Islamic finance a lever for the growth of social entrepreneurship

Salma DRISSI *(Ph.D Student)*
Laboratory in Entrepreneurship, Finance and Audit
National School of Business and Management (ENCG)
Agadir, Morocco.

Sara DEHBI *(Ph.D Student)*
Laboratory in Entrepreneurship, Finance and Audit
National School of Business and Management (ENCG)
Agadir, Morocco.

Fatima-Zohra ABOUSAID*(Ph.D Student)*
Laboratory in Entrepreneurship, Finance and Audit
National School of Business and Management (ENCG)
Agadir, Morocco.

Khadija ANGADE *(Ph.D)*
Laboratory in Entrepreneurship, Finance and Audit
National School of Business and Management (ENCG)
Agadir, Morocco.

Abstract— **« The mightiest power of change is a new idea in the hands of a real entrepreneur » (Kayser & Budinich, 2015). In making this quotation, Oliver Kayser was well aware that social entrepreneurship, apart from being a new solution that meets needs that neither the public nor the market cannot solve, is based above all on human values such as easing the burden of the restricting informal economy for people as well as helping some social groups, namely women and youths to emancipate. More than that, it could even provide financial assistance to certain large development projects. In the same vein, Islamic economy in its social view doesn't allow the practice of usury because it leads to unjustifiable enrichment. Therefore, Islamic finance is a finance which claims to have entrepreneurship and which seeks to develop all activities that generate income and fosters entrepreneurship initiative. In order to take on its role as a means of development in sharing profits and losses, Islamic finance seeks to find solutions to the different difficulties that hinder the development of social entrepreneurship**

Keywords-component: social entrepreneurship; activities; income and fosters; sharing profits.

I. INTRODUCTION

About twenty years ago, the emergence of a new form of entrepreneurship has entered the world, bringing both an efficient economic approach and a social value. This new mode of entrepreneurship presents promising prospects by bringing innovative and effective solutions to social or environmental problems. It is about social entrepreneurship. The new phenomenon, which has become an important and relevant subject of research, presents itself as a new management model that attempts to invest in sectors abandoned firstly by classical firms because of their low profitability. In a second by the public sector in a context of drastic reduction of public expenditure in order to provide innovative and lasting solutions to the various social and environmental problems.

By making a comparative analysis between social entrepreneurship and Islamic finance, strong resemblances to the values of justice, equity, equitable distribution of wealth and risk sharing that for years regulate the behavior of the Muslim individual as a whole, including the economic component emerging in such a way that Islamic finance and social entrepreneurship converge towards the same objectives. Indeed, the Islamic religion encourages, on the one hand, the entrepreneurial spirit and the trade. On the other hand, it allows the risk to be taken and guarantees the profit [16].

The most striking feature of Islamic finance lies in the fact that it takes into account in its analysis of economic rationality the imperative of social justice by forbidding the Riba, the hazard and the practice of interest. Thus, Islamic finance is fully in line with the so-called ethical finance, seeing as an entire compartment [15].

In order to assume its vocation as a vehicle for the development of the world's interest in society [6] Islamic finance has perfected participatory instruments as alternative financing techniques contributing to the encouragement of the entrepreneurial initiative in which ethics plays a decisive role according to a framework, principles and values well defined [25].

II. PRESENTATION OF THE CONCEPT OF SOCIAL ENTREPRENEURSHIP

As is the case for several emerging economic phenomena, it seems clear that there is no standardized definition of social entrepreneurship [26]. Despite the remarkable diversification of the definitions attributed to social entrepreneurship, there is a consensus both on the multidimensionality of the concept and on the presence of dual allegiance to the concept of entrepreneurship or to the qualification of social [22].

In addition, there are a few definitions of social entrepreneurship, starting with, for example, the OECD

(Organization for Economic Cooperation and Development), which defines social entrepreneurship as a new form of entrepreneurship which seeks to provide innovative solutions to unresolved social issues and problems. As a result, this new model of entrepreneurship often goes hand in hand with social innovation processes aimed at improving people's lives by supporting social change [11].

