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Interest in Islamic micro-finance in Morocco

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Abstract: **The Moroccan private sector is dominated by small and micro-enterprises. According to official data, 98% of the national productive sector is composed by micro-units. However, this category does not benefit fully from the financial offers available on the market. To solve this issue the Moroccan financial system requires innovations in terms of diversification of financial products. In this wake, the Islamic micro-finance may be one of the missing components. In this context, our empirical study was carried out on a sample of 92 micro-entrepreneurs in Morocco's largest economic region in order to analyze the interest of integrating Islamic micro-finance into the Moroccan financial landscape, and the role it could play in providing alternative solutions to improve the conditions of access to external financing for Moroccan micro-enterprises.**

Keywords: **Morocco, micro-finance, Islamic micro-finance, micro-entrepreneurs.**

1. INTRODUCTION

In the era of multi-billion-dollar companies with yearly profits that dwarf the gross national product of entire nations, small-medium- and microscale enterprises that are serviced under 'micro-finance' do not make global headlines but nevertheless, account for a healthy proportion of the world's population that do not have access to formal lines of credit and is a valuable economic sector for its role in poverty reduction (Bangoura et al., 2016; Banerjee and Jackson, 2017; Begum et al., 2019; Khanam et al., 2018). Particularly, for the north African nation of Morocco, the number of micro-enterprises numbers account for approximately 500 million, generating a financing need of 250 billion USD (Maarouf, 2011). According to research conducted by Haut-Commissariat au Plan (HCP), 98% of the Moroccan economy is supported by these micro-enterprises and provide up to 75% of jobs for the active workforce (HCP, 2004). Despite this, micro-enterprises only partially benefit from existing sources of financing, which hinders their development and jeopardizes their sustainability (El Ouafy, 2015). This can be explained, on the one hand, by the reluctance of the banking sector, which refuses to take the risk of committing itself to the said enterprises given their financial precariousness and, on the other hand, by the inadequacy of the offer of the micro-credit sector to the needs of Moroccan micro-enterprises. Additionally, for Muslim-majority countries such as Morocco where religion plays an integral role in the lives of the citizenry, adherence to religious dictates is a primary concern and comes in the form of Islamic micro-finance, where banks service a section of the population that would ordinarily shun non-Sharia law-compliant. Islamic micro-finance is a new, high-potential sector that provides services to underprivileged Muslims and is characterized by a prohibition of all forms of speculation and interest rates that are commonly practiced and applied by the traditional banking sector, and proposes risk taking and commercial margin as the only sources of profitability (Almohamed, 2018; Huma and Rusni, 2020). In Morocco, microenterprises are defined as those companies with fewer than 10 permanent employees and excluding taxes, possesses an annual turnover of less than $3,400 USD and which represent 95% of the national economic fabric (HCP, 2004; Cherkaoui, 2020). Specifically, these microenterprises comprise 78% of the agriculture sector and 8% of the production and distribution of electricity, gas, and water, supporting 11.5% of the Moroccan GDP (Tilfani, 2011; HCP, 2016). This cohabitation of the two sectors gives rise to the emergence of a financial dualism raised in the report of the Organization for Economic Cooperation and Development (OECD), which showed that unlike large modern companies that turn to banks, small businesses are dependent on the informal financial sector (OECD, 2005). From this

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point of view, a competitive and liberalized financial system proves to be suitable for the financing of investments by firms. In general, SMEs finance their operating or investment cycle either from internal sources, through self-financing, or from external sources. In Morocco, bank credit takes precedence over other sources of external financing because of the small size of the stock and bond markets (Khattab, 2019). Additionally, a large proportion of SMEs cannot access bank credit. Financing by leasing companies is expensive and depends on the banks and insurance companies that control this market. As for venture capital, this type of financing is not within the reach of all categories of SMEs as it is an activity that requires higher level skills in terms of research and development often not available for these kinds of enterprises (Benthami, 2019). More commonly, this type of financing partly concerns certain innovative and growing economic units in sectors with high added value (CDVM, 2011). This then leads to Islamic Finance filling a hitherto unfilled niche in the economic ecosystem.

