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Household Economic Behavior in Morocco: A Family Economics Perspective Based on Cost–Benefit Rationality

Maha Mouabid [1], Dinar Ibrahim [2], Benjouid Zakaria [1]

1. Research Laboratory in Economics, Business Management, Faculty of Economics and Management, Settat, Hassan I University, Settat, Morocco
2. Business Intelligence, Organisational Governance, Finance and Financial Crime Laboratory, Faculty of Legal, Economic and Social Sciences, Hassan II University, Casablanca, Morocco

Abstract

The given article is an analytical study of a question of household economic behaviour in the context of Morocco, whose theoretical basis is the family economics as first defined by Gary Becker and then developed by him in collaboration with other researchers, namely, Becker-Landes-Michael, Weiss, and Chiappori. Instead of considering informality as a sociocultural phenomenon, the study refers to the household as a rational decision-making unit that uses time, labor, and resources with the aim of maximizing utility under an income and institutional constraint. Using the secondary macro- and microeconomic data, the analysis studies the trends in income diversification, intra-household specialization, women labor supply, and consumption choices as a reaction to trade-offs between costs and benefits and external shocks like inflation. The specific focus is given to the economic role of women, relying on the recent empirical research in Morocco, such as the work of Mohamed El Garra. The results have shown that Moroccan families use economic rational choices which are consistent with the developed family-economics frameworks, which combine formal and informal labor, reallocate women labor supply, and changes in consumption patterns in the response to the increase in prices. The research will add to the academic literature both in broadening family-economics theory to an environment with a middle-income developing-country setting and in highlighting the relevance of rational household models to policy-making.

Keywords: Family economy; Morocco; household income; informal sector; women's participation; social solidarity; urbanization; resilience; public policy.

I. Introduction

The family economy has long been regarded as a cornerstone of social and economic life in developing societies, where the household functions not only as a unit of consumption but also as a vital center of production, resource allocation, and social reproduction. In the Moroccan context, the family economy plays a particularly prominent role, reflecting the persistence of traditional structures alongside the pressures of modernization and globalization. Moroccan households are shaped by a unique combination of historical legacies, cultural values, and contemporary socio-economic challenges that together define the ways in which families generate income, manage expenditures, and secure their livelihoods.

The family economy has undergone profound transformations over the past century, shaped by social, cultural, and economic transitions. A first key dimension relates to the reconfiguration of intra-household financial relations, particularly between parents and children or between spouses. Belleau and Proulx (2011) show that in the Quebec context, the flow of financial resources within families has often been reversed in response to urbanization, financial crises, and new social policies. This shift highlights the dynamic and adaptive nature of family-based interdependencies.

In the Moroccan setting, the family behaviour in a household is an empirical answer to the suitability of the family-economics models. With limited formal labour market opportunities, increased income instability, and rising living standards, the Moroccan households are turning to diversified economic strategies to include wage-based work, self-employment, informal work and adjustment of female supply of labour. This article takes a purely economic view of household strategies as judgement based on constraints and incentives without assigning such behaviours pure and simply to informality or cultural norms.

Based on the theoretical literature of Becker (1965, 1981), Becker-Landes-Michael (1977), Weiss (1997) and Chiappori (1988, 1992), the paper conceptualizes the household as an optimisation unit typified by specialisation, bargaining, and interdependent preferences. The economic contribution of women is explored as a factor of relative productivity, opportunity costs and bargaining power thus concurring with the recent empirical studies in Morocco including the study of female participation in household economies conducted by Mohamed El Garaa.

Three main objectives are followed in the study. First, it reinvigorates the economic behaviour of the Moroccan family by adopting the family-economics theory. Second, it provides empirical data about income distribution, female labour supply, and consumption preferences as the expressions of rationality. Third, it is an analysis of how the recent inflationary pressures, such as those forecasted in 20242025, affect household cost-benefit calculations. The article adds to the existing world literature on the family economics in developing and middle-income countries through these attempts.

In the Moroccan context, family capitalism has deep historical and religious roots, structured around long-standing traditions of collective organization and economic solidarity. Labari (2016) argues that globalization has created both opportunities and threats for these familybased economic systems, as external competition challenges established entrepreneurial legacies. The resilience of Moroccan family enterprises, however, demonstrates their capacity to adapt by balancing tradition with modern market logics.

The importance of the family economy in Morocco cannot be overstated. While formal economic institutions and markets provide limited opportunities for employment and income stability, households often resort to a wide array of adaptive strategies to cope with uncertainty. These include reliance on informal economic activities, participation in seasonal agricultural work, engagement in small-scale trade, and the use of remittances from members of the Moroccan diaspora. At the same time, the household serves as the primary site for social solidarity, with extended families offering material and emotional support in the face of crises, unemployment, or rising living costs. Such resilience mechanisms underscore the centrality of the family as an economic and social institution that both absorbs external shocks and facilitates adaptation to structural transformations.

The dynamics of the Moroccan family economy are, however, undergoing profound shifts. Urbanization, demographic growth, and educational expansion have altered the composition and functioning of households. Women’s increasing participation in economic activities both formal and informal has reshaped gender relations within families, challenging traditional divisions of labor and contributing to the diversification of household income. Youth, confronted with high unemployment and limited access to stable jobs, are redefining strategies for financial independence, often through migration or engagement in precarious informal work. These transformations reveal both the adaptability of Moroccan families and the fragility of the systems upon which they depend.

In addition to internal changes, external pressures exert a significant influence on household economies. Economic globalization, the integration of Morocco into international trade networks, and recurrent shocks such as the COVID-19 pandemic have highlighted vulnerabilities that households face when informal mechanisms prove insufficient. Inflation, rising food and energy prices, and persistent regional disparities further strain household resources, particularly in rural areas where agriculture remains a key livelihood but is increasingly affected by climate variability. In this regard, the Moroccan case illustrates broader debates on the role of family economies in contexts marked by rapid socio-economic transitions and global uncertainties.

