



## Financial literacy in Morocco

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**Abstract:** In general, there is still lack of awareness of many financial products and services among the public in Morocco. The huge expectations on the benefits of the development of financial services could turn to disappointment if they are offered in absence of a well-designed ecosystem that must include specialized human capital, education and financial literacy. So, there is need to reach expectations of customers and protect them, inadequate attention to consumer protection and financial literacy can lead to financial instability. If financial literacy and inclusion are more important now, there is a multiple area for enhancement and improvement in term of human resources and stakeholders. Furthermore, if the supply of the financial system is diversified, accessible and inexpensive for a successful financial inclusion, the fact remains that on the demand side, financial education is essential so that the population can assimilate the financial basic concepts. In this regard, Bank Al Maghrib (Central Bank in Morocco) is continuing its financial education activities since the creation in 2012 of the Moroccan Foundation for Financial Education (FMEF) with the aim of implementing the national financial literacy strategy that focus on young and VSEs through customized financial awareness programs.

**Keywords:** Financial Literacy, Morocco, Bank Al Maghrib, Financial Inclusion, Financial education, Financial Awareness, Economic empowerment, entrepreneurship.

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## Introduction

In Morocco, the new banking law N° 103-12 reinforce the legal framework and offers an opportunity to the financial institutions to participate in the national financial inclusion strategy that aims to facilitate the access of less-educated and low revenues people, self-entrepreneurs and very small and medium enterprises (VSMEs) to the financial services. In this regard, it seems important to investigate the status of financial literacy in the scope of the conventional banking and financial system that should be designed to serve the financing needs of all Moroccan population. The article tries to shed the light on the status and the role of the financial literacy, its objectives and ultimate goals to promote financial inclusion, economic empowerment and entrepreneurship.

In this regard, it seems necessary also to know the role of financial literacy and inclusion and if it is it enough give economic and social empowerment to the less-educated and poor people which help to also determine the degree of contribution of financial literacy in entrepreneurship and economic empowerment.

Shedding light on global economic and financial indicators in Morocco will help to know client perceptions in demand side and the obstacles in the supply side regarding the provision of financial services as lever of entrepreneurship and economic empowerment.

The poor and less-educated people need financial services if they are well-understood, transparent, authentic, competitive, and relevant to their requirements, it has been observed that doing business with this category is not only beautiful but profitable also. Furthermore, the link between the financial literacy and the provisions of financial services to include them require deep study and analysis.

It has been observed that the high-net-worth people benefit from the financial banking industry; whereas the less-educated people in Morocco don't benefit well from these financial services and suffer from low coverage, access to information, training programs and other advantages that can enhance their financial literacy and inclusion as well as the economic and social empowerment. So, how financial literacy can be considered as lever for financial inclusion, entrepreneurship and economic empowerment in Morocco?

The financial literacy, Microfinance, financial inclusion strategy, poverty alleviation and economic development are somewhat well recognized at the macro level in Morocco either from political or economic bodies as well as at the meso level either from the banks or other financial institutions and. However, financial institutions should focus on economic empowerment and capability concepts with global development approach, to shift

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individuals from informal sector to the formal system and make them more powerful and active participants, and therefore “find equilibrium between economic and social performance and finally consider the auto-employment and entrepreneurship are highly important in economic development”. In this regard, “the economic and political actors should accept the introduction of this capability to industrialize and integrate the solidarity on the national economy, which need the state support, relational and commercial networking, skills, and the know-how [1].

### **1. Financial Literacy and Financial Inclusion:**

In the last two decades, the concept of financial inclusion was introduced as new approach to make financial sectors more inclusive. Financial literacy was integrated in this approach that aim to contribute in financial inclusion, poverty alleviation and economic growth and social development. In addition to its ethical dimensions, the financial inclusion ecosystem contains many components that can help in this regard such as banking, insurance, capital market and Microfinance. This latter has become a efficient tool in alleviating poverty and enhancing development through capability, entrepreneurship and empowerment. The main objective of financial literacy remains the most important challenge before policy makers, this objective still requires different approaches and models.

In the last decade, many emerging economies -including Morocco - are successfully achieved some good indicators of financial inclusion for example in Morocco the banking rate pass, according to Bank Al Maghrib (BAM), from 20% in 2000 to 40% in 2007 and to 74% in 2018 [2]. However, the enhancement of economic and social empowerment is still considered as the main challenge which could be achieved via the enhancement of self-entrepreneurship and empowerment which means shift the category of less educated people and poor from passive participants to active actors in society. This goal must be attained through financial literacy and education. However, if the Microfinance help this category to have access to some financial services, the social and economic empowerment will help them to have access to many opportunities and benefit from social services.

Furthermore, even if the problem is recognized at the highest level, the public and private sector tried to channel the formal sector through various programs and initiatives to solve the problem of poverty, but these channels still not well designed to give favorable outcomes after many years. On the other hand, many policy makers are of the opinion that the absence of adequate financial literacy and competitive financial products, as well the appropriate financing model and structure play a critical role of economic disempowerment.

