



Impact of State and Banking Programs on VSEs Development in Morocco: Facilitating Access to Financing

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Abstract: This article explores the impact of government and banking programs on the development of Very Small Enterprises (VSEs) in Morocco, focusing on access to finance. The VSE sector represents a significant part of the Moroccan economy but needs help obtaining financing despite its crucial role in job creation and economic development. The research analyzes the effectiveness of government initiatives such as the Damane Express and Intelaka programs and banking partnerships using a methodology based on a questionnaire addressed to VSEs. The results show that, although some programs are widely adopted, access to credit remains limited due to the complexity of administrative procedures, high collateral requirements, and lack of knowledge of available financial products. In addition, VSEs express mixed satisfaction with the effectiveness of government programs and banking partnerships, pointing to the need to improve these initiatives to better meet their specific needs. The study recommends simplifying administrative processes, enhancing transparency, and developing financial products tailored to VSEs to improve their access to finance and foster growth.

Keywords: VSEs; development; financing; government programs; banking, Morocco.

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1. Introduction

In Morocco, the very small, small and medium-sized enterprises sector is an essential dimension of the economy, representing around 95% of the national economic fabric (Agence Nationale pour la Promotion de la PME, 2021). They make a decisive contribution to job creation and the revitalization of the local economies throughout the country. Nevertheless, despite their strategic importance, these companies need help accessing the financing they need for their development. This paradoxical situation is strikingly illustrated by the fact that, although they make up the majority of businesses, VSEs receive only 18% of bank loans (Banque Al-Maghrib, 2023), a figure that poignantly illustrates the mismatch between their economic role and the financial resources to which they have access.

Several structural factors are at the root of this worrying situation. Moroccan VSEs are often small, organized around family structures with little capital, and need more technical and financial resources for their development. They also have to contend with an unfavorable legislative and tax environment, insufficient managerial support, limited productivity, and a lack of modern management methods. These factors combine to limit their ability to meet the collateral requirements imposed by banking institutions, making access to credit extremely difficult (Khanchaoui, y., & El moudden, a. 2024). Against this backdrop, the Moroccan government, in collaboration with banking institutions, has set up various programs and initiatives to improve access to financing for tiny businesses. However, despite these efforts, the expected results could materialize faster. VSEs continue to encounter significant obstacles, such as high collateral requirements, often inadequate financing offers, high interest rates, and a need for more awareness of the various financial products available on the market, such as private equity or the private debt market. In addition, the lack of financial transparency and the weakness of these companies' business plans further complicate their credit access.

Faced with these persistent challenges, self-financing remains the primary source of financing for many Moroccan VSEs despite various financing options theoretically available. This situation raises a central question: **What is the real impact of government and banking programs on the development of VSEs in Morocco, and to what extent do they facilitate their access to financing?** This issue is crucial, as it goes to the heart of MSEs' ability to contribute fully to the national economy.

This research aims to assess the effectiveness of government programs and banking initiatives set up to facilitate access to financing for VSEs in Morocco. More specifically, it aims to determine the extent to which these programs meet the specific needs of these businesses and identify the levers and obstacles to VSE development. The study aims to provide practical recommendations for improving VSEs' access to financial resources, thereby contributing to developing more appropriate and effective public policies. Our study is structured in several sections: a literature review that examines the theoretical frameworks of VSE financing, state support programs, and the role of banks in this process; a methodology detailing the approach employed for data collection and analysis; a presentation of the results obtained; and finally, a discussion that interprets these results in the light of existing research while formulating relevant recommendations.

2. Literature review

2.1 Theoretical frameworks for VSE financing

MSE financing is a crucial area of study, given the importance of these businesses to local economies, particularly in emerging countries. Economic and conceptual theories on VSE financing highlight the

specific challenges these businesses face, particularly regarding access to financial resources. One of the central theories is credit rationing, which suggests that MSEs are often excluded from traditional financial markets due to information asymmetries. This theory is particularly relevant in the Moroccan context, where banks often perceive MSEs as high-risk due to their small size, low capitalization, and the informal nature of their operations (Stiglitz & Weiss, 1981; Rajan & Zingales 1998). Information asymmetry, a fundamental concept in the economics of financing, plays a crucial role in limiting MSEs' access to bank credit. According to Akerlof (1970), this asymmetry arises when banks do not have sufficient information to correctly assess the risk of default by MSEs, leading them to demand high collateral or apply prohibitive interest rates. This obstacle is exacerbated in developing countries, where credit information systems are often underdeveloped, compounding the problem of information asymmetry (Beck and al., 2011). A study carried out in Morocco by the World Bank in 2019 highlights that 80% of Moroccans consider access to finance to be their main obstacle to growth due to high collateral requirements and a need for more transparency in credit granting criteria.