Against this backdrop, examining the Moroccan family economy provides an opportunity to better understand the intersections between tradition and modernity, resilience and vulnerability, as well as informality and institutional intervention. By analysing how households mobilize resources, negotiate gender roles, and sustain solidarity networks, this study sheds light on the mechanisms through which families navigate an evolving socioeconomic environment. At the same time, it explores the limitations of these mechanisms, emphasizing the necessity of coherent public policies to support household resilience, reduce inequality, and promote inclusive development.

This article therefore seeks to answer the following guiding questions: How do Moroccan households organize their economic activities in the face of uncertainty? What roles do gender dynamics, social solidarity, and informal practices play in sustaining the family economy? And to what extent can policy interventions strengthen household resilience while addressing structural vulnerabilities? By addressing these questions, the study contributes to the literature on household economies in the Global South and provides policy-relevant insights for Morocco's ongoing socio-economic development.

II. Literature review

The study of family economies has been a central concern in both economics and sociology, particularly in contexts where households operate as the primary units of production, consumption, and social reproduction. The concept of the family economy extends beyond mere financial management to encompass informal labor, intra-household resource allocation, intergenerational support, and culturally embedded mechanisms of solidarity. In the Moroccan context, this approach is particularly relevant given the coexistence of traditional family structures, rural-urban disparities, and the growing influence of modern economic pressures.

Gary Becker is generally considered as the father of the economics of family. Becker (1965) in his seminal work on allotment of time came up with the concept that households blend market products and time to create commodities which create utility. This model made the family a productive unit and not a consumption unit. Subsequently, Becker (1981) abstracted the household into a utility-maximizing unit where the decisions on the amount of labor supplied, fertility, education, and consumption are made based on relative prices and income restrictions.

In this paradigm, the members of the household are specialized based on the comparative advantage. Productivity differentials and opportunity costs dictate the division of market and non-market labor, which means that the existing gender divisions of labor might be based on efficiency and not only on social norms.

Becker, Landes and Michael (1977) went further and analysed the role of marriage as an economic institution, which brought about specialization and sharing of risks. Their model assumes that households do maximize joint surplus, which means that they distribute tasks to the most productive member and produce the most efficient outcomes under some conditions. According to Weiss (1997), the intertemporal aspect of family decision making was also emphasized and he pointed out human capital investment and long-term maximization of income.

These endowments supply a theoretical framework to examine the diversification of income and labour allocation among the Moroccan households where household members may mix wage employment, self-employment and informal economic activity to stabilize household income.

Whereas Becker unitary model considered only one household utility, Chiappori (1988,1992) came up with collective models where household performance is the product of bargaining of individuals who have different preferences. These models are rational but they permit distributional effects and bargaining power which are usually associated with individual income contributions.

The model is especially applicable to the study of female labor supply in Morocco, where the economic activity of women can make them have a greater bargaining power and affect the decisions related to household allocation.

The current empirical materials have used the models of family economics to the Moroccan situation. The work of Mohamed El Garra offers strong grounds that the role of women in household economies helps a great deal in diversifying incomes and well-being. In family economics terms, female labor supply is associated with economic rationality to wage disparities, limited job opportunities and household demands, as opposed to non-conformity.

The results of El Garaa are also in line with the predictions of Beckerian: as the returns to female labor are expected to rise, families choose to spend less time on the non-market activities, and more on the activities that generate income, thus making the households more resilient.

The study of the family economy in Morocco intersects with broader debates on informality, gender roles, and household strategies of resilience. Scholars have increasingly emphasized the centrality of the informal sector in sustaining Moroccan households, especially in contexts where formal employment opportunities remain limited. Bourhaba and Mama (2015) estimated the size of the informal economy in Morocco between 1999 and 2015 using the MIMIC model, highlighting its structural importance for household survival and income diversification. Their findings suggest that informality is not simply a temporary adjustment but a long-standing component of the Moroccan economic system.

Building on this perspective, the same authors later examined the relationship between informality and poverty, concluding that the informal sector can both alleviate immediate income constraints and perpetuate vulnerability due to lack of social protection (Bourhaba & Mama, 2021).

The productivity and dynamics of micro and small enterprises, which are often family-based, provide another lens to understand the household economy. Kerrouch (2022) analysed the contribution of informal microenterprises to employment generation in Morocco, noting that while they create essential livelihoods, their limited productivity constrains upward mobility. This reinforces the idea that households rely on a combination of informal earnings and solidarity mechanisms to ensure economic stability. Similarly, El Mekkaoui and Loukili (2022) studied cooperatives within the framework of the social and solidarity economy, showing that collective action and community-based enterprises play a significant role in complementing household incomes, particularly in rural areas. Their work illustrates how cooperatives provide not only financial benefits but also reinforce social cohesion, which is a critical dimension of family-based economic resilience.

The demographic dimension also provides critical insights into family economies. Rossier (2004) emphasizes the importance of culture in shaping demographic behaviours, including family formation, dissolution, and intergenerational support. Rather than being reducible to purely rational economic decisions, household choices are embedded in cultural meanings that influence economic practices, migration strategies, and life-cycle transitions. This perspective complicates conventional demographic models by linking socio-economic position with cultural and attitudinal variables.

Anthropological perspectives further enrich the analysis of family economies. Achachi (2014) introduces the concept of the Soussi economic mode, an organization deeply rooted in traditional family systems and endowed with specific values that regulate economic exchanges. Such approaches underline the necessity of integrating cultural and anthropological variables in development economics, as they explain the persistence and adaptability of local organizational logics.

Rural family economies constitute another significant axis of inquiry. Prunier (2014) observes that while rural households are traditionally associated with agriculture and land-based livelihoods, they increasingly diversify their income sources through commerce, wage labor, and artisanal activities. This diversification challenges narrow definitions of rurality, showing that rural households may remain strongly rooted in rural identities while participating in wider labor markets and transnational economies.

