

THE INTEGRATION OF PARTICIPATORY FINANCE MECHANISMS IN THE FINANCING OF PUBLIC EDUCATIONAL INSTITUTIONS: OPPORTUNITIES AND CHALLENGES

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ABSTRACT

Education plays a strategic role in the economic and social development of a country. Indeed, a well-functioning education system stimulates economic growth and reduces social inequalities. In Morocco, despite the state's efforts to finance public education, several challenges persist, such as insufficient budget, aging infrastructure, and a lack of educational resources. In light of these constraints, it becomes crucial to explore alternative sources of financing. Participatory finance, based on ethical and solidarity principles, could provide a relevant solution. Instruments such as Educational Waqf, Participatory Crowdfunding, and Educational Sukuk have shown promising results in countries like Turkey and Malaysia. Although participatory finance has emerged in Morocco with the introduction of participatory banks in 2017, its use to finance education remains marginal. This study focuses on how participatory finance could contribute to financing public educational institutions in Morocco while identifying the challenges to overcome for its implementation. A theoretical approach demonstrated that instruments like Educational Waqf, Crowdfunding, and Sukuk could provide sustainable solutions but require an appropriate regulatory and institutional framework to be fully effective.

Keywords: Public Education, Participatory Finance, Participatory Financial Instruments, Morocco.

1.0 INTRODUCTION

Education is a strategic lever for the economic and social development of a country. According to the World Bank (2022), an effective education system contributes to economic growth and the reduction of social inequalities. In Morocco, despite the efforts made by the state to finance public education, major challenges remain: insufficient budgets, outdated infrastructure, and a lack of educational resources (HCP, 2021). Faced with these constraints, exploring alternative sources of financing has become a necessity. Participatory finance, based on ethical and solidarity principles, offers an interesting alternative. Several instruments, such as the Educational Waqf (Cizakca, 2011), Participatory Crowdfunding (Harrison, 2013), and Sukuk for Education (El-Hawary et al., 2007), have already been successfully adopted in countries like Turkey and Malaysia. In Morocco, although participatory finance has recently emerged, notably with the introduction of participatory banks in 2017 (Bank Al-Maghrib, 2020), its application to financing education remains marginal. Therefore, a central question arises: How can participatory finance contribute to the financing of public educational institutions in

Morocco, and what challenges are associated with its implementation? To address this issue, we adopted a theoretical analysis approach. In terms of methodology, we conducted a literature review to define the principles of participatory finance and identify international models that have integrated these mechanisms into education financing. We relied on academic studies (Cizakca, 2011; El-Hawary et al., 2007) and institutional reports (World Bank, 2022; HCP, 2021). In addition, we conducted an analysis of the Moroccan context, highlighting the current challenges of educational financing and the opportunities offered by participatory finance. This analysis was based on institutional data, including reports from the Ministry of Education, Bank Al-Maghrib, and participatory financial institutions. The results of our study indicate that participatory finance could serve as a viable alternative for financing public educational institutions in Morocco. In particular, the Educational Waqf could play a key role in ensuring sustainable funding for infrastructure and educational grants. Participatory Crowdfunding allows civil society to engage in financing specific educational projects, while Sukuk for Education appears to be a promising solution for mobilizing large-scale funds from institutional investors. However, several challenges hinder the adoption of these instruments, including the lack of an appropriate regulatory framework, low awareness among educational sector stakeholders, and the absence of dedicated structures for managing these funds. To overcome these obstacles, we make the following recommendations :

- Establish a legal and institutional framework that facilitates the integration of participatory financing instruments into education funding.
- Encourage public-private partnerships to experiment with pilot projects based on the Educational Waqf and Crowdfunding.
- Raise awareness among stakeholders (administrators, teachers, parents, and investors) about the benefits of these new financing methods.
- Create transparent and effective governance to ensure the proper management of raised funds.

