

Industrial Zones: A Successful Agglomeration Form in Morocco - Taking the Marrakech Cluster as An Example

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Abstract: *This article aims to investigate the experience of clustering policy adopted by Morocco and demonstrate the positive effects of this agglomeration on the development of a given sector. For our study, we chose the case of the Menara Cluster based in the city of Marrakech, specializing in agri - food and cosmetics. Our theoretical study allows us to classify the cluster as an industrial district, upon which we shed light on the success of this policy.*

Keywords: cluster, district, agglomeration externality, pecuniary externality, knowledge externality.

1. Introduction

Regional industrial agglomerations have long been recognized as potential sources of innovation and overall economic growth. At the turn of the twentieth century, proximity was essential for swift communication and cooperation among businesses. Therefore, Marshall (1890, 1919) painstakingly explained the localization of particular industries and the advantages of industrial districts. Despite revolutions in transportation and communication, researchers continue to argue that "location matters" (Schmitz, 2006). Our research aims to present clustering as a strategy adopted by Morocco to encourage innovation, attract expertise, through infrastructure conforming to international standards to benefit from technology transfer, and to promote startups through collaboration among universities, businesses, research centers, and clients.

The Three Main Spatial Agglomeration Currents: Numerous empirical studies have shown that the geographical concentration of businesses and institutions (universities, public or private research institutes) promotes the emergence and faster diffusion of innovations (Baptista, 2000; Folta et al., 2006). Among the abundant studies identifying the determinants of innovation related to the spatial agglomeration of activities, three main currents can be distinguished:

- 1) **The Marshallian current:** Several works are based on the concept of agglomeration externality, developed by Marshall (1890, 1920) in his study of Anglo - Saxon industrial districts. In this concept, positive externalities impact worker expertise, proximity to clients and suppliers, and access to intangible resources (knowledge externalities) (Krugman, 1996; Storper, 2008).
- 2) **The Porterian cluster current:** Porter's (1990) work on "technological" clusters, based on the Silicon Valley model, introduces a more strategic dimension where actors seek to leverage proximity to competitors and suppliers to develop innovation.
- 3) **The third current, based on the knowledge economy,** surpasses notions of externalities and competition to introduce an institutional dimension based on knowledge

exchange and learning dynamics within the cluster to facilitate the construction of new knowledge.

Our contribution is to characterize the Menara Cluster, the subject of our case study, as a form of agglomeration promoting innovation. New theoretical components become essential regarding the approach of "innovative environments" as exposed in the scientific literature, opening a new field of modeling. Scientists are thus interested in modeling new local and regional components, entrepreneurial culture, skills development, environmental amenities, initiative financing, information circulation, socio - economic animation, basic services to the population, territorial synergy, etc. In the literature, the concept of innovation already receives several converging definitions.

Qualification of the Menara Cluster based on the Marshallian Current: The MENARA CLUSTER is a key player in the development of the agri - food and cosmetics sector in Morocco. Its vision is to promote the growth and innovation of these sectors, focusing on sustainability, social and environmental responsibility, economic value creation, and improving the quality of life of local communities.

Their ambitions for the future include:

- 1) **Strengthening capacities and skills:** by improving the competitiveness of member companies and enhancing their capabilities through training, mentoring, and coaching programs. Also, strengthening links between various stakeholders in the sector to stimulate knowledge exchange and fruitful collaborations.
- 2) **Promoting innovation and research:** through supporting research, development, and innovation in the agri - food and cosmetics sector. Working on R&D projects in collaboration with universities, research centers, and member companies to develop innovative products and meet consumer needs.
- 3) **Promoting sustainability and responsibility:** through a strong commitment to sustainable development and social and environmental responsibility. Working on promoting sustainable agricultural and cosmetic practices, as well as high ethical and social standards for member companies.