A further strand of scholarship has explored the symbolic and cultural dimensions of money within families. Henchoz and Séraphin (2017) conceptualize money not merely as an economic instrument but as a familial and relational medium that shapes solidarity, power dynamics, and emotional ties. They argue that the circulation of money through pocket money, inheritance, remittances, or gifts plays a central role in constructing familial status, identity, and cohesion. This resonates with earlier sociological insights from Mauss, who described money as fundamentally a social fact.

Taken together, these perspectives reveal the multidimensional character of the family economy. It encompasses material practices such as budgeting, income diversification, and intergenerational transfers, but also cultural and symbolic processes that shape how money and resources circulate. By combining economic, demographic, and anthropological approaches, scholars demonstrate that the family economy is both a driver of resilience in the face of structural transformations and a site of negotiation where traditions intersect with modern economic pressures.

Gender also emerges as a decisive factor in shaping household economic practices. Jaouhar et al. (2025), focusing on the Marrakech–Safi region, investigated determinants of informal employment and found that household heads' characteristics such as education, age, and gender substantially influence the decision to engage in informal labor. This underscores the role of demographic and socio-cultural variables in structuring household economic choices. Complementing this view, Chayboub and El Morchid (2025) examined how informal institutions particularly social norms and cultural expectations constrain female labor participation in Morocco. They argue that while women contribute substantially to family economies, their participation is often shaped by patriarchal norms, thereby limiting their opportunities in the formal sector and reinforcing reliance on informal or unpaid activities.

Taken together, these studies highlight three central insights. First, informality is not peripheral but lies at the heart of Moroccan household economies. Second, households adopt hybrid strategies that combine wages, informal activities, agriculture, remittances, and collective initiatives such as cooperatives. Third, gender roles and social institutions profoundly shape economic participation, influencing how resources are generated and distributed within families. This literature suggests that any comprehensive analysis of the Moroccan family economy must move beyond narrow monetary indicators and account for social, cultural, and institutional dimensions.

1. Household Income and Economic Strategies

Research consistently highlights the diversity of income sources within Moroccan households. According to the Haut-Commissariat au Plan (HCP, 2021), Moroccan families typically combine formal employment, informal labor, agricultural production, and remittances to sustain their livelihoods. This diversification reflects the need to mitigate risk in an economy characterized by high unemployment rates, limited formal-sector opportunities, and variable agricultural yields. Belghazi (2018) emphasizes that informal economic activities, including artisanal work, petty trade, and seasonal employment, are not marginal but constitute a structural component of the national economy, particularly in rural regions where formal employment opportunities remain scarce.

Several scholars argue that informal economic participation is not merely a survival strategy but a dynamic mechanism through which households adapt to market volatility and social change. Ennaji (2016) notes that families strategically allocate members to different economic activities, balancing income generation with educational and domestic responsibilities. Similarly, Verme and Araar (2017) underscore the importance of remittances from the Moroccan diaspora, which often serve as a financial buffer in times of economic crisis, facilitating household investments in education, health, and housing.

2. Gender Dynamics and Women's Economic Participation

The role of women in household economies has received increasing attention in recent literature. Traditional Moroccan family structures often confined women to domestic and caregiving roles, limiting their formal economic participation. However, a growing body of research demonstrates that women's contributions both in informal labor and increasingly in formal employment are reshaping household decision-making and enhancing economic resilience. The ILO (2019) reports that women in Morocco participate extensively in informal economic activities, particularly in urban areas, contributing significantly to household income while navigating persistent gender-based barriers in wages, job security, and access to finance.

Ennaji (2016) further highlights the transformative impact of women's economic engagement on intra-household dynamics. Greater female participation correlates with increased bargaining power, shifts in consumption priorities, and changes in intergenerational support structures. Nevertheless, gender disparities remain a key challenge, especially in rural areas where traditional norms constrain women's mobility and economic autonomy.

3. Social Solidarity and Intergenerational Support

The Moroccan family economy is deeply embedded within social networks and intergenerational solidarity mechanisms. Extended families often act as informal safety nets, providing financial assistance, childcare, and support during life-cycle events such as marriages, illness, or education expenses. FAO (2021) and UNDP (2020) highlight that these solidarity networks not only sustain households during economic shocks but also foster social cohesion and cultural continuity.

This reliance on social capital is closely linked to rural-urban differences. Rural households often benefit from denser kinship networks, which compensate for limited access to formal social protection programs. Conversely, urban households may experience weakening of traditional solidarity practices due to migration, nuclearization of family structures, and increased individualism. Nevertheless, in both contexts, informal support remains a crucial determinant of household resilience, especially in periods of economic volatility or environmental stress.

4. Impact of Urbanization and Socio-Economic Transformation

Urbanization, demographic growth, and globalization have significantly altered the landscape of Moroccan household economies. Rapid urban migration has led to the emergence of new household structures, diversified income strategies, and changing consumption patterns. OECD (2020) notes that urban households often rely more heavily on informal commerce, services, and wage labor, while rural households continue to depend on agriculture and seasonal work.

Moreover, the integration of Morocco into global markets has created both opportunities and vulnerabilities. Access to new markets and technologies can enhance household income potential, yet exposure to international price volatility and competition can exacerbate economic insecurity. COVID-19 further illustrated these vulnerabilities, revealing the fragility of informal livelihoods and highlighting the limitations of existing social protection measures (World Bank, 2022).

5. Policy Context and Household Resilience

Several studies emphasize the critical role of public policy in supporting household resilience. Programs such as the National Initiative for Human Development (INDH), the expansion of health coverage under Assurance Maladie Obligatoire (AMO), and targeted social assistance schemes have contributed to poverty reduction and improved access to basic services. Nevertheless, Verme and Araar (2017) argue that policy interventions must be more effectively integrated with household realities, particularly regarding informal labor, women's economic participation, and rural-urban disparities.

