor that is arranging something with the transnational entrepreneur. Avoiding checks is one of the most important things when it comes to payments in Morocco. Collecting checks takes a long time and there is a risk that the checks are not covered. It can take a long time and a lot of effort to eventually get the money the entrepreneur deserves.

When a business in the consolidation phase the importance of networks becomes clear. It is important to build up a network in order to be able to get socially and economically embedded. Networks determine whether a person is able to integrate in the Moroccan society, the business environment and to build up a sustainable business in Morocco. This process takes a lot of time.

The network of transnational entrepreneurs can consist friends, family, business relations, organizations and institutes. However social networks are useful to arrange practical matters for (transnational) entrepreneurs, family and friends will never be directly involved in business as a co-investor or an employee. This is because the importance of relations with family and friends of the Dutch-Moroccan entrepreneurs. Avoiding conflicts and the presence and preservation of strong family ties and mutual respect are reasons to avoid unnecessary pressurize these relations. Social networks are mainly tools to arrange practical things or when a person needs help. In that case they have family and friends to fall back to.

Without a network it is impossible to be successful in Morocco. That is one of the reasons why it is difficult to start up a business in Morocco. Trust plays an important role regarding becoming part of a network. This is why transnational entrepreneurs prefer to have close relations or organizations and institutes within their network. When they have the feeling someone is trustworthy he can be part of the networks and vice versa. It take experience with and actor to determine whether someone is trustworthy or not.

When a business has just started a network is important because actors within the network can arrange practicalities for the transnational entrepreneur as a form of social capital. The other way around an actor can ask the transnational entrepreneur for a favour if he needs something. Herewith networks are institutionalized by a set of informal rules and habits of helping each other as effectively and efficiently as possible in order to have comparative advantages.

In the region of Casablanca there exists a network of Dutch-Moroccan entrepreneurs. They know each other personally or by name. Through the internet on e.g. LinkedIn, Facebook and forums they have contact with each other. They also help people who want to migrate to Morocco and start a business there or who want to work in Morocco. This adds a transnational component to networks because on the internet transnational entrepreneurs are in touch with each other and with other people who are thinking of starting a business in Morocco.

When a business has been started successfully and becomes sustainable, there occurs a shift from locality to the emergence of a transnational field. This means that until the successful start up of the business in the region of Casablanca by the transnational migrant the focus was mainly on the region of Casablanca concerning social and economic embeddedness. The transnational component of entrepreneurship in Morocco was not important.

In advance, the transnational entrepreneur, especially the second generation Dutch-Moroccan entrepreneur, focused on becoming Moroccan and embed in Moroccan society and business life. When eventually the business becomes sustainable, the transnational entrepreneur does not have to be present in Morocco all the time anymore. This leads to the fact that the transnational entrepreneur has the possibility to travel more between the Netherlands and Morocco. This also affects the behaviour and the process of a transnational identity of which the transnational entrepreneur is aware. Second generation Dutch-Moroccans still feel Dutch, but they have adapted themselves in Morocco. The other way around, first generation Dutch-Moroccans feel more at home in Morocco, but the Netherlands also still plays an important role in their identity, especially when they still have much contacts living in the Netherlands.

Dutch-Moroccans literally live between two worlds. In the Netherlands they are often approached as Moroccans and in Morocco in the business environment they are mostly seen as Europeans. On the streets in the region of Casablanca they will be approached as Moroccans because of their appearance. The fact that the transnational entrepreneurs are aware of their identity and their backgrounds results in a strategic use of their backgrounds in business. The Dutch and Moroccan background of transnational entrepreneurs brings them in a unique position between two countries.

They can make use of this position by using their backgrounds selectively. Sometimes it is best for a transnational entrepreneur to present yourself as Moroccan that knows about the culture, the habits and the way of life in Casablanca and sometimes it is best to emphasize on the Dutch or European background. This means that transnational entrepreneurs can use their transnational identity strategically to gain advantage but it can also mean that it can work against them if they use one of their backgrounds at the wrong time.

Transnational entrepreneurs are constantly moving within a dynamic field where identity, culture and backgrounds interact. This is why the transnational entrepreneur has to be constantly aware of the situation he is in and the actors he has to deal with in order to gain as much interest as possible out of a (business) situation.

