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# The effect of government support on Bureaucracy, COVID-19 resilience and export intensity: Evidence from North Africa

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## ABSTRACT

The literature on the imperativeness of government support for firm survival since the onset of COVID-19 is vast, but scholars have scarcely considered the impact of such assistance on managers' time, nor the extent to which support measures induce resilience and export activity. Accordingly, this study assesses the impact of government support on (1) bureaucracy and (2) resilience using data from 535 Moroccan SMEs. It further evaluates the influence of resilience on direct versus indirect exports, and espouses the institutional voids, resource-based and strategy-creation view to explain the associations through a contingency lens. The results demonstrate that (1) government support increases bureaucracy which, (2) surprisingly triggers and enhances resilience. Furthermore, (3) resilience has a positive impact on direct exports but (4) adversely affects indirect exports. Theoretically, the findings acquiesce extant calls for measurement specificity in export performance. Practically, stakeholders' attention is drawn to the value of managers' time well spent.

## 1. Introduction

The positive role played by exports on nations' economic performance is a largely uncontested discourse, as exports have been proven to elevate the living standards and socioeconomic landscape of nations (Freeman and Styles, 2014; Haddoud et al., 2021a). Likewise, it is believed that the collective export activity of small and medium enterprises [SMEs]<sup>1</sup> exceeds that of their larger counterparts in terms of trade volume and dollar value (OECD, 2019). Therefore, if indeed exports boost economic prosperity and recovery from crises (Mansion and Bausch 2020), then understanding the resilience of SMEs to sustain exports during lean times like the COVID-19 pandemic is paramount for fashioning fiscal recovery. For example, studies conducted in New Zealand and Saudi Arabia have demonstrated the importance of government stimulus and strong relationships among international partners to the resilience of SMEs export during COVID-19 (Fath et al., 2021; Nurunnabi, 2020). In particular, government intervention stimulates

SMEs' export activity (Haddoud et al., 2017; Haddoud et al., 2018). This intervention could take the form of facilitating SMEs' access to export enabling networks (Chang and Webster, 2019), as well as exposure to business advice (Robson and Freel, 2008). Nonetheless, the tedious bureaucracy (e.g., dealing with public agencies, strict policies and regulations) endured by SMEs when seeking government support has been widely reported in the literature (Okpara and Kabongo, 2010; Al-Hyari et al., 2011; Scuotto et al., 2020). This factor [bureaucracy] slows down SMEs' operations and execution, and has also been known to weaken export activity (Manolopoulos et al., 2018).

Bearing the above in mind, seemingly missing in the emerging COVID-19 corpus is evidence of the interrelations between government support, bureaucracy and resilience as predictors of export activity. In the specific context of SMEs, these correlations warrant attention that has so far eluded the literature. Recent studies in this area have assessed the quality of network relationships leading to resilience for sustaining exports (Fath et al., 2021), the extent of reduced foreign demand (Dai

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<sup>1</sup> By definition, SMEs are independent firms operating in a diversity of sectors with no more than 250 employees (Robu, 2013).

et al., 2021), and the effect of loss of exports on SMEs during the crisis (Asad and Kashif, 2021). In other studies, Chabossou et al. (2022) examined the decline of exporting SMEs' turnover prior to and during the COVID-19 crisis, while Ratnasingham et al. (2020) contemplated the financial and supply chain disruptions constraining exports. Notwithstanding swift and wide-ranging government support made available to soften the impact of the pandemic on businesses (Ssenyonga, 2021), inquiries on access to and the impact of such assistance on the export performance of SMEs are rare. Therefore, contemplating government support, bureaucracy, resilience and export intensity as an unexplored nexus highlights, once more, the role of government intervention as an essential catalyst for export performance. Ultimately, as Chabossou et al. (2022) argue, there is a necessity for government support towards SMEs to contain the effect of the pandemic. This is especially important to understand in the export domain because, during the pandemic, 'SMEs engaged in international trade more actively sought government assistance' (Xia et al., 2021: 204).

Furthermore, envisaging government support, bureaucracy, resilience and export intensity as a nexus prompts a contingency perspective to explain the associations, if evident. Mainly, contingency theory holds that firms' optimal performance is dependent on various internal and external constraints (Wiengarten et al., 2013). In this vein, when examining the bureaucracy of accessing government support, scholars have typically espoused institutional voids theory (Chakrabarty and Bass, 2013; Puffer et al., 2016; Dekel-Dachs et al., 2021). Especially in emerging markets, inherent institutional voids distance firms from government assistance (Palepu and Khanna, 1998), as the ease with which they [firms] can access available support is encumbered. Therefore, Doh et al. (2017) assert that the institutional voids lens offers a dynamic approach for examining how firms execute strategies to cope with systemic shortcomings.

For the bureaucracy and resilience relationship, it is reasonable to contend that the ordeal of accessing government support depletes rather than strengthens firms' resources that are needed to overcome a crisis, as per the resource-based view (Amankwah-Amoah, 2020). Thus, in Powell and Dent-Micallef's (1997) view, firm performance is positively associated with endemic structural features including little formal bureaucracy. Nevertheless, in times of grave uncertainty, Furr and Eisenhardt (2021) maintain that firms' superior performance is not exclusively occasioned by the quality of resources held, but also by the array of complementary routines adopted to navigate a crisis. In this sense, the relationship between resilience and exporting can be examined through (1) direct and (2) indirect export routines aimed at sustaining performance. Although complementary, direct and indirect exporting are distinctive routines that require an alternate set of resources (Onjewu et al., 2022). Following precedent, export performance is regularly explained through the self-selection vs learning-by-doing hypothesis. On the one hand, self-selection posits that firms engage in export activity by virtue of their productivity and innovation. And, on the other hand, learning-by-doing suggests that firms become more productive and innovative as a consequence of exporting experience (Rehman, 2017). This distinction is both subtle and profound, and may explain SMEs' propensity to choose between direct versus indirect exporting. To the best of the authors' knowledge, there are no prior works in the export literature predicated on an integrated contingency perspective.

As previously intimated, SMEs collectively constitute a nation's economic backbone (Robu, 2013), and hold the key to recovery from systemic shocks of the scale of COVID-19 (Nurunnabi, 2020). For this reason, and based on available data, the purpose of this inquiry is to investigate the effect of government support on the welfare of SMEs in Morocco. There are suggestions that even where government support is available, firms face access difficulties, and these barriers have adverse implications on their survival and operational performance (Klein and Todesco, 2021). The specific impediments include bureaucratic and informational barriers (Bartik et al., 2020; Kuckertz et al., 2020), and a lack of awareness of government assistance among SMEs (Humphries

et al., 2020). Noting Haddad et al.'s (2020) estimation that there has been a 25% decrease in Moroccan firms' exports since the pandemic, it is evermore clear that internationalisation is especially challenging for SMEs (Abubakar et al., 2019), and only the most productive are likely to export during a crisis (Onjewu et al., 2022). To this end, three research questions arise: (1) Has government COVID-19 support increased SMEs' perception of bureaucracy? (2) Has SMEs' perception of government bureaucracy hampered their resilience? (3) In comparison, does SMEs' resilience generate greater intensity in (a) direct exports than (b) indirect exports? To answer these questions empirically, indicators of government support, bureaucracy, resilience and export activities are isolated and observed.