In summary, the literature underscores three core dimensions of the Moroccan family economy:

(1) diversification and adaptability of income-generating strategies, (2) the increasing role of women and evolving intra-household dynamics, and (3) the centrality of social solidarity and informal support networks in sustaining household resilience. While these mechanisms enable adaptation to socio-economic pressures, persistent vulnerabilities including unemployment, inflation, and structural inequalities highlight the need for coherent, inclusive, and context sensitive policies.

III. Research Methodology

This study employs a **mixed-methods research design**, integrating both quantitative and qualitative approaches to provide a comprehensive understanding of the Moroccan family economy. The rationale for this methodology lies in the inherent complexity of household economic practices, which extend beyond conventional income and expenditure patterns to include informal labor, social support networks, and culturally embedded practices of resource management. By combining numerical data with contextual insights, the study captures both measurable economic trends and the subtler social mechanisms that shape household decision making.

This paper makes use of secondary quantitative data collected by use of national and international databases to determine the distribution of household income, labour supply and consumption behaviour. This analytical structure is clearly based on family economics in which observed results are assumed to be the optimal solutions to household optimisation problems that are subject to constraints.

1. Data Sources

The analysis draws upon a diverse range of data sources to ensure robustness and reliability. Quantitative information was primarily obtained from the *Haut-Commissariat au Plan (HCP)*, which provides nationally representative surveys on household living standards, labor force participation, and income distribution. Complementary datasets were accessed from international organizations, including the **World Bank** and the **International Labour Organization (ILO)**, offering detailed statistics on employment, sectoral participation, and demographic patterns. These datasets provide a solid foundation for analysing income diversification, informal economic activity, and spatial disparities between urban and rural households.

In parallel, **secondary sources** were systematically reviewed to contextualize and enrich the quantitative findings. These included peer-reviewed journal articles, government reports, policy briefs, and publications by non-governmental organizations. By integrating these sources, the study situates household economic behaviours within broader socio-economic, cultural, and institutional frameworks.

The table 1 below summarizes the primary data sources, years, types of data, key variables, and their purposes in the study of household economies in Morocco.

Table 1. Summary of Data Sources and Key Variables

Data Source	Year(s)	Type of Data	Key Variables / Indicators	Purpose in Study
Haut-Commissariat au Plan (HCP) – Household Living Standards Survey	2021	Quantitative	Household income, expenditure, employment status, household size, urban/rural location	Measure income distribution, household expenditure patterns, and urban-rural disparities
World Bank – Morocco Economic Monitor	2022	Quantitative	Poverty rates, employment by sector, GDP per capita, remittances	Contextualize household income trends and macroeconomic environment
International Labour Organization (ILO)	2019	Quantitative	Labor force participation, formal vs informal employment, gender participation rates	Assess household income sources and role of informal economy
UNDP – Human Development Report	2020	Quantitative & Qualitative	Education levels, human development indices, gender inequality measures	Link household economic capacity to socio-economic development indicators
FAO – State of Food and Agriculture	2021	Quantitative & Qualitative	Agricultural production, rural livelihoods, food security indicators	Understand rural household income sources and vulnerability
Academic Journals & Case Studies	2015–2022	Qualitative	Interviews, ethnographic accounts, case studies	Explore intra-household decision-making, gender roles, and social solidarity mechanisms
NGO & Policy Reports (INDH,	2018–2021	Qualitative	Social protection coverage, microcredit access, local	Evaluate policy impact on household resilience and poverty alleviation

Microfinance, etc.)			development initiatives	

Source: Authors

This table 2 provides a synthetic overview of household income sources and expenditure allocation in Morocco. It highlights the relative weight of formal wages, informal activities, agriculture, and remittances in shaping household revenues, while also outlining spending priorities across key categories such as food, housing, education, and health. The figures serve as an illustrative reference point, emphasizing the structural differences between urban and rural households in both income generation and consumption behaviour.

Table 2. Illustrative Household Income and Expenditure Patterns in Morocco

Household Type	Average Monthly Income (MAD)	Main Sources of Income	Average Monthly Expenditure (MAD)	Main Expenditure Categories
Urban, Middle-class	8,500	Salaried jobs, small business, remittances	7,200	Housing, food, education, transport
Urban, Low-income	4,200	Informal trade, day labor, remittances	3,900	Food, rent, utilities, healthcare
Rural, Agricultural	3,500	Agriculture, livestock, seasonal migration	3,100	Food, agricultural inputs, education
Rural, Low-income	2,400	Casual labor, small farming, social transfers	2,200	Food, housing, basic healthcare
Mixed (Urban-Rural, Extended family)	6,000	Agriculture, salaried jobs, remittances	5,500	Food, education, housing, ceremonies

Source: Authors

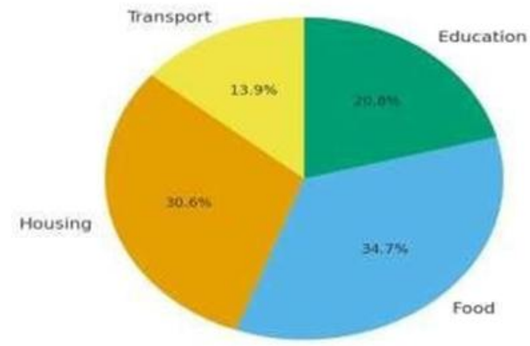

Figure 1. Expenditure distribution for an urban middle-class household.

