

The Role of Islamic Banks in Funding Small Enterprises: A Case Study Targeting the Jordanian Islamic Bank

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Abstract

The present study aimed to explore the role of Islamic banks in funding small enterprises in Jordan. A questionnaire was used for collecting data. The sample consists from 100 individuals. Those individuals are customers of the branches of the Jordanian Islamic bank located in Amman. Those individuals also own enterprises. It was found that the customers of the Jordanian Islamic bank who own enterprises have positive attitudes towards Murabaha-based funding. It was found that the customers of the Jordanian Islamic bank who own enterprises have positive attitudes towards Musharaka-based funding. It was found that the customers of the Jordanian Islamic bank who own enterprises have positive attitudes towards the funding provided for small and medium enterprises. The following hypothesis was rejected: (H0: The role of Islamic banks doesn't have any statistically significant impact –at the statistical significance level of $\alpha \geq 0.5$ - on funding small enterprises in Jordan). Several recommendations were suggested. For instance, the researcher recommends funding small enterprises by Islamic banks. He recommends enforcing terms that are more concessional on the granting loans to the owners of small enterprises.

Keywords: Islamic banks, funding of small enterprises, Islamic funding

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Introduction

Small enterprises and medium contribute to economic growth and job creation and development of economic and social, and even achieved SMEs goals productivity they need capital to finance its various activities, funding, especially from Islamic banks, characterized by ways funding is somewhat different from financing ordinary roads in commercial banks, which made it the focus of attention of small and medium enterprises, which went to meet their needs through Islamic banks (Aldas and Aljjarat, 2014).

Small projects are considered one of the most important elements in achieving economic development in all countries of the world, as they acquire the highest proportion of all types of economic projects of different sizes. Here comes the importance of small projects and the role that they can play as they are characterized by proliferation, which constitute 90 Almost% of the establishments in the world employ 50% - 60% of the workforce in the world and thus work to increase employment opportunities and work to solve the problem of unemployment and increase exports and work to address the balance of payments deficit. Small enterprises also contribute about 46% of the global GDP, and represent 65% of the gross national product in Europe compared to 45% in the US states (Al-Muharrag, Al Mqableh 2006).

As small and medium enterprises are development projects, Islamic banks must play a major role in financing, with what they yearn to achieve from the goals and which are distinguished by its characteristics, as among its most important goals are their contribution to comprehensive economic and social development, and it is worth noting that small and medium institutions require Flexibility and diversity in financing methods (Abu Diab, 2003).

Islamic finance possesses characteristics and features that prevent the existence of financing problems for small projects, including the benefits that do not exist in other traditional financing systems, as they are characterized by diversity and multiplicity, there are methods of financing based on donations, charitable causes, and methods of financing based on partnerships, and methods of financing Others are based on commercial credit, as they are multidisciplinary in agriculture, industry, trade and services, and all of this provides more opportunities and areas for microfinance. Also, Islamic financing methods are based on feasibility studies from an economic point of view, and on the basis of halal from the Shariah side, and these methods do not transfer between financing institutions and take adequate guarantees that secure their funds. It also transfers financing from the method of guarantee and fixed return to the method of risk-sharing and participation in sheep, in fine, and the productive activity overcomes financial activity, and establishes the concept of monitoring and follow-up on the granted funding, and takes into account the conditions of defaulters (Al-Asraj, 2012)

Problem of the Study

Some have successful economic development experiences have proven that small projects are the main axis in expanding the production base and increasing exports and creating new job opportunities especially in the rural world and remote areas as well as working to transform rural areas into industrial areas and work to reduce imbalance between the different regions in the state and achieve The equitable distribution of national income and state wealth, however, it suffers from financing problems, and Islamic banks were able to provide financing methods to small and medium enterprises commensurate with their nature and according to the foregoing, and the

problem of the study is the following questions:

The main question is divided into the following sub-questions:

Is there a role of Murabaha financing method in financing small projects in Jordan?

Is there a role of financing method in participation in financing small projects in Jordan?

Objective of the study

The study aims to:

Study of small and medium enterprises.

Researching the concept of Islamic finance.

Measuring and testing the role of Islamic banks in financing small projects in Jordan.

Measuring and testing the Murabaha financing method in financing small projects in Jordan.

Measuring and testing the financing method in participation in financing small projects in Jordan.