- 4) **Stimulating entrepreneurship and job creation:** by encouraging entrepreneurship and supporting small and medium - sized enterprises in the sector. Also, creating job opportunities for youth and women, especially in rural and disadvantaged areas, for economic growth and sustainable development of the agri - food and cosmetics sector in Morocco.
- 5) According to (Marshall, 1890, 1920; Krugman, 1991; Breschi and Lissoni, 2001a; Bahlmann and Huysman, 2008), there are two main types of agglomeration economies:
- **Pecuniary agglomeration externalities:** These externalities can be pecuniary or technological, and within these, we distinguish industrial specialization, characterized by the presence of a large local labor market, specialized and qualified, and reduced transaction costs, especially due to the co - location of suppliers and clients.
 - **Knowledge externalities,** which we have identified through two concepts from the literature: the notion of industrial atmosphere and that of technological infrastructure.
- 1) **Pecuniary agglomeration externalities:** We will project the components of agglomeration economy onto the Moroccan aeronautical pole to see the points of resemblance and divergence between what has been cited in theory and what actually characterizes the Menara cluster.

Starting with the characteristics of economic agglomeration, composed of industrial specialization, which is realized through the presence of a significant number of agri - food and cosmetic industries, and with a diversification of their activities along the same value chain. Thus, we are indeed talking about industrial specialization.

For the local labor market, the Menara cluster makes training an essential component of its activity, aiming to support companies in their development.

The topics covered during the training are varied and cover management, internal management, strategic development, as well as the technical aspects in agri - food and cosmetics. . .

The Menara Cluster has provided more than 200 training sessions in these areas, which demonstrates its commitment to providing quality services to its members. These training sessions are led by recognized experts in their field and are designed to meet the specific needs of the Menara Cluster member companies.

By participating in these training sessions, companies can improve their skills, strengthen their operational efficiency, and increase their competitiveness in the market. In 2022, the Menara Cluster set up its own training center in the Sidi Ghanem industrial district, at the center of the economic and commercial activity of the city of Marrakech.

Also, for the co - location of suppliers and clients, which characterizes the Marshallian district, we note that the area is distinguished by a rich local network of suppliers and related industries in the form of SMEs to meet the needs of co - located clients. The idea is to promote structuring projects

capable of organizing a vast network of Small and Medium Enterprises (SMEs) and even Very Small Enterprises (VSEs). The central idea is that of developing "ecosystems. "

Marshall (1890) sees the co - location of suppliers and clients as a source of positive agglomeration externalities. To reduce these costs, companies gather geographically, materializing flexible specialization complexes to which Scott and Storper give the name "new industrial spaces" (Scott and Storper, 1992). The concept of flexible specialization (Piore and Sabel, 1984) is essential for understanding the new industrial spaces that emerged in the 1980s.

2) **Knowledge externalities:** We will project the components of agglomeration economy onto the Moroccan aeronautical pole to see the points of resemblance and divergence between what has been cited in theory and what actually characterizes the Menara cluster.

For industrial atmosphere, although it is not possible to measure it, we believe that this condition exists through the intangible elements of cohesion, solidarity, social networks, and mutual aid which we have identified through the work of Duranton and Puga (2000).

As for the concept of technological infrastructure, we find that the Menara Cluster has set up several technological infrastructure projects, including the creation of specialized laboratories, technological platforms, and innovation hubs. These infrastructure projects aim to support research and development activities in the agri - food and cosmetics sector and provide companies with access to cutting - edge technology and expertise.

The technological infrastructure projects implemented by the Menara Cluster have helped to strengthen the innovation capacity of member companies, enhance their competitiveness in the market, and contribute to the sustainable development of the agri - food and cosmetics sector in Morocco.

2. Conclusion

In conclusion, our study has shown that the Menara Cluster can be characterized as a successful form of agglomeration promoting innovation in the agri - food and cosmetics sector in Morocco. By leveraging the benefits of industrial specialization, the co - location of suppliers and clients, and the presence of an industrial atmosphere and technological infrastructure, the Menara Cluster has been able to foster innovation, enhance the competitiveness of member companies, and contribute to the sustainable development of the sector.

The findings of our study have important implications for policymakers, businesses, and other stakeholders interested in promoting innovation and economic development through clustering. By supporting initiatives like the Menara Cluster and investing in infrastructure, training, and other resources, policymakers can create an enabling environment for clustering and innovation, thereby driving economic growth and prosperity. Businesses, on the other hand, can benefit

from participating in clusters like the Menara Cluster by gaining access to knowledge, expertise, and other resources that can help them innovate and compete more effectively in the market.

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