The figure 1 illustrates the allocation of expenditures within a typical urban middle-class household in Morocco. Food represents the largest share, accounting for 34.7% of total spending, reflecting the continued centrality of food security in household budgeting. Housing emerges as the second major expenditure category (30.6%), underscoring the financial pressure associated with urban rent and property costs. Education absorbs 20.8%, which highlights the increasing prioritization of schooling and skill development among middle-class families as an investment in social mobility. Finally, transport constitutes 13.9% of household expenditure, pointing to the role of mobility needs in urban environments. Collectively, the distribution suggests that while basic needs remain dominant, significant portions of income are allocated toward long-term human capital and urban lifestyle requirements.

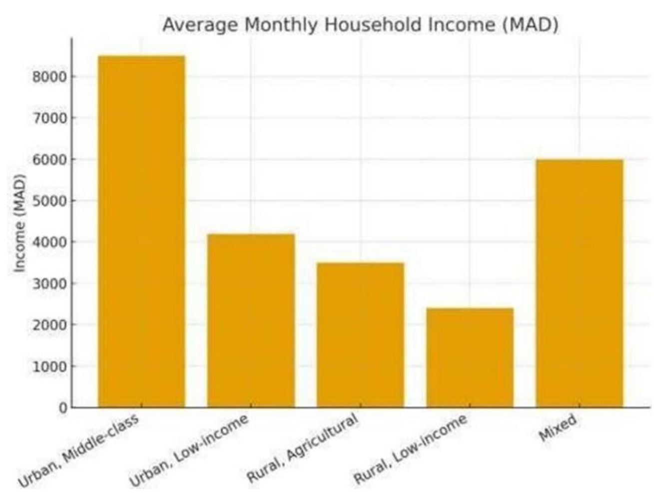

Figure 2. Average monthly household income across different household types in Morocco.

The figure 2 illustrates the disparities in average monthly household income across different household categories in Morocco, measured in Moroccan Dirhams (MAD). Urban middle-class households exhibit the highest income levels, exceeding 8,500 MAD per month, whereas rural low-income households report the lowest, averaging around 2,400 MAD. Urban low-income and rural agricultural households fall in the intermediate range, with incomes of approximately 4,200 MAD and 3,500 MAD, respectively. Mixed households, which combine both urban and rural income sources, demonstrate a relatively stronger economic standing, averaging 6,000 MAD per month. These results highlight significant socio-economic inequalities between urban and rural households, particularly emphasizing the vulnerability of low-income rural groups compared to their urban counterparts.

2. Sampling and Units of Analysis

The **household** serves as the principal unit of analysis, reflecting its central role as both an economic and social entity. The study encompasses households across urban and rural contexts, deliberately considering variations in income-generating strategies, consumption patterns, and access to resources. This comparative approach allows for an examination of how environmental, infrastructural, and demographic factors influence household resilience.

Additionally, the analysis incorporates **gender dynamics** and **intergenerational relationships** as key analytical lenses. These dimensions are critical for understanding labor allocation, decision-making authority, and the distribution of financial responsibilities within the household. For instance, the study examines how women's economic contributions and generational transfers (e.g., support from adult children to elderly parents) affect overall household stability.

3. Qualitative Component

To complement the quantitative analysis, the study integrates **qualitative materials**, including published interviews, ethnographic accounts, and case studies from both rural and urban Moroccan contexts. These sources illuminate how families interpret economic challenges, negotiate internal resource allocation, and adapt to structural changes such as urbanization, migration, or rising costs of living. The qualitative dimension provides a rich, contextual understanding that enhances the interpretation of statistical trends, highlighting patterns that may be obscured in purely quantitative analyses.

4. Analytical Framework

The research framework is structured around three interrelated perspectives:

Economic Analysis: This component examines the distribution of household income, the prevalence and significance of informal activities, and expenditure patterns across different household types. It identifies key drivers of financial resilience and vulnerability.

Sociological Analysis: This perspective focuses on the social and cultural foundations of household behaviour, including decision-making processes, mechanisms of solidarity and reciprocity, and the gendered division of labor. It highlights how social norms shape economic outcomes and family strategies.

Policy Analysis: This aspect evaluates the impact of institutional and governmental interventions, such as social protection programs, microcredit initiatives, and employment policies, on household well-being and resilience. It assesses the alignment between policy objectives and the realities of household practices.

By **triangulating quantitative and qualitative data** across these three perspectives, the methodology ensures analytical rigor and depth. This comprehensive approach allows the study to capture both the measurable economic dimensions and the social, cultural, and policy contexts that influence household economic behaviour, thereby providing a nuanced and holistic understanding of the Moroccan family economy.

IV. Results and Discussion

1. Presentation of results

The findings of this study provide a multidimensional overview of the family economy in Morocco, highlighting both structural patterns and lived household experiences. By integrating statistical evidence with qualitative insights, the results shed light on the ways in which Moroccan families generate income, allocate expenditures, and adapt to socio-economic pressures. The quantitative data underscore persistent disparities between urban and rural households, as well as differences shaped by class, gender roles, and access to institutional support. Meanwhile, the qualitative evidence illustrates how these numbers translate into daily practices of negotiation, solidarity, and resilience within households.

1.1. Urban–Rural Differences in Household Income Sources

The analysis of household income patterns reveals marked disparities between urban and rural settings in Morocco. While urban families rely more heavily on formal wages and remittances, rural households depend significantly on agriculture and informal activities, reflecting structural and geographic inequalities in income generation.

Moroccan household income diversification is consistent with the Beckerian utility maximisation under uncertainty. By means of combining formal wages, self-employment and informal activity, households reduce the volatility of their incomes and increase their expected utility.

Overall, the results reveal three central dynamics. First, household income structures remain heavily diversified, with many families relying simultaneously on salaried work, informal activities, and remittances from migrants. Second, patterns of expenditure demonstrate the centrality of basic needs particularly food and housing while also reflecting increasing investments in education and healthcare. Third, gender and generational factors play a crucial role in shaping economic strategies, as women's participation in income generation and youth unemployment emerge as key determinants of household well-being.

