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**People, trade and training: the needs of Morocco
agricultural enterprises facing EU markets**

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People, trade and training: the needs of Morocco agricultural enterprises facing EU markets

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Summary

The Mediterranean area is the core of an increasing exchange of goods and people. A distinctive feature of present trends in international relationship is the importance of factors that are beyond the mere exchange of goods. In particular, foreign investment, the creation international enterprises and training and personal growth of actors that are involved in the production process are key elements of the present scenario. The objective of this paper is to discuss the need of education and training in Morocco agricultural and agri-food enterprises in view of the increasing connection with the EU economy. In particular, attention is focused on the need brought about by the increased product quality requirements and by the installment of EU and US enterprises in Morocco. The study is carried out as a preliminary activity of the TEMPUS project STRIDE 4, through a survey of about thirty Morocco enterprises. The preliminary results show a strong need for training and information. The questionnaire shows a high degree of awareness about gaps and problems in meeting EU consumer expectations. At the same time, most respondents already show a clear positive strategy toward meeting such needs and many enterprises in fact are already adequate to many quality requirements. The main focus of the training required is on the interface between technical and marketing activities. Continuous education and life long learning are also perceived as major needs.

In the background, the research shows the need of a more consistent understanding of each other's institutions and cultural settings, as well as of a long term process of learning through collaborative training, production and research.

1. Introduction and objectives

The Mediterranean area is the core of an increasing exchange of goods and people. The perspective of an open exchange area and the strong historical tradition as place of north-south and east-west exchange makes of this area a particularly important node of future international trade, particularly for Italy.

A distinctive feature of present trends in international relationships is the importance of factors that are beyond the mere exchange of goods. In particular, foreign investment, the creation of international enterprises and training and personal growth of actors that are involved in the production process are key elements of the present scenario. The development of future markets and economic opportunities will depend on the structure taken by transnational networks and by the ability to build human and social capital able to connect different economic areas of the world.

The objective of this paper is to discuss the need of education and training in Morocco agricultural and agri-food enterprises in view of the increasing connection with the EU economy. In particular, attention is focused on the need brought about by the increased product quality requirements and by the installment of EU and US enterprises in Morocco. The study is carried out as a preliminary activity of the TEMPUS project STRIDE 4 Développement d'un nouveau Master en Management Agricole", (2004-2007) CD_ JEP 31019-2003.

In section 2 a short overview of the issue of chain development and training is provided. The methodology adopted in this paper is illustrated in section 3, followed by the results in section 4. A short discussion is provided in section 5.

2. Background: human resources, training and the development of agro-food chains

The development of international relationships and markets is accompanied by a profound change in the structure of food chains. Beyond delocalisation and specialisation, an evolution of production networks can be observed.

A relevant issue in the evolution of such networks is the development of human resources. This is recognised as an important point in EU enlargement and integration with neighbouring economies, as well as in the literature about firm development in the last decade. An area of attention has to do with the role of education in creation of firms networking (e.g. Butera, 1997). Different papers highlight and discuss the role of training in competitiveness (e.g. Mumma et al, 2000; Jiayanthi et al., 1996; Jatib et al. 2003). More in detail, Wang (2003) emphasizes technology innovation and human resource management as determinants of organisational performance. The specific role of training in relationships with quality management is discussed by Reardon & Farina (2002).

The complexity of the issue was widely experienced and discussed in the process of transition and enlargement of Eastern Europe. On one hand, the issue of labour cost is a key driver of investment. On the other hand, local and foreign personnel requires a strong learning process in order to be able to deal with the changing working environment and to be able to collaborate to govern and orient such changes (EBRD, 2001a; 2001b). The need for human capital development goes beyond the simple transfer of knowledge and involves the whole strategy of the firms as well as the evolving role of the public administration (Viaggi, 2002; 2003).

At the same time, this issue touches the complexity of firm-training institutions relationships. This has been the object of a strong evolution in the last years, though the degree of collaboration does not appear satisfactory. Different patterns of interaction between enterprises and education systems are in place and may adapted from case to case to deal with specific vocational training activities (Chen et al., 2004).