This study paves the way for several lines of research that could deepen the exploration of integrating participatory finance into the Moroccan education sector. These include a thorough analysis of the viability of the Educational Waqf in Morocco, an examination of potential and appropriate management models, and a comparison of participatory finance instruments applied to education—evaluating the performance of Waqf, Crowdfunding, and Sukuk in various contexts. A stakeholder perception survey will analyze the resistance to and expectations of educational and financial actors regarding these tools. The development of a regulatory framework for participatory finance applied to education will provide recommendations for successful adoption in the Moroccan context. Additionally, our study highlights the untapped potential of participatory finance in the Moroccan education sector and proposes concrete solutions to promote its integration. However, further research will be necessary to refine these models and ensure their long-term effectiveness.

2.0 MATERIALS AND METHODS

To address the issue at hand, we adopted a theoretical analysis approach, integrating an in-depth literature review and conducting a contextual study specific to the Moroccan case. This approach provided the necessary foundation to understand the core principles of participatory finance and its application in education financing.

Initially, we conducted a comprehensive literature review to define the key concepts of participatory finance. This review allowed us to identify major international models that have incorporated these mechanisms into education financing. In particular, we analyzed seminal academic works such as those by Cizakca (2011) and El-Hawary et al. (2007), which helped us better understand the historical and theoretical evolution of participatory finance, its mechanisms, and its impacts on various sectors, including education. In parallel, we consulted recent institutional reports, such as those published by the World Bank (2022) and the High Commission for Planning (HCP, 2021), to obtain an up-to-date view of the global and national trends and challenges related to this financing model.

Next, we expanded our analysis to the specific context of Morocco, examining the current challenges of education financing in the country. This analysis focused on the shortcomings observed in traditional methods of education financing, such as the reliance on public funds and the budgetary constraints that stem from this dependency. We highlighted the opportunities that participatory finance could offer in this domain, particularly in terms of diversifying funding sources and enhancing stakeholder involvement in decision-making processes.

To carry out this analysis, we gathered and analyzed institutional data, including reports from official sources such as the Ministry of National Education, Bank Al-Maghrib, and participatory financial institutions. These reports provided critical information about existing education financing policies, current initiatives related to participatory finance, and the outcomes achieved to date. Special attention was given to existing models of participatory financing, such as crowdfunding mechanisms and Islamic financial instruments, to assess their relevance for Morocco's education sector.

Finally, this comparative analysis between international models and the Moroccan context enabled us to identify potential strategies for adapting participatory finance mechanisms to education financing in Morocco. The aim was to propose concrete recommendations for integrating these mechanisms into public education financing policies, taking into account the country's economic, social, and cultural specificities.

3.0 RESULTS

Education is a crucial lever for the economic and social development of Morocco. However, the financing of public educational institutions remains a major challenge, directly impacting the quality of education and equity of access. An empirical analysis of the current situation reveals an over-reliance on public funding, a growing need for infrastructure, and limited use of alternative financing mechanisms. This analysis will first examine the main challenges related to public education financing in Morocco, and then explore the opportunities offered by participatory finance and other innovative solutions that could improve the sustainability of the education system.

However, financing education is a strategic issue for any country seeking to improve its human capital and enhance its economic competitiveness. In Morocco, although the government allocates a significant portion of its budget to education, the public education system continues to face numerous structural challenges. Dependence on public funding, inadequate infrastructure, and a lack of alternative financing mechanisms are hindering the sector's development. These constraints call for a thorough reflection on how to optimize existing

resources and explore new sources of financing, including innovative approaches such as participatory finance.

➤ Insufficient funding and over-reliance on public resources

The financing of the Moroccan education sector relies primarily on public resources. In 2021, approximately 16.9% of government spending was allocated to education, a relatively high proportion compared to the global average of 14.8% and the 12.4% spent by OECD countries (ETF, 2023). However, despite this budgetary commitment, the Moroccan education system continues to face structural weaknesses in terms of education quality and infrastructure. This highlights the heavy reliance on public funds, which limits the ability to fund structural reforms and educational innovation initiatives (World Bank, 2022). Additionally, Morocco's chronic budget deficit forces the state to make fiscal trade-offs, further restricting the government's capacity to significantly increase funding for education. Funding for educational infrastructure, teacher recruitment and training, and quality improvement programs often takes a backseat to other national fiscal priorities (CSEFRS, 2019).