Other more in-depth definitions seek to identify the concept referred to above by analyzing its two components (Entrepreneurship and Social).The first component, entrepreneurship, i.e. action to create wealth or employment by creating or taking over a business by detecting an opportunity to invest in a specific activity. The second component is the so-called "social" qualification, which is described as a process of social innovation that allows new approaches, new practices or new products to be implemented in order to prevent, Social problem not satisfied [5].

As with all entrepreneurial initiatives, human talent, qualification and motivation are essential to the success of any project, including social [12].

At the same time, when social entrepreneurship has as its mission the reconciliation of an economic efficiency and a social goal, the adoption of a professional approach becomes an obligation that determines the success of the project [1].

In his article published in the daily newspaper *Les Echos* (June 15, 2006), Thierry.Sibieude points out that the social entrepreneur is an innovative person because he identifies what does not work and then seeks to solve it by citing the famous example of Muhammad Yonus, the founder of microcredit [1].

Moreover, a social entrepreneur is an economic agent who is not connected to the public sector even if his main task is to solve social and environmental problems. The social entrepreneur, unlike a classical economy that seeks to maximize its gains, seeks to generate resources to maximize the social value created.

For Paredo and McLean (2006), the social entrepreneur is a person with some interesting characteristics to identify as follows:

A person who is constantly on the look-out for market opportunities:

- Concentration on long-term capacities;
- Exploiting new strategies to create social value;
- Risk tolerance;
- The search for diversification of financial sources.

Thalhuler (1998), having established a comparison between entrepreneurs, ends by distinguishing between two categories of entrepreneurs: for-profit and other designated social [7]. Their distinctions are based on a variety of variables: number of individuals involved, goal, vision, scope, benefits, risk-taking and autonomy [3].

The objective that a social entrepreneur sets himself, i.e. the development of a social action to solve a social or environmental problem, distinguishes him from a classical entrepreneur. However, we can qualify these different entrepreneurs often leaders of large multinationals as being social because they create a school within their companies for the children of their staff or because they create a school in an urban area in a country Developing countries such as the Michelins or Citroën?

Indeed, for these large enterprises, social objectives were secondary; they were even the counterpart of a human resources management policy aimed at retaining and motivating staff.

The legal status (an association, a cooperative, a limited liability company and even a public limited company) is not a determining criterion to qualify a promoter as a social entrepreneur.

What remains as a determining criterion is the adoption of an explicit objective in the service of the general interest. However, many business leaders were convinced that their projects were social: Henry Ford, Bill Gates, historical entrepreneurs who sought to improve the accessibility of the popular classes to technical progress [7]. What brings us back to presenting the definition of entrepreneur as J.A Schumpeter does « the *entrepreneur has the function of innovating; To do this, he realizes new combinations of factors of production and makes available to all budgets ... to have new products that the most powerful monarchs of the past could not imagine»*[29].

Would the social entrepreneur be a person operating in a market which is by definition a place of socialization since it connects several economic agents through the exchange of goods or the division of labor [11]?

Whether it is a social entrepreneur or not, it is a person capable of developing his activity, being in a situation of intelligence to detect the investment opportunities and to have a better knowledge of the environment in which he is inserted [19].

Thus, even for a social entrepreneur, the adoption of a long-term vision of his project is a necessity which is imposed in the current economic context marked by high instability. Such a situation encourages social entrepreneurs to adopt a long-term vision of decisions made in the present, possibly with regard to financing [31].

III. ISLAMIC FINANCE AT THE SERVICE OF SOCIAL ENTREPRENEURSHIP

Access to financial resources is vital for the creation of most new enterprises, including social enterprises. The majority of these enterprises are financed by a combination of market resources, non-market resources such as government subsidies and private donations, or non-monetary resources such as voluntary work [9].Finally, complete content and organizational editing before formatting. Please take note of the following items when proofreading spelling and grammar:

Obviously, government subsidies prove to be very useful especially in the first stage of development of the company. However, the need for secure and long-term financing is vital for sectors that are unable to finance themselves, such as companies initiated by social entrepreneurs. The use of bank loans is one of the main sources of financing used by the majority of enterprises. The latter can find a wide range of financial products designed in the banking market in line with the company's life cycles (restart, start-up, consolidation and growth).