Over the years, Microfinance knows a shift from non-profit oriented activities to a commercial and for-profit oriented activities as new based model for inclusive finance and development. The focus, therefore, has sharply shifted from charity to profits. Four common models are structured and have been able to enhance their outreach [3]; Grameen bank, credit union, self-help group and village bank. A major initiative towards achieving the Millennium Development Goals (MDGs) is the establishment of the Consultative Group to Assist the Poor (CGAP) to promote Microfinance sector and include less educated and poor people in its scope. It is a world where poor are not viewed as marginal but, rather, as central, and legitimate clients.

In general, literature about Microfinance give often a controverse and contradictions about the impact of microfinance that fluctuate from absence of impact to positive and negative impact. In addition, this literature offers findings that the impact differs from one country to another and depends on many variables such as literacy, institutions, services and demographic issues.

The term ‘financial inclusion’, by which an attempt is made to include all those who are not contributing to the system in an economy, gains more importance for policymakers. Therefore, financial inclusion simply means the ways to make financial services available at an affordable price for everyone in society.

The issue of financial inclusion is a crucial issue that need to be taken as high priority and needs a deep study, and it’s always considered as incomplete issue. To note that financial inclusion is constructed also by several factors that range from psychological, sociocultural, geographical, economic to political issues.

On the other hand, the financial exclusion can be defined as the lack of access to formal financial services, such as deposit and saving accounts and insurance policies. In this regard we can distinguish between type of exclusion which are access exclusion, condition exclusion, price exclusion, marketing exclusion. self-exclusion, resource exclusion. From another corner, we can distinguish also between saving exclusion, credit exclusion and insurance exclusion.

The non-users of financial services can be divided into two types: the voluntarily excluded people and the involuntary excluded ones. So, for establishing the link between Financial Exclusion and financial literacy, this latter affects especially on Voluntary Exclusion considered more important than involuntary exclusion. The former depend on financial literacy strategies, whereas the latter depend on other economic, politic and social elements.

### **2. Financial Literacy, economic empowerment and entrepreneurship:**

Before the application of the term “empowerment” in the field of development and poverty alleviation its origins in movement of feminism to empower the women, and later the term was institutionalized by international organizations such as the world bank (WB) that imposed an “instrumental” vision of term to include and increase power of the poor category.

The term empowerment is strongly related to the term of capability. Empowerment is important to increase financial capability and literacy among consumers. Financial capability, as defined by the World Bank and in this report, “is the internal capacity to act in one’s best financial interest, given socioeconomic and environmental conditions”. It encompasses knowledge (literacy), attitudes, skills and behavior of consumers with respect to understanding, selecting, and using financial services, and the ability to access financial services that fit their needs” [4]. Therefore, financial capability and financial inclusion influence each other which can influence also the economic empowerment and financial development.

We believe that to enhance the economic empowerment through financial inclusion or vice versa, there is always the need for high degree of literacy and capability especially regarding the entrepreneurship skills.

As for the entrepreneurship, it is derived from enterprise and entrepreneur. Both terms are therefore closely related and there is no big distinction in the literature between them. The enterprise is defined by the free dictionary as ‘an undertaking especially one of some scope and risk’. In modern economy and management theories enterprise is considered the fifth factor of production after land, labor, capital and organization. In strict term, an entrepreneur is the person who runs an enterprise and accepts the risk to make a profit.

There are a multitude of theories that have been to explain and describe entrepreneurs and to explain the factors and the development of entrepreneurship. However, the entrepreneurship issue is often related to the financial issue, entrepreneurs, yet, need funds to start or expand their business but they need also technical and financial support and assistance during all steps of their business. The figure 1 describes the correlation and relationship between financial inclusion, economic empowerment, and entrepreneurship.