➤ Rising need for infrastructure and educational facilities

The demand for educational infrastructure is growing rapidly due to population growth and improved enrollment rates. According to the Ministry of National Education (2021), the total number of preschool students reached 875,313 in 2020-21, with nearly equal distribution between girls and boys. However, inadequate infrastructure remains a significant issue, particularly in rural areas, where more than 30% of primary schools lack access to electricity and drinking water (CSEFRS, 2021). Additionally, many institutions suffer from a shortage of modern equipment, particularly in the area of educational technologies. The use of digital technology in education is limited to only 15% of public schools, compared to an average of 45% in OECD countries (World Bank, 2022). These deficiencies negatively affect the quality of learning and contribute to widening the gap between public and private institutions (UNESCO, 2020).

➤ Limited role of alternative financing

Alternative financing methods, such as public-private partnerships (PPPs), philanthropy, and participatory finance mechanisms, remain underutilized in Morocco's education sector. In contrast to countries where these mechanisms are well integrated into financing strategies, their contribution in Morocco is below 5% of the total education budget (TGR, 2020). Moroccan households face significant pressure to fund their children's education, with families covering 30% of education costs on average, double the OECD average of 16% (Amzazi, 2020). This situation intensifies financial strain on the middle class and hampers equitable access to quality education. Additionally, local authorities play a limited role in financing the education system. Although the Organic Finance Law of 2015 enabled regions to fund educational projects, their contributions remain modest and unevenly distributed (CSEFRS, 2021). Finally, participatory finance, representing a potential avenue to diversify education financing sources, has not been fully leveraged. Models such as Educational Waqfs could offer sustainable solutions to complement public funding (IFSB, 2018).

However, in the face of structural challenges in public education funding, participatory finance offers an innovative alternative that could complement government efforts. Rooted in ethical and solidarity principles, it encompasses mechanisms such as Educational Waqfs, Sukuk, and participatory crowdfunding. However, integrating these mechanisms into the Moroccan education system depends on several factors, including alignment with the regulatory framework, the perceptions of educational stakeholders, and the engagement of the private sector and civil society.

➤ Legal and regulatory framework: compatibility with Moroccan laws

Morocco has established a legal framework conducive to the development of participatory finance, notably through Law n° 103-12 on credit institutions and similar organizations, which regulates the activity of participatory banks. This law enabled the introduction of financial products in accordance with Sharia, such as Murabaha, Mudaraba, Musharaka, Ijara, and Sukuk (Bank Al-Maghrib, 2022).

Regarding the application to the education sector, the Educational Waqf benefits from a dedicated legal framework under Law n° 21-19 on the management of public funds. This mechanism facilitates the allocation of assets or resources to educational projects in a sustainable manner. However, its deployment remains limited due to a lack of structure and awareness among the actors involved (Ministry of Habous and Islamic Affairs, 2021).

On the other hand, mechanisms such as participatory crowdfunding are still in the process of being structured. Law n° 15-18 on collaborative financing, adopted in 2021, regulates this form of financing, but its application to educational projects has yet to be developed. Compared to countries like Turkey and Malaysia, where these tools are widely used to finance education, Morocco has yet to adapt its regulatory framework to facilitate the integration of these solutions into public school financing (IFSB, 2019).

➤ Perception of Educational Actors (Principals, Treasurers, Parents, and Other Stakeholders)

The acceptance of participatory finance in the education sector largely depends on the perception of the various actors involved.

- Directors and Treasurers of Educational Institutions: An exploratory survey conducted among several public educational institutions in Morocco (CSEFRS, 2021) reveals that 70% of directors view complementary funding positively. However, they express concerns about the administrative feasibility and the mechanisms for managing the funds. Fear of bureaucratic complexity and a lack of training on these tools are key factors limiting their adoption.
- Parents: A study by the Moroccan Education Observatory (2022) shows that 60% of parents would be willing to contribute to participatory funds to improve educational infrastructure, provided that transparency in the management of the funds is guaranteed.
- Teachers and Staff: Some educators see participatory finance as an opportunity to improve working conditions, particularly through the renovation of schools and the acquisition of teaching materials. However, a general lack of knowledge regarding participatory finance mechanisms hinders their acceptance of these solutions.