Another relevant theoretical perspective is that of behavioral finance, which examines how the cognitive biases and attitudes of VSE managers influence their financing decisions. MSE managers may prefer self-financing or recourse to informal sources of credit due to distrust of formal financial institutions or fear of losing control of their business (Berger & Udell, 1998). This phenomenon is observed in many emerging economies, including Morocco, where the entrepreneurial culture values independence and relations with banks are perceived as complex and unattractive (Beck, 2007). In addition, resource dependency theories emphasize the importance of networks and relationships for access to finance. MSEs with strong relationships with financial partners such as banks or investors are better placed to overcome barriers to financing. Empirical studies show that these relationships can partially offset the adverse effects of information asymmetry, particularly in contexts where formal institutions are weak (Petersen & Rajan, 1994). In Morocco, however, Wampfler and al. (2015) found that complex bureaucratic procedures and stringent documentation requirements often deter MSEs from accessing finance, reinforcing existing structural barriers.

These theoretical frameworks highlight the complex financing challenges MSEs face and underscore the need for appropriate public policies and financial innovations to improve their access to credit. Recent literature stresses the importance of developing alternative financing mechanisms, such as microcredit or participatory financing, better adapted to the specific needs of MSEs in emerging economies (Morduch, 1999; Schwienbacher & Larralde, 2012).

2.2 State programs to support VSE financing

The Moroccan government has taken numerous initiatives to support VSEs, recognizing their crucial role in economic development and job creation. However, despite these efforts, access to finance still needs to be improved. Studies show that government programs, although varied and covering aspects such as subsidies, microfinance, and entrepreneur training, still need to fully address the obstacles faced by Moroccan MSEs, particularly about access to bank financing. Indeed, the proportion of bank financing granted to Moroccan MSEs needs to be higher, underlining persistent challenges such as complex administrative procedures and a lack of awareness among entrepreneurs. These factors limit the effectiveness of government programs despite their intention to facilitate access to financial resources for small businesses (Yanchenko & Lyashenko, 2024). One of Morocco's flagship government programs is Damane Express, which aims to facilitate access to credit for tiny businesses by providing government guarantees on bank loans. This program enables banks to reduce their perceived risk by lending to businesses considered risky due to their small size or the informal nature of their operations.

The literature highlights the importance of these public guarantees to encourage banks to lend to VSEs, a segment often neglected by the traditional financial system (Beck & Demirgüç-Kunt, 2006); (Honohan, 2010). So, although the Moroccan government has set up major support programs, the impact on MSE financing remains limited. Therefore, it is necessary to rethink these strategies to meet the specific needs of VSEs better and improve their access to financing by simplifying administrative processes and raising awareness among entrepreneurs (Boutbirt & Adaskou, 2023).

Another important program is Intelaka, launched to stimulate youth entrepreneurship and the financial inclusion of tiny businesses. Offers not only credit guarantees but also direct subsidy training and advisory support. This program is often cited as a model for integrating different types of support-financial, technical, and logistical - in a holistic approach to strengthening the capacity of MSEs to grow and prosper (World Bank 2020). The effectiveness of this program lies in its integrated approach, combining financial and non-financial support, which is essential for overcoming the multiple challenges faced by MSEs in emerging economies (Ayyagari and al., 2011). The Moroccan government's response to the COVID-19 crisis also included initiatives such as the Damane Oxygène program, designed to provide emergency financial support to VSEs affected by the pandemic. This program offered government-backed short-term loans to help businesses cope with cash flow interruptions caused by the health crisis. Studies have shown that these emergency measures were crucial to the survival of many small businesses during the pandemic, reducing bankruptcies and supporting post-crisis economic recovery (OECD, 2021; Gourinchas and al., 2021).

However, despite the existence of these programs, challenges still need to be addressed regarding their effectiveness. Several studies highlight the administrative complexity and need for more transparency in accessing these funds, which can limit their actual impact on MSEs. For example, Wampfleret al.'s (2015) study of microfinance programs in Morocco highlights that bureaucratic procedures and stringent documentation requirements often deter MSEs from accessing these resources, reinforcing the structural barriers already present. Another area for improvement is the mismatch between the real needs of MSEs and the offerings of state programs. Critics point out that current programs must be sufficiently tailored to the sectoral and regional specificities of MSEs, reducing their effectiveness (Beck, 2013). Consequently, adopting a more flexible and personalized approach in the design of support programs is often recommended to meet the diverse needs of MSEs better.