To provide context for the survey, we first describe several key concepts of Islamic microfinance. As previously described, Islamic microfinance is to be distinguished from microfinance as practiced in the non-Islamic financial world as one where the dictates of Sharia law are abided by in an attempt to provide banking opportunities for those people who would, due to religious requirements, not be interested in. The specifics of Islamic microfinance involve several aspects: risk and profit sharing, uncertainty and speculation, the prohibition of interest, transparency and social justice and welfare. These factors are reflected in the products offered by Islamic microfinance. Principal of which, the concept of *mousharaka* is where an investor participates in a partnership with the financial institution to share both risks and any possible profits, and this kind of financing can be used for assets or working capital (Cherno, 2019). Similar to but distinct from *mousharaka*, the concept of *moudaraba* describes where one party provides funds, and the other provides management expertise. Islamic microfinance institutions finance the entire project as a "silent financial partner" (Islam, R. and Ahmad, R., 2020) so that the capital converted into tangible goods that are then resold (Dhafer, 2011). Here, financial institutions do not merely operate as lenders, becomes a co-owner in an enterprise, thus promoting active and strong interest in that enterprise's success (Dhafer, 2011). Consequently, risk is also shared between parties, which are meant to increase the attractiveness of such cooperation to borrowers that have neither the inclination nor financial strength to take on risk alone (Syedah, Lensink 2020). To supplement this, uncertainty and speculation is additionally prohibited. Although risk taking is not religiously prohibited and may even be encouraged (Luqyan, 2019), considering profit margins in the absence of interest rates, taking risks is a recognized source of profitability. However, uncertainty or asymmetry in contractual obligations is strictly prohibited as they both can lead to speculation, which leads to the prohibiting of buying or selling assets whose prices or characteristics can only be defined at a later date (Golzare, 2017). Interest is an integral component of traditional financial institutes and may serve as principal sources of revenue (Md Aslam, 2017) but for practitioners of Islam, interest is expressly forbidden (Qur'an, 131:3;Qur'an 207.2 Gani, I. M.,2020). To circumvent this Sharia law restriction, Islamic microfinance products have a fixed repayment rate without the possibility of making a profit on the interest rate (Yaoyao and Kose, 2019). This follows from the principles that risks must be shared by both parties and that money has no intrinsic value (Luqyan, 2019). Money, as an instrument contributing to the creation of value and facilitating exchanges, cannot in itself be the object of an exchange. The role attributed to money in Islam is in fact well explained as a potential capital that can only become real after association with another resource, in this case labor and effort, with the objective of creating a productive activity. It represents only a simple means of exchange, without any intrinsic utility. The prohibition of money trading therefore excludes any profit from a purely financial transaction. This is why it cannot be bought and sold as a product, and why the value of money that is not backed by assets cannot increase over time. Considering the close relationship between financial institution and enterprises, transparency is also crucial and involves a fixed-commitment contract that is communicated to the client in advance. These products are designed to achieve some measure of social welfare and justice where contract terms and conditions are written to provide a viable alternative to conventional loans with high interest rates and social welfare-impairing terms and conditions of provision and repayment. Social responsibility is also advocated by Islamic microfinance which restricts participating institutions from financing certain activities such as gambling, tobacco, alcohol, pig breeding, weapons, or pornography.