Theoretically, the contributions of this study are fourfold. First, novel links between (a) government support and perceived bureaucracy, (b) government support and resilience and (c) bureaucracy and resilience are conceptualised to advance the exporting literature. Before now, scholars have yet to separate these variables to determine their discrete effects. Second, export performance is disentangled by measuring and predicting SMEs' direct and indirect export intensity consistent with Onjewu et al. (2022). Such empirical specificity is required to reduce underestimation of correlations (O'Mara et al., 2006). Third, to explain the connections between bureaucracy, resilience and export activities, a fresh strategy-creation view is considered as SMEs are more likely to adopt a bundle of routines rather than develop new resources during uncertainty (Furr and Eisenhardt, 2021). Fourth, by assessing definitive COVID-19 evidence, this paper is one of the first to evaluate crisis time export intensity in Morocco. For insights, it is determined that government support increases both bureaucracy and resilience. Successively, bureaucracy also boosts SME resilience which in turn increases direct exporting but constrains indirect exporting. Having said that, one of the main contributions of this inquiry is that the bureaucracy entailed in accessing government support equates to, paradoxically, managers' time well spent. To comprehend this finding, the idea of integration as a vehicle for resilience is mooted. Overall, the study extends existing debates and enhances understanding of the role of government support in SMEs critical development of resilience for scaling up export performance during a period of crisis.

To proceed, the rest of the paper is organised as follows: In section 2, an integrated theoretical background and the hypotheses development are presented. In section 3, a brief discussion of the Moroccan context is first offered, followed by a description of the research method and measures. Section 4 contains the analysis of the data and presentation of the results leading to a discussion of the findings and implications of the study in section 5. Section 6 then concludes the paper by reflecting on the limitations and avenues for further research.

## 2. Theoretical background and hypotheses development

Rather than a solitary theoretical lens, the interplay of government support, resilience and export performance contemplated in this inquiry summons a contingency of perspectives to fathom, if evident, the association between these diverse factors. These perspectives include institutional voids theory (Rana and Sørensen, 2021), the resource-based view and strategy-creation view (Furr and Eisenhardt, 2021), as well as the self-selection vs learning-by-doing hypothesis (Golovko and Valentini, 2014). To define the variables, government support constitutes public policy instruments fashioned by the state to capitalise, subsidise or underwrite the financial obligations of firms undergoing economic stress within the jurisdiction (Macilree and Duval, 2020; Razumovskaia et al., 2020). Government support has never been more rampant than in the COVID-19 crisis as, to mention a few, scholars have cited the airline industry (Abate et al., 2020), SMEs (Razumovskaia et al., 2020) and households (Ashraf, 2020) as recipients of fiscal assistance. Arguably, this corroborates the view that organisations are dependent on an institutional environment that influences their practices (Scott, 1995). Indeed, the actions of government compel firms to adopt courses of

action that impact on their operations (Amankwah-Amoah, 2020).

Furthermore, although the benefits of government support in lean times are undisputable, there is a contention that its receipt results in considerable paperwork for managers to the extent that less time is dedicated to business development and value creation (Siavhundu et al., 2020; Abdullah, 2021). In other words, it is probable that government support elevates 'regulatory bureaucracy' (Sappington, 1986: 243), which John and Reve (1982) describe as the formal procedures governing activities in firms' interorganisational relationships. Accordingly, the argument follows that managers' time spent on added paperwork curtails the resilience that would otherwise manifest through firm agility and elasticity to overcome a crisis (Rapaccini et al., 2020). By definition, resilience constitutes firms' capacity to bounce back from adversity (Luthans, 2002; Amankwah-Amoah et al., 2021), at the same time as enacting opportunities to bounce forward (Muñoz et al., 2019). In Holling's (1973) longstanding view, resilience amounts to the total disturbance that a system can endure before shifting into an alternate state, such as bankruptcy. This attribute is developed through perseverance that provides firms with the experience or tools for dealing with adversity (Amankwah-Amoah et al., 2021). Hence, consistent with Onjewu et al. (2022), this study recognises Gray and Alles' (2021: 199) 'going concern survivability index' as a measure of resilience that does not bypass firms' endurance before firms' need to 'bounce back'. Theoretically, educing the resource-based view, Amankwah-Amoah (2020: 3) tersely affirmed that the 'ability to respond to a global outbreak is predicated on firm-specific assets which denote resources and expertise including relationships nurtured over time'. To be sure, internationalisation through international network embeddedness and proactive initiation of foreign business relationships (Tolstoy, 2019) demonstrates resource development.

However, to fully understand internationalisation, Rialp-Criado and Komochkova (2017) assert that scholars typically investigate direct exports without considering indirect exporting aided by intermediaries such as wholesalers. On this basis, Love and Roper (2015) contend that a holistic understanding of firms' export performance is impaired, as Motta (2020) urges contemporary research to disentangle direct and indirect exporting activities as they exhaust firm resources in a distinctive manner. The obvious disincentives for direct exporting are the upfront costs and firm-up relationships required to enter foreign markets (Zhang et al., 2020). Where these factors pose a challenge, the use of intermediaries [indirect exporting] enables firms to perform certain export functions more effectively or at a lower cost than exporting directly (Li, 2004). Yet, a reliance on intermediaries impedes self-selection and learning-by-doing, the twofold premise by which firms internationalise on the strength of their productivity [self-selection] or the knowledge accrued [learning-by-doing] about foreign markets (Haddoud et al., 2021b).

Predicated on the above, hypothesis development is now commenced.

### 2.1. Government support and bureaucracy

To recall, government support is a public instrument for bankrolling firms' financial obligations (Macilree and Duval, 2020; Razumovskaia et al., 2020). The specific tools include tax support, wage subsidies, payment deferrals and access to credit (Cirera et al., 2021). These measures became virtually universal in the dawn of the pandemic, as governments sought to soften the economic impact of COVID-19 on SMEs collectively perceived to be of systemic importance and the lifeblood of most economies (Cowling et al., 2020; Nachmias and Hubschmid-Vierheilg, 2021). Thus, scholars have examined the evidence and impact of government assistance on firms' sustainability not least in Bangladesh (Pu et al., 2021), China (Wang et al., 2021), Saudi Arabia (Nurunnabi, 2020) and the UK (Belghitar et al., 2021). According to the International Monetary Fund, the total global government support is in the region of \$11 trillion, with approximately 50% going towards

redeeming firms' balance sheets (Makin and Layton, 2021). In the United States, assessing the \$2.2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act passed by the 116th Congress to support businesses, Bartik et al. (2020: 17656) offer evidence that firms 'anticipated problems with accessing the program, such as bureaucratic hassles and difficulties establishing eligibility'. Moreover, they asserted that 'streamlined processes are important policy considerations to ensure high take-up rate of government support (Bartik et al. (2020: 17664). Similarly, in China, Chen et al. (2020) allude to complexities in the application process for accessing policy-oriented loans. To explain, acknowledging the presence of institutional voids, Boin et al. (2021) state that investment is needed in more integrated crisis management systems with administrative capacity to bridge boundaries, such as those between SMEs and governments. Hitherto, observing endemic bottlenecks faced by SMEs in Nigeria, Peter et al. (2018) urged a closer examination into the relationship between government support and bureaucracy. The thinking that government support plausibly intensifies bureaucracy is based on Ando et al. (2020), Binyaminov (2021) and Sharma et al.'s (2021) suggestion that firms' access to fiscal help significantly increases their administrative caseload. Yet, to the best of the authors' knowledge, no prior studies have specifically examined the link between government support and bureaucracy. This is surprising given SMEs' expressed misgivings towards the complicated processes required by various government agencies to obtain financial relief (Chern, 2020). Relatedly, Xia et al. (2021) cited the bureaucratic nature of government programs as a source of SMEs' complaints in accessing information about government COVID-19 support. Therefore, to determine the presence of a relationship between government support and bureaucracy, the first hypothesis is outlined:

**H1:** Government support is significantly and positively associated with bureaucracy

### 2.2. Government support and resilience

Setting bureaucracy aside, interest in resilience and its building blocks is amplified in times of economic hardship (Burger et al., 2017). As previously alluded, Holling's (1973) definition of resilience as the amount of disturbance a system can withstand before shifting into an alternate state is espoused here to corroborate Onjewu et al. (2022). As an attribute, resilience demonstrates how organisations traverse the disruptions and discontinuities that threaten their incumbency (Burnard and Bhamra, 2011), and their ability to adapt while maintaining competitiveness (Sharma and Sharma, 2020). Likewise, Hohenstein et al. (2015) regards resilience to be firms' propensity to respond to disruptions by moving into new, more desirable states that enhance performance. As a measure, resilience is a desired outcome of government support programmes (Gong et al., 2020). This upholds scholars' view that governments have a public mandate to support SME's development of resilience during crises (Nurunnabi, 2020; Fath et al., 2021; Taneo et al., 2022). In effect, SMEs' access to financial stimulus, incentives and subsidies aids their ability to adapt to disruptions, maintain business operations and safeguard people and assets which ultimately bodes well for a thriving society in the public interest (Sausser et al., 2011; Gunartin et al., 2021). Reducing bureaucracy and improving institutional efficiency in public administration can help to invigorate the regulatory environment faced by SMEs (Belás et al., 2018). However, there are mixed reports on the effectiveness of governments' COVID-19 support for preserving the status of firms as going concerns particularly in emerging countries with institutional voids. For example, in China, Chen et al. (2020) revealed that credit guarantee schemes did not

improve cash flow nor speed up firms' reopening. In fact, they [Chen et al., 2020] determined a statistical insignificance in the association between financial support and the likelihood of reopening. However, taking a broader view, in their review of seventeen countries,<sup>2</sup> Gourinchas et al. (2020) estimated that the absence of government support would have increased SME failures by 9.1% and put at risk 4.6% of private sector employment. In Morocco, government support has taken the forms of tax deferrals (Bachisse and Mouline, 2021), government backed loans (Boumahdi et al., 2021), and direct cash transfers (Ninich et al., 2021). Yet, in their analysis, Fakhoury and Fakh (2021) stress that there is a shortage of resilience among SMEs in the country while, contrastingly, in another study, Lahcen et al. (2021: 226) claim that 'more than 95% of Moroccan SMEs have been able to maintain their activity', and many 'have shown resilience and agility to overcome the devastating effects of the crisis'. To settle the inconsistencies in these findings, a second hypothesis is considered to examine whether:

**H2:** Government support is significantly and positively associated with resilience

### 2.3. Bureaucracy and resilience

Expanding on Bartik et al. (2020) and Chen et al.'s (2020) prior attestations that institutional complexities and the lack of streamlined processes hinder the uptake of government support, it is likely that such intrinsic bureaucracy would diminish SMEs' resilience owing to a lack of access to fiscal support. This thinking is supported by Dollar et al.'s (2005) contention that, in comparison, bureaucracy results in reduced value added and inefficiencies from an identical set of resources available to firms in different locations. In the UK for instance, eligibility for tax deferral is dependent on paperwork prepared and submitted by firms (Vidmar et al., 2020). In Japan, the Employment Adjustment Subsidies scheme fashioned in response to COVID-19 also compels a substantial amount of paperwork and a long waiting list to the extent that 'many firms were unable to receive subsidies during the early stage of the crisis' (Ando et al., 2020: 923). Equally, Binyaminov (2021: 7) finds that the 'system is completely overloaded' in Germany and 'a lot of paperwork' is required in France. Sector wise, in their review of resilience in the tourism industry, Sharma et al. (2021) noted that COVID-19 recovery necessitates more planning than paperwork. To be sure, Bennett and Johnson (1979) long recognised paperwork as a form of administrative burden indicative of bureaucracy. Drawing parallels with resilience, Stark (2014: 692) writes that bureaucracy 'can affect the ability of agents to adapt to the challenges of crises'. Similarly, while Saleh and Ndubisi (2006) state that bureaucracy in government agencies stymies SMEs' operations, Ali et al. (2021) write that bureaucracy may also slow down the velocity of SMEs' resilience. This view is supported by Arisovnik and Obadić's (2015) stance that reducing bureaucracy is necessary for improving the regulatory environment in which SMEs operate while, at the same time, aiding their recovery from crisis. Notwithstanding these claims, studies examining the effect of bureaucracy stemming from government support in the specific context of COVID-19 are rare. Accordingly, the third hypothesis tests the magnitude by which:

**H3:** Bureaucracy is significantly and negatively associated with resilience

### 2.4. Resilience and direct exporting

Direct, as opposed to indirect exporting, pertains to firms' forays into international markets by their own means without the involvement of

intermediaries (Elango and Pangarkar, 2021; Campos-García et al., 2020). This is the most common path to SME internationalisation and has implications for the degree of control the firm has over its international operations (Hessels and Terjesen, 2010). This also warrants the in-house undertaking of market research, marketing, logistics and operations which makes firms choosing this pathway more committed to the export process (Campos-García et al., 2020). Direct exporting also lowers the risk of opportunistic agents and intermediaries appropriating the firm's intangible resources (Sharma and Erramilli, 2004; Fernández-Olmos and Díez-Vial, 2013). Empirically separating direct and indirect exporting is particularly important for discerning their disproportionate effects on firms' operations (Onjewu et al., 2022). Drawing parallels with resilience, a high rate of export activity is largely suggestive of a buoyant economy (Psycharis et al., 2014; Braese et al., 2019). Equally, there is a belief that exporting firms are more likely to perform during crises than their non-exporting counterparts (Nakatani, 2017; Eppinger et al., 2018). Besides, when facing adversity, resilience is a necessary trait among SMEs who are naturally more susceptible to unfavourable events in the macro environment (Pal et al., 2014). Among other paths, resilience then becomes a means to sustain competitiveness by accessing foreign markets (Gunasekaran et al. 2011; Rahman and Mendy, 2019). Having said that, foreign markets also pose peculiar uncertainties that are different from home markets, further occasioning the need for SMEs to demonstrate resilience for the continuation of export activity during crises (Lafuente et al., 2019). On this note, Gunasekaran et al. (2011) deem resilience to be an ingredient for SMEs' flexibility, responsiveness and competitiveness in foreign markets. Much like the third hypothesis, works appraising the link between COVID-19 resilience and direct exporting are scarce. Hence, the fourth hypothesis queries the extent to which:

**H4:** Resilience is significantly and positively associated with direct exporting

### 2.5. Resilience and indirect exporting

Indirect exporting relates to foreign market activities aided by trade intermediaries (Zhang et al., 2020). In comparison to direct exporting, firms engaged in indirect exporting are supposed to be less committed to the export process as they are reliant on the resources of agents and intermediaries (Campos-García et al., 2020). Firms may proactively choose this pathway for their export programme when the likelihood of developing competitive advantage in production and marketing activities is low (Sharma and Erramilli, 2004). Nevertheless, exporting indirectly poses the challenge of selecting competent and reliable agents or intermediaries (Albaum and Duerr, 2008). In erstwhile studies, associations between resilience and indirect exporting are seemingly limited to Onjewu et al. (2022) who allude to the structural and relational social capital leveraged by firms externally to sustain export intensity. In this regard, Lu et al. (2017) and Rostamkalaei (2017) mentioned that the information asymmetry facing firms during economic crises can be reduced by knowledge shared by intermediaries. This happens when intermediaries contrive effective lines of communication between SMEs and overseas customers (Oh, 2017). By the same token, Peng and York (2001) suggest that the decision to engage intermediaries should be predicated on their possession of valuable, unique and inimitable resources that offset firms' expected transaction and agency costs. This aligns with Suwannarat's (2016) assertion that an index of intermediaries' performance is the immensity by which they lessen clients' transaction costs. For comparison with the fourth hypothesis, the current conceptualisation contemplates the negative impact of COVID-19 resilience on indirect exporting. This is intended to probe a fresh thesis that the more resilient firms are, the less likely they would be to call upon intermediary resources for internationalisation and, instead, undertake direct exporting themselves. To this end, the fifth hypothesis estimates how much:

<sup>2</sup> The countries were Belgium, Czech Republic, Finland, France, Germany, Greece, Hungary, Italy, Japan, Korea, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, and the United Kingdom.

**H5:** Resilience is significantly and negatively associated with indirect exporting

## 2.6. The moderating role of sector

According to [the World Bank \(2021a\)](#), there are significant differences in the respective gross domestic product [GDP] contributions of Moroccan manufacturing, retail and service organisations, which oblige the conceptualisation and investigation of sector performance. Manufacturing firms generate 14.9% while service firms account for 51.6%<sup>3</sup> of GDP in Morocco ([The World Bank, 2021a](#)). It is probable that this disproportion in productivity could play a role in the performance of SMEs across sectors. Evidence from China suggests, for example, that manufacturers have mostly been affected by supply chain issues, while retailers have suffered from e-commerce adoption challenges, and service firms are held back by cash flow problems ([Lu et al., 2020](#)). For this reason, insights into the sector-specific performance of Moroccan SMEs will add comparative evidence to the COVID-19 resilience and export literature. The last hypothesis ponders the degree to which:

**H6:** The effect of government support on bureaucracy, resilience and direct and indirect exporting differs by sector

To conclude hypothesis development, the conceptual premise of the study is summarised in [Fig. 1](#) below.

The next section describes the context, data source, measures and characteristics of the SMEs observed in the study.

## 3. Method

### 3.1. Context of the study

The north of Africa is rife with social unrest instigated, partly, by public frustration over unmet basic needs ([Schilling et al., 2020](#)). Particularly, food insecurity and water shortages have posed perennial challenges ([Brooks, 2007](#); [Bellemare, 2015](#)), and the combined 24% unemployment rate in the Middle East and North Africa (MENA) is the highest in any region ([Tabbabi, 2019](#)). Issues bordering on low financial inclusion, financial literacy and economic vulnerability have also been raised in North Africa ([Lyons and Kass-Hanna, 2021](#)), as well as a generally high volatility in economic activity and performance ([Van der Ploeg and Poelhekke, 2009](#)). In the 2017/18 survey of eleven countries (including North African states) conducted by the Arab Opinion Index, only 14% of the public expressed confidence in their parliament while 68% thought highly of the military ([Yellinek, 2021](#)). In this circumstance, it is conceivable that public health measures to contain the pandemic, such as isolation and movement controls, will exacerbate already precarious social grounds. Likewise, lessons learnt from public protests during the Arab uprisings in Egypt, Libya, Tunisia and the disputed Western Sahara would urge current incumbents in the region to contrive social support schemes to maintain calm and public order ([El Amine and Saghir, 2020](#); [Tamburini, 2021](#); [Trunov, 2021](#)).

On current evidence, governments in North Africa appear to have risen to the challenge. In Egypt, government-backed wage subsidies have been crucial to the survival of the tourism industry ([Salem et al., 2021](#)). In conflict-stricken Libya, the United States government disbursed \$6 million in humanitarian assistance in COVID-19 response ([Ozili, 2020](#)). In Tunisia, a range of fiscal measures including an injection of liquidity into financial institutions, a suspension of eligibility criteria for corporate and household borrowing, rescheduling of credit repayments and a reduction in interest rates were announced by the government ([El Ouardani, 2020](#)). In Morocco, the monarch, King Mohammed VI, announced a \$1 billion emergency fund to support

vulnerable segments of the economy ([Mansour, 2021](#)). Tax deferrals for companies with an annual turnover of less than €1.8 million were also permitted ([James, 2020](#)), as well as an income transfer program to compensate housebound workers ([Haddad et al. 2020](#)). Notwithstanding these measures, civil unrest in North Africa rose by 39% in the 2020/21 period. Protests linked to the pandemic have been reported in Egypt ([Human Rights Watch, 2020](#)), and there were 2,490 riots in Algeria and 1,986 demonstrations in Tunisia mainly over governments' handling of COVID-19 ([Sheehan, 2021](#)).

In Morocco, the demonstrations have been led by unionised health workers decrying poor working conditions and decrepit health infrastructure amid the pandemic ([Mebtoul, 2020](#)). Geographically, the country is bordered by the Mediterranean Sea to the north, the Atlantic Ocean to the west, Algeria to the east and Western Sahara to the south. It has 12 administrative regions occupied by 35 million residents ([Dah-chour and El Hajjaji, 2020](#)). Economically, it is comparatively more stable than its North African neighbours ([Vidican, 2015](#)). It is the fifth largest market in Africa with a GDP of \$119.7 billion ([The World Bank, 2021a](#)). The main economic sectors in the country are manufacturing, retailing and service provision ([Cammatt, 2007](#)). Much of the manufacturing activity is focused on the processing of phosphate, arsenic, chemicals, food, rubber products, paper, textile, leather, clothing and beverages ([Gasnov and Naumov, 2016](#); [Loutou et al., 2019](#); [Trading Economics, 2021](#)). Once more, these activities contribute 14.9% to the Morocco's GDP ([The World Bank, 2021a](#)). Often clustered together, retail and service operations include the souks or nanostores that are very common across the Moroccan landscape ([Boulaksil et al., 2019](#)). In the urban areas, nanostores provide residents with daily sustenance such as bread, milk, sugar and biscuits ([Blanco and Fransoo, 2013](#)) as large stores such as supermarkets are very few ([Amine and Lazzaoui, 2011](#), [Boulaksil et al., 2019](#)). The service businesses that offer insurance, education, logistics and tourism are the fabric of the Moroccan economy ([Khaoula et al., 2020](#)). Tourism is particularly important to Morocco's economic performance as it generates 532,000 direct jobs and 5% of all employment in the country ([Almeida-García, 2018](#); [El Menyari, 2021](#)). As previously alluded, retail and service firms make a joint 51.6% contribution to Morocco's GDP ([The World Bank, 2021a](#)). Research wise, the current interest in Morocco is based on evidence of the country being Europe's largest trade partner in the Mediterranean ([Abouzzohour, 2019](#)). In 2019, 56% of Morocco's products and 64% of its total exports were to European Union states ([European Commission, 2021](#)).