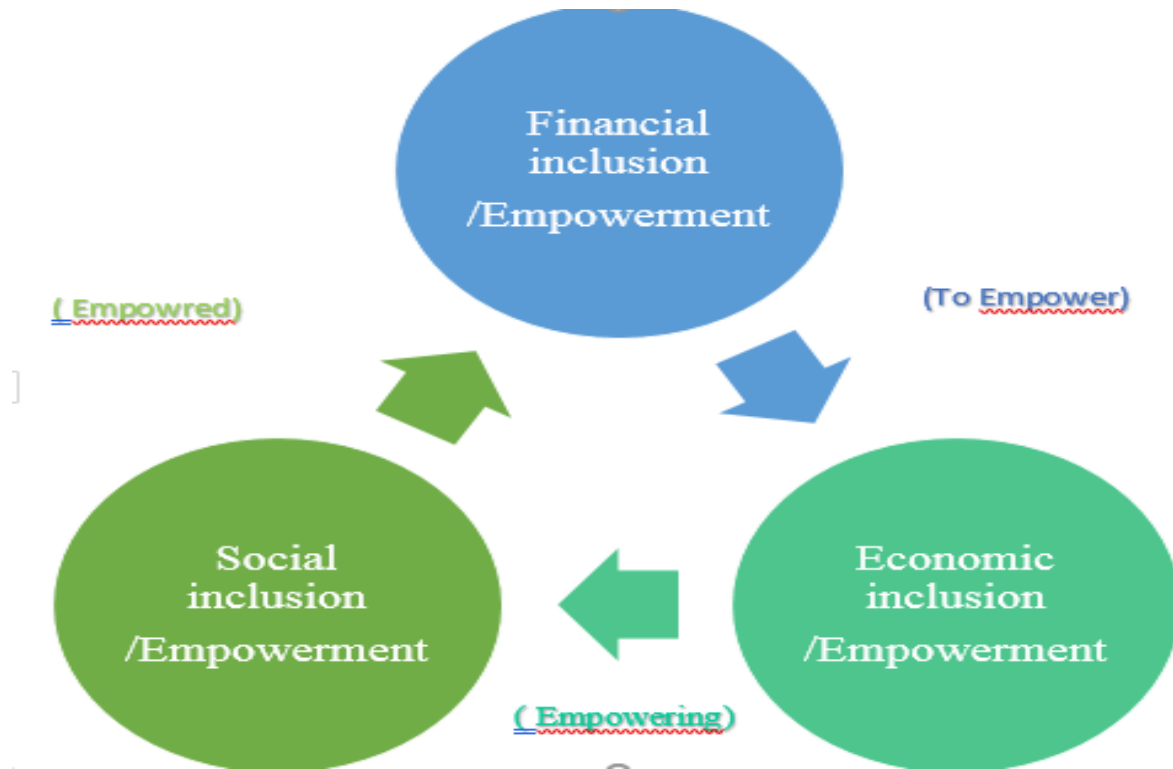


Figure 1: Financial, economic and social Inclusion/Empowerment

### 3. Financial strategies and Initiatives in Morocco

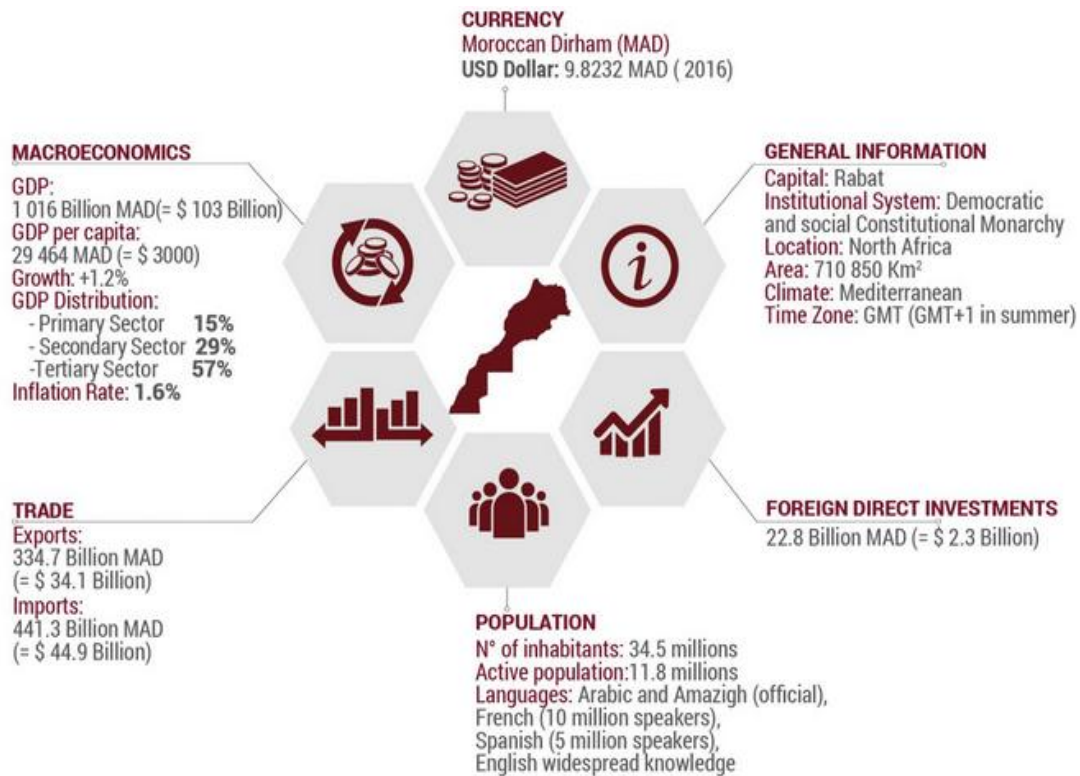
#### 3.1. Global indicators in Morocco

Morocco is the second-largest country in north Africa in terms of its size of population (35.87 million) and recorded the lowest population growth (1.19%) in 2018. As per the World Bank classification of countries, using 2018 data and employing the Atlas methodology, Morocco, is in the list of lower-middle-income countries with per capita income of US\$ 3227,9. One challenge facing Morocco is the large size of the informal sector, estimated at 30–40% of Gross domestic product (GDP).