To initiate these concepts in the real world, several products are available for enterprises. When the client requests a specific product, the microfinance institution acquires it directly on the market and resells it to him with a cost increase established by mutual agreement with negotiation (Dhafer, 2011). With regards to people in need that may need to cope with special circumstances such as the passing of a loved one, marriage, education for children etc., Islamic microfinance institutions offer free financing (*Qard al hassan*) that is an interest-free loan used to fill short-term financing gaps usually backed by a guarantee (Dhafer, 2011). Another product (*salam*) is a type of pre-delivery or pre-production financing

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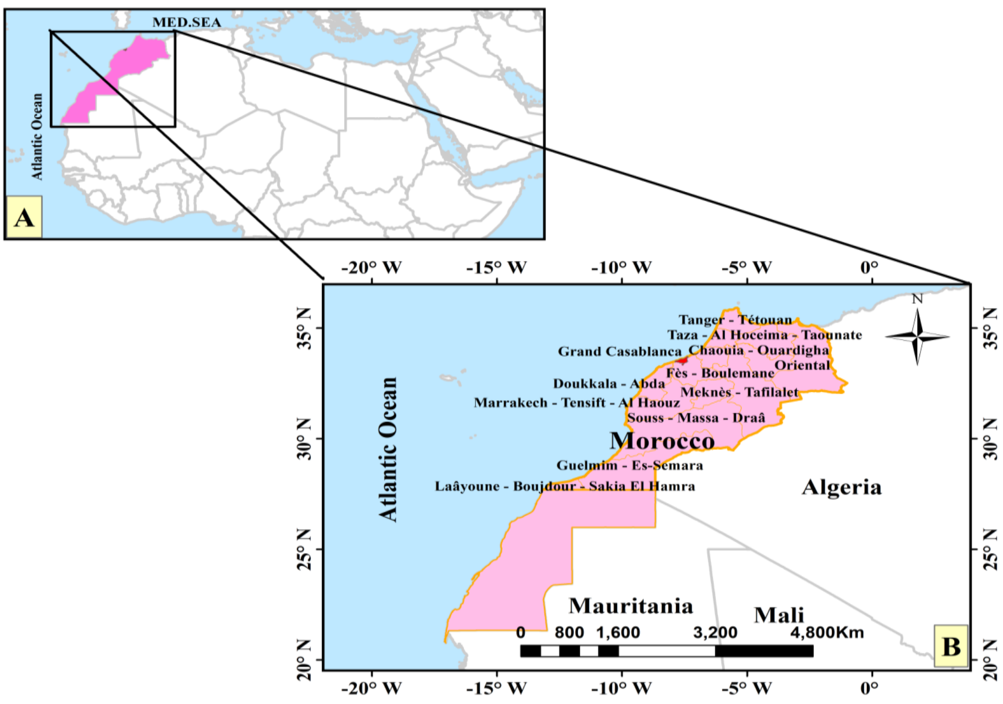
where one party asks another party to manufacture an object in return for a cash payment, installment, or forward payment (Azmi and Thaker, 2020) and is often used in an agricultural context that allows farmers to finance their production in exchange for future crop provision (Ahmed, 2002, Mahmood.,2019). For the operation to be sharia-compliant, the quantity, quality of future goods and the actual delivery date must be explicitly stipulated (Aan zainul, 2020). The Salam contract is comparable to a forward contract in which delivery is deferred while payment is in cash. Although very similar to *salam*, *istisnaa* has the particularity of having an object of the contract not completed at the initiation of the contract. It brings together a seller (entrepreneur-manufacturer) and a buyer (investor) for the realization of a good in return for a remuneration payable in advance (H.Mahmoud.,2019). The seller may either manufacture the goods himself or purchase them from a third party. The end customer can pay the sales price either in one lump sum at the signing of the contract or later at other stages of the manufacturing process. *Istisnaa* can encourage very small enterprises to produce by making sure that their production is sold (Tam, 2002, Manzoor et al., 2017). *Ijara*, by contrast, lease financing can help very small businesses and individuals add value by using leased equipment that beneficiary clients cannot acquire because of cash shortages (Abdul Rahim, 2013). The risks remain within the Islamic Microfinance institute, all damages caused by non-voluntary action or force majeure of the client is taken care of by the institute, to avoid that the leasing can be considered as a camouflaged sale with interest (Dusuki, 2008). T*akaful* mutualization financing allows each person to participate in a fund that is used to help the group in case of need, for example, death, agricultural losses, accidents, etc. Premiums paid are reinvested to avoid the interest mechanism (Bonato, 2013; Khan, Hassan and Paltrinieri, 2020). This study presents the results of a survey of Moroccan micro-enterprises that was aimed at exploring new financial solutions which would, it is hoped, trigger the development of the micro-entrepreneurial sector in developing countries. The remainder of the paper is structured as follows: Introduction discusses the state of affairs of Moroccan micro-enterprises by taking stock of the formal and informal financing of this economic component, and a brief picture of the literature review on Islamic microfinance, whereas section two explains the research methodology. Section three describes the findings of public knowledge and awareness of Islamic microfinance. Section four concludes the paper.