2.3 The role of banks in financing very small businesses

The role of banks in financing MSEs is crucial but remains complex and often problematic, particularly in emerging economies such as Morocco. Commercial banks are the primary source of external financing for MSEs, but various institutional, economic, and structural factors often restrict access to these financial resources. Banks have traditionally been reluctant to lend to VSEs because of the perceived high risk associated with these businesses. This reluctance is generally explained by the theory of information asymmetry, according to which banks often lack sufficient information to assess the creditworthiness of VSEs properly. The absence of tangible collateral, low capitalization, and often informal nature of these businesses exacerbate this information asymmetry, making bank loans less accessible to VSEs (Stiglitz & Weiss, 1981; Beck & Demirgüç-Kunt, 2006). Another critical dimension is the structure of financial products banks offer, which often need to be better adapted to the specific needs of VSEs. Standard products such as long-term loans or fixed-rate credits are often inaccessible or inappropriate for MSEs due to their shorter business cycles and more immediate liquidity needs (Berger & Udell, 1998). Studies show that commercial banks tend to favor medium to large-sized companies,

which are perceived as more stable and less risky, leaving MSEs dependent on costlier or informal sources of financing (Petersen & Rajan, 1994).

Despite these challenges, some local and regional banks have developed specific strategies to serve the MSE segment. For example, initiatives such as the development of microfinance products or the establishment of partnerships with state agencies to offer state-guaranteed loans have shown promising results. These partnerships enable banks to share credit risk with the state, thereby encouraging greater financial inclusion of MSEs (Honohan, 2010). In addition, the quality of relations between banks and MSEs plays a decisive role in access to financing. Long-term relationships can reduce information asymmetries by enabling banks to better understand MSEs' needs and performance. Petersen & Rajan (1994) show that banks with close relationships with their MSE customers are more willing to offer favorable lending terms, thereby improving the business's financial stability.

However, Moroccan banks need help in effectively serving the MSE sector. Although developing, The Moroccan banking system is still dominated by institutions that need to consider MSEs a priority segment. A World Bank (2019) study highlights that most Moroccan MSEs consider the cost of credit and collateral requirements to be the main obstacles to obtaining bank financing. This situation is exacerbated by the limited diversification of financial products offered to MSEs, which need to consider sectoral and regional particularities (Beck and al., 2005).

Several recommendations emerge from the literature to improve MSEs' access to bank financing. These include improving the transparency and quality of MSE financial information, strengthening banks' capacity to assess the risks associated with small businesses, and promoting innovative financial products that better meet the specific needs of these businesses (Ayyagari and al., 2017). In addition, the development of a more robust credit infrastructure, including credit bureaus that collect and disseminate relevant information on MSEs, is essential to reduce information asymmetry and strengthen banks' confidence in this segment (De la Torre, Martínez Pería, & Schmukler, 2010).

3. Methodology

3.1 Survey design

A detailed questionnaire, comprising 12 carefully worded questions, was designed to accurately capture MSEs' perceptions of the effectiveness of government and bank support programs. Each question has been designed to explore in depth different aspects of support initiatives, such as take-up rates, perceived impact on business performance, and overall satisfaction levels. The questionnaire aims to provide an overview of how these programs influence VSE operations and growth. This methodological approach enabled the collection of relevant and reliable data, which is essential for in-depth analysis of the impact of government and bank interventions on MSEs and for formulating recommendations based on solid empirical evidence.

3.2 Data modeling

Data modeling was carried out using R, a powerful statistical and graphical environment chosen for its advanced capabilities in statistical processing, data visualization, and modeling. The specialized R packages used to develop and run all the analyses presented in this study guarantee the methodological rigor and accuracy of the results obtained.

3.3 Hypothesis and variables

The central hypothesis (H2) of this study, based on the work of Bhaird (2010), proposes that collaboration between government initiatives and financial institutions improves access to credit for MSEs, which is crucial for their development and sustainability. This hypothesis is based on several theoretical frameworks, including credit rationing theory (Stiglitz & Weiss, 1981), which emphasizes that small businesses are often excluded from traditional financing due to information asymmetries. In addition, theories of behavioral finance and resource dependence shed further light on the financing decisions of VSEs and the importance of banking relationships.

Table 1. Selected variables related to the hypothesis

Question	General idea	Code	Interest in hypothesis testing
Which of the following business support programs have you used for your VSE?	Programs used	H2_PU	Identifies the specific state and bank programs used, essential for assessing the direct impact of these programs on MSEs.
Are government business support programs effective in meeting my company's needs?	Effectiveness of state programs	H2_EP	Evaluate the relevance and effectiveness of government programs, indicating their contribution to the development of MSEs.
Does the quality of partnerships between the State and banks contribute positively to your company's development?	Quality of banking partnerships	H2_QP	Measures the impact of the quality of relations between banks and the State on the development of VSEs, a key aspect of the hypothesis.
Do government programs and banking partnerships facilitate access to financial resources for businesses?	Access to financial resources	H2_AR	Determine whether these initiatives improve access to financing, a crucial factor in the development of VSEs.
Do these government initiatives and banking partnerships support innovation and business growth?	Supporting innovation and growth	H2_SI	Evaluates how programs and partnerships support innovation and growth in MSEs, indicating their overall effectiveness.