However, social entrepreneurs can barely access bank financing. Banking institutions refuse to finance these companies, as they do not meet the predicted risk criteria and do not seem to have sufficient guarantees to defend their projects. As a result, social entrepreneurs must seek new financial partners or lower their development ambitions [9].

A. Islamic finance driving social entrepreunership

Conceived about 40 years ago by referring to religious sources namely the Koran and the Shari'ah, Islamic finance is a practice that has become increasingly important in recent years. By integrating into the global economic landscape as an original economic system, the Islamic financial system promotes more responsible, ethical and closer to the real economy.

In fact, the Islamic financial model presents itself as an ethical and sustainable alternative based on the sharing of profits and losses [25].

It is an innovative system which adopts a vision of supporting economic growth by taking into account certain human values, namely the equitable distribution of wealth, the sharing of risk, justice and solidarity. He seems to be a model capable of moralizing a highly criticized financial capitalism.

Thus, while the conventional bank favors the holders of capital or property liable to be mortgaged, Islamic finance gives its chances to dynamic but not very fortunate entrepreneurs [25].

Many economists like Chapra think there is a strong link between social entrepreneurship and the initial principles of Islamic finance [30]. Indeed, social entrepreneurship has aspects that are compatible with the Shari'ah in particular in the valorization of entrepreneurial practices in addition to its moral and social objectives designed to promote the equity and well-being of society in total [13].

B. Modern Islamic Finance : Ethical and more responsible investment principales

As mentioned above, Islamic finance is a finance that is responsible and ethical; it simultaneously valorizes investment, development and risk sharing by encouraging the entrepreneurial initiative both private and public. It is a new emerging industry, with strong growth and diversification of products.

In the beginning, before reaching this stage of maturity, the principles of Islamic finance were just explanations from the Muslim jurists "Sheikhs" specialized in the case law of economic transactions (Fiqh Almouaamalet). Secondly, these explanations were rather criticisms of the different economic systems already existing. So we had to wait until the last quarter of last century before we could talk about Islamic finance as an independent economic thought and as an industry.

Thus, the emergence of a set of institutions and instruments that respect the Shari'ah principles with their own mode of operation and their own legal framework are emerging to institutionalize Islamic finance. It is a question of Islamic banks which have begun to crystallize its foundations to produce an operational economic system that can accompany environmental changes.

Indeed, Islamic finance is based on the following principles:

- The ban on interest-bearing loans (the Riba).
- The prohibition of excessive risk (Al Gharar).
- The materialization of trade or the need for an underlying asset.
- Sharing risk and profit.
- The prohibition of the sale of things that one does not possess.
- The prohibition of illicit activities.
- The prohibition of deferred exchange of standard values.

Since funding is the major operation that allows the start-up and survival of every entrepreneurial initiative, including projects in the context of social entrepreneurship, access to such funding is not such an easy task. The Islamic financial model, however, seems to find new impetus in the development of this mode of entrepreneurship through the development of a series of Islamic financial products meeting the same needs as traditional financial instruments [16].

IV. PARTICIPATORY FINANCING TECHNIQUES: A NEW LEASE OF LIFE FOR SOCIAL ENTREPRENEURS

The creation of any business requires an integrated set of resources and skills in addition to a favorable economic environment enabling the operational use of these factors. The entrepreneur here to take up the definition of J-BSAY, «*Is the intermediary between the savant who produces knowledge and the worker who applies it to industry* » [7].

Nevertheless, the creation of a social enterprise may seem more difficult than the creation of a classical enterprise because of the great difficulty encountered in accessing financing, given the limited understanding of social entrepreneurship and the social value it generates.