2. DATA AND METHODOLOGY

Following the contextualization of the survey, data collection is described and is based on two approaches: the quantitative analysis which opts for the questionnaire (Tables 1 and 2) and a qualitative approach is based on interviews and the second approach can be focused on document analysis. To elucidate the interest of Islamic micro-finance amongst Moroccan micro-entrepreneurs, a total of eleven questions (collated along with responses in Table 1) were asked to survey participants. A map of the study area is presented in Figure 1.

Figure 1. Geographical location of (a) Morocco in North Africa and (b) Casablanca.



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The total dataset consists of 92 microentrepreneurs from the greater Casablanca area (Figure 1) and corresponding demographics and statistics are presented in Figure 2. There it can be observed that for sex 95% were men and the remainder, women. With regards to age, 25% of respondents are over 45 years old, 46% are between 30 and 45 years old, 28% are between 18 and 30 years old, and 1% is under 18 years old. Concerning respondents' education, 17% of respondents have a university level (higher education), 17% have a high school level, 25% have a college level, 20% have an elementary school level, and 15% have no education at all. The survey was digitally conducted in the greater Casablanca area of Morocco from July to August 2020 due to the ongoing COVID-19 pandemic to minimize interpersonal exposure and maintain social distancing protocols.

Figure 2. Interviewee demographics and statistics

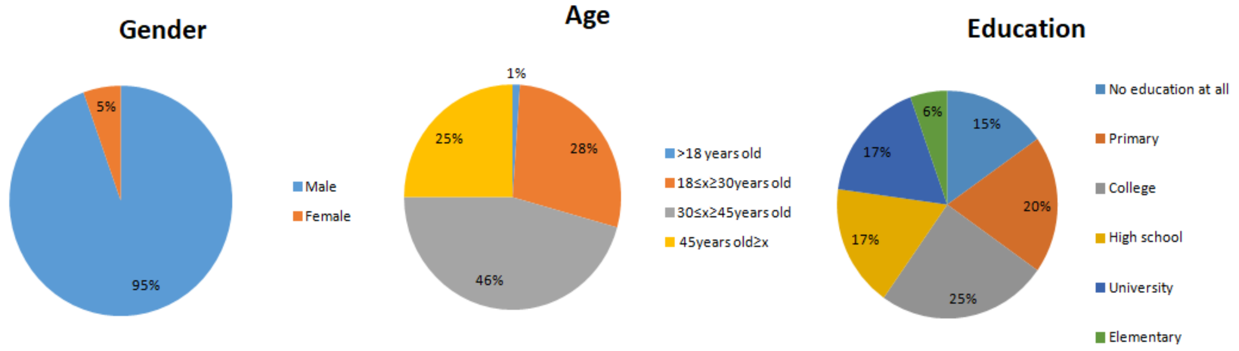

Table 1. Survey questions and responses

No.	Question	Response	Frequency	Percentage
1	Have you ever heard of Islamic/participatory finance?	Yes	80	87%
		No	12	13%
		Total	92	100%
2	What do you know about the Islamic micro-finance/ participatory	I don't know anything about this system.	23	21%
		This is the same as the conventional banking system.	11	10%
		They don't ask for guarantees.	2	2%
		They give interest-free loans.	18	16%
		System in accordance with religion / Sharia.	57	51%
		TOTAL	111	100%
3	Are you interested in Islamic micro-finance?	Yes	51	55%
		No	41	45%
		Total	92	100%
4	Why are you interested in this finance?	It's Sharia-compliant finance / Peace of mind.	44	72%
		It's cheaper thanks to the absence of interest.	13	21%
		No need for guarantees / Risk sharing.	4	7%
		TOTAL	61	100%
5	Why aren't you interested in this finance?	Its system is similar to that of conventional banks.	9	19%
		I don't deal with banks at all.	22	46%
		In my opinion, this is exploitation of religion to market banking products.	17	35%