On the whole, North Africa as a region continues to endure the ill effects of COVID-19. Particularly, the performance of export firms has been on a steady decline, reducing the distribution of goods and services that are pertinent sources of foreign exchange. Thus, Morocco and governments of neighbouring countries have availed fiscal support to minimise the economic impact of COVID-19 ([Fath et al., 2021](#)). Nevertheless, current measures seem to only paper over the cracks and more long-term measures that are specific to exporting SMEs in Morocco seem elusive ([Akrofi and Antwi, 2020](#)).

### 3.2. Data and measures

The features of the SMEs assessed in this were sourced from round 2 of [the World Bank's \(2021b\)](#) COVID-19 survey of Morocco. From a sample of 1,096 firms, the data was filtered by two criteria. First, only firms with 250<sup>4</sup> employees or less were retained for empirical interest in SMEs. Second, to pre-empt statistical distortion and estimation bias, all observations with missing and 'don't know' responses were discarded. Consequently, 535 SMEs were retained. The variables isolated were (1) government support (GOVSUPP), (2) bureaucracy (BUREAU), (3)

<sup>3</sup> The World Bank classifies retailers as service firms.

<sup>4</sup> There is no official definition of SMEs in Morocco ([Mouhallab and Jianguo, 2016](#)). Therefore, the widely recognised 250 threshold for firm size adopted.

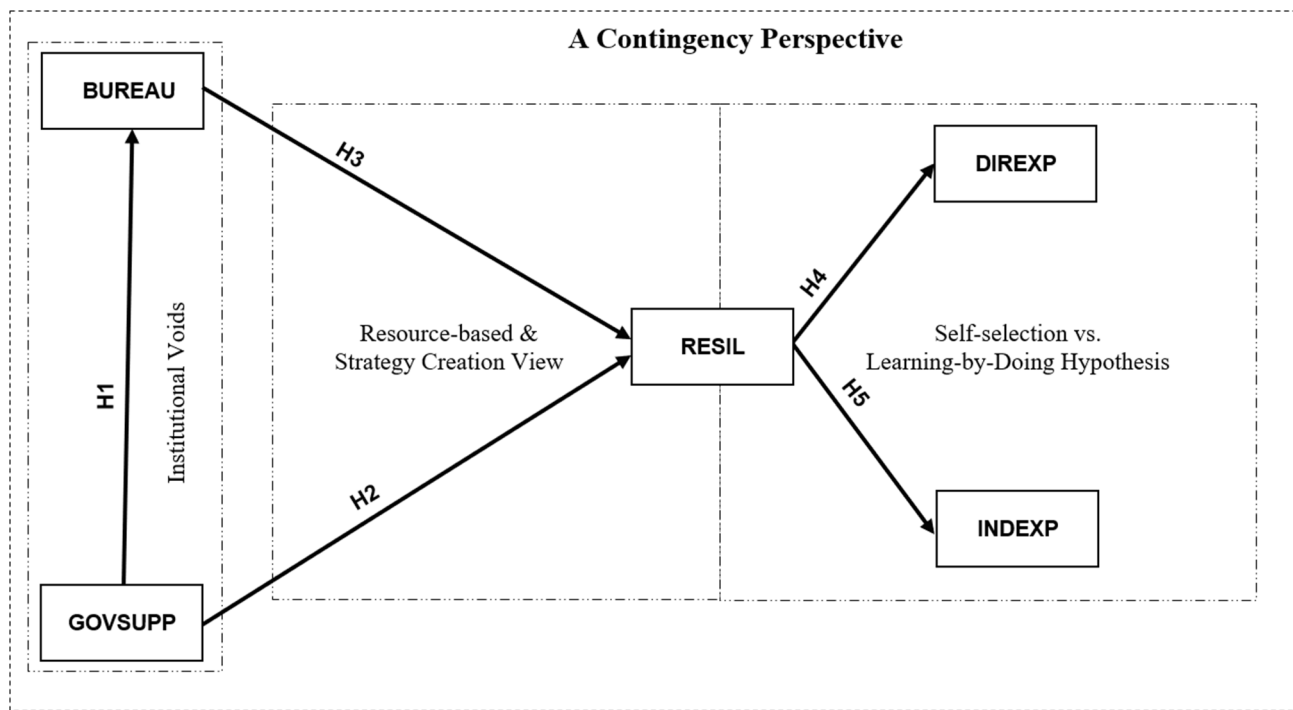


Fig. 1. Theoretical Framework.

resilience (RESIL), (4) direct exports (DIREXP) and (5) indirect exports (INDEXP). The single items capturing these variables are described in Table 1 below.

3.3. Sample characteristics

Among the 535 firms in the sample were manufacturers (39.6% or 212), retailers (19.1% or 103) and service providers (41.1% or 220). For size, 44.9% of the firms had 1 – 19, 29% had 20 – 49, 12.1% had 50 – 99 and 14% had 100 – 250 workers. The national representativeness of the data is construed from The World Bank’s (2021b: 1) indication that the COVID-19 surveys ‘re-contact all establishments sampled in the standard

Table 1 Measurement Details.

Variable	Item	Scale
Government Support	Has this establishment received any national or local government support in response to the crisis?	Multi Point [0 = No, 1 = Expect to Receive in the next 3 months, 2 = Yes]
Bureaucracy	Since the outbreak of COVID-19, did the percentage of total senior management’s time spent on dealing with requirements imposed by government regulations increase, remain the same, or decrease?	Multi Point [Decrease = 0, Remain the Same = 1, Increase = 2]
Resilience	Keeping the cost structure as it is now, how many weeks would this establishment be able to remain open if its sales stopped as of today?	Continuous [Range of 0 – 100 weeks]
Direct Exports	In the last completed month, what percentage of this establishment’s sales were direct exports?	Continuous [Range of 0 – 100%]
Indirect Exports	In the last completed month, what percentage of this establishment’s sales were indirect exports?	Continuous [Range of 0 – 100%]
Size	At the end of the last completed month, how many permanent, full-time employees did this establishment employ?	Continuous [Range of 1 – 250 employees]

enterprise survey using stratified random sampling’. Hence, it is logically assumed that the 535 cases are by and large located in nine of Morocco’s twelve regions as per the areas covered in the regular World Bank enterprise survey. In alphabetical order, these locations are Béni Mellal-Khénifra, Casablanca-Settat, Drâa-Tafilalet, Fès-Meknès, Marrakech-Safi, Oriental, Rabat-Salé-Kénitra, Souss-Massa and Tanger-Tétouan-Al Hoceima.

4. Analysis and results

To test the associations conceptualised in Fig. 1, the robust path analysis algorithm in Kock’s (2020) WarpPLS version 7.0 was employed as is recommended for assessing both single item and binary variables (Kock, 2014; Sajid et al., 2020). WarpPLS also permits simultaneous testing of outer and inner models (Kock and Gaskins, 2014), especially in cases where there are no assumptions of normality in the data being examined (Kock, 2014; 2018).