3. Morocco agro-food system

Morocco is an important country in the development of agri-food chains in the Mediterranean. Internally, agriculture plays a major role in Morocco economy. In 2004, agriculture accounted for 16% of the GDP and about 40% of the labour force. Agriculture grows at approximately the same speed of the other sectors, though with ups and downs due to a large extent to climate conditions. In 2004 agriculture and food accounted for about 20% of exports and 9% of imports. Export from agriculture mainly includes fruit and vegetables. The main export partners are France and Spain (World Bank, 2005; CIA, 2006). Morocco is an obvious target for southern EU countries, both as a trade partner and as a place for delocalisation of agricultural production, particularly fruit and vegetables. Morocco, on his side, strongly encourages external investments.

The result is a growing network of local enterprise with commercial connections with Europe, foreign enterprises producing in Morocco, mixed companies. In most cases, the reference market for these companies is Europe, as long as quality standards and consumer expectations are concerned.

4. Methodology

The analysis is carried out through a survey of Moroccan enterprises. The survey was carried out in 2006 on a sample of about thirty farms. The sample includes mainly farms that are technological and strategically advanced and that normally have already important links with the markets. Small and subsistence farms are not included in this work.

The survey enquiries on a number of issues, beyond the description of the enterprise specialisation and activities. In particular, sections of the questionnaire are dedicated to the present strategy of the enterprise, to the vision about future exchange opportunities and problems. A part of the questionnaire deals directly with enterprise activities concerning human resources, in particular training policy and future training requirements.

5. Results

The interviewed represent enterprises working normally in multiple fields of activity, with a slightly prevailing focus on farming and related activities (Figure 1).

Figure 1 – Main fields of activity of the enterprises interviewed

<i>activities</i>	<i>n</i>	<i>%</i>
research	12	40.0
development	14	46.7
activity related to agriculture	20	66.7
agro-industries	19	63.3
agricultural cooperative	13	43.3
international relationship	15	50.0

The enterprises interviewed are mainly large ones, with about half of them between 50 and 500 employees (Figure 2).

Figure 2 – Size of enterprises in terms of employees

<i>workers</i>	<i>n</i>	<i>%</i>
< 20	7	23.3
20 - 50	2	6.7
50 - 100	8	26.7
100 - 500	6	20.0
>500	2	6.7
no answer	5	16.7
<i>total</i>	30	100.0

In the majority of cases the interviewed are satisfied with the respective economic results, high confirms how the general economic trend reflects also in farming-related activities (Figure 3).

Figure 3 – Current economic results of the enterprise

<i>current results</i>	<i>n</i>	<i>%</i>
very satisfactory	3	10.0
satisfactory	11	36.7
on average satisfactory	10	33.3
no satisfactory	3	10.0

There appear to be no clear relationship between size and economic results, though intermediate size seem to be related to a wider distribution of economic results and small have a relatively higher share of less than satisfactory results (Figure 4).

Figure 4 – Relationship between economic results and number of workers

<i>current results</i>	<i>workers</i>						<i>total</i>
	<i>< 20</i>	<i>20 - 50</i>	<i>50 - 100</i>	<i>100 - 500</i>	<i>>500</i>	<i>no answer</i>	
very satisfactory			1	1		1	3
satisfactory	1	2	3	3	2		11
on average satisfactory	5		4			1	10
no satisfactory				2		1	3

Expectations about an increased opening of markets reveal a prevailing positive opinion, with about 60% of the interviewees (Figure 5).

Figure 5 – General effects of open markets

<i>open market effect</i>	<i>n</i>	<i>%</i>
positive	18	60.0
negative	4	13.3
none	8	26.7

Only four respondents see potential negative effects prevailing and 8 expect no change. However, results become more complex when getting to more specific effects of market opening (Figure 6).