		TOTAL	48	100%
6	What is your need for external funding? (To finance or develop your projects)	I don't need external funding.	13	14%
		I have not yet assessed my need for financing	19	21%
		From 1,000 $ to 5,500 $	15	16%
		from 5.500 $ to 11,000 $	16	17%
		from 11,000 $ to 22,000 $	8	9%

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		more than 22,000 $	21	23%
		TOTAL	92	100%
7	If you are about finance your project and you have been offered two solution Which one should you choose?	Take out a credit	36	39%
		Associate with a partner	56	61%
		Total	92	100%
	Why would you prefer to take out a loan?	To guarantee independence in decision making.	27	49%
		Taking out credit is cheaper than sharing profits with an associate	10	18%
		To control my project.	18	33%
		Total	55	100%

Table 2. A continuation of the full set of questions and responses

No.	Question	Response	Frequency	Percentage
8	Why would you prefer to partner with someone?	To share the risks with my partner.	21	41%
		The partner does not ask for a guarantee.	11	22%
		Share the cost of the investment with my associate.	19	37%
		Total	51	100%
9	If you want to buy a good (or a property) and the bank has offered you two solutions, which one should you choose?	Give you credit with interest to buy what you want	24	26%
		Buy the merchandise and resell it to you for a pre-determined profit margin.	68	74%
		TOTAL	92	100%
10	Why did you prefer credit?	I prefer to let the bank negotiate for me	4	5%
		I am against borrowing and paying interest	63	83%
		I prefer to receive the goods and not the money (risk of using it in other things)	9	12%
		TOTAL	76	100%
11	Are you willing to pay the price of de merchandise that you will receive at a future date?	Yes	11	12%
		No	81	88%
		Total	92	100%
12	Why are you willing to advance the price and defer delivery?	The price I will negotiate will be lower that the market price	9	56%
		To avoid product breakage	4	25%
		To demand higher quality	3	19%
		Total	16	100%
13	Why aren't you willing to advance the price and defer delivery?	I prefer to buy at market price	13	9%
		To avoid buying an old-fashioned product	54	39%
		To ensure the quality of the purchased product	71	51%
		Total	138	100%
14	Are you?	Employee?	20	22%
		Partner in the project	9	10%
		Owner of the project	63	68%
		Total	92	100%
15	The startup of your project was funded by	Personal saving	68	67%
		Bank loan/microcredit	10	10%
		Love money*	23	23%
		Total	101	100%

* Love money is a way to finance the creation of a business. It is capital brought by friends, family or relatives to help a project owner to launch his business and allow him to make all the necessary investments to start and develop his project.