For Arnaud HENRY (2008), social enterprises are faced with the same funding requirements as traditional firms. They must therefore have the financial resources for day-to-day operations (remuneration of personnel, purchase of goods and services, etc.) as well as the means to make the investments necessary for the pursuit of their mission [23].

Kinvi Logossah, Chantal Hervieux and Bouchra M'Zali (2015) have agreed that several principles of Islamic finance suggest points of convergence with social entrepreneurship

[20]. Obviously, both systems integrate extra-financial elements (solidarity, ethics, environmental) in their choice of management strategies.

Among the various Islamic financing techniques, participatory financing techniques are advocated as they move closer to the spirit of entrepreneurship and accompany social investments.

A. Participatory instruments: a lever for the development of social entrepreneurship

One of the key pillars of Islamic finance is the ban on interest, hence the introduction of new so-called alternative techniques based on two basic principles: profit sharing and losses (PSL) and margin Beneficiary (MP).

For the principle of three Ps (sharing of profits and losses), the investor is entitled to an income on the credit he has granted to the contractor as well as the loss if the project fails. For this type of contract, financial instruments have been designed by Islamic finance to meet this need: Moudarabah and Mourabaha.

1) The Mudaraba

This is a very common financing technique in Islamic banks. In other words, this operation brings together two economic agents: an investor (Rab Al Mal) who provides the capital and an entrepreneur (Moudarib) who must manage the project through his expertise. The profits generated are shared between the two parties on the basis of a percentage of profit fixed in advance. In the event of loss, the investor must bear the entire deficit. As for the entrepreneur, the latter renounces a variable remuneration for his work. Today, Mudaraba can be applied to various economic activities.

However, it should be borne in mind that projects likely to be financed under the Moudaraba contract must satisfy certain criteria with the exception of certain illicit activities (gambling, alcohol). In addition, a firm that actively uses traditional borrowing cannot benefit from such an Islamic product according to the strict interpretation of Sharia. However, and in order to encourage entrepreneurial spirit, Islamic law specialists have designed a debt tolerance rate with an interest rate [20].

2) The Musharaka

It is a contract of association whereby two or more parties, if any, an Islamic financial institution and a client associate in order to contribute to the capital of a company or the investment of a given project Either for an existing or new company on a permanent or temporary basis. As to the profits generated by the project, the company or the activity, the two parties above, share them in accordance with the terms of agreement of the contract. As for the losses, they remain relative to the share of each partner in the capital. The application of this method of financing can take two forms:

- The application of the Moucharaka contract by a contract of permanent participation in the capital (Moucharaka athabita).
- The mode of participation decreasing or digressive.

3) The permanent Musharakah

For this mode of Musharakah, the Islamic financial institution partially participates in the financing of a given project. Consequently, the bank becomes a partner in the true sense of the word in the project. In other words, it has the right to participate in the management, supervision and distribution of both profits and losses according to the terms governing the Moucharaka contract [14]. In this type of situation, each party in the contract is satisfied with its share as defined at the beginning of the agreement until the end of the agreement or the project.

In this category of permanent Musharakah, there are two sub-categories. The first, permanent and unlimited in time: it is directly linked to the project which will self-finance itself. As for the financial institution, it remains a full partner since the project is in force and functioning flawlessly. For example, a car industry [17].

The second category, permanent and limited in time: it is a form of permanent Musharakah, with opposite characters. It shares the criterion of permanence with the first category in the sense that the partners always retain the right of ownership and the sharing of profits and losses. This one differs from the first mode in that it stipulates a specific clause to the funding period of a project; For example, the financing of an agricultural project remains limited by the season of sale [17].

4) The declining Musharakah (Muntakisa)

Although the permanent Musharakah is the classic form of participation in a project so that each partner holds a fixed share until the expiry of the contract, Islamic economic thought has developed a new form of Musharakah, called digressive or participatory ending to give young entrepreneurs the opportunity to develop their own project. It is a new version of Moucharaka giving right to an acquiring partner, most of the time a young entrepreneur, the opportunity to acquire the entire property of the company by buying the share of his partner that is a single or gradually up to the total acquisition of the business.