As for the employment indicators, the employment for Morocco in 2016 was about 44%. Vulnerable employment was high, at almost 50% in 2014. In general, Morocco was successful in reducing unemployment gradually, which reached about 9% in 2018 from about 14% in 2000.

As for the human development index (HDI), Morocco’s HDI increased from 0.458 in 1990 to 0.667 in 2017.

The overview of some global indicators in Morocco is shown in figure here below:



Data (2016)

Sources:

Haut Commissariat au Plan ([www.hcp.ma](http://www.hcp.ma))  
Ministère de l'Economie et des Finances ([www.mef.gov.ma](http://www.mef.gov.ma))  
Ministère du Commerce Extérieur ([www.mce.gov.ma](http://www.mce.gov.ma))

**Figure 2 : Morocco Statistics in Brief**

Since 2019, the government start the discussion the establishment of the Unified Social Registry (USR); which is a national system for registering families who can benefit from social support programs by determining the conditions of eligibility through precise and objective criteria. The main objective is providing a direct help to the poor family and reduce the rate of poverty.

For a long time, the Moroccan financial system has been dominated by a banking sector. The reform has affected the regulatory framework, savings collection channels, funding opportunities and, in general, the possibilities of any kind of intermediation. Indeed, banking in Morocco is still modest because of several factors including the importance of the informal sector, the reluctance to use cashless means of payment. In Moroccan, the less educated people and the poor are still marginalized and don't benefit well from the formal financial services because of many reasons such as: banking fees, awareness, marketing, guarantees and financial literacy.

The history of formal microfinance in Morocco dates to the mid-1990s. but it started growing since the year 2000 and this

sector has priority in economic agenda of political and economic actors. The sector that emerged in 2011 was stronger than the one in 2007 and "According to a report by Grameen Jameel, there were 13 microfinance institutions in Morocco, and by the end of 2012 they were serving 803,780 clients" [5].

In parallel, the informal sector contributes to Microfinance provision through the collective cooperation via solidarity system. For example, "14% of adults report using credit self-help groups or rotating savings and credit association known as "Daret" system to save, and 33% of adults report saving at home." [6]. However, many of the informal services are highly expensive and risky, or less performant and transparent.

The microfinance sector in Morocco is concentrated and focus is on the three largest (Micro credit Associations) MCAs in Morocco – Al Amana, Attawfiq and FONDEP – that together represent about 90 % of the microfinance portfolio in the country. The sector faced a few years of difficulties starting from 2007. But in the past decade," it was boosted by support from domestic and international stakeholders, the Moroccan microfinance turned to be among the most developing in the MENA region" [7].

According to the world bank, “68% of adults report knowing about (Micro finance institutions) MFIs. Yet only 13% of adults report ever having used these institutions”, and approximately 16% of those in the poorest two income quintiles report having used a microfinance product as compared to 11% among the rest of the population [4]. Adults living in urban areas are also more likely to have used a microfinance product in the past.

### 3.2 Microfinance actors in Morocco

In Morocco, Bank Al Maghrib supervised the microfinance sector and elaborated multiple laws for Micro-credit associations. Thus, MCAs are included new banking law n ° 103-12 and fully integrated in BAM's intervention and regulation.

Another actor in Microfinance sector is JAÏDA Fund that was established as a financing company as a limited company accredited by BAM with main objectives to facilitate the financing of all MFIs, promote institutional development of MFIs and risk bearing and management. In terms of capacity building, the sector relies on some qualified centres which plays a leading role through its training centre as an observatory and supports micro entrepreneurs, notably through financial education but also marketing of their products

There is also Mohamed VI Centre for supporting Solidarity Micro-Credit that aim promote entrepreneurship and access microfinance services. The centre seeks to organize training and seminars, facilitate the transfer of knowledge and skills, establish a resource database, to monitor national and international competencies and experiences in this field. As for the information and documentation system, Microcredit Observatory goals include multimedia room, publication...And as for the Marketing support, it aims to enable young entrepreneurs to enhance the capabilities necessary to better market their products.

In Morocco, the National Federation of Micro-Credit Associations (FNAM) created on 4 October 2001 to represent the MCAs in Morocco for creation job, entrepreneurship and poverty alleviation. Based on international best practices and based on consultation between the relevant players, the road map is organized around some strategic axes: such as the institutional development, communication and awareness, research and development, the aggregation and synergy between Micro credit associations.

Despite this diversity of Microfinance actors, the infrastructure should include and enhance the legal framework, representation, training, financing and an observatory issue.