Overall, how satisfied are you with the impact of government programs and banking partnerships on your business?	Overall satisfaction	H2_SG	Measures MSEs' overall satisfaction with the impact of government and banking initiatives, reflecting their success or limitations.
What types of government programs have you used to support your business?	Types of state programs used	H2_TP	Identifies the categories of state support used, enriching the analysis of the impact on VSEs.
How has your company benefited from government-bank partnerships?	Benefits of banking partnerships	H2_BP	Reveals the concrete benefits of partnerships for VSEs, highlighting their added value.
How would you assess the impact of government programs and banking partnerships on your company's financial stability?	Impact on financial stability	H2_IS	Evaluates the effect of these initiatives on the financial strength of VSEs, an indicator of their long-term effectiveness.
Have government programs and banking partnerships facilitated investment in your company?	Investment facilitation	H2_FI	Examine whether the initiatives have made investment more accessible for VSEs, a key growth factor.
What improvements would you suggest to increase the effectiveness of state programs and banking partnerships for businesses?	Suggestions for improvement	H2_SA	Collects suggestions for improving the effectiveness of programs and partnerships, offering pointers for future improvements.
How satisfied are you with the State's commitment to protecting the productive fabric of companies during the COVID-19 period?	State satisfaction	H2_SE	Assesses satisfaction with government action during the COVID-19 crisis, a test of responsiveness and support for VSEs in exceptional circumstances.

Source : Compiled by the authors

The variables selected for this study are deeply rooted in theoretical frameworks that shed light on the challenges of financing MSEs in Morocco. Credit rationing theory (Stiglitz & Weiss, 1981) is directly linked to variables such as access to financial resources (H2_AR) and impact on financial stability (H2_IS), emphasizing that information asymmetries are a significant obstacle to MSEs obtaining credit. This theoretical perspective justifies the examination of support programs to mitigate these barriers. In addition, the theory of banking relationships (Petersen & Rajan, 1994) justifies the inclusion of the variable quality of banking partnerships (H2_QP), showing how close relationships between MSEs and financial institutions can improve access to credit and financing conditions. In addition, behavioral finance theories offer essential insights into the perceived effectiveness of state programs (H2_EP) and overall satisfaction (H2_SG) by incorporating MSE managers' cognitive biases and attitudes toward financing options. These theoretical underpinnings strengthen the study's analysis, ensuring that the interpretation of results is both conceptually sound and empirically based, enabling specific recommendations for improving the effectiveness of public policies and banking initiatives aimed at MSEs in Morocco.

4. Results and discussion

4.1 Adoption of support programs by VSEs

37.5% of respondents used the DamaneExpress program, indicating its popularity and ease of access among Very Small Enterprises (VSEs). This significant uptake suggests that it is a particularly relevant financing tool for this business segment. The Intelaka program, meanwhile, was mentioned by 31.25% of respondents, underlining its crucial role in supporting VSEs. Its frequency of use places it among the leading financing programs.

In response to the financial challenges imposed by the COVID-19 pandemic, 28.12% of respondents used the Damane Relance program, reflecting its importance in the crisis context. This program has recourse for many VSEs during this challenging period. In addition, 25% of respondents said they had used Maroc PME programs, underlining their relevance in supporting small businesses in various sectors.

18.75% of respondents used the Damane Oxygène program, also introduced during the pandemic. This figure indicates that, although less widely adopted than other programs, it played a vital role for VSEs in times of crisis. Finally, 15.62% of respondents mentioned the Start-TPE program, showing that it is necessary to support, particularly for companies in the start-up or growth phase.

Table 2. Distribution of item responses

Program	Count	Frequency (%) ¹
Damane Express program	12	37.5
Intelaka program	10	31.25

Damane Relance program (COVID-19)	9	28.12
Maroc PME programs	8	25.0
Damane Oxygen Program (COVID-19)	6	18.75
Start-TPE program	5	15.62
Damane Express Program, Damane Recovery Program (COVID-19)	4	12.5
Intelaka Program, Maroc PME Programs	2	6.25
Damane Express Program, Damane Recovery Program (COVID-19)	2	6.25
Start-TPE Program, Intelaka Program	1	3.12
Start-TPE program, Damane Oxygène program (COVID-19)	1	3.12
Maroc PME programs, Damane Relance program (COVID-19)	1	3.12
Maroc PME programs, FINEA lines	1	3.12

Source : Compiled by the authors, R software

These results show a notable diversification in the sources of financing used by MSEs, with Damane Express leading the way and Intelaka closely following. This diversity underlines the importance of a varied and flexible approach to implementing support programs, with each program responding to specific needs within the MSE community. These observations are essential for assessing the effectiveness of current programs and guiding future decisions on small business support.