In order to regulate this new version of the Moucharaka contract, the international council of Islamic jurisprudence (Majma 'al-Fiqh al-Islamiy ad-Dualiy) defined the legal conditions necessary for the conclusion of a digressive participation contract:

- A digressive participation: one of the two partners undertakes to gradually buy back the other party's share with a freedom to pay the share acquired from his share of the income of the project or from other resources ;
- The conclusion of a digressive participation contract: the contract of Moucharaka that it is permanent or decreasing must mention the share of each partner in the capital of the company, whether it is a contribution in cash or In kind as well as the methods of sharing the profits or losses according to the share of each partner in the capital contributed.
- A digressive participation contract is characterized by the existence of a clause signaling a promise by one of the two parties to acquire the share of the other

provided that the other party retains the option of acceptance Or refusal. This condition requires the notification of each cessation of a gradual share by a contract of sale in order to attest the will of the purchase of one party and the acceptance of sale of the other.

- Each of the two parties constituting the company has the right to lease the part of its partner by receiving a well-defined sum for a fixed period, but the two partners will remain responsible for the management of their business each according to its initial contribution.

In this context, when the objective of venture capital is to accompany and assist a series of projects selected to realize capital gains on the sale of participations, participatory Islamic finance contracts, Moucharaka and Murabaha aim, beyond the same objectives sought by venture capital, to make profitable the funds invested and objectives of social order [10] .

5) Specific Musharaka contracts: the Mussakat and the Mouzarâa (the sharecropping)

These are two Moudaraba-based participatory financing contracts practically applied in the agricultural sector. It is a form of partnership that brings together holders of capital (naked or planted agricultural land) and entrepreneurs with expertise in the field. Like a Mudaraba contract, the contractor retains the right to exclusive management of the project without the intervention of the owner of the land. However, profit sharing (grains and fruits) follows the same modality applied in a Moudaraba contract depending on the initial contribution of each party. The particularity of this contract is the fact that this association involves only fixed assets and labor without any transfer of financial flows.

In addition, a two-way funding act can be carried out. On the one hand, the owner keeps the option of deferring payment of production costs until the date of harvest. That is, the entrepreneur. On the other hand, the owner leases his farm property to the contractor and immediately cashes his pension.

B. Islamic financial instruments based on the sale

1) Ijara

An Ijara contract in the lexicon of Islamic finance or leasing contract for conventional finance is a financing technique through which the Islamic bank buys an asset and puts it at the disposal of a contractor to exploit it in return for a Rent payment. At the time the contract expires, the buyer receives the call option. However, this option is only operational if the customer expresses his willingness to purchase the property in question. The particularity of this method of financing lies in the fact that the risk associated with the property remains the responsibility of the Islamic financial institution. As for cash flow, they are structured to cover the cost of the asset and provide a fair return on the same asset to the Islamic bank in general.

After recovering its cost and fair return, it can simply sell the asset or sell it at a nominal price to its customer. This transfer of the right to acquire the asset is found only in one of the derivatives of Ijara contract called Ijara and Iktina.

2) Istinâa

It is a business contract whereby a contractor undertakes to develop or manufacture a product that meets clear specifications for a specified price and to deliver it after an agreed period of time.

The Istisnâa contract becomes a financing technique only if the price is advanced before the date of delivery of the property in question.

3) The sale Salam

Baye-salam is a deferred delivery contract. Indeed, this is an agreement where the delivery takes place at a later date in exchange for a spot cash payment. Unlike the mechanisms of Murabaha and Ijara, Salam or Salaf was originally conceived as a financing mechanism for small farmers and traders. Under a Salam agreement, a farmer or a trader remains in need of short-term funds, they then sell their products or merchandise to an Islamic bank on a deferred delivery basis. They receive the full price of the on-site merchandise that serves them. On a future date agreed upon in advance, they deliver the goods to the bank which sells them on the market at a prevailing price. It thus benefits from the price opportunities that arise and protects itself from the fluctuations in commodity prices [28].