### 3.3 Financial inclusion in Morocco: Strategy and indicator

Recently, Financial inclusion is considered, by all countries, as one of the main challenges of social and economic development. In Morocco, the central bank's commitment was clearly announced in Maya declaration. In 2013 in Kuala Lumpur, at the summit of the Alliance for Financial Inclusion. “Bank Al-Maghrib has thus acted, to improve banking, promote access of MSMEs to bank financing, develop the micro-credit sector, foster competition, and customer protection, promote financial education, and finally, to set up measurement indicators” [2].

In 15 years, the rate of banking has almost tripled, but the territorial coverage is not homogeneous between urban and rural areas. To meet the challenge of reducing existing disparities in

terms of access to financial services, a participatory approach has been launched involving the main players in the sector to define an integrated vision of what will be "real financial inclusion" into two segments “individuals and businesses”. For individuals, the low level of penetration rate is the result of the low-income, the unsuitability of financial offers and the high use of informal financial services.

On the other hand, account penetration remains low among young people. The central bank confirms that only 10% of accounts are held by people aged between 15 to 25 years against 64% of accounts held by customers aged between 26 and 55 years.

In collaboration with the banking system, the Central Bank continued its efforts to improve access to financial services. Morocco is far ahead of the UEMOA West African Monetary Economic Union (UEMOA) countries which have a banking rate of around 15%, but Morocco still far from a country like France which has a banking rate of 99%.

Regarding the new technology, some measures were taken through the involvement of public and private actors, financial education, the financing of VSEs and the encouragement of innovation to meet the challenges related to reducing disparities between rural and urban worlds, between the two sexes, improving the quality of data and developing an efficient system.

The national strategy gives new technologies a fundamental role in financial inclusion approach. The financial technology sector has promising potential, boosted mainly by the progress of legal texts and measures like the introduction of new non-banking players, namely "payment institutions".

If the supply of the financial system is diversified, accessible and inexpensive for a successful financial inclusion, the fact remains that on the demand side, financial education is essential so that the population can assimilate the financial basic concepts. In this regard, BAM is continuing its financial education activities by the creation in 2012 of the Moroccan Foundation for Financial Education (FMEF) with the aim of implementing the national financial literacy strategy. In 2015, it organized the 4th edition of finance week which benefited nearly 100,000 young people aged 8 to 17 years and extended its field of intervention to VSMEs through customized financial awareness programs. However, the challenges of financial inclusion are multiples and its success depend on the involvement of all the organs of the financial system. In this regard BAM will have to face a significant challenge which is to find a fair balance between financial stability and financial inclusion because even if excessive loans can enhance financial inclusion, they can be source of financial instability.

Referring to the various initiatives taken by Morocco to accelerate the financial inclusion of women, Bank Al-Maghrib cites in particular the establishment of a national roadmap for the alignment of the financial sector on sustainable development which has been developed in consultation with stakeholders in the financial sector which committed to develop financial education programs to strengthen women' capacities to make financial decisions. This commitment was honored at the 9th edition of the World Forum on Financial Inclusion Policies that was held in 2017 in Egypt, by awarding the BAM the prize for the best member in the implementation of its commitments made in the framework of

the "Maya Declaration" that recognized its efforts in terms of financial inclusion.

#### 4. Financial Literacy and capability in Morocco

Bank Al Maghrib has implemented many initiatives for the preparation of a national financial capability strategy. In 2014, as requested by Bank Al Maghrib, the World Bank has conducted a financial capability survey that includes financial inclusion, financial capability and consumer protection the financial knowledge, attitudes and behaviors of clients as well as the real needs of the excluded people.

Regarding the background of this survey, the questionnaire has been extensively tested in the context of low- and middle-income countries with support by the Russia Financial Literacy and Education Trust Fund. The Morocco survey was nationally representative and comprises a total sample of 3,000 adults. The adult population to which the results of this survey are meant to extrapolate covers the characteristics of sex, income, region, and education level.

The main findings of this survey are illustrated on the following figure [4]:

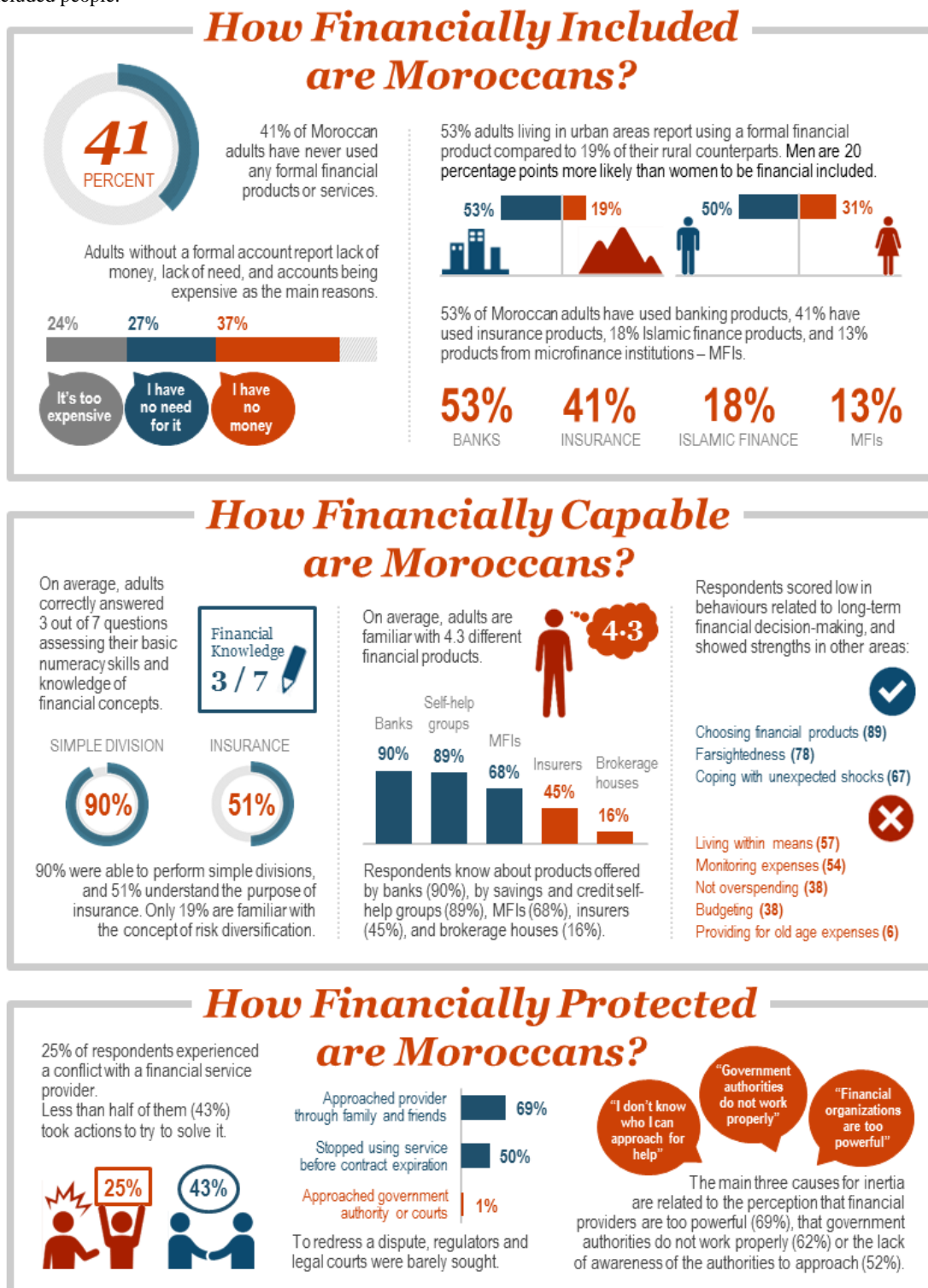


Figure 3: Financial inclusion, by savings and capability survey findings

The main results of this survey can be summarized as bellow:

- Approximately 41% of Moroccan adults use the formal financial services.
- Men are 20% points more likely than women to report using the formal financial services.
- Moroccans living in urban areas are more likely to be financially included, 53% of these adults reported using the formal financial services, compared to 19% of the rural area.
- 28% of adults reporting having a deposit or checking account. Just 10% of Moroccan adult reports having formal credit from a bank.
- Less than 3% of Moroccans report having a mortgage or using an investment or pension product.
- Microfinance institutions (MFIs) reach about 5% of the adult population
- 68% of Moroccans report being familiar with services offered by MFIs.
- 1% of adults with an outstanding loan from MFI report also having credit from a bank.
- 8% of these adults have a savings or deposit account with a bank.
- 24% of the adult population used insurance services.
- 2% of the adult population reports using self-initiative insurance.
- The obstacle of do not having bank account is because of lack of enough money to use one (37%), followed by a lack of need for a formal account (27%), and the high costs associated with using a formal account (24%).
- 33% of adults report using only informal methods to save, and 10% of adults rely exclusively on informal lenders family, or friends. However, 49% of adults do not save at all and 72% of adults do not borrow.
- 12% of Moroccan adults report using a money transfer service. 11% of adults report having formal credit from a bank.
- 14% of adults report using community savings and credit self-help groups to save, and 33% of adults report saving at home.
- 18% of adults use some type of formal credit product such bank and microfinance loan.
- Moroccan respondents were able to correctly answer 3 out of 7 questions on financial literacy.
- Respondents are familiar with products provided by 4.3 different types of providers.

- The main products Moroccans are familiar with are offered by banks (90%), followed by products offered by savings and credit self-help groups (89%), MFIs (68%), and money transfer operators (65%). Insurance products are known by less than half of the sample (45%).