4.1. Measurement model

Before path analysis, it is conventional to ascertain the reliability and validity of latent variables in the outer model. However, when variables have only been assessed by single items, no estimates for Cronbach’s alpha, composite reliability and the average variance extracted can be determined (Loo, 2002; Onjewu et al., 2021). What ought to be assessed, nonetheless, is the presence of multicollinearity using full collinearity variance inflation factor [VIF] scores. As shown in Table 2, all VIFs are lower than the recommended and ideal limits of 5 and 3.3 respectively (Hair et al., 2011; Kock and Lynn, 2012).

Furthermore, the correlations between the variables are illustrated in Table 3.

Table 2 Collinearity Diagnostic.

	GOVSUPP	BUREAU	RESIL	DIREXP	INDEXP	SIZE
VIF	1.097	1.071	1.112	1.138	1.034	1.096

**Table 3**  
Correlations Among Indicators.

Measures/Indicators	GOVSUPP	BUREAU	RESIL	DIREXP	INDEXP	SIZE
1. Government Support	1.000	0.193	0.228	0.096	-0.020	0.094
2. Bureaucracy	0.193	1.000	0.135	-0.090	-0.013	0.045
3. Resilience	0.228	0.135	1.000	0.209	-0.002	0.050
4. Direct Exports	0.096	-0.090	0.209	1.000	0.103	0.243
5. Indirect Exports	-0.020	-0.013	-0.002	0.103	1.000	0.163
6. Size	0.094	0.045	0.050	0.243	0.163	1.000

4.2. Structural model and hypothesis testing

In the inner model, the links between the variables were evaluated by the path coefficients ( $\beta$ ) and  $p$ -values as shown in Fig. 2 below:

In the first segment, government support is shown to significantly and strongly increase the level of bureaucracy ( $\beta = 0.20^{***}$ ) and resilience ( $\beta = 0.21^{***}$ ), thus H1 and H2 are accepted. Further along, bureaucracy is significantly and, paradoxically, positively associated with resilience ( $\beta = 0.09^{**}$ ), hence H3 is rejected. In the second segment, resilience significantly increases direct exporting ( $\beta = 0.22^{***}$ ) but has the opposite effect on indirect exporting ( $\beta = -0.08^*$ ). Therefore, H4 and H5 are accepted. Held as a constant, firm size has an equivalent significant and positive influence on direct and indirect exporting (both  $\beta = 0.24^{***}$ ). Overall, among firms in the sample, the structural model explains 11% of the variance in direct export intensity, as well as 6% of the variance in indirect export intensity. These results are summarised in Table 4.

To discern how the various sectors perform, a multi group analysis [MGA] was also undertaken using WarpPLS 7.0. In the dataset, the three sectors were represented by unstandardised values of 1 for manufacturers [212 cases], 2 for retailers [103 cases] and 3 for services [220 cases]. Measurement invariance was checked in advance and the  $p$ -values did not indicate any difference between the responses given by manufacturers, retailers and service firms. Proceeding to the MGA, to ensure that the unexplained variance was the same across the sectors, the algorithm employed was the constrained latent growth with loadings option as recommended by Williams et al. (2009). Although there were noticeable differences in the path coefficients, particularly in the resilience and indirect exports link, these were not statistically significant at the 5% confidence level ( $p$ -value) as shown in Table 5. Hence, the last hypothesis [H6] that the impact of government support on bureaucracy, resilience and direct and indirect exporting differs by sector is rejected.

**Table 4**  
Hypothesis Testing.

Hypothesised Relationships	Path Coefficient	$p$ -Value	Test
H1 GOVSUPP $\Rightarrow$ BUREAU	0.20	<0.1	Significant, Accepted
H2 GOVSUPP $\Rightarrow$ RESIL	0.21	<0.1	Significant, Accepted
H3 BUREAU $\Rightarrow$ RESIL	0.09	<0.1	Significant, Rejected
H4 RESIL $\Rightarrow$ DIREX	0.22	<0.1	Significant, Accepted
H5 RESIL $\Rightarrow$ INDEX	-0.08	0.03	Significant, Accepted

5. Discussion and implications

This paper was predicated on examining (1) whether government COVID-19 support increased SMEs' perception of bureaucracy, (2) whether SMEs' perception of government bureaucracy hampered their resilience, and (3) in comparison, whether SMEs' resilience generated greater intensity in (a) direct exports than (b) indirect exports. The path results revealed that government support increases firm level bureaucracy in terms of the time spent on dealing with new government regulations by owners/managers. It has also been determined that government support increases resilience through the likelihood that firms would remain open for longer. Either way, Moroccan SMEs have two paths to resilience, directly through government support or indirectly through the bureaucracy of seeking government support. In further findings, it is intriguing to discern that although government support increases bureaucracy, this in turn boosts resilience. This suggests that rather than being shackled by an administrative burden,

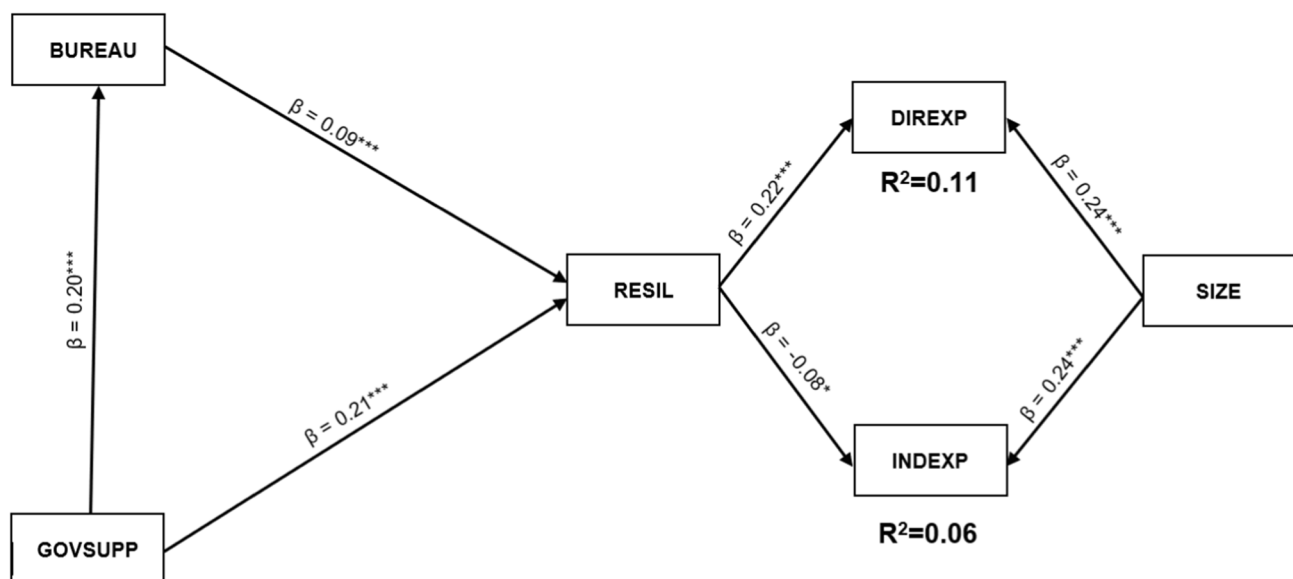


Fig. 2. Structural Model.