4) The Mourabaha (Bai Muajjal)

Bai muajjal or Mourabaha is a sales contract with a profit margin where the payment of the price is carried over to a later date. The mechanism can be described as follows: A customer, who needs a product X, approaches an Islamic bank in order to acquire the property in question. This one, proceeds to the purchase of the aforementioned property of the supplier with a price that is also known by the customer. Then it sells the same good to its customer at a marked price, called P + M where M is the agreed profit or increase taken by the bank. The payment of the P + M price is now postponed to a later date and is paid in full or in part. In a Murabaha, both parties must know the cost and the benefit or the markup. When the seller does not disclose the cost and profit, it is called Musawama.

C. Funding techniques based on charity

1) The Zaqât

The Zaqât, the third pillar of Islam, is often regarded as a simple religious duty; it fulfills a major role as well economic as social. It presents a complete economic system which seeks to preserve the dignity of the individual within his society, to achieve a better satisfaction of material needs and to achieve full employment in a dynamic and evolving economy.

On the other hand, and contrary to conventional tax, the Zaqât is distinguished by a wider field of application being imposed on income, wealth and latent [6].

For Abdeljabbar Bessais (1997), the Zaqât can fulfill the role of stabilizer of the economic cycle in both expansion and depression. To better illustrate the impact of the Zaqât in economic phases, it is appropriate to start with the role of investment stimulator. Indeed, in an Islamic economy marked by a large number of capital holders, the obligation to pay the Zaqât leads them to move towards the investment of their capital instead of hoarding them. The triggering of this process provokes a multiplier effect through the introduction of new investors, hence the phenomenon of expansion of the economic cycle. In the same context, the Zaqât may have another effect on investment through the transfer of funds collected to the beneficiaries of the Zaqât prescribed by the Qur'an. From the microeconomic point of view, the poor and the needy have a higher propensity to consume than a rich category. For El Kettani, the funds collected by the Zaqât can be used to finance income-generating projects for disadvantaged or insecure social strata. They increase their consumption rate as their incomes increase, obviously not with the same proportion of growth as consumption, but enough to create a global demand that investors do not try to miss. This is an opportunity for them to start producing goods and services for the benefit of this category whose income has just been increased [6].

After presenting the economic dimension of the Zaqât, it is essential to mention the two remaining dimensions, namely moral and social .The Zaqât, being a social investment, remains an institutional system of social protection against unemployment well before the unemployment insurance schemes first appeared in Europe at the beginning of the 20th century. If, in the conventional economic system, private insurance is needed to guard against the vagaries of life. In the so-called system, the risk is socialized. In other words, individuals are entitled to minimal protection beyond being contributors to the financing of the bottom of the Zaqât or not. This is the case for unemployed persons who have received funding for their projects and who can in turn contribute to the financing of the funds allocated to them [4].

As for the moral dimension, the unfair distribution of income and wealth generates social unrest. In this case, Zakat becomes an appropriate means of prevention against the harmful effects of social inequalities that lead to a breakdown in the proper functioning of society.

2) Al Qard Al hassan

Or free credit, it is mainly part of the social role that the microfinance institute occupies in society. The free loan (al-hasan loan) is required under penalty of seeing the contract absolutely void (batil). The object may be fungible goods (al-qard), such as silver, or non-fungible in the context of the loan for use (al-ariyat). This last loan is the one with the highest value in Islamic morality because it concretizes an aid to the close. The mechanism is simple: an economic agent borrows a certain amount of money for a fixed period or not. Repayment shall be made without payment of interest at the agreed date [16].