These results suggest that the successful implementation of participatory finance in education would require a comprehensive awareness and training campaign for educational actors to ensure its acceptability and effectiveness.

➤ The interest of the private sector and civil society in these solutions

The involvement of the private sector and civil society is essential to ensure the sustainability of participatory financing mechanisms applied to education.

- The Private Sector: Moroccan companies are increasingly attuned to social responsibility initiatives and could be interested in educational crowdfunding solutions, such as Corporate Waqf or Educational Sponsorship through Sukuk. Similar initiatives have been successfully implemented in other countries, including Malaysia, where companies fund schools through participatory funds (Islamic Development Bank, 2020).
- Associations: Morocco has several foundations active in education (e.g., Zakoura Foundation, BMCE Foundation, etc.), which could integrate participatory finance tools into their educational support programs. A study by the Fondation Mohammed VI pour l'Éducation (2021) indicates that 80% of educational associations consider participatory solutions to be beneficial, particularly for financing scholarships and educational equipment.
- Citizens: The Moroccan community, especially those living abroad (MRE), represents a significant source of funding. Participatory crowdfunding platforms could be developed to mobilize funds in favor of public schools, similar to initiatives in Turkey, such as the Maarif Foundation (Maarif Vakfi, 2021).

Participatory finance offers significant potential for diversifying the sources of funding for public educational institutions in Morocco. However, its integration requires an adaptation of the regulatory framework, greater awareness among educational actors, and active mobilization of the private sector and civil society. The experience of other countries, such as Turkey and Malaysia, demonstrates that these mechanisms can be effective when they are well-structured and supported by transparent governance. Morocco could thus draw inspiration from these models to implement innovative and sustainable solutions, ensuring complementary financing for education while adhering to the principles of solidarity and the ethics of participatory finance.

➤ Educational Projects Funded by Participatory Mechanisms: Examples, Impacts, and Limitations

To evaluate the potential of participatory finance in public education financing, it is essential to analyze concrete examples of educational projects that have benefited from these mechanisms. Several countries, particularly in Asia and the Middle East, have successfully experimented with crowdfunding models applied to education, using mechanisms such as the Educational Waqf, Sukuk for Education, and Solidarity Crowdfunding (IFSB, 2019).

- Examples of Educational Projects funded through participatory mechanisms

In Turkey, the Maarif Foundation has established an innovative funding model for its schools, largely supported by Educational Waqfs. This mechanism involves allocating real estate or funds to educational projects, thus providing sustainable financing that does not rely exclusively on public resources (Maarif Vakfi, 2021).

The model is based on several key elements:

- The use of revenues generated by the Waqfs, particularly through leasing or investments, to finance schools.
- Collaboration with businesses and donors to diversify and broaden the funding base.
- A system of transparency and rigorous monitoring of funds, ensuring proper and efficient management of these resources (Maarif Vakfi, 2021).

The results of this model are remarkable:

- A network of over 300 schools has been developed in several countries, improving access to education, especially in rural areas.
- This model has also reduced fiscal pressure on the government by diversifying sources of financing (Bank Negara Malaysia, 2020).
- However, this mechanism also has limitations:
- It requires a strong regulatory framework to prevent any mismanagement of funds and ensure their proper management.
- Increased awareness is needed to attract more private investors and ensure the sustainability of financing (Islamic Development Bank, 2020).

Malaysia has been a leader in the use of Sukuk to finance the education sector. The Sukuk Tabung Pendidikan program was launched to raise funds from investors to finance the construction of schools and universities (Bank Negara Malaysia, 2020).

The model is based on several key elements:

- The issuance of Sukuk (Islamic bonds) backed by educational assets, allowing financing to be secured through the development of real estate or educational infrastructure.
- The involvement of both institutional and retail investors, making the model accessible to a broad base of investors.
- The redistribution of profits in the form of scholarships and school construction, ensuring a direct social return for beneficiaries (IFSB, 2019).
- The results of this program are notable:
- Over \$500 million raised in less than 10 years, underscoring the effectiveness of the funding model.
- This program has enabled the modernization of educational infrastructure, improving educational and academic institutions.
- The model promoted active private sector participation, creating a robust public-private partnership (Islamic Development Bank, 2020).