**Table 5**  
MGA Path Coefficients and p-Values.

	Total Sample (n = 535)			Manufacturers (n = 212)		Retailers (n = 103)		Services (n = 220)		Difference in all sectors
	Path Coefficient	p- value	Results	Path Coefficients	Results	Path Coefficients	Results	Path Coefficients	Results	p-value
<b>Direct Effects</b>										
<b>H1</b>										
GOVSUPP ⇒ BUREAU	0.20	<0.01	Supported	0.22	Not Supported	0.10	Not Supported	0.22	Not Supported	0.10
<b>H2</b>										
GOVSUPP ⇒ RESIL	0.21	<0.01	Supported	0.26	Not Supported	0.18	Not Supported	0.17	Not Supported	0.11
<b>H3</b>										
BUREAU ⇒ RESIL	0.09	<0.01	Supported	0.07	Not Supported	-0.05	Not Supported	0.16	Not Supported	0.10
<b>H4</b>										
RESIL ⇒ DIREX	0.22	<0.01	Supported	0.22	Not Supported	0.27	Not Supported	0.27	Not Supported	0.11
<b>H5</b>										
RESIL ⇒ INDEX	-0.08	0.03	Supported	0.13	Not Supported	-0.02	Not Supported	-0.08	Not Supported	0.27

Moroccan SMEs are invigorated to undertake export activities in crisis time. However, in comparison, resilience is only likely to increase SMEs’ direct export intensity while reducing indirect exporting. This is to say, the more resilient Moroccan SMEs are, the less likely they will rely on middlemen for their export operations. No significant differences materialised between sectors in the MGA. Hence, the remainder of this discussion considers the effect of government support on bureaucracy and resilience in 6.1, the effect of bureaucracy on resilience in 6.2, and the effect of resilience on direct and indirect exporting in 6.3.

**5.1. The effect of government support on bureaucracy and resilience**

Once again, government support is a public policy instrument fashioned by the state to capitalise, subsidise, or underwrite the financial obligations of businesses in a jurisdiction undergoing economic stress (Macilree and Duval, 2020; Razumovskaia et al., 2020). As Bartik et al. (2020) intimated, streamlined processes are needed to incentivise firms to overcome the ordeal of pursuing public assistance. In the current sample, 36.6% of SMEs [196 out of 535] claimed to have received or were in the process of receiving support from the Moroccan government. Although this figure is less than half of the observations, 99.2% of SMEs [531 out of 535] disclosed that government support has helped them to remain open by more than one day, with 33.8% [181 out of 535] indicating an additional 20 – 100 days lease of life. On this evidence, bearing the brunt of bureaucracy is a necessary inconvenience for owners/managers seeking to negotiate the crisis. Effectively, the black swan nature of COVID-19 is such that bureaucracy is a virtuous trade-off that firms generate valuable resilience because of rather than in spite of. Yet, acknowledging that 63.4% of the sample have yet to access government support, Boin et al.’s (2021) attribution to institutional voids as well as Chen et al.’s (2020) reference to complexities in the application process for government support seem present in Morocco. To this end, there is scope to develop crisis management systems and greater administrative capacity to increase Moroccan SMEs’ uptake of government support. This is especially paramount as current evidence suggests that the hassle of accessing government conversely supports SMEs’ resilience. To settle contrasting perspectives on the resilience of Moroccan firms offered by Fakhoury and Fakih (2021) and Lahcen et al. (2021: 226), the current findings align more with the latter to support the view that firms in the country are mostly resilient.

**5.2. The effect of bureaucracy on resilience**

Following Dollar et al.’s (2005) stipulation that bureaucracy impacts

negatively on value creating activities, Ando et al. (2020) and Binyaminov (2021) cited bottlenecks in the delivery of government support that would seemingly limit SMEs’ ability to access fiscal assistance. In the current sample, 83.6% of SMEs [447 out of 535] admitted that the time spent by managers on dealing with government-induced bureaucracy had increased, yet this was significantly and positively correlated to resilience ( $\beta = 0.09^{**}$ ). A likely basis for this counterintuitive finding is Kahn et al.’s (2008) stipulation of integration as one of three pathways to resilience [the others being disavowal and reclamation]. Focusing on integration, this pathway ‘involves maintaining synchronicity among adjoining and focal parts, which join and remain together to create a larger whole to enable resilience’ (Kahn et al., 2018: 515). In other words, the scale of collective threat faced by the government and SMEs has compelled an unprecedented cooperation by all parties for their mutual interest, never mind the bureaucratic hurdles. A further explanation may reside in Furr and Eisenhardt’s (2021) notion of strategy creation that departs, somewhat, from the resource-based view. In this perspective, attention is drawn to uncertain contexts in which superior performance is attained not by the quality of resources held [resource-based view], but by the bundle of new routines adopted by firms. Correspondingly, when firms face external challenges, owners/managers naturally explore new initiatives, including accessing complex government support if need be, to resolve issues (Baldwin, 2015). To their mind, processes rather than assets then become the means by which firms refresh their resources and market offerings (Furr and Eisenhardt, 2021). Effective strategy development becomes a repertoire of learning by doing, enacting flexible actions, collecting and processing information that ultimately culminates into problem solving (Bingham and Davis, 2012; Ott et al., 2017; Leatherbee and Katila, 2020). Plausibly, Moroccan SMEs act in this way because of a ‘loss of predictability such that the future is unpredictably different from the past, and information about the future is incomplete, unknown, or unavailable’ (Furr and Eisenhardt, 2021: 1916). By and large, reflecting on Stark’s (2014) argument that bureaucracy can affect agents’ ability to adapt during crisis, Moroccan SMEs are shown here to adapt for the better.

**5.3. The effect of resilience on direct and indirect exporting**

It is not surprising to find resilience being significantly associated with exporting. This result echoes prior conclusions that exporters are typically resilient business operations (Eppinger et al., 2018; Nakatani, 2017). The complex nature of internationalisation effectively warrants resilience if firms are to survive in foreign markets (Gunasekaran et al., 2011; Rahman and Mendy, 2019). To be sure, 9.5% of the SMEs [51 out

of 535] in the sample reported direct exports between 20 and 100% of their total sales, while only a paltry 2% [11 out of 535] recorded any indirect export activity in the region of 10 – 40% of total sales. Hence, as previously articulated, the more resilient Moroccan SMEs are, the less likely they will rely on middlemen for their export operations. Onjewu et al. (2022) maintain that resilience is an ingredient for SMEs' flexibility and ambidexterity, and this bodes well for venturing into foreign markets where there is added uncertainty (Lafuente et al., 2019). Likewise, Gunasekaran et al. (2011) believe that resilience is a necessary attribute for SMEs to be adaptable, responsive and competitive in international markets. An original insight arising from this inquiry is that the quality of resilience ostensibly supports direct exports through self-selection more than indirect exports through learning-by-doing. In the first path of self-selection, internationalising through direct exporting means that firms have overcome the pitfalls of sunk costs (Haddoud et al., 2021b), after which they would actualise their foreign market entry (Monreal-Pérez et al., 2012). In the second path of learning-by-doing, internationalising through indirect exporting means that firms 'dip their toes' into international markets, usually with the support of middlemen, to accumulate knowledge before assuming the resources to export independently (Van Beveren and Vandebussche, 2010). For Moroccan SMEs, the results clearly show that self-selection manifests through direct exports ( $\beta = 0.22^{***}$ ), while learning-by-doing that is likely to occur through intermediaries diminishes indirect exports ( $\beta = -0.08^*$ ). The apparent disposition towards self-selection over learning-by-doing in this context is commensurate with Haddoud et al.'s (2021b) suggestion that the former is likely to occur first. Moreover, the negative influence of resilience on indirect export performance can be comprehended in this way: when SMEs are resilient, they possess valuable market access information that would otherwise be held by intermediaries offering support for indirect exporting. Thus, by virtue of leveraging this valuable market access information as an intellectual resource, SMEs become less and not more reliant on intermediaries for indirect export performance. This conjures the incidence of disintermediation [described as the bypassing of intermediaries] hinted by Houghton and Winklhofer (2004).