By combining these dimensions, the results offer not only a statistical portrait of Moroccan households but also a deeper understanding of the social logics that underpin economic behaviour. This integrated perspective enables a more nuanced discussion of the challenges and opportunities facing the Moroccan family economy in the context of globalization, demographic change, and policy reform.

Table 3. Sources of Household Income in Morocco (%)

Source of Income	**Urban Households**	**Rural Households**
Formal wages	42%	18%
Informal activities	28%	35%
Agriculture	5%	32%
Remittances	15%	8%
Other sources	10%	7%

Source: Authors

The distribution of household income sources in Morocco reveals significant contrasts between urban and rural contexts. For urban households, formal wages constitute the dominant share of income (42%), reflecting the concentration of salaried employment in cities and the greater integration of urban residents into the formal labor market. In contrast, rural households rely far less on formal wages (18%), underscoring the limited penetration of formal employment opportunities outside urban centers.

Instead, rural families depend heavily on agriculture, which accounts for nearly one-third of their income (32%). This figure highlights the enduring importance of farming and livestock production in sustaining rural livelihoods, despite broader structural changes in the national economy. Urban households, by comparison, derive only 5% of their resources from agricultural activities, a result consistent with the marginal role of farming in city life.

Informal activities represent another critical source of household income, particularly in rural areas where they make up 35% of total earnings. This reliance reflects the prevalence of smallscale trading, seasonal labor, and unregistered economic practices that often compensate for the absence of stable wage employment. Urban households also draw substantially on the informal sector (28%), indicating that informal practices are not limited to rural areas but rather form an essential component of the Moroccan economy as a whole.

Remittances occupy a more prominent role in urban households (15%) compared to rural ones (8%), which may be explained by higher rates of international and internal migration from urban areas. These financial transfers provide critical support for household budgets, often financing education, healthcare, or housing expenditures. Finally, "other sources" of income, such as small businesses, pensions, or social transfers, contribute modestly in both settings (10% for urban and 7% for rural households), reinforcing their role as supplementary rather than primary resources.

Taken together, these results illustrate the dual character of the Moroccan family economy: urban households are more embedded in formal wage structures and remittance flows, while rural households rely more heavily on agriculture and informal activities. This divergence reflects broader structural inequalities but also underscores the adaptability of households in mobilizing multiple income streams to sustain their livelihoods.

1.2. Household Expenditure Structures

Household expenditure patterns provide valuable insights into the economic priorities and constraints faced by Moroccan families. By examining the allocation of resources across essential categories such as food, housing, education, and healthcare, it becomes possible to understand how households balance immediate needs with long-term investments.

The figure 3 presents the distribution of household expenditure across five major categories food, housing, education, health, and other expenses for both urban and rural households in Morocco. The results reveal notable contrasts that reflect structural differences in lifestyle, income levels, and access to services between the two settings.

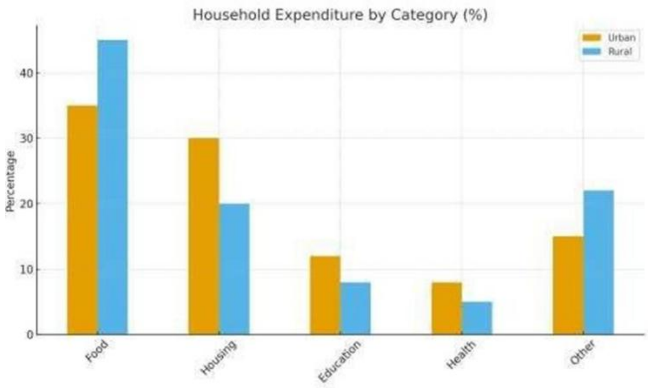

Figure 3. Household Expenditure by Category (%).

Food expenditure emerges as the largest budget item in both contexts, though it is particularly dominant among rural households, where it accounts for nearly 45% of total spending compared to 35% in urban areas. This disparity underscores the vulnerability of rural households to food price fluctuations and highlights the subsistence-oriented nature of rural consumption patterns.

Housing expenditure, by contrast, is far more significant in urban households (30%) than in rural ones (20%). This outcome reflects the higher cost of urban housing, including rent and utilities, as well as the expansion of mortgage-based home ownership in cities. For rural households, housing costs remain comparatively modest, partly due to self-built housing and lower rental demand.

Education-related spending shows a similar divergence, with urban households allocating 12% of their budgets compared to only 8% in rural settings. This difference reflects the concentration of private schools and higher education institutions in urban areas, alongside greater urban investment in children’s educational mobility.

Health expenditure remains relatively limited in both contexts, accounting for 8% in urban areas and 5% in rural households. The rural figure is likely underestimated due to reliance on informal or traditional health services, coupled with barriers to access in remote areas.

Finally, the “other” expenditure category is substantially higher in rural households (22%) than in urban ones (15%). This category encompasses social obligations, ceremonies, agricultural inputs, and other non-essential spending, which appear more central to rural economic and cultural practices.

In sum, the figure demonstrates that while both urban and rural households prioritize food, urban families dedicate larger shares to housing and education, whereas rural households devote more resources to food and other expenditures. These contrasting patterns underscore the influence of structural and socio-cultural contexts in shaping Moroccan household consumption strategies.

1.3. Female Contributions to Household Economies

The economic role of women emerges as a central dimension of household resilience. Differences between urban and rural areas highlight the uneven opportunities available to women, with urban women more engaged in formal employment and rural women more reliant on informal income-generating activities.

The rational cost-benefits interaction of women in formal and informal labour market represents rational trade-offs. The household level of female labour supply is higher in urban household where female education and employment return is higher, which confirms the theoretical forecasts of Becker and Chiappori.