Work to provide recommendations commensurate with the results of the study.

Aims of the study

The importance of the study is through the following points:

The importance of small projects in the economy and their role in development, as these projects need financing agencies due to the large role they play in increasing production and providing job opportunities in the economy and their significant and effective contribution to increasing economic growth rates, increasing national income and supporting gross national product.

The importance of the study stems from the fact that it addresses the challenges that prevent the expansion of Islamic finance for small projects.

Hypothesis of the Study

According to the study questions, the main study hypothesis can be formulated as follows:

- H0: There is no statistically significant role at the significance level ($\alpha \geq 0.5$) for Islamic banks in financing small projects in Jordan.

The main hypothesis is divided into the following two sub-assumptions:

- H0: There is no statistically significant role at the level of significance ($\alpha \geq 0.5$) for the Murabaha financing method in financing small projects in Jordan.

- H0: There is no statistically significant role at the level of significance ($\alpha \geq 0.5$) for the method of financing with participation in financing small projects in Jordan.

Concepts of the study

Islamic Finance: The set of procedures that the bank undertakes to finance clients according to Islamic Sharia using various financing modes such as Murabaha and Musharaka.

Small projects: The small project that uses a small number of employees and is managed by the owners and serves the local market.

Financing with participation: it is the participation of two or more parties in the money or work that is agreed upon on how to assess the profit, while the loss should be according to the participation percentages in the capital, and the Islamic bank applies this formula by entering its funds as a partner with a party or a group of parties in financing projects with His participation in the management and follow-up.

Murabaha financing: I sign an agreement to sell at a price equal to the original capital, i.e. the cost price, plus profit, by a specified lump sum or by a certain percentage, and the purchase may be made by order directed by the requester of a particular commodity, coupled with a promise to purchase what he ordered, provided that the contract of sale The first to prove ownership.

Study limitations:

The researcher faced difficulties in completing the filling of the questionnaires due to the lack of desire of some to fill out the questionnaire, as the auditors of the branches of the targeted Islamic banks are busy completing their transactions and are part-time to cooperate with the researcher.

Limited access to auditors of Islamic bank branches who are owners of small and medium projects, as auditors of the bank's branches are owners of small and medium projects with the intention of requesting funding very little during the survey period and conducting the study.

The dependence of a large segment of the owners of projects on self-financing or dealing with commercial banks and other Islamic banks, which reduced the number of people obtaining financing for small and medium projects.

Theoretical Framework

Introduction

Small and medium enterprises are a major factor in economic and social development in all countries of the world, including Jordan, as it is a basic starting point to increase production capacity on the one hand, and contribute to reducing the problems of poverty and unemployment on the other hand, so interest in this type of institution has become a strategic orientation for a number of countries, by providing funding for these institutions. Financing is often a major obstacle in the way of existing SMEs, or projects to be established. From the complexities of guarantees, to administrative and bureaucratic problems, to the problems of scarcity of specialized financial institutions ready to assist those institutions looking for financing, critical questions are addressed first to the first parties, humanly, morally, and economically, under the auspices of those institutions and projects, which are represented in the financing institutions Islamic Bank, which is directly responsible for providing renewed formulas to secure financing for SMEs (Abu Shanab, 2015).

Islamic Finance:

The creation of specialized lending institutions such as Islamic banks in most countries of the world came as a reaction to avoid some groups dealing with traditional commercial banks, in an attempt to contribute to the process of economic development, while focusing its credit activity in the field of short-term loans, to obtain a quick profit. Therefore, it was necessary to establish specialized financial institutions aiming to provide medium and long-term credit facilities for various economic sectors, according to specific and distinct terms and methods that are used in traditional banks (Al-Muharrarq and Muqabla, 2006).

The idea of microcredit goes back to Muhammad Yunus, a Bangladeshi who won the Nobel Peace Prize in 2006. Yunus, who was a professor at the College of Economics at Chittagong University in Dhaka (the capital of Bangladesh), thought of helping poor farmers mortgaging their lands with banks in exchange for high loans. Benefits, he proposed the idea of a "microcredit", according to which loans are provided to dozens of farmers, without the necessity of the guarantees usually required by commercial banks, and the experience of microcredit in most Arab countries is a recent era, and dates back to the beginning of the 1990s. The National Bank was established to finance small projects in Amman / Jordan, the Hope Bank in Yemen, the Creativity Bank in Bahrain, the Hope Foundation in Egypt, and other contributions, as well as the poor banks, and other official and private institutions (Abu Shanab, 2015).