4.2 Efficiency of banking programs and partnerships

By analyzing the variables H2_EP, H2_QP, H2_AR, and H2_SI in the graphs above, we can understand how state programs and banking partnerships meet businesses' needs, facilitate access to financial resources, and support innovation and growth.

4.2.1 Effectiveness of state programs

The H2_EP variable assesses the relevance and effectiveness of government business support programs. The results show that 61.1% of respondents consider these programs moderately effective, while 25% rate them as ineffective. 2.8% found the programs completely effective, and 11.1% considered them ineffective. This indicates a predominantly mixed perception of state programs, underlining the need for improvements to meet business needs better.

4.2.2 Quality of banking partnerships

The H2_QP variable measures the impact of the quality of relations between banks and the State on the development of VSEs. The results show that 41.7% of respondents agree to some extent that these partnerships make a positive contribution, while 38.9% agree to a lesser extent. Only 2.8% of respondents strongly agreed, and 13.9% strongly disagreed. This distribution shows that the quality of banking partnerships is perceived differently, but mainly with reservations about their effectiveness.

4.2.3 Access to financial resources

The H2_AR variable determines whether state programs and banking partnerships facilitate business access to financial resources. The results show that 38.9% of respondents strongly disagree, 33.3% somewhat agree, and an equal proportion of 13.9% either agreed or strongly disagreed. This breakdown shows a divided perception, with a tendency towards a negative or neutral opinion on improving access to finance through these initiatives.

4.2.4 Supporting innovation and growth

The H2_SI variable assesses whether government initiatives and banking partnerships support business innovation and growth. The results show that 41.7% of respondents strongly disagree, 33.3% somewhat agree, 16.7% strongly disagree, and 8.3% agree. Most respondents need to be convinced that these initiatives effectively support innovation and growth, indicating a need for stronger programs to encourage these aspects. Analysis of the graphs reveals that the perception of the effectiveness of state programs and banking partnerships is predominantly mixed or negative among respondents. While some see benefits, many remain skeptical about their positive impact. There is a need to review and improve these programs and partnerships to meet companies' expectations and needs, particularly regarding access to financial resources and support for innovation and growth.

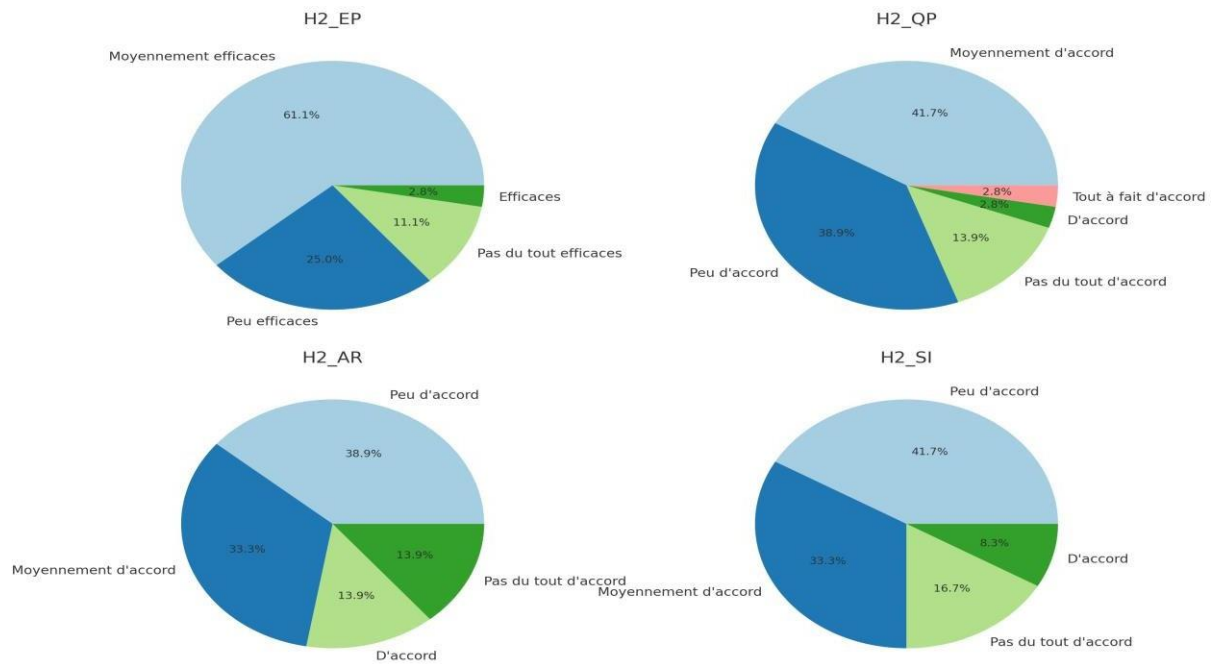


Figure 1 : Breakdown of item responses

4.3 Program impact : Satisfaction, stability and investment

4.3.1 Overall satisfaction

The first graph shows the distribution of relative response frequencies for the H2_SG variable. It can be seen that the majority of respondents declared themselves "moderately satisfied," with a frequency of 45.83%. This high proportion indicates a general feeling of mixed satisfaction among participants. On the other hand, a significant proportion of 33.33% of respondents said they were "Not very satisfied," revealing significant dissatisfaction within the sample. Finally, a significant minority of 20.83% declared themselves "Satisfied," underlining a specific heterogeneity in respondents' perception of satisfaction.