Transnational entrepreneurship contains an international dimension. The way in which relations and contacts are maintained across borders and how they influence the everyday lives of the migrants determine how the migrant will act within a transnational field. These transnational components influence the choices and the behaviour a migrant makes both in physical as in social respect. This means that choices and behaviour can be related to traveling and to cross border activities without physically moving, e.g. through telecommunications. Because the transnational entrepreneurs have social and business lives in both Morocco and abroad, traveling and communicating across border becomes important in the lives of those transnational entrepreneurs. Nowadays it is easy to travel from and to Casablanca physically and via telecommunications. This also influences the sense of belonging of the transnational entrepreneur.

Because of the Dutch-Moroccan background and the transnational activities of migrants in the region of Casablanca-Rabat it can be stated that the migrants operate and function as a bridge between two different worlds. They connect Europe with Morocco in socially and economically. The knowledge of two cultures and the affinity with both countries cause that the Dutch-Moroccan entrepreneurs are acting within a transnational field. They have learned to adapt themselves to a situation whereby they constantly move and shift their identity towards a location or situation. Their lives are still rooted in two countries because of their relations or the experiences from the past that are still present in the everyday lives of the migrants.

When it comes to thoughts about the future of the lives and the sustainability of the businesses of the transnational entrepreneurs, a day to day mindset is the dominant approach. They are all indifferent about what they expect to accomplish and how they expect their business will evolve. This is parallel to the expectations they had in advance, before they migrated to Morocco when the idea of starting a business arose. This indicates that they do not think about what will happen on the long term but they are focusing on the things that are happening now and they try to maintain the situation as it is or improve it. When eventually a business or a livelihood appears not to be sustainable (anymore), the transnational entrepreneurs ensure that they can fall back to their old lives again by not having any debts or other obligations.

#### *Final conclusion*

It can be concluded that transnational entrepreneurship in the region of Casablanca-Rabat is more than just starting a business and the technical aspects of this. The process of starting a business in the region of Casablanca-Rabat is also a process and a question of integration and identity. Throughout the phases of conceiving and consolidating transnational entrepreneurship in Morocco occur several shifting patterns;

- A shifting pattern in becoming embedded as a transnational migrant in the region of Casablanca to becoming embedded as a transnational entrepreneur
- A shifting pattern concerning integration focusing on social, economic and politico-institutional integration in Morocco to acting within a transnational field
- A shifting pattern of identity. For the first generation Dutch-Moroccans this means that they reintegrate in Morocco. They become Moroccan again while also the Dutch identity still is part of their transnational identity. For second generation Dutch-Moroccans this means that they feel Dutch, but that they adapt to Moroccan society and become more aware of their Moroccan background. Morocco will play a bigger role in their identity the longer they will be living there.
- When the process of starting a business advances, this changes to the focus on the transnational identity. They become increasingly connected to both countries at the same time. Again, networks, being on both locations both physically and virtually, and language are the most important things with respect to this process. Thus, starting a business in Morocco is a complex process where identity, embeddedness and entrepreneurship interact in a transnational field. This is more than just the firm. It is a process of transnationalism and integration.

## 8.2 Recommendations

In this section several recommendations will be provided addressed to different organizations. These recommendations are linking the concepts used in this thesis to practically starting a business in Morocco as a transnational entrepreneur. Since IntEnt became defunct, the recommendations will be addressed to IntEnt Maroc, which is still operating. Also recommendations for politics and migration policies will be provided. They will focus on migration processes and stimulating trade between the Netherlands and Morocco. Since the Netherlands has a Ministry of Development and Foreign Trade, these recommendations are topical. Besides the practical recommendations, academic recommendations regarding further studies will be made. These will mainly include recommendations on further studies concerning mixed embeddedness (and the concept of re-embeddedness), and the temporal dimension of starting a business as a transnational entrepreneur.

For IntEnt Maroc, the findings of this research are important concerning the attention on the process of (re) integration in starting up a SME in the region of Casablanca. It is important that this process of integration links the social domain with the process of starting up a business.

Regarding governance, it is important that transnational migrants who want to start a SME in Morocco are guided by government organizations or migrant organizations. Also a list with aspects to take into account when a transnational migrant wants to start a business concerning integration and the technical aspects of starting up a SME should be provided. Right now this already happens, but it can be elaborated more. Also the provision about information about Morocco, the Moroccan (business) culture, the business climate and the sectors with the most potential to invest in should be pinned out and elaborated more. Right now, I miss these comprehensive information about the Moroccan business climate. I think there can be a sufficient role for the Dutch government and transnational organizations to guide this process. Besides that the Dutch and the Moroccan government should work together ore to attract investors and make arrangements which make it more attractive to invest in Morocco.