Figure 6 – Specific effects of open markets

<i>forecast (row %)</i>	<i>reduction</i>	<i>small reduction</i>	<i>stable</i>	<i>small increase</i>	<i>increase</i>	
export		7.69	23.08	15.38	53.85	
import			7.69	23.08	46.15	23.08
work quantity	18.75	6.25	25.00	18.75	31.25	
work quality	11.76		17.65	17.65	52.94	
new technology			23.53	35.29	41.18	
water availability	21.43	7.14	28.57	7.14	35.71	
life quality			33.33	41.67	25.00	
training	6.67		26.67	26.67	40.00	
economic and policy relation with UE	6.67			46.67	46.67	
economic and policy relation with Maghreb countries	7.14		21.43	35.71	35.71	
economic and policy relation with arabian countries	7.14		35.71	21.43	35.71	
economic and policy relation with other countries			28.57	21.43	50.00	

Here divergences are more clear and appear in negative expectations about work quality and quantity, as well as resources availability. New technologies and quality of life, as well as economic and policy relationships with other countries are the issues on which positive expectations appear more evident. Notably, changes in international relations increase is stronger for non-neighbours

Training is perceived as important and most of the interviewed show interest on multiple aspects of training (Figure 7).

Figure 7 – Interest for training-related activities

<i>training</i>	<i>n</i>	<i>%</i>
organise training course	7	23.3
contribute to training course	13	43.3
training participation list	15	50.0
accept stageir	16	53.3
relation with training institute	17	56.7
free a cadre to attempt a course	17	56.7
engage a cadre	5	16.7

In most cases, enterprises are interested in freeing an employee for attending a training course, or to establish relationships with training institutions. They are also willing to contribute to training courses and a relevant number of interviewed revealed that their enterprise supplied teachers for courses.

The choice is not clearly related to size, though freeing personnel to attend courses or accept people in stage tends be of higher interest for enterprise with more than 50 employees (Figure 8).

Figure 8 – Relationship between preferred training activities and number of employees

<i>training</i>	<i>workers</i>						<i>total</i>
	<i>< 20</i>	<i>20 - 50</i>	<i>50 - 100</i>	<i>100 - 500</i>	<i>>500</i>	<i>no answer</i>	
organise training course	1		2	2		2	7
contribute to training course	5		4	1	1	2	13
training participation list	4		6	2		3	15
accept stageir	4	1	6	4		1	16
relation with training institute	4	1	4	5	1	2	17
free a cadre to attempt a course	4		5	6	1	1	17
engage a cadre	2		2	1			5

Among preferred competences, marketing manager, quality manager and food safety expert prevail (Figure 9).

Figure 9 – Preferred competences of trainees

<i>preferred competence</i>	<i>n</i>	<i>%</i>
marketing manager	14	46.7
administration and finance	9	30.0
development expert	7	23.3
audit expert	4	13.3
agronomic expert	6	20.0
environmental expert	4	13.3
quality manager	12	40.0
food safety expert	11	36.7

In fact, the main focus of the training required is on the interface between technical and marketing activities, hence showing the need for a consistent development of production and commercial activities. Training and education are expected to help in forming people through enterprise-university interaction and using alternative education instruments, such as stages. Continuous education and life long learning are also perceived as major needs.

Enterprises requiring quality manager are more often those that believe that liberalisation will bring stronger integration with the EU. This may hint at the idea that quality and quality-related training is possibly to be considered a very biased strategy related to the access to the EU markets.

Also, those requiring quality manager are often the same that offer to contribute to training courses as teacher and to free cadres to attend courses. This second features also suggest that quality training may more often than other fields require interaction and merging of competences between the enterprise and the educational institution.

6. Discussion

The background of the survey reveals Morocco as an interesting business environment, where at least the cluster of firms considered is happy with present results and sees mainly opportunities from economic integration with the EU.

The questionnaire shows a high degree of awareness about gaps and problems in meeting EU consumer expectations. At the same time, most respondents already show a clear positive strategy towards meeting such needs and many enterprises in fact are already adequate to many quality requirements.

The awareness for training needs is relatively high and supported by ongoing experiences. This is already a multifaced issue, where firms interact with education bodies through different combinations of traditional training and stages, providing students as well as teachers and places for stages. This opens the perspective of a challenging field of activity where innovation in human resources development is required and in which training directly fits into the mechanisms of interaction between firms and countries.

The connection between training and quality issues is clearly highlighted by the high degree of priority attributed to quality issues. This however opens the way to further research activities in qualifying such connection, also in relationship to different consumer perception on specific issues (e.g. animal welfare), to the international strategy of the firm and to the potentially varied patterns of interaction between educational institutions and the firms.

In the background, the research shows the need of a more consistent understanding of each other's institutions and cultural settings, as well as of a long term process of learning through collaborative training, production and research.

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