Currently, several Islamic microfinance institutions have used the contract of Qard Hassan to introduce it to the list of products offered in Islamic microfinance that targets young entrepreneurs. The most important feature of this type of contract is that there is no pre-determined repayment date. In another way, when the lender requests the amount of the loan, the debtor must immediately reimburse it. This mechanism is important in mobilizing in a fabulous way the level of debtors' savings in microfinance institutions [2]. Savers in these institutions can become creditors and so on.

3) The waqf

For Feddad (2009), the exploration of the meaning of the Waqf concept requires the successive presentation of its linguistic and actual meaning. On the linguistic side, the term Waqf refers to inalienable goods whose usufruct is devoted to a religious or public utility institution [33].

As for the use plan, al-Waqf is a "*sadaqa jarriya*" which can be defined as "*possession of a property, converted from private property to social property, and the usufruct of the generated income is allocated to Well-defined beneficiaries* "[33].

Indeed, Waqf practices are no longer a new product developed by contemporary Islamic finance; it is a practice that goes back to the time of the prophet. Subsequently, these practices were institutionalized in order to gain scope and importance and to cover a range of social needs such as the funding of universities or hospitals.

It is a participatory social financing technique par excellence because it allows supporting projects of the young entrepreneurs who renounce, if necessary, their projects failing to find a source of financing. Like Qard Hassan, the Waqf is a practice that illustrates the sense of solidarity and social cohesion between the different strata of Islamic society. For El Kettani, the Waqf has many dimensions, moral, social and economic. If, for example, the Zaqât maintains a temporal aspect, the flow of a lunar year, the Waqf is a lasting gift that can span generations and whose rewards, utility and the resulting effects increase during the life of the donor and continue after his death. For the social dimension, Waqf allows the generation of incomes that can satisfy the needs of the injured social strata by improving the quality of life for the vulnerable social strata. For Hussein Nagamia (1992), all hospitals in Islamic countries were financed through the income generated from Waqf [25]. In addition, the Waqf also has a cultural dimension evoked by Ibn Khaldûn in his "Muqaddima" by presenting the role of Waqf in the care of students of religious sciences.

As for the social dimension of Waqf, it is a technique of redistributing wealth in a statistical and dynamic way [19]. Indeed, the Waqf positively impacts the pace of investment insofar as the dedicated asset does not present a consumer good but rather an investment that encourages young entrepreneurs and the creation of value.

Conclusion

The concept of social entrepreneurship is emerging. This is a promising phenomenon in achieving social objectives and local economic development (Brinckerhoff, 2000) . It manifests itself as a new proposal that attempts to introduce a new form of entrepreneurship.

Indeed, social entrepreneurship is not a set of practices as the case of social enterprises is a current of thoughts. However, overcoming its main challenge of reconciling economic practices with social logic encourages young social entrepreneurs to seek the diversification of their sources of finance which can be both perennial and creative of social values.

Although traditional bank lending is one of the traditional financing products used by virtually all firms, conventional banks refuse to extend credit to social entrepreneurs since they do not appear to have sufficient guarantees to approve their projects. As a result, they are forced to choose between seeking government funding resources that prove necessary for the early stages of social enterprise creation or to lower their development ambitions.

This is how several sources of financing evolve in this landscape. This is the case of Islamic finance. Based on the principles of triple sharing: sharing the risks of an entrepreneurial project, sharing the potential benefits raised and sharing management responsibility through the implementation of participatory governance that Islamic finance shows itself as A new approach to support social entrepreneurs who may have a distinctive social impact in their environment.

Among the many products that seek to finance this new proactive entrepreneurial behavior, Islamic finance provides financial entrepreneurs with financial techniques similar to traditional financing products such as participatory financing techniques such as Al Moucharaka or Al Moudaraba.

After this brief presentation of the various techniques of Islamic finance, several common threads emerge between Islamic finance and social entrepreneurship. This analogy between the two concepts can, of course, constitute a new opportunity for Islamic finance, presented as a new icon of financing that accepts risk-sharing with entrepreneurs in general and social in particular, which sets it apart from the conception of Conventional finance.

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