Table 4. Female Contribution to Household Income (%)

Household Type	Urban Areas	Rural Areas
Women with formal employment	22%	8%
Women in informal activities	18%	25%
No financial contribution	60%	67%

Source: Authors

The data on female contributions to household income underscore the uneven role of women in economic activities across urban and rural contexts in Morocco. In urban households, women’s formal employment accounts for 22% of income contributions, a share significantly higher than the 8% observed in rural areas. This gap highlights the concentration of female wage labor in cities, where access to education, employment opportunities, and service-sector jobs is more prevalent. In rural areas, structural barriers such as limited labor market diversification and social norms restricting women’s participation continue to constrain women’s entry into formal employment.

By contrast, women’s participation in informal activities is more pronounced in rural households, where it represents 25% of their contribution compared to 18% in urban areas. This pattern reflects the importance of informal economic practices such as handicrafts, petty trade, and agricultural labor in sustaining rural livelihoods. These activities, although often underrecognized and under-compensated, play a critical role in supplementing household resources and buffering families against economic shocks.

The majority of women, however, report no financial contribution to household income: 60% in urban households and 67% in rural ones. These figures suggest that despite incremental advances in women's economic participation, traditional gender roles continue to shape household economies, with many women primarily engaged in unpaid domestic and caregiving responsibilities. The rural–urban disparity in non-contribution further emphasizes how limited opportunities in rural settings reinforce women's dependence on male or extended family earnings.

Overall, the results reveal a dual reality. On one hand, urban contexts offer greater opportunities for women's integration into formal employment. On the other, rural areas highlight women's reliance on informal economic strategies, while both settings continue to reflect the persistent dominance of non-remunerated roles. These findings underscore the need for policies that expand women's access to labor markets, recognize informal contributions, and address structural gender inequalities within Moroccan households.

1.4. The Role of Informal Activities in Household Resilience

Informal economic activities occupy a critical space in sustaining Moroccan households, especially in times of economic uncertainty. These activities not only supplement formal incomes but also offer flexibility and adaptability, enabling families to respond to market fluctuations and structural challenges.

The figure 4 illustrates the evolution of inflation rates and the purchasing power index in Morocco between 2015 and 2023. Overall, the data reveal a relative stability in the first half of the period, followed by a pronounced deterioration in household purchasing power beginning in 2021.

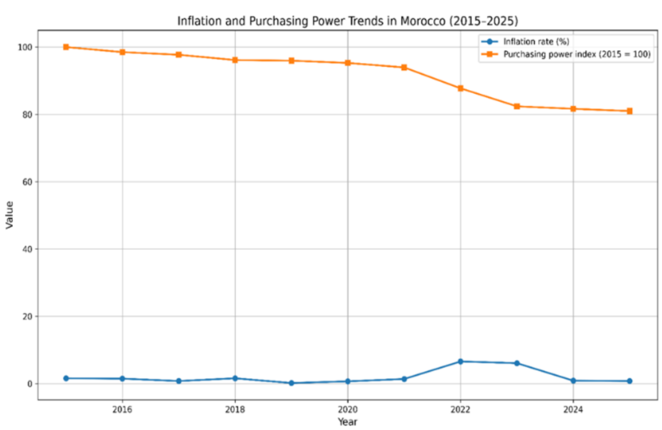

Figure 4. Inflation and Purchasing Power Trends in Morocco (2015–2025).

Inflation rates remained low and relatively stable from 2015 to 2021, fluctuating between 0% and 2%. This suggests a period of macroeconomic stability during which households benefited from contained consumer prices. However, a sharp increase occurred in 2022, when inflation surged to nearly 7%, before stabilizing slightly above 6% in 2023. This escalation aligns with global supply chain disruptions, rising energy costs, and the economic repercussions of geopolitical crises.

In parallel, the purchasing power index, set at 100 in 2015, displayed modest fluctuations until 2020, remaining close to its baseline level. From 2021 onward, however, the index experienced a marked decline, dropping from 100 to approximately 93 by 2023. This downward trend underscores the erosion of real household incomes, as the accelerated pace of inflation outstripped wage growth and other income sources.

Recent inflation figures of 2024 and 2025 indicate that the price pressures persist and additional pressure is taken off the real household income. In family economic terms, inflation is an exogenous shock which alters relative prices and households reallocate labour, especially female labour and respond to consumption pattern to protect utility.

Taken together, the figure highlights a critical divergence: while inflationary pressures intensified sharply after 2021, the purchasing power of Moroccan households weakened, signalling increased financial stress for families. This dynamic has direct implications for household consumption strategies, savings capacity, and overall welfare, particularly among low- and middle-income groups most vulnerable to rising living costs.

2. Discussion and interpretation

The results presented in this study confirm the persistence of marked disparities in household income structures between urban and rural contexts in Morocco. Urban middle-class households demonstrate the highest levels of financial security, drawing primarily on formal wages and, to a lesser extent, remittances. In contrast, rural low-income households remain heavily dependent on agriculture and casual labor, generating incomes that are significantly lower than the national urban average. These findings align with the conclusions of Bourhaba and Mama (2015, 2021), who underline the structural weight of informality in Moroccan household survival strategies, while also noting its paradoxical role in perpetuating poverty due to the absence of adequate social protection.

The factual data proves that it is sufficient to explain the Moroccan household behaviour in the context of family economics. Income diversification, female labour force entry, and consumption can be discussed as economic responses to their limitations, not as the expression of strictly informal or cultural processes.

The study also highlights the centrality of income diversification, with households combining agriculture, informal activities, and remittances to secure livelihoods. This mirrors Belghazi's (2018) observation that informal economic activities are not marginal adjustments but longterm mechanisms of adaptation to structural instability. The data further corroborate Ennaji's (2016) argument that Moroccan families deliberately allocate members to multiple economic roles, thereby mitigating risks tied to market fluctuations and agricultural uncertainty.