4.3.2 Impact on financial stability

The second graph shows the distribution of relative response frequencies for the H2_IS variable. A relative majority of 54.17% of respondents have a "Positive" perception of the aspects evaluated, demonstrating a favorable inclination among more than half the participants. On the other hand, 33.33% of respondents expressed a "Neutral" attitude, indicating indifference or partial satisfaction. A minority of 12.50% displayed a "Negative" perception, revealing specific points of dissatisfaction worth exploring to improve the experience or services evaluated.

4.3.3 Investment facilitation

The third graph shows the distribution of relative response frequencies for the H2_FI variable. Notably, most respondents, representing 54.17%, answered with "No, not really," suggesting a negative or unsatisfactory perception of the factors assessed by this question. At the same time, 29.17% of respondents felt that the answers were "Yes, but to a limited extent," indicating a partial but insufficient recognition of the positive aspects. Lastly, 16.67% of participants answered "Yes," indicating complete satisfaction on the part of some respondents, although this proportion is relatively small. These analyses

reveal significant and varied trends in respondents' perceptions, offering valuable pointers to understanding and improving the areas assessed.

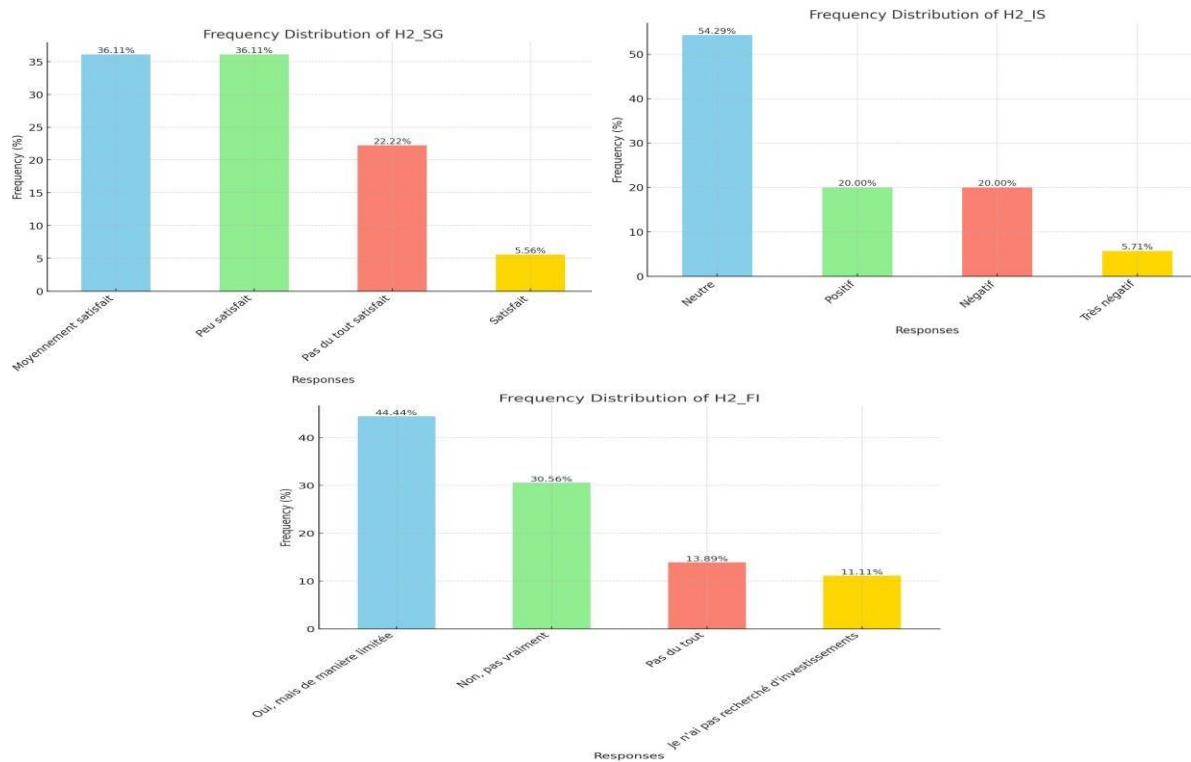


Figure 2 : Breakdown of item responses

4.4 How to use and the benefits of programs for VSEs

4.4.1 Types of state programs used

The graph of relative frequencies for the variable H2_TP (Types of state programs used) reveals the categories of state support used by MSEs. Here are the main observations:

The loan guarantee program accounted for 50% of responses, indicating that it is the state program most commonly used by businesses. This suggests that loan guarantees are crucial for supporting VSEs by facilitating their access to financing. Loan guarantees, training programs, grants, and loan guarantees each accounted for 9.375% of responses. This underlines the importance of training programs and subsidies as a complement to loan guarantees.