### *Scientific recommendations*

One of the first things that comes in mind when I think about this research in the setting of Morocco is that I am curious if the same results count for rural areas in Morocco or the Mediterranean coast. This could be a proposal for a research about re-embeddedness and transnational identity in other part of Morocco. Also the concept of re-embeddedness could be elaborated more, especially in a transnational/international setting whereby migrant re-integrate in the country of origin. This could be off added value in the debate about transnational migration. Now a holistic approach has been used, but each aspect of re-embeddedness could be scientifically elaborated in order to fathom the complexity of the different issues concerning mixed embeddedness, re-integration, transnational identities and transnational entrepreneurship.

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## Appendix 1 – Questionnaire for interviews with respondents

### Interview in general:

→ This interviewguide is meant to give direction to the interview. Deviating from the interviewguide is possible and allowed. This will also probably happen since this research has a holistic approach. The interviewguide serves as a base of subjects that have to be discussed during the interview.

→ If I notice something interesting during the interview: As for explanation and examples!!

→ Try to search for depth during the interviews as much as possible

### Research objective:

The objective of this research is to understand how the social, economic and politico institutional aspects and identity of a transnational entrepreneurship influence the choices the entrepreneur makes in running a SME in the region of Casablanca - Rabat. I focus on the way in which the transnational entrepreneur uses his networks (strategic approach), how his network is constructed and how this changes over time. The focus on the role of a transnational identity is also important in choices the transnational entrepreneur makes in running a SME because this also determines how the entrepreneur will act.

### Themes:

- Form of institutional networks (social and institutes/organisations)
- Economic embeddedness
- Cultural dimension of entrepreneurship in Morocco (region Casablanca - Rabat)
- International dimension
- Transnational identity
- Acting of the entrepreneur and long term perspective
- Temporal dimension → Changes over time for all points mentioned above

### **1a. Situation/life in both the Netherlands as Morocco when the entrepreneur started his business in Morocco and situation nowadays (partly economic embeddedness)**

(See also van Houte&Davids, 2008 Int. Journ. Mult. Soc.)

- Age, schooling, work, livelihood, family life, social and cultural background etc.

(Some basic information about the respondent)

- What were the living conditions in the Netherlands?
- How relates this to the present situation?
- What was needed to build up a livelihood in Morocco? (creating a livelihood)
- How do you see your life in Morocco in the future? Will the Netherlands play a role for you in the future?
- Are you permanently settled here in Morocco or do you travel between both countries?
- Do you still visit the Netherlands regularly?
- Where does your family in Morocco come from originally?

### **1b. Starting and running the SME**

Ask for a short explanation what the business is about

(First of all: General data about the business and a short explanation)

- In what kind of business activities are you involved as an entrepreneur?
- How long does the SME exist?
- What is your role within the SME?
- Number of employees
- Sales volume
- Etc.

Afterwards:

- How did the idea to start a SME arise? (motives)
  - Focus on (external) factors in both Morocco as Netherlands
- In what way did you finance the investment so that the SME could be started?
- Why did you choose for this region? Why did you choose for this sector?
- What was needed to start the business?
- How do you run this business? What kind of management did you choose for?
- Did you have a business in the Netherlands before you started enterprising in Morocco?

**1c. Financial climate, administration and bureaucracy**

- What are the financing options and how is the relation with Moroccan financial institutions?
- Are there delays in administration or payments by customers, partners, or organisations?
- Administrative provision / offices for getting permits, insurance etc. are regulated well?

**2. Form of (institutional/social) networks****• What do I want to know?**

Which actors play a role in starting and running the SME and what their role is. This could be other businesses, friends, family, organisations, banks, etc. The relation between the actor and the entrepreneur is important in this respect. And how did the structure of networks change over time?

**• Interviewguide**

- Which contacts within your network did you use in the beginning and which contacts do you use now?
  - Why these contacts?
- Are these contacts in Morocco or in the Netherlands?
- Which role do or did they play over time and how do they affect your business and your everyday life?
- Which contacts do you use much and which contacts do you use less? And why is this the case?
- What role does trust play in the choice of approaching these contacts?
- (- Are you consciously thinking about using your network at specific moments? Is this a firm network or do you approach different contacts within your network all the time? Can you explain this?)
- (- What are the consequences for you when you use a certain contact within your network like services of return, debts, etc.?
  - Does this influence your choice of whom you will approach and in what way you will use this contact?)
- Can you mention an example where you prefer using and approaching a specific contact and not somebody else (who could have done the same service)?
- What is the role of your social environment in running your business and how do they think about your entrepreneurship here in Morocco? Both social contacts in NL as in Morocco!!
- How do you make sure that you seem to be trustworthy to other partners or customers?