There are a large number of methods that Islamic banks and financing bodies can use in financing operations, and they are of two main types: financing methods based on participation in the return on investment, and debt-based financing methods. In speculative financing methods based on return on investment, speculation is among the most common practical methods of financing in Islamic banks (Al-Shawarbi, 2002).

Among the most important formulas available to Islamic banks, or other institutions that provide financing in Islamic form, to finance small and medium enterprises, we find the following formulas (Abu Shanab, 2015):

Financing in the format of participation: Participation in Islamic banks applies to several formulas, the most important of which are: - Participation in a specific transaction: It is the participation of the Islamic bank with one or more parties in financing a certain commercial transaction as an import of a commodity, and the process of selling that commodity is terminated and each party gets its share of the profit. -

Permanent participation: It is the bank's participation in a specific project with a view to profit, without a specific deadline for the end of this company, i.e. long-term participation.

Diminishing participation: It is the bank's participation in a specific project with a view to profit, with a deadline or a way to end the bank's participation in this project in the future, that is, it is the Islamic bank's participation with a party or other parties in establishing a specific project, where the bank and the partners contribute to the project's capital in certain proportions, Provided that the other party gradually purchases the bank's share of the profits that it obtains until the bank's share is completely transferred from the project to the other party, and the bank leaves the share

Financing in the speculative formula: In this form, the bank provides its money and the project owner has his work and experience, and the project owner is rewarded for his work by obtaining a share of the profits (if they are achieved) according to predetermined proportions. In the event of a loss, it is borne by the bank alone, while the speculator has lost his effort.

Financing in Murabaha mode This form meets the needs of traders and manufacturers who do not wish to enter with banks to participate. Islamic banks can take advantage of this financing formula to meet the needs of small and medium enterprises, especially and pay the price of the commodity with the bank's profit margin, which is often in installments, those needs that differ according to different sectors, including: the craft sector, the free professions sector, the commercial sector, and the agricultural sector, The industrial sector, and the construction sector

Financing in the form of financing lease: The Islamic bank is funded for this process by asking the owner of the small and medium-sized institution from the Islamic bank to purchase an asset that is in one of the equipment that it needs, after providing the bank with all the data related to that asset from its specifications, price and source

(the supplier), then the bank By buying and renting it to the owner of the institution for a period that usually takes the default life of the asset or tax, and this will be with a lease contract only without reference to the sale of the asset at the end of the period, and when all the installments are fulfilled, another contract between the tenant and the bank is concluded on the gift of this asset or purchased at a symbolic price.

Financing in the form of peace: Islamic banks can finance small and medium enterprises after methods of peace, including: The bank provides the cash financing that the owner of the institution needs, provided that this financing is like the capital of the peace, and the commodity that the institution produces is delivered to it, especially if it is products An industrial workshop or agricultural facility, then the Islamic Bank enters into a parallel ladder contract with another entity to sell these products, and the difference between the purchase and sale price is earned, provided that there is a time-frame agreement between the two parallel contracts.

Islamic Finance Characteristics for Small and Medium Enterprises:

Islamic finance in general and SMEs in particular are distinguished by the following (Al Daas and Al Jarrat, 2014):

Focusing on the developmental and development goals of these institutions is more than focusing on profitability, due to their relationship with a large segment of society, and the possibility of a real contribution to reducing unemployment and fighting poverty, which enhances the social goals of Islamic banks.

Diversification of Islamic financing formulas and not limiting them to specific forms that are in the interest of the bank.

The focus is on avoiding usury and the suspicions surrounding it, where it is controversially raised that there is no difference between the cost of financing in Islamic banks and the cost of financing in traditional banks, and that the name murabaha is in reality only another aspect of usury, the aim of which is to exploit people's religious emotions.

It is assumed that the break-even point in the financing of SMEs is distinguished from the break-even point in the financing of large companies, which is to reduce the cost of financing in order to give these institutions an opportunity to advance and develop.

Participation in fines and fines, and is linked to this lack of focus on the method of murabahah, the order to purchase, as Islamic banks, using this method, do not participate in any fines.

The necessity of expanding the scope of the good loan and raising its ceiling in a way that contributes to covering the financing requirements of a large part of the small and medium enterprises due to the low volume of financing required in them.