However, this mechanism also has some limitations:

- There are risks related to economic fluctuations and the bond market, which can affect the profitability of Sukuk and the stability of funding.
- Administrative complexity and costs associated with the issuance of Sukuk can be barriers to wider adoption, requiring accurate management and adequate resources (Bank Negara Malaysia, 2020).

In Morocco, the 'Dir Iddik' program, initiated by Inwi, has incorporated Participatory Crowdfunding to finance educational and social projects. This program is based on online fundraising campaigns, which mobilize donations for equipping schools with computer equipment and renovating classrooms ('Dir Iddik Program, 2022).

The funding model is based on several key elements:

- A digital platform that enables citizens to contribute financially to educational projects.
 - The mobilization of civil society and businesses to co-finance projects, thus promoting collaboration among different stakeholders.
 - A system of transparency in the allocation of funds, thanks to the publication of detailed reports on the use of donations (Observatoire Marocain de l'Éducation, 2022).
 - Significant program results:
 - Several rural schools have been rehabilitated, improving educational conditions in the most disadvantaged areas.
 - Increased awareness of citizen participation in education funding, encouraging more people to engage in the cause.
 - The involvement of young people in voluntary activities, promoting their social commitment and civic responsibility ('Dir Iddik' Program, 2022).
 - However, the program also has some limitations:
 - The amounts raised are still limited in relation to the growing needs of the education sector.
 - There is difficulty in maintaining the long-term commitment of contributors, which can affect the sustainability of funding (CSEFRS, 2021).
- Analysis of the impacts and limitations of educational projects funded by participatory mechanisms

Educational projects financed by participatory mechanisms have grown considerably in recent years, offering an interesting alternative to traditional public funding. These initiatives, which rely on the engagement of citizens, businesses, and other private actors, aim to improve access to quality education, particularly in disadvantaged areas. Analyzing the impacts of these projects provides a better understanding of their effectiveness, their tangible results on the ground, and the challenges they face. This approach examines not only the benefits of community participation but also the limitations of these funding mechanisms within the educational context.

Participatory financing applied to education has several positive impacts, both economically and socially. Some of the major benefits include:

- Strengthening financial resources: These mechanisms help diversify funding sources and reduce reliance on public budgets (CSEFRS, 2021).
- Improved access and quality of education: The integration of Educational Waqf and Sukuk has facilitated the construction of new infrastructure and the enhancement of educational facilities (Fondation Mohammed VI pour l'Éducation, 2021).
- Increased citizen and private sector involvement: Participatory models encourage greater engagement from non-state actors, thereby strengthening the sense of collective responsibility for education (Islamic Development Bank, 2020).

Despite its many benefits, crowdfunding for education faces several challenges and constraints that can limit its effectiveness and scalability.

- Legal and regulatory framework: Although Morocco has adopted several laws governing participatory finance, their implementation remains limited in the education sector.
- Awareness and trust of stakeholders: A lack of understanding of crowdfunding mechanisms is a major constraint. There is a need for communication and training efforts to strengthen the commitment of educational institutions and citizens.
- Monitoring and transparency: The management of funds raised must be rigorous to avoid any risk of mismanagement and ensure the confidence of contributors.

The case studies analyzed demonstrate that participatory finance can play a significant role in financing educational institutions by providing complementary resources and encouraging the involvement of private actors and civil society. Its success, however, depends on several factors, including an appropriate regulatory framework, good governance, and increased awareness among stakeholders. For Morocco, these international experiences offer valuable lessons. The development of Educational Waqfs, the Sukuk education program, and the promotion of Participatory Crowdfunding could provide viable solutions to complement the state's efforts in educational financing. However, there is still a need to adapt these models to the local context and ensure their effective and transparent implementation.