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Table 3. A continuation of the full set of questions and responses

Have you ever taken out a microcredit to finance your business?		**Are you satisfied with the current financial system**		**Satisfaction rate**	**Would you be interested in Islamic-finance**		**interest rate and disinterest**
Response	**Number**	**Response**	**Number**		**Response**	**Number**	
Yes	94	Yes	33	35%	Yes	30	91%
					No	3	9%
		No	61	65%	Yes	50	82%
					no	11	18%

3. RESULTS AND DISCUSSION

Based on the initial results of our survey, represented by the basic questions concerning knowledge of either Islamic or participatory finance, we found that a staggering 87% of the interviewees already had some awareness concerning Islamic finance and this is explained by the strong communication on the subject by state agencies, media, and banks during the first three years after the promulgation of the new banking law introducing the participatory banking activity (IFN, 2018). However, although the overwhelming number of respondents were aware of Islamic finance, it was additionally identified that 21% of them could only acknowledge the existence of Islamic finance, and a further 10% could identify similarities between Islamic finance and its conventional, secular counterpart. More than half of the interviewees (55%) expressed their interest in Islamic micro-finance and this is congruent with a 2012 survey conducted by the Islamic Finance Advisory and Insurance Services (IFAAS) which revealed an interest in Islamic finance among 97% of Moroccans. The discrepancy in the ratios of this survey with the IFAAS survey is explained in that the present survey was limited to Casablanca where the IFAAS survey was conducted nationally. Like many Muslim-majority countries, Morocco possesses a small but important segment of the population (9%) characterized that is non-banking for religious reasons, where our survey suggests that 31% of respondents were ready to switch from traditional banking services to Islamic Finance. This again is consistent with previous findings that suggested that residents would be keen to accommodate a system that was compatible with their religious views (El Mallouli, 2020). It should be noted, however, that approximately 45% of our survey's respondents were disinterested in Islamic or otherwise finance, with motivations ranging from a search for peace of mind with compliance with the dictates of Sharia law, a reduction of financial transaction costs and the absence of collateral (Soudi, 2015). Additionally, the rejection of the idea of banking is the main reason for the disinterest of the majority of micro-entrepreneurs who did not resort to conventional credit or micro-credit for Islamic financial products (46%). This first position is shared with another relevant reason that summarizes the perception that a part of these micro-entrepreneurs give to the Islamic banking system, 35% of them consider this system as an exploitation of religion to market conventional banking products, this reason may have its origins in the fact that Moroccan participatory banks are in almost all the subsidiaries of conventional banks present on the market for years. It also leads to the third reason, which points to the similarity between the Islamic and conventional financial systems. The combination of these results with the analysis of the level of knowledge of the Islamic financial system by the interviewed micro-entrepreneurs. Ahmad and Haron (2002) have suggested that the lack of knowledge about the Islamic financial system and the application of Sharia principles in financial contracts are at the origin of the low recourse of Islamic financing. These insights show that Islamic microfinance institutions need to develop a communication strategy that emphasizes awareness, product promotion, and cost advantage, and not rely solely on the Islamic benchmark of Halal and Haram. All of this must be done using methods that convey the key messages of Islamic finance, explicitly, while offering a more transparent financial alternative more interesting than the conventional model. It is also important to note that the level of satisfaction with conventional financial services has virtually no impact on the interest in Islamic financing methods. As mentioned in the table3, 91% of clients satisfied with conventional microfinance services declare their interest in Islamic financing. This conclusion shows that micro-enterprises with a credit history can be considered an easily convertible customer (a custmer is predisposed to contracting Islamic financing). This convertibility is generally motivated by the search for peace of mind that leads from the conformity of financing to the principles of the Islamic Shariah (72% of these micro-entrepreneurs mentioned this motivation), followed by transaction costs, which, according to 21% of this segment, will be positively impacted by the absence of bank interest. The other reasons given by the micro-

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entrepreneurs interviewed revolve around the heaviness of the requirements and guarantees demanded by traditional banks on the one hand, and the failure of the microcredit system and the weak dimension of the credits it grants on the other hand. Leaving aside the validity or not of this logic of appreciation of the costs of Islamic financial products, it gives us an idea, on the one hand, on the level of knowledge related to the mode of operation of the Islamic banking system (absence of interest with the presence of a commercial margin or profit-sharing rate) and the basis of management (the concept of financial expenses and its role in the increase in the costs of the banking products) by the Moroccan micro-entrepreneurs interviewed, and, on the other hand, on their financial reasoning, which is rarely based on the financial logic of analysis, and cost comparison.