**3a. Transnational identity and culture****• What do I want to know?**

Identity: How the transnational entrepreneur deals with both his Dutch and his Moroccan background in Morocco and how he experiences this. Also a focus on cultural differences. Also the influence of two backgrounds on the entrepreneur and how this has changed over time.

To be short: How is the identity of the respondent constructed and how he deals with both backgrounds. Is this an advantage or a disadvantage? Can it be both?

Culture: What is the role of culture in the entrepreneurship of the transnational entrepreneur and (re)integration in Morocco. This is related to identity, but also manners and the institutional framework of networks and other forms of embeddedness.

**• Interviewguide**

- How do and did you see when it comes to your Dutch-Moroccan background both in the Netherlands as Morocco before you started doing business in Morocco?
  - By asking this I mean: Do you feel Dutch in the Netherlands and Moroccan in Morocco or is this different and do you e.g. feel both at the same time in both countries?
- Do the Netherlands play an important role for you at the moment or are you mainly focusing on Morocco? → On social, economic and cultural level
- Was your Dutch-Moroccan identity important for you when you migrated to Morocco?
  - With which country were you able to identify yourself the most?
  - Has this been changing over time?

- Can you explain to what extent your Dutch-Moroccan background influenced doing business in Morocco?
  - Is this still the same?
    - If no, how did it change?
  - How do or did you deal with this?
  
- Were there things that you did not expect or did not take into account when you started the SME in Morocco?
- Which things were easier or more positive than you expected and which were more difficult or more negative than you expected?
  
- What problems occurred when you started doing business here?
  - This can be practical matters concerning the business but also matters concerning culture or identity.
  - Can you give examples of cultural aspects that are important in doing business in Morocco? (e.g. manners, norms, values, mindsets, differences in the daily life etc.)
  - Which practical advantages are there in being Dutch-Moroccan in relation to doing business in Morocco? (E.g. knowledge of country, language, networks, etc.)
  - In which ways does your Dutch-Moroccan background influence your interactions with people or organisations, your network, doing business and your daily life?

#### **4. Acting of the migrant and long term perspective**

→ This subject must come to the forth in the interview automatically. If this does not happen, it is possible to ask about this subject eventually.

Example: Asking questions about the long term perspective and the plans of the entrepreneur in the future.

→ What are your plans for the future concerning your SME here in Morocco.

→ Do you think that there will be occurring changes on the level of e.g.:

- The future of your business?
- Your network?
- Your living conditions?
  - Your relation with the Netherlands and/or Morocco?