Loan guarantees, tax incentives, and subsidies each have a relative frequency of 6.25%. This shows that tax incentives, in combination with loan guarantees and subsidies, are also significant tools for VSEs. Tax incentives, subsidies, export subsidies, and other combinations show lower relative frequencies, each at 3.125%. However, they underline the diversity of programs used by MSEs.

4.4.2 Benefits of banking partnerships

The graph of relative frequencies for the variable H2_BP (Benefits of banking partnerships) reveals the concrete benefits of partnerships between the State and banks for MSEs. Here are the main observations:

Favorable loan conditions accounted for 19.44% of responses, making them the most frequently cited benefit. This shows that improved lending conditions are a significant benefit for VSEs. The modality of no benefit, at 13.89%, indicates that some respondents did not perceive any concrete benefits from banking partnerships. This could indicate a need for optimization or better communication of potential benefits.

The combination of favorable lending conditions, support in times of financial difficulty and better access to credit, favorable lending conditions, access to financial and business advice, and support in times of financial difficulty accounted for 11.11% of responses. This indicates that companies benefit from a wide range of support in terms of financing, advice, and crisis management. Support in times of financial difficulty has a frequency of 8.33%, showing that this support is an essential benefit of banking partnerships.

Access to financial and business advice, improved access to credit, and other combinations each have a frequency of 5.56%. This underlines that financial advice and improved access to credit are also notable benefits of banking partnerships.

The graphs show that loan guarantees are the state program most commonly used by MSEs, while improved loan conditions are the most frequently cited benefit of bank partnerships. This information underlines the importance of these tools in supporting and growing MSEs and the need to strengthen programs that have not yet demonstrated their full potential for some businesses.

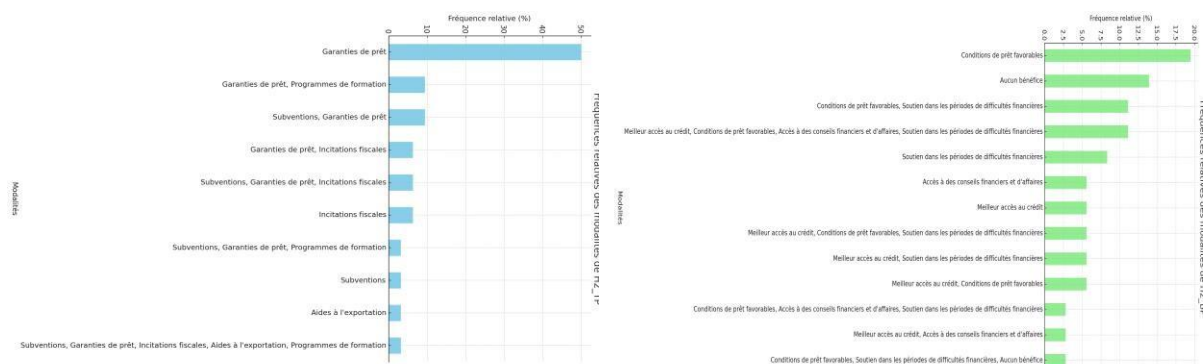


Figure 3 : Breakdown of item responses

4.5 Improvements and responsiveness of the COVID-19 time-state

4.5.1 State satisfaction

The majority of respondents (54%) were in the "moderately satisfied" category. This indicates that, although the government's efforts have been recognized, they have not fully met companies' expectations. A significant proportion of respondents (40%) said they were "not very satisfied,"

highlighting perceived shortcomings in the measures taken. Only 6% of respondents said they were "Satisfied," revealing an overall low level of satisfaction.

The predominantly neutral or negative perception, with 94% of respondents in the "moderately satisfied" or "not very satisfied" categories, suggests that the state's policies have not fully achieved their objective of providing perceived support to businesses. The low percentage of satisfaction (6%) indicates that there is room for substantial improvement in policies to support and protect the productive fabric of companies during periods of crisis.