After having discussed some of the components of the financial profile of the interviewed micro-entrepreneurs, we will now analyze and understand their financial preferences. The first criteria of distinction between micro and macro-finance are the number of transactions (loans in the conventional system). Consequently, the primary question that overshadows all others for micro-entrepreneurs is the need for external financing. Amongst survey respondents, 14% have declared that they have already reached a degree of financial self-sufficiency that then eliminates the need for external funding. A further 21% describe that they still have no idea about their financing needs, which shows that they probably have only short-term financial visibility. Morocco's micro-credit ceiling context of $5,500 (Zarouali, 2018) covers only 16% of those who expressed and estimated their needs (that is 9% of our interviewees), while the one proposed in the framework of our financial reflection on the model adapted to the VSE ($11,000) can cover the total needs of 17% of micro-entrepreneurs who are willing to get benefits from external financing. For the 9% of micro-entrepreneurs who want to make subscriptions between $11,000 and $22,000, this can also cover at least 50% of their needs. Interviewees who estimate there needs to exceed $22,000 for external financing can either break down this amount into several payments or support it through the banking system and not the micro-finance one. After assessing the external financing needs of our target audience, their preference to be able to offer an adequate tool and type of financing with their financial needs is studied.

Interviewees were asked on ways to finance their projects to know the position of micro-entrepreneurs regardless of financing through bank credits and the partnership mechanism (projects' collaboration). This question demonstrates that the interviewed micro-entrepreneurs have a preference for the partnership mechanisms, 61% of them prefer to associate with a partner rather than to get a credit contract with a bank institution. These surveys require diving into the reasons behind these preferences in terms of financing methods. Those who prefer the partnership discussed around three main reasons: risks sharing, sharing the cost of the investment with the partner, and cumbersome procedure avoidance. This insight shows the usefulness of offering participatory financial solutions such as *mousharaka* and *moudaraba* to Moroccan micro-enterprises. Financing the start-up phase can be made through a *mousharaka* and *moudaraba* operation where the Islamic microfinance institution will participate in the capital of the micro-enterprise as a contributing partner in part or all of the funds. This partnership will give the Islamic Micro-finance Institution the right to be involved in the project's management to ensure that the activities are carried out and that the funds committed by the Islamic Micro-finance Institution are used correctly and for the right purpose. Most of the respondents who made an option to have a partner suggested they would like to have a partner who is open to sharing risks and that's the main reason for their choice. With Sharia-compliant participatory financing, the bank is considered as a partner of the micro-entrepreneur, so they share, together the result of the financed project whether it's profit or loss. Both partners bear the losses up to the amount of their participation and share the profits according to a predetermined percentage. As a result, the risks are also better distributed, and the bank's participation in the projects financed makes the fair and legitimate remuneration for financing. These elements can be used as a marketing strategy for Islamic microfinance institutions to promote the two participatory financial products to micro-enterprises. And those who want to get a bank loan are motivated, in the first place by freedom, independence in decision making, and the strong desire to keep total control of their project in the second place. The minority makes the comparison between the cost of credit and the sharing of benefits with the partner and they ended up assuming credit is the cheapest solution.