4.0 DISCUSSION

The integration of participatory financing mechanisms into the funding of public educational institutions in Morocco represents a promising alternative to traditional sources of funding. However, effective implementation requires overcoming several challenges, including regulatory issues, stakeholder awareness, and governance of the funds raised (IFSB, 2019). This section examines the main challenges and constraints that hinder the development of these mechanisms, before proposing strategic recommendations for their successful adoption in the Moroccan educational context.

- Regulatory and legal frameworks to be adapted

One of the main obstacles to the integration of participatory financing instruments in education in Morocco is the lack of a clear and adapted regulatory framework. Although the country has established a legislative framework for participatory finance, notably through laws governing participatory banks and sukuk (Bank Al-Maghrib, 2022), their application in the field of education remains limited. Among the issues identified is the absence of specific regulations

governing the use of Educational Waqf to finance educational institutions? Additionally, the regulation on the issuance of Sukuk Educatifs for educational infrastructure is insufficient, and the framework for participatory crowdfunding platforms remains vague, limiting their development (Ministry of Habous and Islamic Affairs, 2021). Examples of good practice can be found in Turkey and Malaysia, where specific regulations have been implemented to facilitate participatory investment in education, including by offering favorable tax incentives for donations and investments in schools (Bank Negara Malaysia, 2020). Therefore, it is recommended to enact specific legislation promoting the use of participatory finance tools in the Moroccan education sector, including tax incentives and a clear legal framework.

➤ Lack of awareness among key educational stakeholders

Participatory finance remains unknown to many actors in the Moroccan education sector, including school principals, economists, teachers, and parents. This lack of awareness limits their engagement with these new forms of financing. One of the key issues identified is the low number of training and information initiatives regarding the potential of participatory finance for school financing. Furthermore, the involvement of local authorities and parent associations in these alternative models remains limited, and there is a lack of awareness of available tools such as Sukuk, Waqfs, and Educational Crowdfunding (CSEFRS, 2021). A relevant example can be seen in Indonesia, where awareness campaigns have been carried out among educational institutions and local communities to promote the use of Educational Waqf, which has had a significant impact on public school funding (Islamic Development Bank, 2020). It is therefore recommended to launch communication campaigns and training programs dedicated to educational stakeholders in order to popularize the concepts and mechanisms of participatory finance applied to education.

➤ Issues with governance and transparency in the management of funds raised

Another major challenge concerns the management and transparency of funds raised through participatory mechanisms. The lack of strict controls can undermine donor and investor confidence, thereby limiting the development of these alternative financing models (Mohammed VI Foundation for Education, 2021). Among the issues identified is the lack of detailed reporting on the use of funds collected through crowdfunding platforms and Waqfs, as well as the risk of financial mismanagement or misappropriation of funds in the absence of supervisory bodies. Additionally, there is no regulation requiring independent audits of educational participatory financing (Bank Al-Maghrib, 2022). A good practice example can be observed in Malaysia, where the issuance of Educational Sukuk is governed by a certification mechanism ensuring full traceability of funds and their exclusive allocation to educational projects (IFSB, 2019). It is therefore recommended that mandatory control and audit mechanisms be put in place to ensure transparency and effective management of the funds raised, including through a public or independent oversight body. The integration of participatory financing mechanisms into education funding in Morocco is a promising opportunity, but it faces several significant challenges. Adapting the legal framework, raising awareness among stakeholders, and establishing transparent governance are essential conditions for the success of this model. In the following section, we will explore strategic recommendations to overcome these challenges and ensure the effective and sustainable implementation of participatory finance in Moroccan education.

To overcome the challenges identified above, it is essential to implement a comprehensive strategy aimed at promoting the integration of participatory financing mechanisms into the funding of public educational institutions in Morocco. This strategy is based on four main pillars: improving the legal framework, implementing tax incentives, raising awareness among stakeholders, and promoting public-private partnerships (IFSB, 2019).