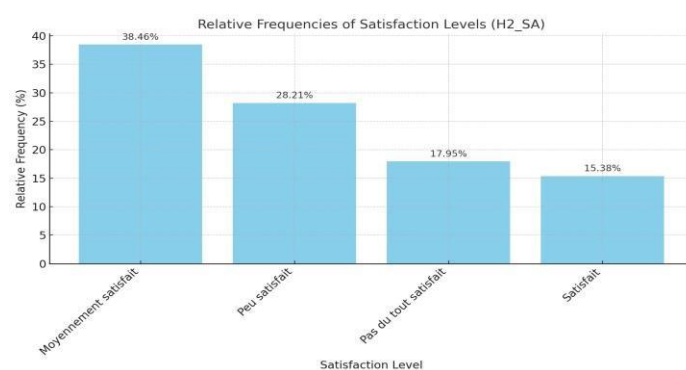


Figure 4 : Breakdown of responses to item H2_SA

4.5.2 Suggestions for improvement

Participants expressed the need for programs offering more benefits in terms of commissions and interest rates. This suggestion reflects a demand for more favorable financial conditions, which could encourage greater participation and use of these programs. Improving lending conditions and reducing financial costs are critical factors in increasing the effectiveness and appeal of these initiatives. Ensuring equality between small and large companies is another frequent recommendation. Respondents feel an imbalance in the treatment and opportunities offered, suggesting that Very Small Enterprises (VSEs) often feel disadvantaged compared to larger companies. Measures to level the playing field include support policies designed explicitly for VSEs.

The simplification of administrative procedures was mentioned several times, indicating that the current bureaucracy is perceived as a significant obstacle. By reducing administrative complexity, programs could become more accessible and less time-consuming, making it easier for companies to participate. Respondents also suggested creating tax incentives to encourage banks to provide more support to businesses. This approach could strengthen collaboration between the financial sector and businesses, encouraging banks to offer more favorable lending terms or increase their lending volumes.

Strengthening communication and collaboration between the various stakeholders is another key recommendation. Better communication could improve transparency and understanding of available programs, while increased collaboration could ensure more effective coordination and a more coherent response to business needs. It is also recommended that bank collateral requirements be reduced. Current requirements are seen as too strict, limiting access to financing for many businesses. Easing these requirements could enable more VSEs to obtain the financing they need to grow.

Extending repayment terms for operating loans is a suggestion that aims to give companies, particularly VSEs, greater flexibility in managing their cash flow. Longer repayment terms could reduce the financial

pressure on these companies and improve their ability to repay loans. Establishing a single platform for funding applications involving companies, banks, and the state is a proposal designed to simplify and centralize the funding application process. This approach could streamline procedures and make information more accessible to companies.

Facilitating access to financing and tailoring credit offers by sector and company size are recommendations to meet the specific needs of different businesses better. A more flexible, tailor-made approach could improve the effectiveness and impact of financing programs. Respondents also called for better communication and digitization of processes. More effective communication could fill information gaps and increase program participation, while digitization could make procedures faster and more accessible.

These responses highlight the main challenges and obstacles companies encounter in the context of state programs and banking partnerships. Suggestions for improvement provide concrete ways to enhance the effectiveness of these initiatives and better meet businesses' needs.

5. Conclusion

This study explored in depth the impact of government and banking programs on the development of Very Small Enterprises (VSEs) in Morocco, with particular emphasis on their role in improving access to finance, a critical factor in the sustainability and growth of these businesses. The results show that although initiatives such as Damane Express and Intelaka have been widely adopted by VSEs, their perceived effectiveness still needs to be mixed. Indeed, despite the significant uptake of these programs, many businesses continue to encounter significant obstacles, notably due to administrative complexity, high collateral requirements, and the need for more financing offers in relation to the specific needs of VSEs. These findings confirm the study's central hypothesis that collaboration between government initiatives and financial institutions is essential to improve access to credit for VSEs. However, they also reveal that adjustments are needed to maximize the impact of these programs.

This research highlights the importance of rethinking and strengthening current support mechanisms in line with the objectives and issues initially outlined. Administrative procedures should be simplified to make these programs more accessible, improve communication and transparency between stakeholders, and adapt financial products to the varied realities of MSEs, considering sectoral and regional differences. Such reforms could increase the relevance and effectiveness of government and banking initiatives by responding more precisely to the evolving needs of these businesses.

However, this study has its limitations. While representative, the sample of companies studied may limit the generalizability of the results to the entire MSE sector in Morocco. In addition, the period covered by the study may not reflect longer-term economic fluctuations, suggesting that further research may be needed to confirm these results in other contexts. In addition, the study mainly used quantitative data to assess MSE managers' perceptions of support programs, and a complementary approach incorporating qualitative case studies could offer a more nuanced understanding of the challenges faced by these businesses.

For future research, it would be relevant to deepen the analysis by examining dynamics specific to certain sectors or regions and assess new financial technologies' impact on MSEs' credit access. In addition, a more detailed investigation of the relationships between banks and VSEs, notably through public-private partnerships, could offer avenues for further improving access to financing. These lines

of research would not only help enrich the existing literature but steer public policy towards more effective solutions tailored to the needs of VSEs in a constantly changing economic environment.

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