Interviewees were also asked to choose between credits, purchase, and resale to get funding for their project, this question gives us an idea of funding preferences in the long and/or medium-term which leads to questions concerning the source of short-term funding for the purchase of, for example, commodities. Results illustrate that two-thirds of micro-entrepreneurs preferred an operation based on purchase and resale for a negotiated amount of money. A very healthy proportion of feedback (83%) centered around micro-entrepreneurs who do not like to borrow from an agent and pay interest, which again reflects cultural and religious values. Other reasons were related to risk elimination where money was used to satisfy non-purchasing needs that gave rise to the needs for financing the delegation of the bank negotiations that will take care of buying the goods at the best price to develop customer loyalty and remain competitive on the market. For those who prefer credit, their choice is also motivated by two major reasons. The first is the willingness to keep the price decision and the goods' quality or merchandise to be purchased. This reason is conducted by an 'expert' that believes that he/she has better knowledge about the products than the bank does. He/she thinks his purchase may be more appropriate than the one made by the bank. And finally, according to interviewees, the dynamic market price which is more expensive for purchase and resale operation can be explained through the bank's margin. Additionally, based on interviewee response, it is suggested that transactions involving deferred delivery are not very attractive to micro-entrepreneurs as 88% of the participants in our survey are not ready to advance money and receive the good or commodity that is the subject of the transaction later. This preference is explained by the nature of the micro-entrepreneurs' activities, which rarely require this type of contract. The majority of microenterprises are commercial; they buy and resell the products already available on the market. This decision is essentially the result of the desire to ensure the quality of the product purchased, the majority of the micro-entrepreneurs interviewed all spoke of one or more experiences who showed them that they should not advance money before making sure in person that the quality of the purchased product, they almost all embody a North African proverb: "No one dares to buy fish in the water" which means that a person should never pay for anything without having the actual product in hand. With this result, Islamic financial institutions have to clearly explain the functioning of the methods of financing for deferred delivery in their promotional communications. Indeed, these communications should specify all the elements that would encourage micro-entrepreneurs to choose this type of contract by explaining that Salam gives rise to immediate payment for a term delivery. That's why it is important to have a precise document, sufficiently detailed to avoid any type of biases in this contract. This transaction type allows the seller to overcome cash shortfalls and working capital requirement (WCR) issues and allows the buyer to avoid market risks (price increases, out of stock etc.). The Salam contract is only for fungible goods which can be easily replaced due to suppliers' unavailability. So, in the case of a transaction involving a rare item, it's cannot be considered. All of these conclusions provide an idea of the modes of Islamic financing that can attract Moroccan micro-entrepreneurs without going outside of Sharia principles' framework or judging the regulation and activity of other financial components sector (especially participatory and conventional banks).

4. CONCLUSION

Our article set as a starting objective the analysis of the interest of integrating Islamic micro-finance in the Moroccan financial landscape, and the role that could have in providing alternative solutions to improve the conditions of access of Moroccan micro-enterprises to external financing. The article highlights the methodology and results of the survey we conducted among micro entrepreneurs in order to address the issue of our research work. The results of the said survey confirmed our first hypothesis by showing that Moroccan micro-entrepreneurs are interested in Islamic micro-financial instruments, and therefore the integration of this model in the Moroccan financial landscape will have an added value for the national micro-entrepreneurial fabric. In addition, the classification of microentrepreneurs, which we discussed when analyzing the results of our survey, can be used by microcredit associations, or future Islamic micro-finance institutions, to identify priority clients and develop customized and more effective marketing strategies. Despite these contributions that we have listed as part of our research work, we recognize that the latter suffers from a methodological limitation that must be emphasized. These include the size of the sample studied. While a sample of 92 microenterprises can be considered very large for a researcher in management sciences, but a statistician may see it as insufficient to confirm the representativeness of the results. Therefore, to overcome this limitation, another study with a larger sample size would be of great interest.

Author contributions: Decai Tang conceptualized the study, and the methodology was carried out by Hariba Fatima Ezzahra and Khalid Brgchou. Writing of the original draft was completed by Hariba Fatima Ezzahra and Khalid Brgchou. Supervision was by Decai Tang. Review and editing was performed by Decai Tang. All the authors read and approved the published version of the manuscript.

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