- Propose a clear legal framework for participatory finance applied to education

The lack of a specific regulatory framework for the use of participatory finance mechanisms in the education sector is a major obstacle to their development in Morocco (Bank Al-Maghrib, 2022). Therefore, it is crucial to develop dedicated legislation to guide these new sources of funding. Among the recommended measures, it is essential to adapt the regulations concerning the Educational Waqf, drawing on the Turkish and Malaysian models (Maarif Vakfi, 2021). Additionally, the conditions for issuing and using Educational Sukuk to finance educational infrastructure should be clarified (Bank Negara Malaysia, 2020). It would also be appropriate to introduce specific legislation on participatory crowdfunding for education, including transparency requirements and monitoring of the funds raised (Islamic Development Bank, 2020). An illustrative international example is Malaysia, where the regulation of Educational Sukuk has enabled several public schools to be funded, ensuring expanded access to modern and student-friendly infrastructure (IFSB, 2019). The adoption of clear regulations in Morocco would attract more investors and ensure the credibility of these alternative financing mechanisms.

- Implement tax incentives to attract investors

Tax incentives play a key role in encouraging private investors to engage in the financing of public educational institutions through participatory mechanisms (CSEFRS, 2021). Among the recommended measures, it would be appropriate to exempt donations to Educational Waqfs from taxes in order to stimulate donor engagement. Additionally, granting tax reductions to companies investing in Educational Sukuk could encourage their participation. It is also recommended that participatory banks be incentivized to participate by offering tax relief on funding for public schools. A notable international example is Turkey, where donations to Educational Waqfs are tax-deductible, significantly increasing private funding for schools (Maarif Vakfi, 2021). These tax incentives will increase the funds available for public education while involving the private sector more in financing education.

- Increase awareness among stakeholders about the importance of alternative financing

The lack of awareness among educational stakeholders and citizens limits the adoption of participatory financing mechanisms in education. To address this issue, it is recommended that communication campaigns be launched to inform educational institutions and parents about the opportunities offered by participatory finance. Additionally, it would be beneficial to organize training sessions for school principals and administrative managers to explain how they can access these funds. Furthermore, developing partnerships with mosques and local associations could help promote educational waqfs. A notable international example is Indonesia, where awareness-raising campaigns have increased citizen contributions to educational waqfs, thereby strengthening public school funding (Islamic Development Bank, 2020). These initiatives could have a similar impact in Morocco, fostering a better understanding of

participatory finance mechanisms and encouraging their adoption by educational institutions and families.

- Promoting public-private partnerships to develop pilot projects

Public-private partnerships (PPP) present a viable solution for testing and developing crowdfunding mechanisms in the Moroccan education sector. To this end, it is recommended that pilot projects be established in specific regions, involving both the private sector and civil society. Additionally, it would be beneficial to encourage companies to finance educational institutions in exchange for tax incentives and official recognition. Participatory banks could also be engaged to develop financial products tailored to the specific needs of educational institutions. A notable international example is Senegal, where an educational PPP project based on Sukuk enabled the construction of several public schools, with shared responsibilities between the state and private investors (Bank Al-Maghrib, 2022). These pilot projects in Morocco could play a key role in serving as successful models and facilitating their national scale-up.

Participatory finance offers a promising alternative to address the financing challenges of public educational institutions in Morocco. However, its implementation requires a strategic approach, including legal reforms, tax incentives, increased awareness, and greater private sector involvement. By integrating these recommendations, Morocco could establish a more diversified and sustainable education financing model, reducing its reliance on public funds while improving the quality of its education system.

The integration of participatory finance mechanisms in the financing of public educational institutions presents a key opportunity to strengthen the Moroccan education system. Faced with challenges such as chronic underfunding, reliance on public funds, and increasing demand for infrastructure, alternative solutions like Educational Waqf, Sukuk, and Crowdfunding offer innovative and sustainable perspectives. This article's analysis highlights the potential of participatory finance in Morocco, supported by a developing regulatory framework and the growing interest from educational stakeholders. However, barriers remain, particularly in the areas of regulation, stakeholder awareness, and transparency in fund management. To ensure success, a comprehensive approach is needed, which includes a review of the legal framework, attractive tax incentives, and robust governance. Additionally, public-private partnerships and the involvement of civil society will be crucial for launching pilot projects and demonstrating the feasibility of these mechanisms. In conclusion, participatory finance represents a strategic lever for diversifying and sustaining education financing in Morocco. However, its success will depend on strong political will, the engagement of sector actors, and continued support for innovative initiatives.

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