From a gendered perspective, the results underscore the uneven contribution of women to household incomes. Women's participation remains higher in informal and low-paying sectors, particularly in rural areas, confirming the findings of Chayboub and El Morchid (2025), who emphasize the role of patriarchal norms in constraining women's integration into the formal economy. Nonetheless, the incremental increase in women's economic engagement resonates with Ennaji (2016), who identifies a gradual transformation of intra-household dynamics through female participation in income generation.

Intergenerational solidarity and kinship-based support networks also emerge as vital in buffering households against economic shocks, particularly among rural families. This is consistent with the arguments of Prunier (2014) and Henchoz & Séraphin (2017), who highlight the symbolic and cultural roles of money in reinforcing family cohesion and sustaining social obligations. Such practices ensure resilience in the absence of robust institutional safety nets, but they also risk overburdening extended families in times of systemic crisis, as suggested by UNDP (2020) and FAO (2021).

Finally, the contrast between urban and rural household expenditure priorities illustrates how socio-economic transformations are reshaping family strategies. Urban families invest more heavily in housing and education, reflecting aspirations for social mobility, while rural families remain more constrained by food expenditures and agricultural inputs. These findings echo OECD (2020) and Verme & Araar (2017), who emphasize that structural inequalities in access to resources and markets underpin persistent spatial divides in Moroccan living standards.

Taken together, the results reinforce three central insights already identified in the literature: (1) the family economy in Morocco is inherently hybrid, combining formal wages, informality, and remittances; (2) gender and cultural norms strongly shape household economic practices; and (3) resilience mechanisms such as solidarity networks remain crucial but fragile under the weight of rising unemployment, inflation, and socio-economic transformation.

Conclusion

This study has sought to provide a multidimensional analysis of the Moroccan family economy by integrating economic, sociological, and anthropological perspectives. The findings demonstrate that household economic practices cannot be reduced to formal income and expenditure patterns; rather, they embody a complex interplay between informal activities, social support networks, gender dynamics, and cultural values. By triangulating quantitative data with qualitative insights, the research underscores the resilience of Moroccan households in navigating structural transformations such as urbanization, migration, and globalization.

By directly relying on the economics of the family, this paper highlights the continued applicability of the Beckerian and post-Beckerian models to the explanation of household behaviour in Morocco. The family household is represented as an economically efficient unit that conforms to limitations through specialisation, bargaining, and cost-benefit analysis. The insights derived have a relevant implication on policy making and particularly on areas related to female workforce, reduction of inflation and household welfare.

A key conclusion emerging from this analysis is that the family remains a central unit of economic organization, both as a site of production and as a system of redistribution. While urban households increasingly depend on formal wages and remittances, rural families continue to rely heavily on agriculture and informal income sources. Yet, across both contexts, the persistence of intergenerational solidarity and gendered contributions illustrates the embeddedness of household economies in broader social and cultural frameworks.

The role of women in household economies further highlights the importance of adopting a gender-sensitive approach. Although women's contributions are often underrecognized, their participation in both formal and informal sectors significantly shape household strategies for coping with economic uncertainty. This reinforces the need to view household economies not merely as financial structures but also as arenas where social norms, power relations, and cultural expectations converge.

Moreover, the study demonstrates that the Moroccan family economy is neither static nor homogeneous. It adapts continuously to external pressures from market fluctuations and policy reforms to demographic transitions and social change. This adaptability reflects not only economic rationality but also cultural creativity, as households balance traditional practices with new strategies for survival and advancement.

From a policy perspective, the analysis suggests that development strategies should not neglect the informal and cultural dimensions of household economies. Programs designed to support families such as social protection schemes, microfinance initiatives, and employment policies must be tailored to the realities of household diversification, gendered labor patterns, and intergenerational exchanges. Ignoring these factors risks undermining the very resilience that enables families to withstand structural challenges.

Ultimately, the Moroccan case contributes to a broader understanding of family economies in the Global South. It reveals that household's function simultaneously as economic units, social communities, and cultural institutions. Recognizing this complexity is essential for both academic research and policy design, as it allows for a more nuanced appreciation of how families sustain livelihoods, negotiate resources, and reproduce social cohesion in the face of profound change.

Limitations and Future Research:

Although this study offers a comprehensive exploration of the Moroccan family economy, several limitations must be acknowledged. First, the reliance on secondary data sources, such as national surveys, statistical reports, and published case studies, inevitably constrains the scope of the analysis. While these materials provide valuable insights, they cannot fully capture the everyday practices, informal negotiations, and lived experiences of households. Future research would benefit from incorporating primary data through ethnographic fieldwork, household surveys, or in-depth interviews, which would allow for a more nuanced understanding of family strategies and economic decision-making.

Second, the study adopts a cross-sectional approach that focuses on existing household dynamics. However, family economies are inherently dynamic and evolve over time in response to shifting economic, demographic, and cultural conditions. Longitudinal studies that track households across generations would be particularly useful in revealing how intergenerational transfers, gender roles, and informal practices adapt to structural changes such as globalization, digitalization, or climate variability.

Third, while this research integrates gender as a key analytical lens, it does not explore in detail the intersection of gender with other social dimensions such as class, education, or regional inequalities. Future studies should adopt an intersectional approach to uncover how these factors jointly shape opportunities and constraints within household economies. Such an approach would also illuminate how policies aimed at economic empowerment might impact different categories of households in divergent ways.

Finally, the study is primarily situated within the Moroccan context, which, while rich and illustrative, may limit the generalizability of its findings. Comparative research across North African or broader Global South contexts would enhance understanding of the similarities and differences in family economies, thereby offering more robust theoretical and policy insights.

In sum, addressing these limitations will not only strengthen the academic understanding of household economies but also provide more grounded recommendations for policymakers and practitioners. By deepening engagement with household realities through empirical, longitudinal, and comparative approaches, future research can further illuminate the resilience, adaptability, and complexity of family economies in Morocco and beyond.

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