The survey report came with some important results and recommendations regarding financial inclusion and capability in Morocco. In this regard, Bank al Maghrib through its financial inclusion and literacy strategy can provide good framework and programs:

- To encourage competition and cooperation among financial service stakeholders.
- To require banks to offer cheap, convenient accounts and other basic financial services.
- To promote the sustainable provision of a wide range of financial services for the poor, rural areas, and women.
- To enhance capability and financial education strategy through Foundation for Financial Education by using a wide range of programs, including mass media.
- To enhance consumer protection through transparence and access to information.

## 5. Financial Literacy and Entrepreneurship in Morocco

The Auto entrepreneur scheme was implemented in Morocco in 2015 to reduce the informal sector and encourage the entrepreneurship. The scheme is accompanied by a certain number of incentives which have been gradually deployed to reach an advanced level of implementation. Before the implementation of this scheme, there was many programs and initiatives that encourage entrepreneurship such as the Fund for the promotion of youth employment and the National Initiative for Human Development that was launched in 2005 and adopted an innovative approach to enhancing the impact of projects. This concept will contribute to boosting the ability of civil society actors to operate professionally as well as the sharing of knowledge, best practices, ethical standards, experience, and expertise, while enhancing their capacity for innovation. To note also the Financial Support Fund for very small enterprises set up in 2014 that had action around three levers: improving the competitiveness of high-impact businesses, contributing to inclusive growth, and promoting entrepreneurship.

The Auto entrepreneur scheme allows the entrepreneurs to be self-employed through creation of small enterprises. Since its launch in 2015, the total number of auto-entrepreneurs was 2614, in 2016 it reaches 32440 with growing rate of 1114%, and in 2017 it grows with 82% to reach 59060. The number still very low as the potential population is 4,2 million. In 2018 the number was 85000 with growth rate 43%.

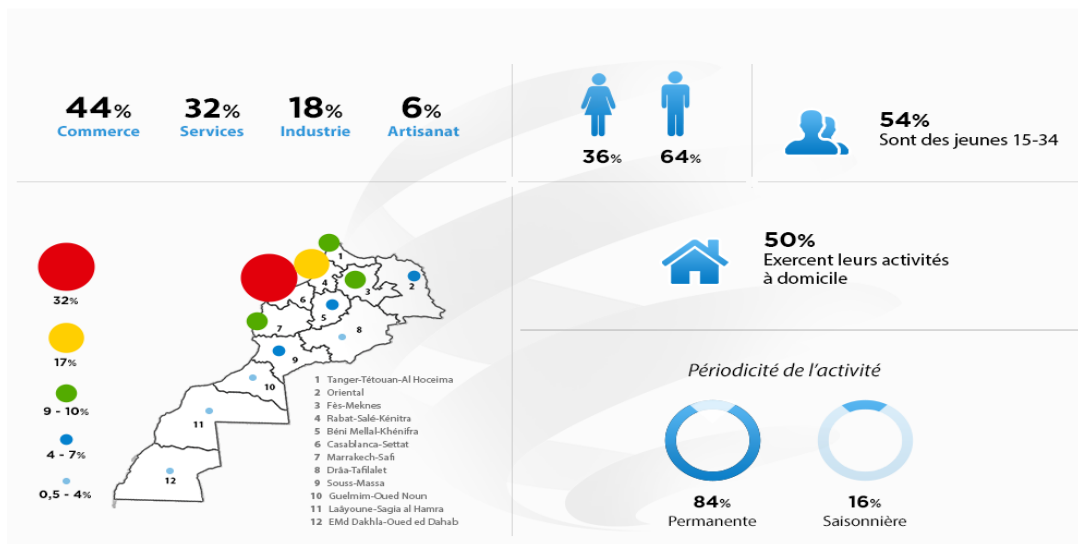


Figure 4: Main indicators of Auto entrepreneurs' scheme

Regarding the financing issues, the auto-entrepreneurs are recognized as a new economic agent by Bank Al-Maghrib, so, they can benefit from financial services in the same way as other traditional businesses. However, most of the operators have an information deficit, which need as awareness campaigns, to demystify the banking world, but above all to demonstrate all the benefits in terms of financial, economic, and social inclusion that allows the success of the status of auto-entrepreneur.

An online survey and interviews were conducted with auto entrepreneurs and specialist to investigate the role of the entrepreneurship in economic development and it comes with important findings and results regarding the issue of financial literacy and inclusion [1].

- Regarding marketing services, 27% reported favorable opinion.
- Concerning training and support, 17% reported favorable opinion
- Regarding the banking rate, 84,2% reported that they had already a bank account. For those who had bank account, 44% used the account mainly for saving,
- As for the satisfaction, 61,5% said they are not satisfied.
- Regarding the Microfinance sector, only 16% did use their services.
- As for the informal financing, 44% reported that did use this mode of financing.
- From geographical perspective. 73% are living in big cities.
- As for the job experience, 10% were unemployed and want to start their own business.

The technical background is dominant among them, this explained also by the type of activities, the services and commerce are dominant more than industry and handy craft which require low skills. It seems necessary to focus training, support other background and empower their qualifications and orient them to the entrepreneurial activities especially for those working in hand craft and artisanal activities.