Real participation in investment through offering full financing alternatives such as speculation, whereby the bank is the financier and the SME is the speculator for some activities, provided that this does not contradict the preservation of the bank's assets and funds.

The necessity to adhere to the requirements of Islamic Sharia related to sale, especially the sale of Murabaha, in relation to the possession of the commodity before its sale, and its ownership as well, and dealing with insurance according to the principles of Islamic Sharia.

small and medium Foundation:

It is not possible to reach a specific and uniform definition for SMEs. In addition, the word "small" and "medium" are words that have relative concepts that differ from one country to another and from one sector to another, even within the state. One of the studies issued by the Georgia State Institute indicated that there are more than (55) definitions of small and medium enterprises in (75) countries. SMEs are defined based on a set of criteria, including the number of workers, the size of capital, or a mixture of the two criteria together. There are other definitions based on the use of sales volume or other criteria. The World Bank, for example, defines small and medium enterprises using the standard of workers, which is a standard Initially, the establishment is considered small if it employs less than 50 workers. There are many countries in the world that use this standard to define small and medium enterprises. In the United States of America, Italy and France, the establishment is considered small and medium if it employs up to 500 workers, in Sweden up to 200 workers, in Canada and Australia up to 99 workers, while in Denmark it is the establishments that employ up to 50 workers (Al-Muharrag and Al Maqableh, 2006).

SMEs play increasing economic and social roles in various countries of the contemporary world. Indeed, these facilities constitute the backbone of the vast majority of their economies. The need to deploy, develop, and develop these institutions in the service of the macro economy, and for many other economic and social reasons, among them, highlights the flexibility of these institutions, and their ability to confront poverty and unemployment problems with relatively limited capital and financing costs, and their promotion of an effective dynamic national economic architecture, and there is a group Among the characteristics that distinguish small and medium enterprises, which require more care to support and finance them (Abu Shanab, 2015):

Each one is a single institution or a company of persons.

SMEs belong to the private sector.

You do not need significant capital, and you need simple capital machinery and equipment.

These types of ownership help to assimilate organizational development and management skills in the local environment and to develop and highlight them.

These institutions are characterized by the simplicity of the technology used, and therefore do not need experienced workers, the techniques are simple, and low cost.

Prior to the year 2005, there was no official definition of small and medium enterprises in Jordan, so there were several definitions of several Jordanian and foreign entities, institutions, and programs operating in Jordan, some of which derive the definition according to the number of manpower and others according to the invested capital, there had to be an official and unified definition of small and medium industries In Jordan for the purposes of organizing and implementing domestic and foreign support provided to it and up to the implementation of bilateral and international agreements, especially the Government Procurement Agreement and the World Trade Organization agreements, and in 2005 a unified definition was adopted for small and medium enterprises in Jordan as follows (Al-Muharraq and Al Maqableh, 2006):

Number of Workers	1-9 workers	10-49 workers	50-249 workers	250 or more
Registered capital	Less than (30) thousand dinars	(30) thousand dinars or more	(30) thousand dinars or more	(30) thousand dinars or more
Number of Workers	1-9 workers	10-49 workers	50-249 workers	250 or more

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Arab Studies:

Abu Shanab (2015) entitled The role of Islamic finance in supporting small and medium enterprises (case study - Jordan) aimed at exploring the role of Islamic financing in financing small and medium enterprises, supporting their projects, expanding their reach, and in the Hashemite Kingdom of Jordan in particular. Research in this area reviewed the most prevalent form of Islamic finance. The research problem was to explore the role of Islamic financing formulas in supporting SMEs in Jordan; Given that the financing problems represent the most important difficulties and problems faced by these institutions. The most important results of the study were to unify the efforts of SMEs financing institutions operating in Jordan, or to find a unified reference for them within the framework of Islamic financing methodologies; Save time, effort and cost when studying eligibility for funding, feasibility studies, risks and similar issues. Based on data and data on SME financing, and its comparison with data on poverty and unemployment in Jordan, the study recommended that a number of Islamic financing formulas offer effective solutions; To enhance the economic role of small and medium enterprises, and in facing the problems of poverty and unemployment in Jordan, in particular.

Daas and Jararat (2014) entitled The role of Islamic banks in financing small and medium enterprises in Jordan that aimed to highlight the role of Islamic banks in the development and development of small and medium enterprises through providing the necessary financing to them. The study also aimed to highlight the role of Islamic banks in developing and developing small and medium enterprises By providing the necessary financing to it, it also aimed to demonstrate the specificity of the Islamic financing system, and its suitability for small and medium enterprises. The study has taken a case in the Jordan Islamic Bank for Islamic banks in Jordan, and the study reached several results, most notably: The paucity of Islamic bank financing for small and medium enterprises, Likewise, the financing methods in Islamic banks for small and medium enterprises are limited to the Murabaha method of the order to buy, and the method of participation ending in ownership within the program for financing craftsmen and professionals in the Jordan Islamic Bank, and not relying on any other method of financing, as the most prominent reason for choosing Islamic finance is the belief of dealers Legitimacy of transactions in Islamic banks, but guarantees and exclusivity Procedural payments prevented obtaining the necessary financing from these banks. The researchers recommended at the end of the study that Islamic banks in Jordan should be concerned with small and medium enterprises for their contribution to economic and social development, and they also recommend a greater reliance on other financing formulas that are based on dividing risks and profits that are related to small and medium enterprises, which lead to a diversity of means And financing methods, including contributing to the development and development of these institutions.

The saddle (2012) entitled The role of Islamic finance in the development of small and medium enterprises, a symposium: "Islamic banks and their role in economic and social development aimed at identifying the role of Islamic finance in the development of small and medium enterprises, by studying the channels of the impact of Islamic finance on SMEs, and presented The most important form of Islamic financing for SMEs, and the advantages of Islamic financing, in addition to shedding light on the most important obstacles to the use of Islamic

financing, and the study reached an increase in the importance of Islamic financing formulation in its ability to achieve justice between the two parties to the transaction, so that each party gets its right, instead of a system Lending with interest that guarantees the right of the loan owner at the expense of the borrower. The Islamic Sharia also included a number of legal controls that guarantee good investment of money. One of the most important results of the study is to highlight the advantages of Islamic financing in providing capital, and to support the necessary financing capacity for investments necessary to produce goods and services, and contribute In achieving justice in distributing wealth, eliminating unemployment, creating and providing job opportunities, and eliminating poverty. The study recommended to enhance the ability of the Islamic financial system components from an expanded financial market and specialized financing facilities for the largest possible segment and for different financing sizes.

Al-Hakim (2003) entitled *The role of Islamic banks in financing small institutions, studying Islamic contracts in finance* that aimed to study the role of Islamic contracts in financing and shedding light on contracts made by Islamic banks, and are compatible with small institutions and clarify the difference between Islamic formulas and usurious forms, and a statement of the extent of The importance of financing according to these contracts, and the results of the study showed that small institutions resort to meeting their financing needs through formulas provided by Islamic banks, rather than their use of financing in the usurious form provided by commercial banks, because of what is available in the Islamic formulas of stability and flexibility, and achieving profits For small projects. The study recommended that MFIs work to reduce the guarantees required to obtain the loan and work to grant the loan with the guarantee of the project itself only without the need for other guarantees.

1. Rayhan (2003) entitled *The role of Islamic banks in financing small and medium enterprises: the reality and the prospects* that aimed to demonstrate the importance of financing small enterprises, and reviewed the economic and social benefits of financing small enterprises, and the risks and difficulties related to financing small enterprises, and this study concluded that most of the formulas Suitable for the financing of these institutions and used by Islamic banks, and has limited them to murabaha and declining participation ending in ownership, speculation and leasing. The results of the study reached the difference of countries in defining a unified definition for small and medium enterprises due to the degree of technological development in addition to that the majority of countries depend on economic growth and the study recommended expanding the base of beneficiaries of loans, it is imperative that microfinance institutions to reduce interest rates Which is one of the most important funding constraints facing the owners of these projects.

Foreign studies:

1. Wu, Junjie, Song, Jining & Zeng, Ctherine (2008), entitled *An An Empirical Evidence of Small Business Finance in China*, which aimed to develop an experimental guide to microfinance in China, and researchers have provided quantitative clues regarding project financing Small and Medium With reference to the financing problems facing these projects with a view to developing their business, the results of the study concluded that the financing needs and options for these projects vary according to their size and the stage the business cycle is going through considering that financing at the beginning of the project is through private funds either in the stages The advanced part of the project, the need for loans increases, and the study found that the largest part of small projects depends on bank loans.

2. Singh, R., Gang, S. & Deshmuck, S (2010), entitled *The Competitiveness of SMEs in a globalized economy*, which aimed to research the analysis of the challenges facing SMEs in both India and China after globalization by studying Developing these projects, government policies and strategies to develop competitiveness in India and China. The results of the study found that India and China have developed several incentive programs in this regard, but the study recommended the need to work on developing managerial skills and their relationship to cost reduction while working to improve the quality, which is strongly linked to improving competitiveness.

3. Satta, Tadeo (2006), entitled *Performance evaluation of three small firms financing schemes in Taiwan*, which aimed to evaluate the performance of three financing programs provided by three banks (KCB, ACB & CRDB) for small projects in Taiwan by highlighting an evaluation Financing programs for small projects, using five main indicators, with a view to assessing the possibility of improving the access of small enterprises to the required financing. The results of the study found that the KCB programs were better than others, especially in rural areas, which should be generalized to improve projects' access to finance while applying them to other regions. The study recommended to shed light on the evaluation of financing programs for small projects.

4. Islam, S. (2009) entitled *Start-up and growth constraints on small-scale trading in Bangladesh*, which aimed to research the constraints of the start and growth of small enterprises in Bangladesh, where the reasons for starting small projects and analyzing the obstacles facing the project in The beginning and after that, the results of the study concluded that the fear of unemployment, family traditions, previous experience in the same field and the lack of higher education were among the main reasons for starting these projects, while for the constraints facing the project in its beginning and beyond, it was one of the most important - a lack of capital Fixed and working capital, lack of training and skill, insufficient guarantees and shortage of skilled manpower. At the end of his study, the study recommended that the government should educate individuals about the available economic

opportunities, and the need to provide institutional financing with low interest, encourage workers in these projects through financial incentives, and the government to guarantee loans to small projects.

5. (2003) Ahmad entitled *The Role of Islamic Financial Institutions In Financing micro Enterprises: Theory And Evidence* that aimed at clarifying the actual and influential role of Islamic banks in generating wealth and reducing poverty through its financing of small projects, and the study also aimed at explaining the role The social nature of contracts in Islamic banks, through which Islamic banks can be the best in financing institutions and applied the study to Bangladesh Islamic Bank Limited and the Islamic Development Bank, the results of the study concluded that there are a number of usurious banks that began to follow the form of Islamic financing in their financing for small projects The study also recommended that the Islamic bank can finance small institutions at a lower cost than riba-based banks, and thus small institutions can achieve higher profit by financing them from Islamic banks. Third: What distinguishes the study from previous studies:

Most of the previous studies have examined the importance of Islamic finance on the one hand and the importance of small and medium projects on the other hand, in addition to the importance of Islamic finance for small and medium projects, and this is what previous studies are similar to the current study.

What distinguishes this study from previous studies is that it studies Islamic finance in small projects only, as it is conducted in the Jordanian environment, which is characterized by the presence of multiple Islamic banks competing with each other, which created the need to study the extent of these banks' contribution in financing small projects.

Study methodology:

The study uses the descriptive analytical approach, with the aim of analyzing the data and interpreting the results to suit it for the purposes and nature of the current study, which studies the reality as it is, with a view to identifying the role of Islamic banks in financing small projects, and the necessary data was collected based on this approach through the distribution of the study tool On the study sample, perform a statistical analysis to extract the desired results.

Study community:

The study community consists of clients with the Jordan Islamic Bank, owners of small and medium enterprises in Jordan.

The study sample:

The sample of the study was randomly chosen, which consists of (100) individuals dealing with the Jordan Islamic Bank from the owners of projects in the branches of the Jordan Islamic Bank in the city of Amman.

Study tool

The study tool is the questionnaire that was developed through the use of theoretical literature and previous studies in general, where paragraphs were linked to the variables related to Islamic finance and SMEs financing.

Each paragraph of the questionnaire is followed by a Likert scale with a quintile estimate, according to the following distribution: Strongly agree, Agree, Neutral, Disagree, Strongly disagree, and numerically represent the arrangement (1,2,3,4,5).

Signs of answers were collected and divided by the number of options (5) to get the standard mean, which is (3). The general rule is that if the average of answers to any of the research variables is higher than the standard average (3), the sample view towards this variable is positive and increases as we approach the number (5) which is the mark for the option always, and the sample view is negative towards the variable is negative if the average The sample responses to this variable are less than the standard average (3) and the negative increases, as we approached the number (1), which is the sign of the option that does not agree strongly.

Validate the scale:

The questionnaire was reviewed by a number of specialists and academic experts, and their observations were taken into consideration.

Stability of scale:

The internal consistency factor was calculated Alpha Cronbach for all the answers of the study sample and the total value of Alpha Cronbach reached (0.81) which is an acceptable value for the purposes of the study as shown in the following table:

Number of survey phrases	The value of the Alpha Cronbach total
12	0.81

Statistical processing:

The following statistical methods will be used:

- Frequencies and percentages for each questionnaire.
- Arithmetic mean and standard deviations for each of the questionnaire paragraphs.

- (F) tests and ANOVA analysis for hypothesis testing.
- statistical analysis

Preface:

The current chapter includes a presentation of the results of the study after conducting the statistical analysis required to answer the study problem and hypotheses, and the following is a presentation of the study results according to the sequence of its questions.

The study was carried out by applying to a sample consisting of (100) individuals dealing with the Jordan Islamic Bank from the owners of projects in the branches of the Jordan Islamic Bank in the city of Amman.

Describe the characteristics of the study sample

Table No. (1) shows the personal characteristics of the study sample, represented by gender, age, and educational attainment.

Table No. (1) Demographic variables

	Category	Repetition	percentage
Gender	Male	53	53.0
	Female	47	47.0
	Total	100	%100
Age	From 25 years to 35 years	23	23.0
	From 36 years to 45 years	44	44.0
	45 years and over	33	33.0
	Total	100	%100
Educational attainment	Bachelor	56	56.0
	Diploma and less	34	34.0
	Postgraduate	10	10.0
	Total	100	%100

4.3 Descriptive Statistics for Sample Answers:

Table (2) Murabaha financing

Paragraph	Mean	standard deviation	Arithmetic mean strength
1.This formula meets the needs of traders and manufacturers who do not wish to engage with banks to participate	4.0800	1.0018	High
2. Murabaha sale is one of the legitimate types of sales and one of the financing channels in Islamic banks	4.0100	.88186	High
3. Murabaha contributes to the rapid turnover of cash for the short term financing period	4.0200	.86433	High
4. Murabaha financing is one of the most popular formulas for small and medium enterprises	3.9100	1.3565	High
Total	3.9400	1.2376	

It is clear to us from Table No. (2) for analyzing the phrases related to murabaha financing that the trends of those with the Jordanian Islamic Bank who are project owners were positive towards murabaha financing, which indicates that the study participants believe that financing through murabaha contributes to financing various small and medium enterprises in different sectors.

**Table (3)
Co-financing**

Paragraph	Mean	standard deviation	Arithmetic mean strength
1. Participation is one of the most important forms of investing money in Islamic jurisprudence	4.1000	1.1326	High
2. The financing formula can be used with participation in financing various economic activities	4.0800	.81253	High
3. The participation formula is one of the Islamic alternatives for financing the interest applied in traditional banks	3.7000	1.2260	High
4. Funding in participation on the basis of the Islamic bank providing the financing requested by the clients without requiring a fixed interest	3.8600	.82902	High
Total	3.8900	1.0434	

It is clear to us from Table No. (3) for analyzing the terms related to financing with participation that the attitudes of those dealing with the Islamic Bank of Jordan among the owners of projects were positive towards

financing with participation, which indicates that study participants believe that participation financing contributes to the financing of different small and medium projects in different sectors.

Table (4)
Small and Medium Enterprises Financing

Paragraph	Mean	standard deviation	Arithmetic mean strength
1. The funds are used by multiple and legitimate financing modes that suit all activities, whether commercial, industrial, or agricultural.	3.6000	.85280	High
2. Islamic banks can benefit from this financing formula in meeting the needs of small and medium enterprises	3.5200	1.2100	High
3. Islamic banks have provided small and medium enterprises with a financing method that enables them to stand against traditional banks and make profits	3.9600	1.1184	High
4. Islamic finance possesses characteristics and characteristics that prevent the existence of financing problems for small projects	4.1300	.91734	High
Total	3.9300	.94554	High

It is clear to us from Table No. (4) for analyzing the phrases related to financing small and medium projects that the attitudes of those dealing with the Islamic Bank of Jordan from the owners of projects were positive towards financing small and medium projects, which indicates that the study participants believe the importance of financing small and medium projects through Islamic financing formulas .

Hypotheses test:

First hypothesis test

- H0: There is no statistically significant role at the significance level ($\alpha \geq 0.5$) for Islamic banks in financing small projects in Jordan.

The results of testing the first hypothesis (nihilism) found in Table No. (5) indicate that the calculated value of (F) was (225.704), and the significance value of the test was (0.000) which is less than ($\alpha \geq 0.5$), and according to this result we reject the first hypothesis (Nihilism). We accept the alternative hypothesis, which states that there is a statistically significant role at the significance level ($\alpha \geq 0.5$) for Islamic banks in financing small projects in Jordan.

Table (5):
First hypothesis test

ANOVA^b

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	72.855	2	36.427	225.704	.000 ^a
Residual	15.655	97	.161		
Total	88.510	99			

a. Predictors: (Constant), Musharka, Muraba7a

b. Dependent Variable: Tamweel

The second hypothesis test

-H0: There is no statistically significant role at the level of significance ($\alpha \geq 0.5$) for the Murabaha financing method in financing small projects in Jordan.

-The results of testing the second hypothesis (nihilism) found in Table No. (6) indicate that the calculated value of (F) was (299.941), and the significance value of the test was (0.000) which is less than (0.05α), and according to this result we reject the hypothesis. Second, we accept the alternative hypothesis, which states that there is a role of statistical significance at the level of significance ($\alpha \geq 0.5$) of the Murabaha financing method in financing small projects in Jordan.

Table (6):

The second hypothesis test

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	66.713	1	66.713	299.941	.000 ^a
	Residual	21.797	98	.222		
	Total	88.510	99			

a. Predictors: (Constant), Muraba7a

b. Dependent Variable: Tamweel

Third hypothesis test

-H₀: There is no statistically significant role at the level of significance ($\alpha \geq 0.5$) for the method of financing with participation in financing small projects in Jordan.

-The results of testing the third hypothesis (nihilism) found in Table No. (7) indicate that the calculated value of (F) was (434,454), and the significance value of the test was (0.000) which is less than ($\alpha \geq 0.5$), and according to this result we reject the hypothesis. The third nihilism and we accept the alternative hypothesis, which states that there is a statistically significant role at the significance level ($\alpha \geq 0.5$) for the participatory financing method in financing small projects in Jordan.

**Table (7):
Third hypothesis test**

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	72.219	1	72.219	434.454	.000 ^a
	Residual	16.291	98	.166		
	Total	88.510	99			

a. Predictors: (Constant), Musharka

b. Dependent Variable: Tamweel

Results:

The study reached the following results:

- The attitudes of clients of the Jordan Islamic Bank, among the owners of projects, were positive towards Murabaha financing.
- The study participants believe that Murabaha financing contributes to financing various small and medium projects in different sectors.
- The trends of entrepreneurs with the Jordan Islamic Bank, who are project owners, were positive towards participatory financing.
- The study participants believe that participatory financing contributes to financing various small and medium enterprises in different sectors.
- The attitudes of clients of the Jordan Islamic Bank among the owners of projects were positive towards financing small and medium projects.
- The study participants believe in the importance of financing small and medium enterprises through Islamic financing formulas.
- Rejecting the hypothesis that states: H₀: There is no statistically significant role at the significance level ($\alpha \geq 0.5$) for Islamic banks in financing small projects in Jordan.
- Rejecting the hypothesis that states: H₀: There is no statistically significant role at the significance level ($\alpha \geq 0.5$) for the method of murabahah financing in financing small projects in Jordan.
- Rejecting the hypothesis that states: H₀: There is no statistically significant role at the level of significance ($\alpha \geq 0.5$) for the method of financing with participation in financing small projects in Jordan.

Recommendations:

In light of the results, the study made the following recommendations:

- That Islamic banks provide financing for small projects and facilitate conditions for obtaining loans to the owners

of these institutions.

- Activating the Islamic financing formula for small projects, and providing guarantees for this financing.
- Studying successful Arab, Islamic and international experiences in the field of microfinance to benefit from them in the Jordanian economy.

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