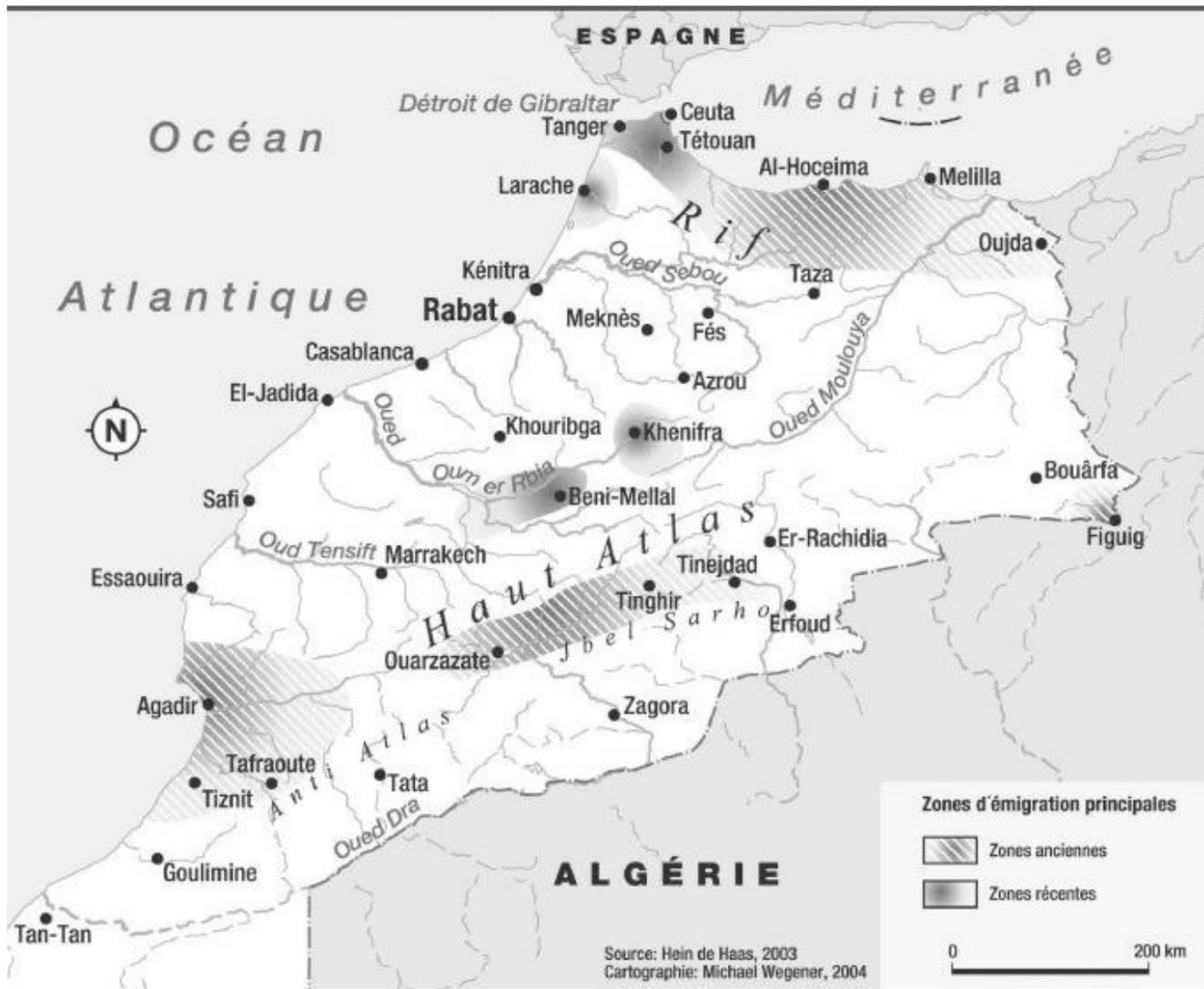
... AND what will these changes be?