Furthermore, financial knowledge and awareness levels are a significant challenge in Morocco. Vulnerable groups of Auto entrepreneurs who struggle the most in understanding basic financial concepts are more likely to live on lowest incomes, and they are less likely to be formally employed or develop their own work. So, a better understanding of financial concepts is strongly correlated with higher education.

The survey contains six features of the scheme. Two of these features were favorable, which are the tax advantages and administrative procedures with the favorable rate of 80%.

However, the other four features receive negative opinion from the respondents and were unfavorable, starting firstly by the mode of financing (73%); which means the non-satisfaction of the auto entrepreneurs needs and that they are looking for more suitable modes of financing that can fulfil their needs.

Secondly, the marketing services had 82% which is considered as an unfavorable rate and which means that if this category can perform well in terms of production, they find problems to commercialize their goods and services and need to have access to markets (local or international) in suitable conditions including the branding and labelling aspects to make their empowerment complete.

And finally, there is the training and support features such as the accompaniment and consulting services, 83% reported that these advantages are unfavorable, yet there are some efforts in this regard especially from some associations.

This survey has shown that the majority of the respondents (84%) had already bank account, which is one of the three dimensions of the index of financial inclusion developed by Sarma in 2004, and it is used by the world bank to calculate the composite measure of access. This rate indicates a high banking inclusion and confirms the banking rate announced by Bank Al Maghrib (more than 70%). It seems that banking penetration is not a big obstacle for this category with consideration to the bank account holders.

However, this finding does not' reflect necessary good financial inclusion because 44% of the respondents indicated that they used the account for deposit or saving, and 39% for transfer,

whereas only 16% obtained a bank loan and 16% had an insurance service. So, this finding shows that the AEs don't have a convenient access to the necessary financial services especially the loans and banking facilities. So, if the World Bank has differentiated between those who are formally included, financially served, and financially excluded, we can conclude that the AEs are partially served by the financial system.

The other aspect of financial inclusion concerns the Microfinance sector, the result was unexpected and extremely disappointing because more than 84% report that they have never used these institutions to have loans, few of them indicated that it was a good experience, but the majority avoid answering and other express their dissatisfaction and said it was a bad experience.

AE scheme targets mainly the graduate and educated people, whereas less educated people are still excluded, the procedure and advantages do not attract them.

This scheme has obstacles in capacity building, access to market, business opportunities and information, absence of customized educational programs and training as well as marketing tools and smart partnership. AEs were not satisfied with the financial resources available in Morocco that are mainly profit-oriented for big companies. Therefore, the banks in Morocco do not have an appetite to finance VSMEs and AEs.

## Conclusion

Regarding the financial inclusion, qualified as slogan: "The objective of financial inclusion is financial inclusion", consequently it cannot achieve the objective of economic empowerment that need a global approach. the concept of economic empowerment is wider than financial inclusion which can be considered as "Radar" or "TRAP" to integrate the excluded people into the financial system.

As for the economic empowerment concept, the main objective and procedures of this global approach, it should integrate the excluded people in economic and social system based on system and tools that include management, program planning and execution, follow up, promotion, contracts, procedures and KPIs.

Morocco has a "doing business" model with big companies, the country needs also a "doing business" with VSME and poor people. The characteristics of this model are:

The model must target also the less educated people and not only the graduate.

There is a need for KPIs to match the objectives with the mechanisms and tools.

Ecosystem is weak and not enough for the economic empowerment approach.

The need of human resources as business agents and not only credit agent.

Administrative supervision from BAM, Ministry finance for Microcredit institution need to be adapted for participative finance that has a different philosophy.

The application of 3 Win and not only Win/Win by including the society and social impact.

Cultural constraints as happened on previous resistance of Islamic bank for many years in Morocco because of the monopole of conventional Banks and insurance.

Addressing legal issues by the issuance of separate and relevant laws.

Must develop the AE scheme in term of procedure, advantages.

The capability approach required the establishment of awareness, technical assistance, training and support programs and initiatives. In same line, the financial approach is not enough and cannot solve the problem of AEs category. The financial inclusion is somewhat important, but it is not sufficient to realize economic empowerment and enhance the entrepreneurship.

In Morocco, numerous actions undertaken by different stakeholders, public authorities, regulators, and private actors, to promote access to and use of quality financial services on sound and solid foundations have enabled Morocco to achieve significant progress on all the dimensions of financial inclusion, in particular financial education, consumer protection, the financing of small and medium-sized enterprises and the promotion of innovation in the offers of financial institutions. However, linking these measures with a global economic empowerment approach still need much effort from all the stakeholders. Among the challenge there are the disparities between rural and urban areas, between genders, between young people and adults, improving the quality of data and developing an effective impact measurement system. These challenges are a reminder of the need to continue efforts and mobilize ecosystem players in a global and harmonized manner, but also to invest in accessible and efficient communication channels to provide an adequate response to all the persistent challenges.

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