#### 5.4. Contributions to theory

The study makes four main theoretical contributions. First, it extends the export intensity literature and connects the institutional voids theory, the resource-based view and strategy-creation view, as well as the self-selection vs learning-by-doing hypothesis (Golovko and Valentini, 2014) in the context of the COVID-19 pandemic. These theories effectively explain the interactions of government support, bureaucracy, resilience and export activities, as SMEs are more likely to adopt a bundle of routines rather than develop resources during crisis and uncertainty (Furr and Eisenhardt, 2021). Thus, novel relationships between (a) government support and perceived bureaucracy, (b) government support and resilience and (c) bureaucracy and resilience have been conceptualised and tested to demonstrate their effects on SMEs' export intensity during the COVID-19 crisis. Indeed, and to the best of the authors' knowledge, scholars have yet to separate these variables to determine their discrete effects on SMEs' export intensity during COVID-19. The findings of this study will therefore enrich the export literature and add to the body of work on the role of government support on SME performance and internationalisation.

Second, light is shed on the crucial role of bureaucracy on SME's development of resilience in fragile contexts during a crisis. Extant studies have suggested that the shortage of public support in settings with weak institutions poses significant challenges for SMEs' operations and performance (Peng and Heath, 1996; Peng, 2003; Amankwah-Amoah et al., 2021). Demonstrating that government support during crises enhances bureaucracy and that this in turn facilitates SMEs' resilience is unprecedentedly unique and insightful. This adds a contrary perspective to the extant literature that broadly suggests that

bureaucracy is an impediment to SMEs and limits their ability to undertake value creation activities (Ando et al., 2020; Binyaminov, 2021). Therefore, the present study advances the literature by demonstrating that, in contexts of institutional voids, bureaucracy would nurture SMEs' crisis resilience. The bureaucracy of government support provides a mechanism for such firms to survive and sustain performance during crisis. This extraordinary finding has fathomed Kahn et al.'s (2018: 510) puzzle that 'what scholars have not yet conceptualised is how synchronisation occurs during sustained adversity and shapes organisational resilience'. The current evidence suggests that synchronisation occurs through bureaucracy to attain resilience.

Third, this study is one of the first to review the correlations of government support, firm-level bureaucracy and resilience using crisis time data. This precedent will inform comparative works in other country and sector contexts. Building on Onjewu et al.'s (2022) recent examination of Italian manufacturers' resilience – exporting nexus, this study advances measurement specificity by assessing export performance as a multi-dimensional rather than composite construct. Such empirical specificity reduces the underestimation of correlations (O'Mara et al., 2006). By the same token, appeals for new evidence on resilience and internationalisation by Lafuente et al. (2019) and Rahman and Mendy (2019) have been acceded. Likewise, the determination that resilience developed through government support and bureaucracy facilitates more of direct than indirect exporting is instructive. This extends both the resilience and exporting corpus.

Finally, the notion of integration and a fresh strategy creation perspective has been used to explain Moroccan SMEs being resilient not in spite but because of tolerating the bureaucracy of government support. Moreover, by assessing definitive COVID-19 evidence, this paper is one of the first to evaluate crisis time export intensity in Morocco. In doing so, it offers a more comprehensive understanding of how SMEs develop resilience through government support and bureaucracy to yield export intensity in developing countries' context with institutional voids. It is now clear that resilience as an attribute would stimulate export intensity in Morocco and, possibly, countries in north Africa with a similar socioeconomic profile.

#### 5.5. Contributions to practice

The study has pertinent implications for SME owners/managers operating in Morocco and North Africa. First, Moroccan firms are unequivocally encouraged to obtain government support as it augurs well for their resilience. Specifically, SME owners/managers can reflect on these findings to behold the positive knock-on effect wielded by government support on their integration with public institutions, strategy creation capacity and export performance. Resilient SMEs are arguably more productive and will increase their export intensity through self-selection. The Ministry of Economic Inclusion, Small Business, Employment and Skills can appropriate the findings to sensitise SMEs and drum up greater uptake of government support. Every resilient and thriving business in Morocco and North Africa is a victory for long-term peace and security in the region. Although, the impact of COVID-19 has revealed frailties among North African exporters, the findings show that SMEs will benefit from a positive outlook towards bureaucracy and access to government support. Thus, this study is a guide to SMEs in northern Africa on how to expand export intensity by understanding the role of resilience driven by government support and bureaucracy.

## 6. Conclusion, limitations and future research

In summary, Morocco's COVID-19 emergency fund has been found to amplify the resilience of SMEs in the manufacturing, retail and service sectors, even with the inconvenience of expending owners/managers' valuable time. In fact, managers' time dedicated to handling government related tasks is firms' time well spent. As in other contexts, the take-up rate of government support among SMEs is below average (only

36.6% in the sample), as owners/managers are possibly put off by perceptions of public assistance being an avoidable ordeal. Yet, the findings clearly show that Moroccan SMEs increase their chances of withstanding the crisis when they access government support. This culminates into a degree of resilience that leads to firms favouring a direct mode of internationalisation over indirect alternatives.

Despite the substantial contributions of the study, a few limitations are acknowledged. First, this inquiry is only a single country study, therefore the results may not be applicable in neighbouring countries such as Egypt, Tunisia, Libya and Algeria. Interested researchers are invited to replicate the theoretical and path model for comparison and validation farther afield. In addition, the study is cross-sectional to the extent that the links in the path model are merely associations rather than causal relationships. Hence, future papers can take more longitudinal and qualitative approaches that may prove causation and, likewise, address issues of endogeneity. The measures in the study are also single item questions whereas latent constructs may be preferred to capture the inherent attributes in a more holistic manner. New studies can remedy this, and also consider continuous scales to assess different forms of government support and their likely distinctive effects on resilience. Finally, there is empirical room to investigate how SMEs' resilience yields outcomes beyond internationalisation. Particularly, Amankwah-Amoah (2021) notes the prevalence of 'CoviNovation' as firms reinvent their operations and market offerings to adapt to the pandemic. Thus, upcoming articles can model resilience as a predictor of product and process innovation among North African SMEs.

#### CRedit authorship contribution statement

**Adah-Kole Emmanuel Onjewu:** Conceptualization, Data Curation, Writing - Original Draft, Writing - Review & Editing, Investigation, Validation, Formal Analysis, Methodology, Software. **Richard Benonbe-isan Nyuur:** Writing - Original Draft, Writing - Review & Editing, Supervision, Resources, Project Administration. **Femi Olan:** Methodology, Investigation, Resources, Supervision, Writing - original draft. **Salima Paul:** Supervision, Conceptualization, Writing - original draft, Writing - review & editing. **Ha Thanh Truc Nguyen:** Conceptualization; Writing - Review and Editing.

#### Declaration of Competing Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

#### Data availability

Data will be made available on request.

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