## Appendix 2 – List with respondents who are approached during fieldwork

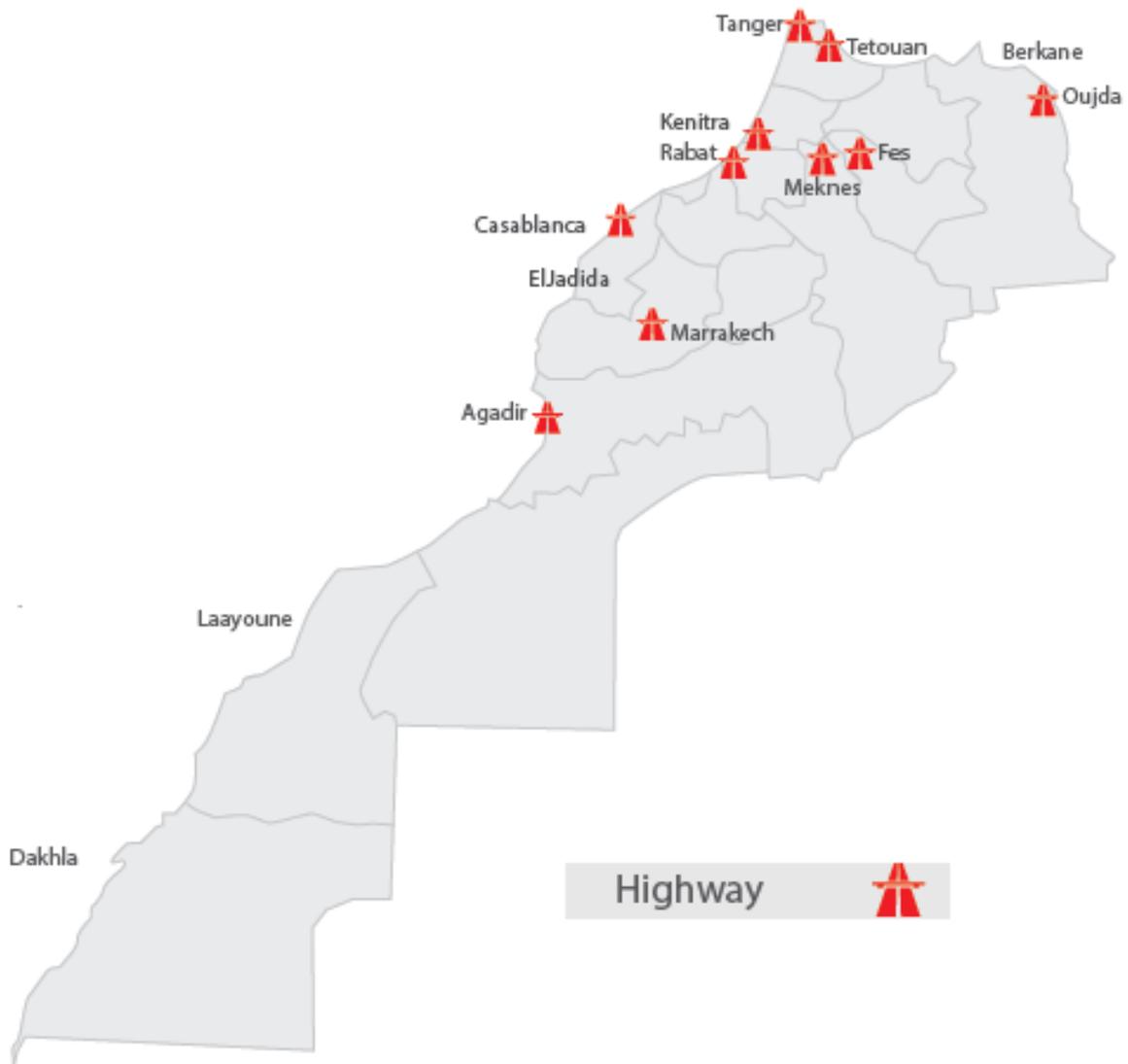
| Name  | Company/function   | Generation      | Location                            | Interviewed   |
|---|--|-----------------|-------------------------------------|---|
| <b>Transnational entrepreneurs who have been interviewed:</b> |  |                 |                                     |   |
| Laila Qottaya   | Car Agency   | 1 <sup>st</sup> | Casablanca                          | Interviewed, 2x   |
| Ilhame Charif   | Transport company  | 2 <sup>nd</sup> | Casablanca                          | Interviewed, 1x   |
| Michel Alexander  | Online secondment  | 2 <sup>nd</sup> | Casablanca                          | Interviewed, 2x   |
| Ismail Abousalama   | Installation and selling roof windows  | 2 <sup>nd</sup> | Multiple locations, i.a. Casablanca | Interviewed, 2x via Skype   |
| Nourradine Gribi  | Consultancy in Clean Energy  | 1 <sup>st</sup> | Kenitra                             | Interviewed, 1x   |
| Hakim Jouahri   | Clothing store   | 2 <sup>nd</sup> | Casablanca                          | Interviewed, 2x   |
| Abdelilah Arrad   | Dutch cheese store   | 1 <sup>st</sup> | Casablanca                          | Interviewed, 1x   |
| Sahl Raffali  | Travel Agency  | 1 <sup>st</sup> | Casablanca                          | Interviewed, 1x   |
| Anonymus  | Anonymous  | 1 <sup>st</sup> | Casablanca                          | Interviewed, 1x   |
| Mohammed  | Selling and installation of plumbing and floors  | 2 <sup>nd</sup> | Casablanca – Marrakech              | We met and spoke during an interview with Jouahri. Unfortunately he was really busy and we could not meet another time. |
| <b>Interviewed experts:</b>                                   |  |                 |                                     |   |
| Essalam Aarfan  | Has had multiple SMEs in Morocco. Now he is president of IntEnt Maroc and CEO of a Multinational   | 1 <sup>st</sup> | Casablanca                          | Interviewed, 1x   |
| Hassan Berkani  | - President of Chambre of Commerce Casablanca<br>- Has had 3 SMEs<br>- Member of Senate of Morocco | 1 <sup>st</sup> | Casablanca                          | Interviewed, 1x<br>Also visited the Chambre of Commerce later that day  |
| Saad Hamoumi  | Vice president CGME (Confédération des Entreprises du Maroc)                                       | Not applicable  | Casablanca                          | Interviewed, 1x<br>By telephone   |
| Redouan Boussaid  | Consultant, consults in starting SMEs in Marokko   | 2 <sup>nd</sup> | Amsterdam                           | Interviewed, 1x<br>(before I started doing fieldwork)   |



Map 2: The most important cities of Morocco. Source: Bilgili & Weyel, 2009, p. 15



Map 3/4/5: Infrastructure of Morocco in 2015. Source: AMDI, 2013b, pp. 1-3.  
Highway connections:



Airports in Morocco:



Ports in Morocco:

