

Islamic Finance and Its Role in Funding Small Enterprises in Jordan

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Abstract

The present study aimed to explore the extent to which small enterprises in Jordan benefit from Islamic finance formulas from the perspective of the owners of small enterprises. The researchers adopted a descriptive analytical approach. The sample consists from 300 owners of small enterprises in Jordan. The questionnaire forms were sent the members of the sample via e-mail. It was found that the size of the credit facilities granted to small enterprises in Jordan (in millions) during the period (2016- 2020) contributes to achieving growth. It is less than one billion JDs. It was found that the extent to which small enterprises benefited from Islamic finance is high. The researchers recommend developing the Islamic financing formulas offered by Islamic banks. That shall contribute to developing small enterprises

Keywords: Islamic finance, small enterprises, Jordan

1. Introduction

It's important to support the owners of small and medium-sized enterprises. It's necessary to encourage developing their investments. Doing that shall contribute to developing the national economy. However, the owners of such enterprises are still facing many challenges in most Islamic and Arab countries. The most prominent challenge is represented in finding funding sources and opportunities.

The Islamic finance formulas are consistent with the provisions of Shariah. In this regard, it should be noted that the term (Islamic finance) is still a modern term. Islamic finance has been developing significantly during the last couple of years. Islamic finance formulas are available today in more than seventy five (75) countries. In such countries, there are more than 292 institutions that are either Islamic banks or carry out Islamic transactions (Hassan, 2020).

Djemaa (2018) adds that small and medium-sized enterprises (SMEs) play a very significant role in offering job opportunities and raising the gross domestic products (GDP) in developing countries. Small and medium-sized enterprises (SMEs) represent 95% of enterprises worldwide. In fact, the job opportunities provided by small and medium-sized enterprises (SMEs) represent about 60 % - 70% of all the job opportunities in the markets worldwide. The earnings generated by small and medium-sized enterprises (SMEs) represent 50% of the GDP worldwide.

In this regard, it should be noted that the owners of small and medium-sized enterprises (SMEs) face many challenges. Such challenges must be addressed to improve national economy. They include: the lack of funding sources and opportunities. Hence, Islamic banks seek providing small and medium-sized enterprises (SMEs) with many funding options and formulas.

1.1 Small Enterprises

Supporting small and medium-sized enterprises shall contribute to supporting the economic growth, increasing the number of available job opportunities, and achieving economic and social development. It shall contribute to letting those enterprises meet their goals. In order to support small and medium-sized enterprises (SMEs), those enterprises must be provided with funding opportunities. That shall enable the owners of SMEs to achieve their goals. Therefore, SMEs are funded by banks, including Islamic banks. The funding formulas provided by Islamic banks are different from the funding formulas provided by commercial banks (Al-Da`as and Al-Jaarat, 2014).

It should be noted that small enterprises play a major role in fostering the economic development of all countries. Small enterprises represent a great percentage of all types of enterprises worldwide. In fact, they represent 90% of all enterprises worldwide. The job opportunities offered by small enterprises represent about 50% - 60% of all the job

opportunities available in the market worldwide. Thus, supporting and funding small enterprises shall contribute to increasing the number of the available job opportunities in the market. They shall contribute to fighting against unemployment. They shall contribute to increasing the volume of exported products and services. They shall contribute to reducing the deficit in the balance of payment of the state.

The earnings generated by small enterprises represent 46% of the global gross domestic product (GDP). They represent 65% of the gross domestic product (GDP) in Europe. They represent 4515 of the gross domestic (GDP) in the United States of America (USA) (Al-Mahrouq and Meqabila 2006). Thus, small enterprises play a major role in supporting national economy in any country. They must develop themselves in a regular manner. They must improve their competitiveness in the market (Hassan, 2020).

The term (small and medium-sized enterprises) is abbreviated as (SMEs). There isn't one specific definition for the term small and medium-sized enterprises (SMEs). In fact, scholars provided many definitions for the latter term. According to Georgia State Institute, there are more than (55) definitions for the expression (small and medium-sized enterprises). Some of those definitions are based on the number of workers. Other definitions are based on the amount of capital. Other definitions are based on the latter two criteria jointly. Other definitions are based on the sales volume of the enterprise. For instance, the World Bank defines small and medium-sized enterprises (SMEs) based on the number of workers. For instance, it considers the enterprise as a small enterprise in case it recruits less than 50 employees

Based on the regulations many countries, enterprises are considered small, medium or big-sized enterprises based on the number of employees. Such regulations include the ones in the United States (USA), France, and Italy. Based on the regulations of United States (USA), France, and Italy, small and medium-sized enterprises are the ones that recruit less than 500 employees.

Based on the regulations of Sweden, SMEs are the ones that recruit less than 200 employees. Based on the regulations of Canada and Australia, they are the ones that recruit less than 99 employees. Based on the regulations of Denmark, they are the ones that recruit less than 50 employees (Al Mahrouq and Muqabila, 2006).

1.2 Islamic Finance

Small and medium-sized enterprises (SMEs) are funded by Islamic banks. Such funding shall enable SMEs to achieve their goals, and develop. Due to the significance of funding SMEs, Islamic banks today offer many flexible and numerous funding options for those enterprises (Abu Diab, 2003). They provide funding options that comply with the provisions of Shariah. Those funding options are based on the results of economic studies. However, SMEs must provide the Islamic banks with guarantees and securities in order to get funding opportunities. In addition, the Islamic banks must take the financial status of the owners of the SMEs into consideration when deciding to approval funding them (Al-Assarj, 2012).

Islamic financial institutions were established in many countries in order for the owners of SMEs enterprises to avoid dealing with commercial financial institutions. The funding options provided by Islamic financial institutions shall allow the owners of SMEs to achieve economic development and raise their profits. However, the funding conditions and terms of Islamic financial institutions differ from the funding conditions and terms of the commercial financial institutions (Al Mahrouq and Mkabalh, 2006).

The idea of offering (micro and small loans) was developed by a scholar named Muhammad Yunus. Muhammad Yunus is a Bengali scholar who won the Nobel Peace Prize in 2006. He worked as a professor at the Faculty of Economics at Chittung University in Dhaka, Bangladesh. He proposed the idea of offering (micro and small loans) for providing funding opportunities to the poor farmers who take loans from banks with having their lands as securities

Through micro-loans, many farmers took loans without offering their lands as securities. Since the early 1990s, small loans have been provided by several Arab countries. Many banks were established to fund small enterprises. For example, the National Bank was established in Amman, Jordan to fund small enterprises. Other banks and financial institutions were established in other countries for fund small enterprises. They include: Al-Amal Bank in Yemen, Ebdaa Bank in Bahrain, Al-Amal Foundation in Egypt, and other contributions (Abu Shanab, 2015).

During the recent years, there has been an increasing demand on Islamic finance formula. The number of funding options offered by Islamic financial institutions has been increasing. The latter options shall enable the owners of enterprises to improve their financial performance and respond efficiently to crises. They enable the owners of enterprises to achieve social and economic development. They contribute to fostering the national economic growth and development. They are consistent with the provisions of Shariah (Sharrett & Zaghلامي, 2016).

There are many options that are provided by Islamic banks for funding the owners of enterprises. Those options have two types. Those types are:

- a)- Funding options that are based on getting a percentage from the return on investment
- b)- Funding options that are based on indebtedness (Shawarby, 2002).

The following Islamic finance formula are available in Islamic banks and financial institutions (Abu Shanab, 2015):

1. Funding based on partnership: Through this formula, the Islamic financial institution shall fund the enterprise owner, provided that the Islamic financial institution gets a percentage of the profit.
2. Funding based on speculation: Through this formula, the Islamic financial institution shall fund the enterprise, provided that the owner of the enterprise exerts effort and utilize his expertise. Through this finance formula, the profit ratio of each party shall be determined based on a mutual agreement. In case of having a financial loss, the bank only shall incur this loss.
3. Funding based on Murabaha: Through this finance formula, the bank shall purchase the equipment and resources needed by the owner of the enterprise. That applies, provided that the owner of the enterprise pay off the bank the price of such equipment and resources from the profit. In this finance formula, the owner of the enterprises usually pays off such price through installments (i.e. in a gradual manner). In this finance formula, the bank shall get a percentage of the profit margin. The equipment and resources needed for launching or funding the enterprise vary from one sector to another. For instance, the equipment and resources needed in the agricultural sector differ from the ones needed in the construction sector. The equipment and resources needed in the construction sector differ from the ones needed in the industrial sector.
4. Funding based on lease: Through this finance formula, the owner of the enterprise asks the bank to purchase specific equipment he needs. He shall provide the bank with the relevant data about the asset and its specifications, price and source. Then, the bank shall purchase the assets and have it leased by the enterprise owner. When the lease period ends, the enterprise owner may become the owner of the asset through paying a nominal price
5. Funding based on Bai' El-Selem: Through this funding, a full payment is made in advance for specific products in order to deliver those products at a future date. After delivering the products, the source of funding (i.e. the bank) shall sell the products to another party.

Funding small and medium-sized enterprises in accordance with Shariah provision is characterized by the following characteristics: (Al-Da`as and Al-Jararat, 2014):

- Such funding contributes to developing such enterprises. It allows institutions to gain more profit. It contributes to fighting against poverty, and unemployment. It allows the owners of banks and enterprises to meet the social goals
- Such funding isn't limited to specific models. In fact, Islamic banks offer many models of Islamic funding.
- Such funding is free from usury. It's not associated with haram or suspicions issues. However, some people claim that the funding based on Murabahah is a form of usury-based funding that targets the business owners who are religious.
- Such funding is provided with incurring lower costs by the owners of enterprises. That shall enterprises to develop.
- Through such funding, the ceiling of Hasan loan can be raised along with meeting the financial requirements.
- Such funding offers bank many opportunities for getting involved in the investment.
- Such funding is consistent with the relevant provisions of Shariah

2. Statement of the Problem

- Based on the aforementioned information, small enterprises play a major role in fostering the national economic development and growth. They play a major role in increasing the number of the job opportunities in the market. They play a major role in increasing the exports and increasing the gross domestic product (GDP).
- In rural and remote areas, small enterprises play a major role in increasing the number of the available job opportunities. They play a major role in transforming such areas into industrial zones. They play a major role in developing rural and remote areas and their infrastructure. They contribute to ensuring that there is a fair distribution of wealth. Due to the significance of small enterprises, the researchers of the present study believe that it's necessary to conduct studies about small enterprises and the funding issues related to them. Thus, the problem of the present

study is represented in the following question: (What's the role of the Islamic finance formulas in funding small enterprises in Jordan?)

3. The Study's Objectives and Questions

– The present study aimed to explore the role of Islamic finance in funding small enterprises in Jordan. It aimed to explore the degree to which small enterprises in Jordan benefit from Islamic finance formulas from the perspective of the owners of small enterprises. It aimed to answer the questions presented below:

– Q.1. What is the amount of the credit facilities granted to small enterprises in Jordan?

Q.2. To what extent do small enterprises in Jordan benefit from the Islamic finance formulas from the perspective of the owners of small enterprises?

4. The Study's Significance

The present study is significant because launching small enterprises contributes to fighting against unemployment. Launching such enterprises contributes to fostering the growth of economy. Islamic funding has been receiving much attention in Arab and Islamic societies. It contributes to supporting and developing small enterprises. This study is significant because the Islamic funding features allow the owners of small enterprises to avoid the problems derived from other types of funding.

5. Definition of Terms

The researchers of the present study provided definitions for the study's terms below:

– Islamic finance: It refers to the finance that is consistent with the provisions of Shairah.

Small enterprises: They refer to the business entities that include less than 50 employees. This number is set by the definition of the Ministry of Planning and International Cooperation in Jordan.

6. The Study's Limits

The present study targets small enterprises in Jordan. It was conducted in November, 2020.

7. Review of Literature

The researchers reviewed several studies. Those studies are shown below. They are arranged based on the year of publication

Hassan (2020) aimed at shedding a light on the Islamic formulas used for funding small enterprises. He aimed to explore the impact of such formulas on supporting the owners of small enterprises and developing such enterprises. He aimed to shed a light on several concepts that are related to Islamic finance and small enterprises. He aimed to shed a light on the obstacles facing the owners of enterprises and hindering the development of enterprises. He aimed to shed a light on the advantages of the Islamic finance formulas. He found that there are several administrative and marketing barriers hindering the owners of small enterprises from being funded by Islamic financial institutions. He found that the Islamic finance formulas of Islamic banks are very significant and positively affects national economy. He found that such formulas are convenient for funding the owners of small and medium sized enterprises. He found that Islamic banks develop a strategy to provide the owners and staff of small and medium-sized enterprises with the required expertise to enable them to develop their business.

Bilal et al (2020) aimed to analyze the factors which affect the decisions of the owners of small and medium-sized enterprises (SMEs) in Pakistan in terms of choosing to deal with Islamic banks. 400 enterprises in Pakistan were sampled. The latter researchers collected primary data from small and medium-sized enterprises (SMEs) in the Central Punjab, Pakistan. Several inferential statistical methods were used to reach results. The latter researchers found that the reputation of the bank in terms of corporate governance, the governmental support, the relative advantage, the perceived behavior control and the subjective norms affect the decision of the enterprise owners in terms of choosing to deal with Islamic banks in Pakistan. They found that Islamic banking positively affect the development of small and medium-sized enterprises (SMEs) in Pakistan.

Djemaa (2018) investigated the main challenges hindering small and medium-sized enterprises (SMEs) from choosing Islamic finance options. He aimed to shed a light on the concepts related to Islamic finance. He found that the Islamic finance formulas allow the owners of SMEs to borrow long-term loans. He found that such formulas foster economic growth. He found that the governmental support and amount of knowledge contribute to showing creativity in the finance formula.

Sharrett & Zaghlami (2016) add that Islamic banking and finance are significant. They aimed to shed a light on the

role of Islamic finance in developing various economic sectors in Malaysia. Furthermore, they add that Islamic finance options contribute to increasing the available investment opportunities. They add that Islamic banking and finance have a significant positive impact on gross domestic product (GDP) in Malaysia.

Abu Shanab (2015) shed a light on the role of Islamic finance formulas in funding small and medium-sized enterprises in the Hashemite Kingdom of Jordan. He investigated the role of the Islamic finance formulas in supporting small and medium-sized enterprises in Jordan. He add that such enterprises face many funding-related problems. He found that Islamic finance formulas are convenient for the owners of small and medium-sized enterprises (SMEs) in Jordan. He found that Islamic finance formulas contribute to fighting against poverty and unemployment in Jordan.

Al-Da`as and Al-Jaarat (2014) shed a light on the role of Islamic banks in developing small and medium-sized enterprises through funding them in Jordan. They aimed to explore how convenient the Islamic finance for SMEs in Jordan. They target Jordanian Islamic banks. To be specific, the study of the latter researchers was conducted in the Jordanian Islamic Bank. It was found that the most prevalent reason behind choosing Islamic finance formulas is represented in the belief that such formulas are halal under Shariah. The need to submit guarantees and the procedural complications hinder the owners of SMEs from getting loans by Islamic banks.

Al-Assarj (2012) investigated the role of Islamic finance in developing small and medium-sized enterprises. He investigated the most significant Islamic finance formula for the owners of small and medium-sized enterprises (SMEs). He investigated the advantages of Islamic finance. He investigated the most important obstacles hindering the owners of small and medium-sized enterprises (SMEs) from being funded through the Islamic finance formulas. He found that Islamic finance formulas are very significant. Such formulas are fair for both parties of the transaction. However, the interest-based lending system guarantees the right of the loan holder at the expense of the borrower. The latter researcher found that there are many regulations in Sharia that guarantee the investment of money in a good manner. He shed a light on the advantages of Islamic finance formulas. Such formulas provide the owners of enterprises with funds. They improve the financial status of the owners of enterprises. They contribute to achieving justice in terms of the distribution of wealth. They contribute to fighting against poverty and unemployment. They contribute to increasing the available job opportunities.

Al-Sameerat (2009) investigated the financial and administrative problems that the owners of small enterprises face in the Southern Region of Jordan. He sampled 260 enterprises. He used a questionnaire for collecting the required data. This questionnaire sheds a light on 5 dimensions (i.e. establishment, financing, administration, state support and the surrounding environment). The latter researcher found that the means of (the lack of sufficient capital) and (the lack of guarantees required for borrowing) are ranked first. Those problems hinder the owners of small enterprises from obtaining funds through Islamic finance formulas. The latter researcher add that funding small enterprises is essential for developing small enterprises.

Ahmad (2003) aimed to shed a light on the actual and influential role of Islamic banks in generating wealth and reducing poverty through funding small projects. He aimed to demonstrate the social role of Islamic banks. He conducted his study in the Bangladesh Islamic Bank Limited and the Islamic Development Bank. He found that there are several interest-based banks that fund the owners of small enterprises through offering Islamic finance formula. He found that the Islamic finance formula of Islamic banks is less costly than the interest-based finance formula of other banks. Thus, the owners of small enterprises can gain more profits through getting choosing the Islamic finance formula of Islamic banks.

Al-Hakim (2003) investigated the role of the Islamic finance contracts in Islamic banks. He explored the difference between Islamic finance formulas and interest-based finance formulas. He aimed to explore the importance of the Islamic finance contracts. He found that Islamic finance contracts meet the needs of the owners of small enterprises. He found that Islamic finance formulas are characterized with flexibility. He found that Islamic finance formulas enable the owners of enterprises to gain more profits.

Rihan (2003) aimed to shed a light on the significance of funding small enterprises. He reviewed the literature related to the economic and social advantages of founding small enterprises. He aimed to explore the risks and difficulties associated with funding small enterprises. He found that the Islamic finance formulas in general and murabahah in particular are the most convenient finance formula for funding small enterprises.

The aforementioned studies shed a light on the significance of small enterprises in economy. They shed a light on the role of Islamic finance formulas in developing small enterprises. The results of the aforementioned studies indicate that the Islamic finance formulas contribute to increasing the number of small enterprises and foster economic

development. They indicate that Islamic finance formulas increase GDP and fight against poverty and unemployment in society. They indicate that Islamic finance formulas increase the number of the available job opportunities in the market. Reviewing the aforementioned studies assisted the researchers of the present study in developing the questionnaire and choosing the relevant statistical analysis methods

8. Methodology

8.1 Approach

The researchers of the present study adopted a descriptive analytical approach in order to meet the study's goals. They used a questionnaire to collect the required data from the owners of small enterprises. They also collected data from the Central Bank in Jordan.

8.2 Population and Sample

The population of the present study is represented in all the owners of the small enterprises that are located in Jordan. The sample of the present study consists from 300 owners of small enterprises in Jordan. Questionnaire forms were distributed to those sampled owners through via e-mail. The questionnaire collects data about the degree to which small enterprises in Jordan benefit from Islamic finance formulas from the perspective of the owners of small enterprises. All the distributed questionnaire forms were retrieved and analyzed.

Table 1. Data about the sampled owners of small enterprises

Variable	Category	Frequency	Percent
Gender	Male	132	44.0
	Female	168	56.0
	Total	300	100.0
Sector	Industry	115	38.3
	Services	96	32.0
	Hospitality	89	29.7
	Total	300	100.0
Number of Employee in their enterprise	10 – less than 20 employee	33	11.0
	20 – less than 30 employee	76	25.3
	30 – less than 40 employee	121	40.3
	40 – less than 50 employee	70	23.3
	Total	300	100.0

8.3 The Study's Instrument

The questionnaire of the present study was developed. It was developed based on the relevant literature. It consists from ten (10) statements. Those statements aim at collecting data about the degree to which small enterprises in Jordan benefit from Islamic finance formulas from the perspective of the owners of small enterprises. The five point Likert scale was adopted. It consists from the following categories: (never, rarely, sometimes, often and always). The following scores represent those categories respectively: (1, 2, 3, 4 and 5).

8.4 Validity of the Instrument

The validity of the questionnaire refers to the capability of the questionnaire to measure what's intended to measure. It was measured through passing the initial version of the questionnaire to two experts in order for them to evaluate it. Those experts were asked to assess the questionnaire in terms of language, clarity and relevancy. They added that the questionnaire is free from language mistakes, clear and relevant to the goals.

8.5 Reliability of the Scale

The reliability of the questionnaire was measured through calculating the Cronbach alpha coefficient value. The value of Cronbach alpha is 0.81. It indicates that the questionnaire offers reliable results.

8.6 Methods & Statistical Analysis

The SPSS program was used for analyzing the collected data. Several methods were used to analyze data statistically. For instance, the researchers calculated frequencies, percentages means, standard deviations and Cronbach alpha coefficient value. They conducted the multivariate analysis.

The following criteria were adopted to classify the study's means:

1–2.49: low

2.50–3.24: moderate

3.25–4: High

9. Results and Discussion

9.1 Results and Discussion Related to the Study's First Question

Q.1: What is the size of the credit facilities granted to small enterprises in Jordan?

The size of the credit facilities granted to small enterprises in Jordan (in million JDs) during the period (2016- 2020) is presented in Table 2. The data about that is collected from the records of the Central Bank of Jordan (2020).

Table 2. The size of the credit facilities granted to small enterprises in Jordan (in million JDs) during the period (2016- 2020)

Period		Credit Facilities granted to Small-Sized Enterprises
Q1 2016	Mar-16	518.2
Q2 2016	Jun-16	533.4
Q3 2016	Sep-16	510.3
Q4 2016	Dec-16	518.0
Q1 2017	Mar-17	592.1
Q2 2017	Jun-17	588.3
Q3 2017	Sep-17	590.2
Q4 2017	Dec-17	608.2
Q1 2018	Mar-18	647.2
Q2 2018	Jun-18	655.1
Q3 2018	Sep-18	676.0
Q4 2018	Dec-18	702.5
Q1 2019	Mar-19	870.2
Q2 2019	Jun-19	708.9
Q3 2019	Sep-19	715.8
Q4 2019	Dec-19	719.0
Q1 2020	Mar-20	735.3
Q2 2020	Jun-20	786.2
Q3 2020	Sep-20	848.0

Source: The data was collected from the records of the Central Bank of Jordan (2020)

Based on Table 2 and Figure 1, the size of the credit facilities granted to small enterprises in Jordan (in millions)

during the period (2016- 2020) contributes to achieving growth. It is less than one billion JDs. There is a fluctuation in such data. It was found that the

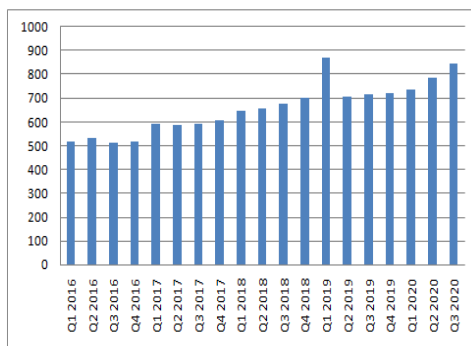


Figure 1. The size of the credit facilities granted to small enterprises in Jordan (in million JDs) during the period (2016- 2020)

The size of the credit facilities granted to small enterprises in Jordan during the first quarter of the year (2016) is 518.2 million JDs. In addition, the size of the credit facilities granted to small enterprises in Jordan during the third quarter of the year (2020) is 848.0 million JDs. These values indicate that small enterprises play a significant role in economy

This indicates that small enterprises constitute an important percentage in the transactions that banks provide to institutions in the private sector of all sizes, and here highlights the important countries for financing in providing assistance to small enterprises and their development, increasing economic growth, achieving economic development and community well-being.

9.2 Results and Discussion Related to the Study’s Second Question

Q.2. To what extent do small enterprises in Jordan benefit from Islamic finance formulas from the perspective of the owners of small enterprises?

Table 3 presents the means and standard deviations of the respondents’ attitudes towards the degree to which small enterprises in Jordan benefit from Islamic finance formulas from the perspective of the owners of small enterprises.

Table 3. The means and standard deviations of the respondents’ attitudes towards the degree to which small enterprises in Jordan benefit from Islamic finance formulas from the perspective of the owners of small enterprises

No	Statements	M	S.D	Rank	Degree
6	The owners of small enterprises face difficulty in getting conventional and Islamic funding opportunities	3.99	0.945	1	High
3	Islamic finance formulas aren’t beneficial for Islamic banks	3.98	0.962	2	High
1	Islamic banks are not interested in funding small enterprises	3.88	0.846	3	High
2	Islamic finance formulas are free from the problems associated the other finance formulas	3.82	0.990	4	High
4	Islamic finance formulas meet the needs of the owners of small enterprises	3.81	0.980	5	High
5	Murabaha is the Islamic finance formula that’s desired the most	3.79	0.971	6	High
10	Murabahah contributes to increasing circulation of money due to its short payoff period	3.78	0.998	7	High
8	Murabaha is the most prominent Islamic finance formula among the owners of small enterprises	3.77	1.003	8	High

7	Islamic finance formulas are convenient for funding all types of enterprises (e.g. commercial, industrial, agricultural enterprises)	3.75	0.994	9	High
9	There is a need for increasing the number of Islamic banks in Jordan to increase the severity of the competition between these banks	3.72	0.970	10	High
Total		3.77	1.028		High

Based on Table 3, the degree to which small enterprises in Jordan benefit from Islamic finance formulas from the perspective of the owners of small enterprises is high. That is because the overall mean is 3.77 which are high. The overall standard deviation is 1.028.

Statement (6) states the following: (The owners of small enterprises face difficulty in getting conventional and Islamic funding opportunities). The mean of the latter statement is 3.99 which are high and ranked first. Statement (9) states the following: (There is a need for increasing the number of Islamic banks in Jordan to increase the severity of the competition between these banks). The mean of the latter statement is 3.72 which are high and ranked last.

The results of the present study are consistent with the results reached by Hassan (2020). The latter researcher found that the Islamic finance formulas offered by Islamic banks are very important. He found that such formulas are convenient for funding the owners of small enterprises. The results of the present study are consistent with the results reached by Sharrett & Zaghlami (2016). The latter researchers found that the Islamic finance formulas offered by Islamic banks have a significant positive impact on economy and GDP.

10. Conclusion

It was found that the size of the credit facilities granted to small enterprises in Jordan during the period (2016- 2020) contributes to achieving growth. It is less than one billion JDs. It was found that the extent to which small enterprises benefited from Islamic finance is high. The Islamic finance formula includes: funding based on partnership, funding based on speculation, funding based on Murabaha, funding based on lease and funding based on Bai' El-Selem. They play a significant role in funding and developing small enterprises in Jordan. They play a significant role in increasing the profits and earnings of the latter enterprises. Thus, they contribute to developing national economy in Jordan and raising the job opportunities available for Jordanians. Increasing such opportunities shall contribute to fighting against many economic and social problems faced by Jordanians. It shall contribute to reducing the rates of poverty in Jordan.

11. Recommendations

The researchers recommend:

- Developing the Islamic financing formulas offered by Islamic banks. That shall contribute to developing small enterprises
- Increasing the number of Islamic banks in Jordan to increase the severity of the competition between those banks

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